

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
270 Washington St., S.W.
Atlanta, Georgia
June 6 and 7, 2006**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, June 6, and Wednesday, June 7, 2006, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent J. Timothy Shelnut, called the meeting to order at 1:00 p.m. on Tuesday, June 6, 2006. Present on Tuesday, in addition to Chair Shelnut, were Vice Chair Patrick S. Pittard and Regents Hugh A. Carter, Jr., William H. Cleveland, Michael J. Coles, Robert F. Hatcher, Julie Ewing Hunt, Felton Jenkins, W. Mansfield Jennings, Jr., James R. Jolly, Elridge W. McMillan, Doreen Stiles Poitevint, Willis J. Potts, Jr., Wanda Yancey Rodwell, Benjamin J. Tarbutton III, Richard L. Tucker, and Allan Vigil.

The Director of Administration and Compliance Policy, Mark Demyanek, gave the Regents and audience a briefing of basic safety information in the event of an emergency.

REMARKS FROM THE CHANCELLOR

Chancellor Davis greeted the Regents and said that he hoped the morning workshop on board governance had been a worthwhile endeavor for them. As he had stated previously, his goal is to work with the Chair to structure these meetings and issues management in ways that respect the Regents' time and help them focus on the larger picture and policy issues that must be addressed. He said that he hoped this morning's session was illuminating and informative and will strengthen the Regents' service to the University System.

The Regents would have a very full agenda over the next two days. They would be discussing a number of issues with long-range policy implications. Specifically, the Chancellor called the Regents' attention to a revised interim capital process as they move toward a longer-term strategic process for facilities needs. The Vice Chancellor for Facilities, Linda M. Daniels, and the Director of Planning, Alan S. Travis, would be briefing the Regents at this meeting. Also, the Associate Vice Chancellor for Planning and Policy Analysis, Cathie Mayes Hudson, would present data on enrollment trends and implications. These two items – facilities and enrollment – should be considered as a single issue for policy and planning purposes, explained Chancellor Davis. Some of the data Dr. Hudson would share regarding enrollment trends would highlight the Board's planning challenges. One point that she would be making is the degree to which University System enrollment is dependent upon the high school graduation rate in Georgia, and the number of Georgians earning

a high school diploma depends greatly on the academic preparation throughout K-12. One means of assessing how well students learn is the Criterion-Referenced Competency Tests (“CRCT”). The state has set higher standards for 19 of the 36 tests, and the 2006 test scores indicate two things:

1) students show improvement in the 17 unchanged tests, and 2) on the more rigorous tests, scores reflect the increasing challenge posed by asking students to clear a much higher bar. This is to be expected, the Chancellor said. When the Board of Regents raised admissions requirements in the University System in the mid 1990s, students did not automatically clear the higher bar. Over time, however, they did meet the higher expectations, and today, more students enroll in the System better prepared academically. Whenever expectations are raised, an initial drop in student scores is anticipated, he said, but after students adjust to the higher expectations, then performance improves. The pattern is predictable. So, the Regents applaud the Georgia Department of Education’s efforts to increase expectations for K-12 students. The long-term result will be students better prepared to graduate from high school, enroll in college, and, ultimately, earn a degree. The University System will then be able to direct some of the resources presently devoted to learning support to other areas of need.

Chancellor Davis also noted several other items on the Board and Committee agendas. The Vice Chancellor for Fiscal Affairs, William R. Bowes, would report on the Guaranteed Tuition Plan’s working group and the resolution of most of the outstanding issues related to the new tuition policy. On Wednesday, President Daniel W. Rahn of the Medical College of Georgia would present an overview of the findings and recommendations from the Health Professions Task Force that the Board appointed in September 2005. The task force would make the case for a System-level approach to meeting the state’s needs in the health professions.

Also on Wednesday, the Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel, would update the Regents on current and future activities and plans related to the Board’s legislative and other funding partnerships. Chancellor Davis stated that these partnerships are crucial as the Regents move forward with fiscal year 2008 budget planning. Finally, the Regents would elect a board Chair and Vice Chair for the upcoming year.

In closing his introductory remarks, the Chancellor expressed his appreciation for Chair Shelnut’s leadership during a year of transition and remarked that he had provided excellent leadership during his term.

ATTENDANCE REPORT

The attendance report was read on Tuesday, June 6, 2006, by Secretary Gail S. Weber, who announced that Regent Donald M. Leebern, Jr. 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 May 16 and 17, 2006, were unanimously approved as distributed.

SALUTE TO REPRESENTATIVE BOB SMITH

Chair Shelnut called upon the Chancellor to introduce a special guest at this meeting.

Chancellor Davis said that when his appointment as Chancellor was announced, he heard from many Georgians, but the first legislator who called him was Representative Bob Smith. It was clear from that first phone call that Representative Smith had a deep interest in and passion for the University System of Georgia. It was while sitting in one of his subcommittee hearings that the Chancellor and his staff had the idea for the System's newest nursing initiative. Representative Smith spoke so passionately about the need that exists in Georgia for nurses that the team thought that it was the System's responsibility to meet the very sound challenge he raised. It is clear that Representative Smith wants Georgia to have a university system that ranks at the very top of its peers. But more importantly, he wants – as the Board does – a university system that is responsive, efficient, and dedicated to serving students and producing great graduates. He serves as the chair of the Higher Education Appropriations Subcommittee in the Georgia House of Representatives, where he works diligently on behalf of Georgians and their higher education needs. The Representative is keenly aware of those needs as a customer of the University System. Representative Smith is an alumnus of the University of Georgia ("UGA"), and two of his and his wife's, Laura's, children are enrolled in University System institutions. Robert Smith will graduate from the Georgia Institute of Technology ("GIT") this December, and Matthew Smith is a rising junior at UGA who has just been accepted into UGA's prestigious Arch Society. The third and youngest of the Smith family, Shearron, is a rising senior at Oconee County School. While she is unsure of her college plans, Representative Smith says there is no question that she will attend. On behalf of the Board and the University System, the Chancellor said that he appreciates Representative Smith's dedication, commitment, and passion for public higher education. He asked the Regents to join him in welcoming Representative Bob Smith.

Representative Smith thanked the Chancellor and remarked that the Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel, does a fabulous job educating the legislature about higher education. He said that his oldest son is majoring in Architecture at GIT, though his younger son is going to UGA, where he and his wife went to college and his daughter plans to go to college. Representative Smith recommended *The World Is Flat: A Brief History of the Twenty-First Century* by Thomas L. Friedman and other books to the Regents. He listed a number of concerns and initiatives related to higher education and economic development in the State of Georgia, nationally, and internationally. He applauded the Chancellor and the Regents for their focus on accountability and their efforts to attract economic development opportunities like the federal bio- and agro-defense facility to Georgia. He said that he was very proud of the Governor's legislative budget package. He

asked the Regents to get to know their legislators and said that he looked forward to working with them in the next legislative session.

Chair Shelnut thanked Representative Smith for his enthusiastic comments and continued support of the University System of Georgia.

PRESENTATION ON DARTON COLLEGE

Chair Shelnut next called upon President Peter J. Sireno to make a special presentation on Darton College (“DC”).

President Sireno greeted the Chancellor and Regents. He noted that DC is the second largest two-year college within the University System of Georgia with an enrollment of almost 5,000 students. DC has grown 63% over the past six years and attributes its growth to a commitment to being responsive to the existing and emerging needs of its students, business industry, and the communities it serves. As the allied health career education center of South Georgia with 12 allied health programs and an Associate Degree in Nursing program, and as a leader in information and instructional technology, DC collaborates with sister institutions and healthcare organizations throughout the state.

President Sireno’s remarks focused on DC’s involvement in distance education. He noted that DC has always understood the importance of utilizing technology to increase access to the college and to increase the efficiency and effectiveness of its administrative efforts. Additionally, and in many ways more importantly, DC uses technology as a tool to improve teaching and learning. Since 1993, the college has aggressively pursued distance learning technologies and external funding to support the development of online courses, video streaming, video conferencing, and the incorporation of technology into its traditional classrooms. President Sireno said that the quality of DC’s technology and its technology-based distance learning programs has contributed to its success in securing outside funding.

DC’s use of technology and technology-based distance learning has earned us the designation of one of the top ten digital colleges in an urban classification or category in the nation – ranked tenth in 2004 and sixth in 2005 – by the Center for Digital Education in collaboration with The American Association of Community Colleges. DC’s distance learning programs have also been recognized by The National Council of Instructional Administrators and the United States Distance Learning Association.

Using the preliminary figures for this summer semester, President Sireno reported that nearly 45% of the classes DC students have selected are in distance learning and off-campus programs and just a little more than 36% of those are online courses. Each semester, at least one-third of DC students take a distance learning class. While DC’s enrollment increased by 44% in the last five years, the distance learning classes taken by students have increased by 475%.

An example of DC responsiveness to the needs of business, industry, and its communities can best be shown by how the college has utilized its distance learning technology to address the state's critical needs in nursing, allied health, and teacher education. Although there is a critical need for nurses across the state and around the country, nowhere does the shortage hit harder than in rural hospitals. In response to requests from community hospitals, DC now operates nursing programs at four locations. The main campus is in Albany with satellite sites located in Americus, Colquitt, and Thomasville. For three years prior to approval of its own nursing program, DC delivered its associate degree registered nursing program to Bainbridge and helped Bainbridge College develop its own program. During those three years, 89 students earned nursing degrees through DC's Bainbridge satellite program. This fall, at the request of President John Black and with the support of an Intellectual Capital Partnership Program ("ICAPP[®]") grant, DC will start a nursing satellite program at East Georgia College in Swainsboro. All of DC's satellite programs combine video streaming, video conferencing, and online classes with face-to-face instruction as well as clinical instruction in local area healthcare facilities.

Because of DC's strength in nursing and technology, the U.S. Department of Labor awarded the college a \$2.48 million workforce development grant to develop the nation's first generic online nursing associate degree program. The Georgia Board of Nursing recently approved the program, which is designed to maximize flexibility for completing the classroom component of the nursing courses and to allow for flexibility in scheduling of clinical assignments.

President Sireno noted that the nursing program at DC was one of the first to begin using PDAs with its nursing students. Instead of carrying a heavy load of reference books to the hospital, students now download all of the information into their PDAs and actually have more up-to-date information than they did with the textbooks. They are also using specialized PDAs called Admin RXs that hospitals and doctors are using to maintain patient medication and treatment records.

DC also offers several of its allied health programs online. In collaboration with sister institutions through its Rural Technology Initiative, DC offers its Medical Laboratory Technology ("MLT"), Histologic Technology, Health Information Management, and Respiratory Care programs in Barnesville, Rome, and Waycross. In collaboration with hospitals, these programs are also offered in Columbus, Americus, Valdosta, and Atlanta.

President Sireno stated that DC offers the state's only online addictions counseling certificate program. Kennesaw State University's social work undergraduate and graduate students are taking DC's online courses to help qualify them for addiction counseling certification.

One of the unique features of such online programs is their cost-effectiveness, he explained. By DC's collaborating with its sister institutions and hospitals, such programs are offered without incurring the start-up costs, laboratory expenses, learning resource expenses, professional membership fees,

and accreditation expenses normally incurred.

As an example of the quality of DC's online coursework, President Sireno reported that last year, one of the graduates of the MLT collaborative with Georgia Highlands College earned the highest score in the nation on the first quarter board certification examination. This was also the highest score in the 30-year history of the DC MLT program.

The third area of critical need DC is addressing with distance learning is teacher education. Although it is a two-year college, because of its strength in technology, three years ago, the Georgia Professional Standards Commission ("PSC") and the Georgia Department of Education ("DOE"), as part of the Title II Georgia Teacher Quality Enhancement Program, asked DC to develop online coursework in mathematics and science to teach to middle grades teachers to help them become certified in math and science. To date, DC faculty have taught over 900 middle grades teachers, and the courses DC developed have been taught to another 2,000 middle grade teachers through its servers by other institutions, school systems, and regional educational service agencies ("RESAs"). Because of its work with the PSC and the DOE, the Southern Regional Education Board ("SREB") contracted with DC to provide online courses for its 16 state online consortium mathematics series designed to prepare teachers in math. President Sireno noted that two other colleges selected by the SREB were Old Dominion University and the University of West Virginia. Earlier this year, the PSC and the DOE again requested that DC develop online coursework in math, science, and language arts for special education teachers in the state.

In addition to addressing the critical need areas in nursing, allied health and teacher education, DC works just as hard to deliver programs that impact smaller geographic areas and in some cases a single company. For example, in partnership with the Cooper Tire and Rubber Company ("Cooper"), DC established an online cohort management degree program designed to maximize success in Cooper's rotating shift environment and to assist in the development of a career ladder within the Albany plant. DC also developed the District 8-2 Public Health website and online professional development courses for the allied health professional staff. DC is also assisting the Southwest Georgia Cancer Coalition with its distance learning projects and other technology activities.

President Sireno said that DC currently offers 18 associate degrees programs online; 40 additional degree programs have more than 80% of their courses online. What makes DC's online courses unique is that they are highly interactive, address multiple learning styles, and contain multimedia. DC courses are accessible to low bandwidth dial-up connections, and its student success rates are monitored to ensure students are receiving quality instruction. All DC healthcare programs provide didactic professional coursework online through rich multimedia, interactive courseware, while the clinical placements and laboratory components are taken in the local community. He showed the Regents a brief video clip streamed to the MLT safety technique Web page. This Web page contains some traditional material about glove removal and the importance of the procedure; however, the most effective way to show this is with the small streaming video showing the actual procedure. The

video was created using methods that ensure the video will stream at low bandwidth connections ensuring that the most rural citizens can successfully receive the material.

DC continues to seek outside funding for instructional technology and distance learning applications as it works toward putting all of its degree programs online. At the same time, DC's information technology staff is working with emerging technology that can improve teaching and learning.

For the past two years, DC has been working with three-dimensional ("3D") technology applications for its traditional classroom and distance learning courses. President Sireno showed the Regents a slide to give them an idea of how useful it can be in teaching online healthcare courses. The 3D technology provides a greater understanding of the human body and its functions than does any two-dimensional application and is being incorporated into DC's online nursing program using a virtual model of the human body. He invited the Regents to see a more developed 3D concept after this meeting in Room 7004, where DC's information technology staff had set up a 3D model of the human heart.

In closing, President Sireno said that DC has emerged as a leader in distance learning and technology because of faculty and staff that have been willing to embrace technology as a tool for teaching and learning. However, it has taken a dedicated team of information technology professionals and considerable external funding over the last ten years to bring the college to this point.

Seeing that there were no questions for President Sireno, Chair Shelnut thanked him for this very interesting presentation. At approximately 1:50 p.m., Chair Shelnut called for a brief recess so that the Regents might see the 3D demonstration.

PRESENTATION: ENROLLMENT TRENDS AND IMPLICATIONS

At approximately 2:00 p.m., Chair Shelnut reconvened the Board meeting and called upon the Associate Vice Chancellor for Strategic Planning and Policy Analysis, Cathie Mayes Hudson, to provide important information that would have significant policy implications for the University System of Georgia as the Regents determine its future course.

Dr. Hudson discussed some of the most important factors that affect enrollment in the University System as a preface to the strategic planning efforts that will occur in fiscal year 2007. She showed the Regents a chart that showed how the fairly significant enrollment growth that started in the late 1990s has slowed somewhat, but growth still continues. Continued growth is dependent on many factors. Enrollment is driven by population changes and by where in the state the population grows and declines. It is also driven by the number of Georgia high school graduates, which in turn is determined by both the population and the high school graduation rate. The college-going rate is an important factor in enrollment planning.

Sound enrollment planning depends on the quality of the planning assumptions, explained Dr. Hudson. At this meeting, she shared data on population in Georgia. Demographers are fairly confident that the population projections for Georgia show continued strong growth. She did not present additional data on the college-going rate, she explained, because it appears stable. The University System gets 48% of all high school graduates the year following their high school graduation. The overall college-going rate of Georgia high school graduates is 59%, placing Georgia sixteenth in the nation in college attendance.

Regent Hunt asked for clarification about the percentage of high school graduates that attend college.

Dr. Hudson explained that 48% of all Georgia high school graduates enroll in the University System of Georgia the year following their high school graduation, and 59% attend some form of higher education, either in the System, at private colleges, in the Department of Technical and Adult Education (“DTAE”), or out of state. Following the population data, Dr. Hudson presented data on the projected number of high school graduates and the high school graduation rate. While she expressed confidence in the population projections, she explained that it is harder to predict the number of high school graduates and the high school graduation rate, and those are key elements of System planning for the future.

Regent Hunt asked whether Georgia enrolls many students from outside Georgia.

Dr. Hudson responded that Georgia enrolls about as many students as it loses to other states.

Regent Hatcher asked whether these statistics included private high school graduates.

Dr. Hudson responded that the statistics include both public and private high school graduates.

Georgia’s population grew by 26% between 1990 and 2000, reported Dr. Hudson. Only California, Texas, and Florida added more people than Georgia did. In terms of percentage growth, Georgia was the fastest growing state east of the Rocky Mountains. Georgia grew at twice the rate of the nation. The growth rate between 2000 and 2005 was estimated to be 11%, and again, that was twice the national rate. The rate should be around 6% over the next five years, with growth rates of 5% to 6% every five years through 2030. Dr. Hudson noted that Georgia is a relatively young state. The median age of the population is increasing, but it is lower than all but five other states. This means that the demands for education will be greater in Georgia than the overall population growth reflects, and this is one of the reasons that it is harder to predict the number of high school graduates in Georgia.

Dr. Hudson showed the Regents a map depicting the number of people living in Georgia in 2000 distributed by county. She noted that the size of the population of Georgia by county and by region is very uneven. The largest counties have at least 76,000 citizens. The smallest counties have fewer

than 6,000 people each. Between 1990 and 2000, the 20-county Atlanta metropolitan area grew by 39%. Two counties grew by more than 100% – Forsyth and Henry; 39 counties grew by more than 30%; and 8 counties lost population (most in Southwest Georgia). In the last five years, Georgia’s growth was even more concentrated in urban areas, primarily around metropolitan Atlanta and in Savannah. Thirteen counties grew at rates at or above 21%; some grew between 11% and 21%; and 34 counties, primarily along Georgia’s fall line, lost population between 2000 and 2005. Dr. Hudson said that if enrollment depended on population growth alone, it would be relatively straightforward to determine how many students there would be and from where students are most likely to come. For comparison purposes, she included a table with the Regents’ handout that showed the relative size of each institution and institutional growth over the last ten years. She explained that institutional growth depends upon many other factors, such as mission, but institutional size is affected by population growth.

Enrollment planning is more complicated than projecting population, Dr. Hudson said, because it depends on more volatile projections of the number of high school graduates. She showed the Regents a table projecting that the South will increase the number of high school graduates at a higher rate than other regions of the nation. Meanwhile, Georgia is expected to increase the number of high school graduates by around 39%, a growth rate that is almost four times the rate of increase in the nation. This assumes that the current high school graduation rate remains the same. So, the Board must also consider assumptions related to the high school graduation rate. Currently in Georgia, 55% of ninth graders graduate from high school in four years, compared to around 70% in the nation. This rate has changed over time, Dr. Hudson reported. For example, in 1990, the rate was 63%. If Georgia’s high school completion rate had been 75% for the last six years, and if nothing else changed, the University System of Georgia enrollment this past fall would have been about 306,000 instead of 253,000. The State Board of Education and State Superintendent Kathy Cox are working hard to increase the high school graduation rate, she said, but a great unknown is how much it will increase and how fast.

Next, Dr. Hudson showed the Regents a graph depicting the projections for high school graduates in Georgia through 2018. Assuming there is no change in the proportion of students graduating from high school, by 2018, there should be over 111,000 high school graduates, compared to about 80,000 this past year. That represents an increase of about 15% over the next five years, and 8% in the next five-year period. Nationally, the 2009 graduating class is projected to be the largest in U.S. history, with graduates from the early wave of the “baby boomlet.” In some states, the number of high school graduates will begin to decline following the end of the baby boomlet, but Georgia’s numbers will continue to increase after other states begin to decline because it is expected that migration into the state will continue.

In summary, Dr. Hudson stated that the Board of Regents has challenges ahead in planning for University System growth. Georgia’s population will likely grow at 5% to 6% every five years until 2030, and it is projected that the University System of Georgia participation rate will stay roughly

the same, at about 50%. The number of high school graduates will increase by about 15% over the next five years, or a rate that is about three times the population growth rate. The Regents will have more serious challenges in determining how much the graduation rate from high school will change and how many more students will be prepared for college. In short, the Board will need different views of the University System's future to take these projections into account. Growth is a given, but the projected size of growth is more volatile than in the past. Staff are currently working on updated enrollment projections for the System, and they will provide those to the Board in future months as Chancellor Davis begins the process of updating the strategic plan.

Regent Jennings asked Dr. Hudson whether the graduation rate includes private high schools.

Dr. Hudson replied that the graduation rate did not include private high schools, but the projected numbers did.

Regent Coles noted that the high school graduation rate has dropped from 63% to 48%.

Dr. Hudson agreed but said that it could rebound as dramatically as it has fallen.

Regent Coles said this was shocking considering the Georgia pre-kindergarten program has better prepared students from an earlier age.

Seeing there were no further questions, Chair Shelnut thanked Dr. Hudson for her informative presentation.

COMMITTEE ON REAL ESTATE AND FACILITIES, "COMMITTEE OF THE WHOLE"

Chair Shelnut next convened the Committee on Real Estate and Facilities as a Committee of the Whole and turned the Chairmanship of the meeting over to Regent Vigil, the Chair of the Committee.

Chair Vigil said that at this meeting, the Committee as a Whole would hear an informational item concerning the capital project prioritization process. The June Board meeting has historically been the time when the presidents presented their major capital projects request for Board consideration. However, the Regents have become concerned about the growing backlog of critical projects, and the existing five-year rolling priority list has not progressed as quickly as needed to address the System's strategic needs. Over the past several months, numerous discussions have taken place about the need for a new capital project process. At this meeting, the Vice Chancellor for Facilities, Linda M. Daniels, and the Director of Planning, Alan S. Travis, would present information on this process. The Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel, would begin the presentation.

Mr. Daniel explained that last August, Chair Shelnut identified capital projects funding as one of four

priorities during his term. Ms. Daniels has led the effort to review current processes and funding mechanisms and bring forward recommendations. In addition, she worked with the Governor and General Assembly to introduce and pass into law a new and additional capital project funding mechanism: the Georgia Higher Education Financing Authority (“GHEFA”). In February 2006, the Board of Regents approved new principles for capital priorities. At this meeting, the Regents would hear about an interim approach for fiscal year 2008 and an outline of the System’s long-term approach to capital needs. Mr. Daniel stressed the word interim. Chancellor Davis will be coming back to the Board in August 2006 for approval of the interim plan as part of the fiscal year 2008 budget. One concern expressed regarding the current capital priority process is that there is a sigh of relief from an institution when a project makes it on the list. This suggests to the staff an environment in which making the list has become the goal as opposed to engaging in a constant and ongoing assessment of priorities from a state, System, and institutional level. The University System of Georgia is not well served by a process that seems to suggest that once a project is on the list, System priorities will never change. System capital needs must be considered and identified in the context of a multi-year strategic plan, but on the way to that eventual change, this interim step, respects the current list, yet begins a journey of departure to a more strategic and timely response to state needs. In capital priorities as in many areas, the University System is moving toward an integrated, mission-driven process. If the institutional budgets are truly to be strategy-implementing documents, then missions must, and will, drive budgets. Mr. Daniel then turned the floor over to Mr. Travis.

Mr. Travis thanked the Regents for this opportunity to provide an update on the System capital program. Staff began this process in January 2006 with the introduction of new principles for capital resource allocation, and they continued through the spring with updates on the GHEFA state revenue bond legislation, the State construction manual, and the capital outlay authorized by the General Assembly in this year’s session.

During this time, staff have been working hard to develop a strategic, data-driven capital outlay model that will respond more effectively to University System and state needs. Although the staff had made good progress, the new approach was complex and would not be ready for full implementation in time to adopt a fiscal year 2008 budget at the August 2006 Board meeting. For that reason, this presentation was in two parts in reverse chronological order. Mr. Travis would begin with a preview of the new strategic capital model, which represents the long-term future of the University System capital program. Following this, Ms. Daniels would roll out the interim capital funding priorities for the coming fiscal year 2008.

Ms. Travis showed the Regents a photo of a bridge at Armstrong Atlantic State University as a visual metaphor to the topic of this meeting. He explained that the bridge serves not only as a conveyance between two wings of the Science Center, but it also has functional value as a student lounge and study area. Similarly, the staff were using the interim priority recommendations not only as a bridge from the traditional process to the new capital model, but also to add value by combining

elements of the traditional process with new strategic ideas and approaches to yield an optimal investment package for the coming fiscal year.

Mr. Travis said that at the core of the new strategic capital model, the essential character of the model is to guide and integrate the planning, funding, finance, and execution of all facilities capital investments strategically in a true multi-year program. Even though the Board currently has a five-year capital budget, it functions effectively as an annual cycle with inherent limitations. The most notable attribute of the new approach is that the General Obligation (“G.O.”) Bond funding stream will be allocated to institutions in a strategic model that is based on a planned level of annual G.O. Bond funding that is both consistent and sustainable. This allocation model will incorporate a blended analysis of present conditions and future needs and will be built upon a foundation of hard data enhanced with qualitative assessment. The staff will achieve a comprehensive capital program through the integration of G.O. Bonds with all other capital funding sources as well as the public-private venture and GHEFA finance methods. Although the modeled G.O. Bond funding target is in line with past state budgets, Mr. Travis stressed the need for an “accord” with the System’s state funding partners to both accept the concept of the strategic capital model and establish the appropriate level of planned annual capital outlay, including bonds and cash appropriations.

The strategic capital model has a series of key outcomes that Mr. Travis briefly explained. From the outset, a more predictable stream of G.O. Bond funding and allocation will allow staff to attain enhanced levels of planning and execution on projects that are funded fully or partially by G.O. Bonds. Within the model, there will be greater flexibility to plan, budget, and develop all types of capital projects at the right size, the right price, and most importantly, the right time. In short, the model will maximize the strategic value of all capital investment in the University System.

Even though the model promises great benefits, Mr. Travis said the Board will be traveling a two-way street to reach them. He summarized the Regents’ responsibilities with four key words. First was commitment to a strategic planning process and product that is far more robust, both at the System level and on campus. Second was investment in enhanced data and analytics for long-term planning and comprehensive decision support. Third was discipline to use funding and financing mechanisms that best leverage state appropriations even though these may not be the most convenient or expedient. Also, discipline is needed to build and work within a true multi-year capital program. Finally, there is a need for accountability with regard to the value and product of capital investment. It will be critical for the Board to demonstrate that each project in its capital program delivers the strategic results that originally justified its prioritization and funding. Mr. Travis then turned the floor over to Ms. Daniels.

Ms. Daniels said that the Regents were welcome to ask questions at this point or hold them for the end of the presentations.

Chair Shelnut asked whether the Board really knows on a year-to-year basis what the University

System of Georgia will receive in G.O. Bond funding.

Ms. Daniels said that the University System of Georgia has a legacy of a certain proportion (approximately 25%) of the total bond issue in the state. (The state's total bond issue varies, but has reached approximately \$1 billion annually.) So, the Board must try to ensure that its core academic needs are met by this approximately \$250 million and to use public-private ventures and the GHEFA funding model to provide the complementary projects. Staff have set some funding targets. The University System of Georgia needs approximately \$250 million in G.O. Bond funds, plus \$230 million in public-private ventures, \$50 million from GHEFA, and \$120 million in other cash, which totals \$650 million annually, or \$6.5 billion by 2020. Staff have begun discussions with elected officials. They will target \$250 million in G.O. Bonds based upon the model they are proposing, and they will hold themselves accountable to meeting that target. If they cannot, then they will have to adjust the other funding sources to meet the System's \$650 million annual capital needs.

In the months ahead, as staff work with the Chancellor and this Board on the overall strategic plan going forward, they will integrate in an iterative and systemic manner, the strategic capital funding model. In the interim, however, they must take a strong slate of capital projects forward this coming legislative session as part of the Board's August budget request. Ms. Daniels stated that staff recommend funding equipment for the three projects that were funded for construction (without loose equipment) in the 2006 session. This is in accordance with the traditional, tri-part major project funding cycle of 1) design funding in year one, 2) construction funding in year two, and 3) equipment funding in year three. These projects are due for their equipment funding, and staff propose to make those projects whole by requesting equipment for those existing projects.

Next, Ms. Daniels stated that staff recommend construction funding for the first four projects on the existing major capital priority list. These projects are all currently in design, funded by the investment of nearly \$5 million in state G.O. Bond funds from the previous session. The total construction cost of these projects is \$88.9 million, which includes construction cost escalation reflecting the rapid rise in the cost of construction materials and labor since these project were originally programmed and estimated for construction. She noted that this amount does not include the equipment cost for these projects, which staff will request in the following legislative cycle.

It is at this point that the plan diverges from the traditional capital list to focus on projects meeting critical strategic needs, explained Ms. Daniels. The status and characteristics of each project are different, but the projects are united by the fact that they have maximum consistency with the Regents' new principles for capital allocation. Each presents a solution to a critical System strategic need. On Wednesday, the Regents would hear from President Daniel W. Rahn of the Medical College of Georgia ("MCG") about the state's profound healthcare needs as he presents the findings of the Regents' task force on health professions education. It is not a coincidence that two of the System's three strategic priorities address healthcare education issues that cannot be adequately solved without capital investment. The first is the School of Dentistry at MCG. The need for this new facility is

well documented and has been presented to the Board before, said Ms. Daniels. The recommended partial design funds will provide a foundation for the institution to build upon as it seeks external funding leverage for this costly and significant project. The second is the Health Sciences Building at Kennesaw State University (“KSU”). This facility will not only help to alleviate KSU’s massive space shortages, but it will also allow KSU to “move the needle” rapidly in its efforts to meet the critical demand for nurses in Georgia. During the 2004-2005 academic year, KSU could accept only 224 of the 1,425 qualified applicants for its Bachelor of Science in Nursing program, and in any given semester, KSU only accepts about one of every six qualified applicants. KSU has the program resources and access to clinical space to quickly ramp up its nursing capacity and output with this new facility. This is what staff mean by maximizing the strategic value of the System’s capital investment. Ms. Daniels reminded the Regents that KSU has committed to bring private funding, an additional \$13 million, to leverage the requested for state funding. The third strategic priority is a new library for Georgia Gwinnett College (“GGC”), recently approved as the System’s thirty-fifth institution. Two years ago, the Regents placed an academic facility on the capital priority list to alleviate the crushing space shortages at the former Gwinnett University Center, now the GGC campus. In addition to space shortages, the institution has a new responsibility to establish a full-service library facility to meet Southern Association of Colleges and Schools (“SACS”) accreditation requirements. It is a challenge to accomplish accreditation in a timely manner, but this must be done to avoid negative ramifications for students who are reliant on financial aid.

Ms. Daniels reported that as always, staff are recommending full funding of the System’s major repair and renovation (“MRR”) needs, which will be approximately \$70 million. The difference is that staff will be requesting that half of the total be appropriated in cash rather than G.O. Bonds. She explained that cash is not only both the historic and most appropriate funding method for MRR investments, but also it will create extra bandwidth in the G.O. Bond package to allow the System and its funding partners to meet more long term capital investment needs.

Finally, staff will recommend a slate of minor capital projects to round out the fiscal year 2008 capital program. As they traditionally have, they will provide detailed recommendations on minor project priorities at the August meeting in the full fiscal year 2008 capital budget. So, in August, staff will be recommending \$250 million worth of capital investment funded by G.O. Bonds, along with an additional \$35 million of MRR funded with cash, for a total state capital outlay of \$285 million. Ms. Daniels noted that these totals are for facilities-related capital investments only. Items typically included in the Board’s G.O. package, such as the Georgia Public Library System, Georgia Research Alliance equipment, traditional industries, and other pass-through items are not included. She reminded the Regents that this is ultimately only one of the funding mechanisms that will support the System’s strategic capital model going forward. If the \$250 million G.O. Bond total looks familiar, she said it is not a coincidence; \$250 million is the annual target staff have modeled and presented to the Board in recent months for G.O. Bond capital investment to meet the System’s capital needs out to 2020. It is aggressive, but staff believe this model is achievable and doable based upon estimated future state G.O. Bond capacity.

Ms. Daniels said that at the August meeting of the Board of Regents, staff will be presenting the full detailed fiscal year 2008 capital budget for consideration, including the recommendations she had previewed at this meeting as well as a targeted slate of minor projects and hopefully the beginnings of a slate of projects for GHEFA funding consideration. She noted that the Regents will have to be flexible on the timeline for GHEFA projects due to the timing of the appointment of the GHEFA board and development of that program. Also, staff will roll out greater detail about the strategic capital model for Board consideration and endorsement. Prior to that, in June and July, staff will be engaging and involving the institutions in discussions of the details of the strategic capital model and how that is ultimately integrated with the System's strategic plan, to which the Chancellor has committed the next several months. As Ms. Daniels prepares for August, she will be communicating with presidents and Regents to make sure everyone understands the drivers and workings of the capital process. In closing, she asked whether the Regents had any questions or comments.

Regent Potts asked how big the existing major capital priorities list is in dollars.

Ms. Daniels responded that the existing list totals approximately \$800 million, prior to escalation for construction increases.

Chair Shelnut commented that there is no perfect system for handling major capital projects with limited funding but that the new process is far better than the previous process. He said that in the past, presidents would make brief presentations that the Regents would vote to add to the list. The proposed system seemed much better, and he thanked Ms. Daniels and her staff for their work.

Regent Carter said that in the old process, it took approximately five to seven years to construct a project. He asked how long it will take to get a building constructed in the new process.

Ms. Daniels replied that within the three-year planning model, it should take two to three years to construct a building once it has been approved.

Regent Hunt asked what will happen to the current major capital projects list.

Ms. Daniels responded that the needs that generated the existing list have not and will not go away. Those projects will go through the vetting process of the updated principles. Many of them will come forward but with more flexibility to have been updated since they were originally approved, given that some of them have been on the list seven or eight years.

Regent Hunt asked whether some projects would still be on hold seven or eight more years.

Ms. Daniels said that she did not think so. With the new model and the accord of the funding partners, the needs identified in the current list could be met within a five- to six-year planning

window. She stressed that although the list will be revisited, the merit of the projects is not being discounted. However, they do need to be prioritized based upon the changing conditions over time. She stressed that the projects on the existing list would not have been presented to the Board in the first place if there was not substance to their need. The list may be reordered somewhat, but overall, the majority of the existing projects will be funded in a shorter time period through the commitment of the funding partners and by bringing more leveraged funds to the table every year. The new process should meet not only these needs, but also needs that have not yet been identified. Ms. Daniels said that staff will be working with the presidents to meet their needs in a way that is more flexible and includes complementary funding to move the construction along more quickly to meet G.O. Bond funding needs in a shorter period of time. Moreover, the new process would accomplish \$1.5 billion in G.O. Bond-funded construction in six years, which is almost twice as much as would be done using the old process. The staff will work closely with the institutions in their master planning process and integrating those into a Systemwide perspective to ensure that the whole is greater than the sum of its parts in terms of payback to the state.

Regent Jenkins asked how the process of selecting major capital projects will differ from the previous process of having presidents make presentations and Regents voting on them.

Ms. Daniels responded that the Board will be voting on the projects as part of the proposed budget each year, but the project review process would move into a three-year cycle such that every three years, staff will vet the major capital projects and propose a three-year plan. So, the selection of projects would happen on the three-year basis instead of adding to the bottom of a list annually.

Regent Jenkins asked whether the projects would come to the Board for voting as a proposed list instead of the Regents hearing presidents' presentations.

Ms. Daniels replied that is the proposal.

Regent Hatcher asked from where the difference in funding from the current model to the \$1.5 billion will come.

Ms. Daniels responded that the combination of G.O. Bond funding, GHEFA funding, and public-private ventures will provide more funding than the current G.O. Bond funding model alone. She noted that the public-private ventures program currently provides about twice as much funding for construction as G.O. Bond funding.

Mr. Travis stated that the \$1.5 billion is the actual G.O. Bond fund investment over a six-year period. The increase is the difference between the major projects that exist on the current list and the total of all G.O. Bond-funded projects, including both major and minor projects. The total investment, including GHEFA and public-private ventures funding, is \$650 million.

Regent Hatcher asked whether the funding sources are not the same, regardless of how the Board selects capital projects.

Ms. Daniels replied that the Board has access to the same funding sources, but the new process sets goals and ways of meeting them.

Regent Hatcher asked whether the difference is which projects receive which kinds of funding.

Ms. Daniels responded that the proposed process is a response to the last three years of diminished state funding. The Board must present a package of proposed projects to the legislature that is more successful in gaining state funding that also has complementary funding from other sources.

Regent Jenkins asked Ms. Daniels to clarify how the projects will be selected under the new plan.

Ms. Daniels said that currently, the staff use a number of benchmarks, such as enrollment, existing square footage per full-time equivalent student, and course delivery, to ascertain whether an institution has an appropriate amount of space compared to its peers and its programming. Those same benchmarks will be used to make formal recommendations to the Board.

Regent Jenkins asked whether there is any incentive for the institutions to do fundraising to cover part of the construction costs.

Ms. Daniels said that there is and that this has been codified in the actual principles to be adopted.

Chair Shelnut asked whether there were any further questions or comments. Seeing there were none, he thanked Ms. Daniels for this presentation.

Ms. Daniels thanked her staff for their hard work on the proposed new process.

Chair Shelnut noted that the Executive Director of the Governor's Office of Planning and Budget, Shelley C. Nickel, was in attendance at this meeting. He also welcomed representatives from the Regents' Public Library Advisory Committee ("RPLAC") and asked the State Librarian, J. Lamar Veatch, to introduce them to the Board.

Dr. Veatch stated that 8 of the 12 members of RPLAC were in attendance at this meeting. They were Kathie Ames from Athens Regional Library System, Diana Ray Tope from Cherokee Regional Library System, Gail Rogers from Cobb County Public Library System, Melody Jenkins from Moultrie-Colquitt County Library, John Szabo from Atlanta-Fulton Public Library System, Steve Schaefer (Chair) from Uncle Remus Regional Library System, Richard Sanders from Hart County Library System, and Alan Kaye from Roddenbery Memorial Library.

Chair Shelnut thanked Dr. Veatch and the RPLAC members for their efforts on behalf of the Georgia Public Library System and said that the Board of Regents looks forward to working with them.

At approximately 2:50 p.m., Chair Shelnut 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, June 8, 2006, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent J. Timothy Shelnut, called the meeting to order at 9:00 a.m. Present on Wednesday, in addition to Chair Shelnut, were Regents Hugh A. Carter, Jr., William H. Cleveland, Michael J. Coles, Robert F. Hatcher, Julie Ewing Hunt, Felton Jenkins, W. Mansfield Jennings, Jr., James R. Jolly, Elridge W. McMillan, Doreen Stiles Poitevint, Willis J. Potts, Jr., Wanda Yancey Rodwell, Richard L. Tucker, and Allan Vigil.

Chair Shelnut thanked Regent McMillan for hosting a dinner for the Regents the previous night.

The Director of Administration and Compliance Policy, Mark Demyanek, gave the Regents and audience a briefing of basic safety information in the event of an emergency.

INVOCATION

The invocation was given on Wednesday, June 8, 2006, by Regent Doreen Stiles Poitevint.

ATTENDANCE REPORT

The attendance report was read on Wednesday, June 8, 2006, by Secretary Gail S. Weber, who announced that Regents Donald M. Leebern, Jr. and Benjamin J. Tarbutton III had asked for and been given permission to be absent on that day. Vice Chair Patrick S. Pittard would arrive shortly.

INTRODUCTION OF PRESIDENT-ELECT DAVID BRIDGES OF ABRAHAM BALDWIN AGRICULTURAL COLLEGE

Chair Shelnut asked the Chancellor to introduce the new President of Abraham Baldwin Agricultural College ("ABAC") to the Board of Regents.

Chancellor Davis said that the Regents are witnessing part of the cycle of change and renewal on the System campuses as they select new leadership. This month, it was his pleasure to introduce Dr. David C. Bridges, who takes up his new responsibilities as President of ABAC later this month. Dr. Bridges' bio had been provided to the Regents, so the Chancellor did not go into all of the details on

his background. Dr. Bridges' appointment was especially gratifying, as he represents part of the abundant leadership pool that exists in the University System of Georgia. While the Regents conducted a national search for this important position, in the end, they found the ideal candidate just across the street from the ABAC campus.

Prior to his ABAC appointment, Dr. Bridges was Assistant Dean and head of the Tifton Campus of the College of Agricultural and Environmental Sciences at the University of Georgia ("UGA"). Dr. Bridges is an alumnus of ABAC, where he earned an associate's degree in agricultural science in 1978 before going on to earn his undergraduate and advanced degrees. The son of a farmer and a teacher – the ideal training for his career – he grew up on a farm in Terrell County.

Regent Julie Hunt served as Chair of the Special Regents' Committee for the Abraham Baldwin Agricultural College Presidential Search. Also on this Committee were Regents Jolly and Carter. Mr. William Bowen, Chair and Chief Executive Officer of the Abraham Baldwin Agricultural College Foundation, Inc., chaired the campus-based presidential search and advisory committee. Chancellor Davis thanked everyone involved in the search process for their efforts and the great outcome of the search. He also recognized the service of ABAC's own Tom Call, who has served as the college's Interim President since September, 2004. The Chancellor remarked that Dr. Bridges has done an exemplary job in leading the UGA Tifton campus and he is eager to see the impact Dr. Bridges will have on ABAC. During the last five years, Dr. Bridges and other administrators have developed undergraduate and graduate instruction programs at the Tifton Campus, which is now home to research, teaching, and extension programs. He truly is an ideal fit with ABAC and will bring a level of knowledge, experience, and understanding to the college that will serve the institution and the state well. Chancellor Davis asked the Regents to join him in welcoming President-Elect Bridges.

President-Elect Bridges thanked the Chancellor and the Board for the privilege and the honor, as well as the confidence they have shown in selecting him as the tenth President of ABAC. He said that he is even more honored that he is the first President who is also an alumnus of the institution. His wife is also an alumna. He thanked Regents Hunt, Jolly, and Carter, as well as the campus search committee, for their support. He said that he could not be happier than to return to his alma mater and that he already has good plans for the institution. He also thanked President Michael F. Adams for the pleasure and privilege of serving UGA's College of Agricultural and Environmental Sciences.

TRIBUTE TO RANDALL THURSBY, RETIRING VICE CHANCELLOR FOR INFORMATION AND INSTRUCTIONAL TECHNOLOGY AND CHIEF INFORMATION OFFICER

Chancellor Davis recognized the Vice Chancellor for Information and Instructional Technology and Chief Information Officer, Randall A. Thursby, who was retiring after 35 years of service to the University System of Georgia. Mr. Thursby had a reception in May at the 191 Club, another event last week in Athens, and more accolades at this meeting. The Chancellor said that Mr. Thursby will

be sorely missed by many people in the University System of Georgia. As the Board saluted Mr. Thursby at this meeting, a slide show of photos covering his tenure in the System played in the background.

Since September 2000, Randall has served with distinction as the Vice Chancellor for Information and Instructional Technology. He has grown up in the System with technology and has guided the System along what can be a difficult path in terms of assessing technology trends and designing systems that not only meet current needs, but also are ready to accommodate future growth. Mr. Thursby has watched this University System grow and adapt. He has been one of the principal architects of that growth in the technology arena. As he retires, Mr. Thursby leaves a dynamic Office of Information and Instructional Technology (“OIIT”) staff, the majority of whom are housed in a state-of-the-art facility in Athens that Mr. Thursby guided from design to construction. He oversees a budget of \$50 million that touches the daily lives and work of every single employee and student in the System, as well as a significant number of Georgians as they access resources such as Georgia Library Learning Online (“GALILEO”). Mr. Thursby has done this while commuting from his home in Cochran, where he and his wife, Debra, have raised three children: Michelle, Daniel, and Melissa.

Chancellor Davis said that one of the things he has noticed about the University System as he has made his travels is the wealth of talent that exists. Mr. Thursby is a good example. He is a native Georgian hailing from Regent Poitevint’s home in Bainbridge. He attended Abraham Baldwin Agricultural College (“ABAC”) and is an alumnus of Augusta College, now Augusta State University (“AUSU”). That is where Mr. Thursby began his career in information technology, and he never looked back. He worked at AUSU and then moved in the 1980s to the University of Georgia (“UGA”), where he helped to create the organization that later became the Office of Information Technology, which became OIIT. Under his leadership, the System has been the beneficiary of such developments as GALILEO, the state’s electronic library; Georgia Interconnected Libraries (“GIL”), the library automation system; PeachNet, the first internet protocol-based network in Georgia; the BANNER student information system; and PeopleSoft. He was instrumental in the early days of the development of both the student information reporting system (“SIRS”) and the curriculum inventory report (“CIR”), and more recently in the evolution and transformation of those early data collections to the University System’s data warehouse. He also has overseen the fiber project, which will take the System to the next communications level. We presently have 26 campuses connected on the fiber network. As a planner, he guided the initial development and later updates of technology strategic plans for the System.

Chancellor Davis said that Mr. Thursby will also be missed because of his great sensitivity to people. People are the lifeblood of this System, and he has a well-deserved reputation for his ability to connect with, mentor, guide, and lead people. He understands how important it is to nurture staff and help individuals grow and develop in their responsibilities. In May, Regent Tucker said, “If you are leading and no one is following, then you’re just out for a walk.” Mr. Thursby has never been just out for a walk; behind him have been many, many individuals, eager to work and who share his

tremendous passion for this System and the people that make things happen. The Chancellor said that he and Mr. Thursby share a common trait in that they do not really like retirement. Chancellor Davis said that he gave it a week before realizing he likes working. Mr. Thursby is immediately beginning work to help another university system untangle a technology issue. The Chancellor noted that the other system called Mr. Thursby, which is a testament to his national reputation for technology planning and problem solving. He asked Mr. Thursby to join him at the podium. On behalf of the Board of Regents, Chancellor Davis presented Mr. Thursby with a certificate of appreciation for his years of service with the University System.

Mr. Thursby thanked the Chancellor and the Regents. He said that it was a wonderful 35 years in the University System of Georgia. For a first-generation college student coming from Bainbridge, he said it means a lot. He enjoyed his college years at ABAC and AUSU, and his work at UGA and in the University System Office. He thanked Regent Coles, who was the first Chair of the Committee on Information and Instructional Technology, and Regent Carter, the current Chair. He also thanked Regent Jennings, Vice Chair of the Committee. He also thanked the Assistant Vice Chancellor for Information Technology, Thomas L. Maier, and the staff of OIIT for their hard work and support.

Chair Shelnut thanked Mr. Thursby for his service to the University System of Georgia and wished him well.

PRESENTATION: TASK FORCE ON HEALTH PROFESSIONS EDUCATION

Chair Shelnut introduced President Daniel W. Rahn of the Medical College of Georgia (“MCG”), who would discuss the recommendations about the University System’s role and strategic direction for health professions education. President Rahn headed the task force on health professions education, which the Board of Regents appointed in September 2005. At this meeting, he would update the Board on the work of the task force thus far.

President Rahn greeted the Regents and the Chancellor and thanked them for the opportunity to provide them with an overview of the recommendations resulting as a work of this task force. He reiterated that the Board had appointed the task force in September 2005 and noted that he had given the Regents a progress report in January 2006. The task force focused on the health workforce shortages that currently exist in the State of Georgia and projected future demand for health professionals across all disciplines. The task force was charged to identify programmatic strengths and educational gaps and to develop recommendations for the System’s role and strategic direction for health professions education. He noted that the full report of the task force had been distributed to the Regents. The full report outlines in substantial detail the issues, including population projections by region, health economics, profession-specific projections, and recommendations. The issues are very complex, he said, and there are no silver bullet solutions. The System will need multiple strategies and will need to capitalize on the diversity of its institutions, its geographic dispersion, and its unified governance.

The task force was comprised of 13 members, as follows:

- Dr. Linda Bleicken, Georgia Southern University
- President Frank Brown, Columbus State University
- Dr. Joan Darden, Darton College
- Dr. Barry Eckert, Armstrong Atlantic State University
- Dr. Barry Goldstein, Medical College of Georgia
- Kay Hampton, Coastal Georgia Community College
- Dr. Susan Kelley, Georgia State University
- Dr. Louis Levy, Valdosta State University
- Dr. Arnett Mace, University of Georgia
- Dr. Berlethia Pitts, Fort Valley State University
- Don Snell, MCG Health, Inc.
- Michael F. Vollmer, JD, DTAE

The liaison for the University System Office was the Vice Chancellor for Academic, Student, and Faculty Affairs, Frank A. Butler. The principle investigators were Dr. Valerie Hepburn, Associate Professor and Assistant Director of the Institute of Public Health at Georgia State University (“GSU”), Dr. Libby V. Morris, Professor and Graduate Coordinator in the Institute of Higher Education at the University of Georgia (“UGA”).

In a recent survey by the United Health Foundation in association with the American Association of Public Health, the State of Georgia presently ranks forty-third in the nation in a broad array of measures of health and wellbeing, including premature death rates, infant mortality rates, infectious disease rates, risk factors, and health insurance coverage. Some of these are public policy issues or behavioral issues that are not directly affected by the provision of direct health services, explained President Rahn. Nevertheless, the state lags in health indices across a very broad array. Moreover, the state has received poor grades in emergency care and trauma services due to workforce shortages. Shortages decrease access, increase costs, and negatively impact patient safety and wellbeing.

President Rahn stated that the health workforce also has a significant impact on Georgia’s economy: The healthcare industry is the fourth leading employer in Georgia, and eight of the fastest growing professions are in the health field. The health professions with significant shortages that the task force specifically focused on were nursing, clinical behavioral health professions, pharmacy, dentistry, allied health (including therapeutic and diagnostic services), medicine, and graduate medical education. He noted that the task force focused far less on dentistry because the University System of Georgia has only one dental school and the Board has already addressed its immediate strategy on this matter. The future of graduate medical education is statutorily enhanced on the public side of the Georgia Board for Physician Workforce, and the task force endorsed those recommendations. So, President Rahn would focus primarily on the other fields. Using nursing as an example, he

reported that the Georgia Department of Labor predicts a shortage of 20,000 additional registered nurses (“RNs”) by 2012 on top of the existing shortage of 9,000. The University System of Georgia last year graduated 1,900 students eligible to take the RN exam and the Department of Technical and Adult Education (“DTAE”) graduated 140 RN candidates last year. However, as many as 4,000 qualified students may have been turned away from nursing programs last year. President Rahn noted that the data are inadequate to determine the exact number of qualified applicants that public higher education cannot serve, but the gist is that there are excess qualified applicants. Also, the task force did not consider private higher education. He added that the full report includes similar analyses of the other health professions. Over the last five years, the University System of Georgia has focused on nursing and has made very substantial gains, rapidly increasing enrollment and graduation numbers. However, these numbers still fall significantly short of meeting workforce needs. At the same time, the System has put its own future at risk because of a decline in the number of graduates with the qualifications to be nursing faculty. In order to expand capacity, the System must have more faculty. In 2001, the System graduated approximately 1,300 students eligible to take the RN exam, which increased almost 50% to 1,900 by 2005. This is a very successful response to a statewide need, said President Rahn. However, to meet the projected need, public higher education needs to graduate approximately 3,000 students per year. The System and DTAE need another 50% increase to meet the projected need. So, the System has made substantial gains, but not adequate to meet anticipated shortages.

President Rahn next discussed clinical behavioral health needs. Georgia ranks virtually last in the nation in supply of clinical mental health professionals per population. The state needs an additional 850 psychologists and 700 clinical social workers by 2012. Last year, the University System of Georgia graduated 39 clinical psychologists and less than 100 clinical social workers. He noted that approximately 200 qualified applicants had to be turned away due to program limitations. In the field of pharmacy, the projections are that an additional 2,100 pharmacists are needed by 2012. UGA, which has the only public pharmacy school, is able to enroll and graduate approximately 130 pharmacists per year, but another 100 qualified applicants have to be turned away.

President Rahn discussed the key findings of the task force report. Workforce shortages are broad and deep, and demand is forecast to grow significantly. Georgia is growing, aging, and becoming more diverse, all factors which drive increased demand for health services and professionals. The University System and DTAE are responsible for educating the vast majority of Georgia health professionals. Current System and DTAE programs are operating at capacity. Additional qualified students could be served if public higher education could expand capacity. Faculty, facility, and financial constraints are limiting academic production. Moreover, competition with clinical employers is hampering faculty recruitment. So, as the shortages become deeper, the ability of the graduates to command higher salaries in the clinical setting competes with higher education’s ability to convince them to pursue additional training to become faculty. Moreover, better data are needed for planning and outcome measurement.

Next, President Rahn turned to the recommendations of the task force. He noted that there were 18 specific recommendations, including many subrecommendations. The recommendations fall into three general categories. The first category is System-level coordination. There are many successful efforts on many campuses, but coordination and accountability for health professions education should reside at the system level. Second, there needs to be a statewide strategic approach to the development, retention, and advancement of faculty. Third, there are many opportunities for integrated curriculum development and technology-enhanced educational delivery.

In the area of System-level coordination, the task force recommended that coordination and accountability for health professions education should reside at the system level. Planning and accountability should be both at the state level and responsive to local needs. Goals should be promoting innovation, streamlining planning, supporting coordination, avoiding duplication, monitoring outcomes, and rewarding performance. Finally, comprehensive, reliable data are needed to drive decisions and promote accountability.

President Rahn said that there are unique issues associated with health professions faculty. One of the main limitations nationally in the ability to produce needed health professions is the limited number of faculty. There needs to be a System-level strategic approach to develop policies related to faculty recruitment and retention in the health fields. Because faculty shortages are limiting educational capacity, a host of strategies must be considered to increase the number and diversity of qualified faculty. Efforts need to occur at the System level to protect quality and viability of all programs, which could be jeopardized if programs compete for a limited pool of faculty candidates. Particular attention should be given to educating, developing, and retaining health faculty.

The task force recommend that the System take a coordinated approach to assessing and promoting updated and integrated curricula and enhanced technology to deliver education. Because of the defined competencies that are associated with becoming eligible for certification or licensure in the health professions, President Rahn said these types of professional programs are particularly well suited to distance learning and technology-enhanced delivery. He said the System should establish an ongoing, rigorous process of curricular revision and enhancement to promote institutional collaboration and integrate new knowledge. Technology-based education should be used to expand offerings and clinical practice locations. Program linkages and nontraditional approaches should be nurtured. The System has a clear mandate, but it is only one of many partners who must work together to address the shortages. Institutions should work with licensing boards, businesses, K-12 systems, community leaders, and consumers on marketing health professions education, recruiting more diverse students, creating stronger linkages with middle and secondary education, and student financing options.

In summary, President Rahn said that the public's health is at risk and is dependent upon an adequate health professions workforce. Current and projected shortages are structural and cannot be addressed through short-term fixes. Current strategies are falling short of meeting current and

projected demand. The University System of Georgia is positioned to provide leadership in addressing Georgia's health professions workforce needs if decisive, sustained, coordinated action is taken. In closing, he asked whether the Regents had any questions or comments.

Vice Chair Pittard said that if the University System is not producing enough health professionals, then the State of Georgia must be supplying its health professions workforce shortages from outside the state. He also expressed concern about the state's ability to retain the health professionals that the System does produce and suggested scholarship or loan forgiveness programs. Third, he wondered whether the System could simply buy a strip mall and convert it into a health sciences educational facility and whether it would be able to hire enough faculty if it did so.

President Rahn responded to these concerns one at a time. First, with regard to the issue of outsourcing, he said that Georgia is indeed a net importer of health professionals, as is the nation. However, current shortages are still not being met. Most healthcare organizations are operating with current vacancy rates of 5% to 10% or more. In some areas, vacancy rates are as high as 20%. So, outsourcing is not satisfactorily meeting demand. He stressed that this is a national issue that must be dealt with domestically. The idea of using scholarship and loan forgiveness programs might also assist in meeting faculty needs. There are options to consider in not only encouraging health professionals to stay in the state, but also to pursue faculty positions. With regard to the strip mall approach, President Rahn noted that there are accreditation requirements. Moreover, the facility constraints of the issue are not as critical as faculty numbers and clinical placements, neither of which is addressed through facilities. He noted that the clinical issue can in part be addressed by leveraging distance learning technologies.

Vice Chair Pittard added that the timetable for building new facilities is incredibly long.

President Rahn stated that the System does not need policy or statutory changes. There are many things the System can do, but it will take resources and dedicated, sustained focus over an extended period of time.

Chair Shelnut asked what happens to the qualified applicants who are turned away due to program size constraints. He wondered whether they go to other states or into other fields of study.

President Rahn responded that the System can only track the students that actually enter the programs.

Chair Shelnut said it is a shame that there are qualified students being turned away when there are such workforce shortages in these healthcare fields.

President Rahn agreed and said this is why the System must focus its efforts on expanding health education capacity using a multitude of strategies.

Regent Jennings asked whether there is a method of communicating across the University System when there are health education programs that have vacancies to be filled.

President Rahn responded that there is probably not and this is why there needs to be a System-level focus so that the System can address this issue with a unified voice with the accrediting and licensure agencies. He noted that those organizations that are responsible for the certification and licensure of individually practicing health professionals and those that are responsible for accrediting health education programs focus on quality assurance. They are not concerned with increasing the numbers of health professionals. So, there must be a balance of increased production of health professionals and quality health education.

Chair Shelnut asked what is the most critical reason qualified program applicants are turned away.

President Rahn said it is a combination of faculty, facility, and clinical experience limitations. He reiterated that there is no silver bullet to fix this problem.

Vice Chair Pittard said that even if the System could attract and retain more faculty, it must still have the facilities space for the programs.

President Rahn responded that there are faculty vacancies that these programs are unable to fill in spite of having facilities space. Program accreditation requires certain student-faculty ratios, and a lot of the education happens in clinical settings.

Regent Tucker said that he serves on the board of a not-for-profit health system that has workforce shortages. He asked whether such systems would offer opportunities to educate health professionals in their facilities so that they provide the faculty in exchange to having access to the graduates.

President Rahn replied that there were many hospital-based programs in the past. However, the professions have mostly moved away from those programs mainly because of issues of educational quality. System institutions need to partner with healthcare organizations to determine whether there are interested qualified professionals on their staffs who can serve as faculty. Some of this goes on, but there probably are opportunities to expand these efforts.

Chair Shelnut asked whether the Board of Regents would be hearing future updates from this task force.

President Rahn responded that the task force has completed its charge to develop these recommendations.

Vice Chair Pittard said there are natural tactics that come from these recommendations. He said it is

important that this task force remain engaged.

President Rahn agreed and said that everyone on the task force feels that they have proposed recommended strategies so that the System can move into an implementation phase.

Chair Shelnut thanked President Rahn and the task force for the excellent work they did on this report and said the Regents look forward to their continued help. He then asked the staff for an update on the Associate Vice Chancellor for Human Resources, William H. Wallace.

The Senior Vice Chancellor for Support Services, Corlis Cummings, reported that Mr. Wallace had recovered from his surgery and would return to work in six to eight weeks.

At approximately 10:00 a.m., Chair Shelnut called for a brief recess. At approximately 10:15 a.m., he reconvened the Board meeting in its regular session and called for Committee reports.

COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs met on Tuesday, June 6, 2006, at approximately 3:00 p.m. in the Board Room. Committee members in attendance were Chair William H. Cleveland, Vice Chair Doreen Stiles Poitevint, and Regents James R. Jolly and Willis J. Potts, Jr. Chair Cleveland reported to the Board that the Committee had reviewed 16 items, 14 of which required action. Included in Item 12, 444 regular faculty appointments were reviewed and recommended for approval. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Revision of The Policy Manual, Section 403.02, Classification of Students for Tuition Purposes

Approved: The Board approved the revision of The Policy Manual, Section 403.02, Classification of Students for Tuition Purposes, effective fall semester 2007.

Background: In 2005, then Georgia Student Finance Commission (“GSFC”) Director Shelley C. Nickel requested that the Board of Regents, the Department of Technical and Adult Education (“DTAE”), and GSFC enter into negotiations to align residency and waiver policies within the State of Georgia. The Vice Chancellor for Academic, Faculty, and Student Affairs, Frank A. Butler, convened a committee of representatives from around the University System to review and revise Regents’ residency policy and fee waiver provisions.

Rationale: These revisions align Board of Regents policies with the residency policies of the other state agencies.

Understandings: The proposed revision of Section 403.02 constitutes a significant change to the previous policy. Please note that the proposed policy highlighted below will replace the existing policy in its entirety.

Previous Policy

403.02 CLASSIFICATION OF STUDENTS FOR TUITION PURPOSES

- A. (1) If a person is 18 years of age or older, he or she may register as an in-state student only upon showing that he or she has been a legal resident of Georgia for a period of at least 12 months immediately preceding the date of registration. Exceptions:
- i. A student whose parent, spouse, or court-appointed guardian is a legal resident of the State of Georgia may register as a resident, providing the parent, spouse, or guardian can provide proof of legal residency in the State of Georgia for at least 12 consecutive months immediately preceding the date of registration.
 - ii. A student who previously held residency status in the State of Georgia but moved from the state then returned to the state in 12 or fewer months.
 - iii. Students who are transferred to Georgia by an employer are not subject to the durational residency requirement.
- (2) No emancipated minor or other person 18 years of age or older shall be deemed to have gained or acquired in-state status for tuition purposes while attending any educational institution in this state, in the absence of a clear demonstration that he or she has in fact established legal residence in this state.
- B. If a parent or legal guardian of a student changes his or her legal residence to another state following a period of legal residence in Georgia, the student may retain his or her classification as an in-state student as long as he or she remains continuously enrolled in the University System of Georgia, regardless of the status of his or her parent or legal guardian.
- C. In the event that a legal resident of Georgia is appointed by a court as guardian of a nonresident minor, such minor will be permitted to register as an in-state student providing, the guardian can provide proof that he or she has been a resident of Georgia for the period of 12 months immediately preceding the date of the court appointment.
- D. Aliens shall be classified as nonresident students, provided, however, that an alien who is living in this country under an immigration document permitting indefinite or permanent residence shall have the same privilege of qualifying for in-state tuition as a citizen of the

United States.

Revised Policy

403.02 CLASSIFICATION OF STUDENTS FOR TUITION PURPOSES

A. United States Citizens

- (1) a. An independent student who has established and maintained a domicile in the State of Georgia for a period of at least 12 consecutive months immediately preceding the first day of classes for the term shall be classified as “in-state” for tuition purposes.

It is presumed that no student shall have gained or acquired in-state classification while attending any postsecondary educational institution in this state without clear evidence of having established domicile in Georgia for purposes other than attending a postsecondary educational institution in this state.

- b. A dependent student shall be classified as “in-state” for tuition purposes if either i) the dependent student’s parent has established and maintained domicile in the State of Georgia for at least 12 consecutive months immediately preceding the first day of classes for the term and the student has graduated from a Georgia high school or ii) the dependent student’s parent has established and maintained domicile in the State of Georgia for at least 12 consecutive months immediately preceding the first day of classes for the term and the parent claimed the student as a dependent on the parent’s most recent federal income tax return.

- c. A dependent student shall be classified as “in-state” for tuition purposes if a U.S. court-appointed legal guardian has established and maintained domicile in the State of Georgia for at least 12 consecutive months immediately preceding the first day of classes for the term, provided that appointment was not made to avoid payment of out-of-state tuition and the U.S. court-appointed legal guardian can provide clear evidence of having established and maintained domicile in the State of Georgia for a period of at least 12 consecutive months immediately preceding the first day of classes for the term.

- (2) a. If an independent student classified as “in-state” relocates temporarily but returns to the State of Georgia within 12 months, the student shall be

entitled to retain in-state tuition classification.

- b. If the parent or U.S. court-appointed legal guardian of a dependent student currently classified as “in-state” for tuition purposes establishes domicile outside of Georgia after having established and maintained domicile in the State of Georgia, the student may retain in-state tuition classification as long as the student remains continuously enrolled in a public postsecondary educational institution in the state, regardless of the domicile of the parent or U.S. court-appointed legal guardian.

B. Noncitizens

Noncitizens initially shall not be classified as “in-state” for tuition purposes unless there is evidence to warrant consideration of in-state classification. Lawful permanent residents, refugees, asylees, or other eligible noncitizens as defined by federal Title IV regulations may be extended the same consideration as citizens of the United States in determining whether they qualify for in-state classification. International students who reside in the United States under nonimmigrant status conditioned at least in part upon intent not to abandon a foreign domicile are not eligible for in-state classification.

A glossary defining the terms in the tuition classification policy can be found in the University System of Georgia Board of Regents Tuition Classification Guidelines Manual.

2. Assumption of Academic Responsibilities on the Blakely Site (Formerly Part of Albany Technical College in Early County), Bainbridge College

Approved: The Board approved the request of President Thomas A. Wilkerson that Bainbridge College (“BC”) be authorized to assume academic responsibilities for the Blakely site that was formerly part of Albany Technical College in Early County, effective June 7, 2006.

Understandings: At this Board meeting, the Committee on Real Estate and Facilities recommended the acquisition of real property located at 40 Harold Ragan Drive in Blakely, Georgia, for BC. (See page 70.) The legal details involved with this acquisition of real property will be handled by the Office of the Attorney General.

Abstract: The Blakely site, located in Early County, has been provided as a gift to BC from Albany Technical College and the Department of Technical and Adult Education (“DTAE”). In addition to assuming responsibility for the physical location, BC has pledged to hire faculty as appropriate, develop institutional operations, and provide select associate-degree programs and technical certificates of credit at the location. Academic programs to be offered at the site will be recommended for Board approval. The Blakely site, originally established in 1998, enrolls approximately 200

students who seek to complete certificates of credit. Below is a list of existing technical certificates that BC will offer on the Blakely site:

One-Year Certificates:

- Forest Technology
- Early Childhood Care and Education
- Criminal Justice Technology
- Electrical/Electronics Maintenance
- Industrial Maintenance
- Medical Office Technology
- Business Office Technology
- Computer Information Systems
- Applied Marketing and Management

Certificates of Less Than One Year:

- Certified Customer Service Specialist
- Certified Manufacturing Specialist
- Certified Nurse Assisting
- Office Accounting
- Low-Voltage Security Technician

Transfer of the site and operational responsibilities will become effective July 1, 2006. In essence, DTAE will transfer to BC the funding it now provides to Albany Technical College for the Blakely site. Below is an abbreviated list of the responsibilities that will be transferred from Albany Technical College to BC:

- BC will assume full responsibility and authority for the governance and administration of the Blakely site and its faculty, staff, and instructional programs.
- BC will receive approximately \$1,012,348 for personnel, operation, and maintenance of the site for fiscal year 2007.
- BC will receive approximately \$1,012,348 in future fiscal years through normal DTAE budgeting procedures.
- The Albany Technical College Foundation, Inc. will transfer funds to the Bainbridge College Foundation, Inc. for the Blakely site.
- Albany Technical College will transfer student government funds to BC for the Blakely site.

- Faculty and staff currently employed at the Blakely site will be employed by BC as of July 1, 2006, in accordance with the classified personnel policies of the Board of Regents.
- Students at the Blakely site will have access to the library services of BC.
- The BC bookstore will be responsible for ordering textbooks for all courses at the Blakely site. Textbooks will be sold at the Blakely site.
- Students enrolled at the Blakely site will follow the tuition and fee schedules established for all students at Bainbridge College as approved by the Board of Regents.

3. Establishment of the Associate of Applied Science in Forest Technology in Bainbridge and on the Blakely Site, Bainbridge College

Approved: The Board approved the request of President Thomas A. Wilkerson that Bainbridge College (“BC”) be authorized to establish an Associate of Applied Science in Forest Technology on the Blakely site, effective June 7, 2006.

Abstract: The Associate of Applied Science in Forest Technology degree will support BC’s mission as an institution that has a Georgia Department of Technical and Adult Education (“DTAE”) Division of Technical Studies. A certificate in Forest Technology is currently one of the programs in place at Albany Technical College’s Blakely site. The Associate of Applied Science in Forest Technology will prepare individuals for employment within the forest industry, including the Georgia Forestry Commission and related land-owning entities such as utilities, hunting plantations, and timber investment management organizations. Graduates will be placed in land management, wood procurement, wildland fire-fighting positions, and surveying positions.

Need: The Associate of Applied Science in Forest Technology degree program addresses local employment demands in the forestry industry by training individuals to manage Georgia’s forestlands. Institutional administrators anticipate that the program will lead to an increased enrollment of students from surrounding communities.

Objectives: Graduates of the program will be able to conduct prescribed burning and wildfire control, understand basic forestry economics, use forest measurement tools accurately, understand multiple-use forestry and best management practices, engage in reliable tree identification, and use knowledge of surveying techniques and land description.

Curriculum: The program will incorporate 74 semester hours of study, including general education courses and newly developed forest technology courses. New courses developed for the program are patterned after DTAE curriculum standards for forest technology in that all required content from DTAE is incorporated. The curriculum emphasizes forest management, land and timber

measurements, and surveying with an emphasis on aerial photography and global positioning systems. The program will be housed within the Division of Technical Studies. The program requires a waiver to degree-credit-hour length.

Projected Enrollment: The institution anticipates enrollments of 20, 25, and 30 during the first three years of the program.

Funding: The program will be supported through new and existing courses and faculty. Concomitant with the assumption of academic and operational responsibilities of the Blakely site, budget resources of approximately \$1 million dollars will be transferred to BC from Albany Technical College on July 1, 2006. Funds will continue to be transferred through normal budgeting processes in future years from DTAE to BC. President Wilkerson 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 reviews.

4. Establishment of a Doctor of Psychology in Individual, Organizational, and Community Transformation, University of West Georgia

Approved: The Board approved the request of President Beheruz N. Sethna that the University of West Georgia ("UWG") be authorized to establish a Doctor of Psychology in Individual, Organizational, and Community Transformation, effective June 7, 2006.

Abstract: An emerging trend in the discipline of psychology is to produce graduates with applied, but not clinical, skills. Following this trend, UWG proposes to offer an applied Doctor of Psychology ("Psy.D.") in Individual, Organizational, and Community Transformation. The program builds upon the established master's program in Humanistic Psychology. The proposed program uses humanistic approaches and qualitative methodologies to emphasize values, self-awareness, and mind-body integrated care. The program incorporates recent innovations in qualitative methods from critical psychology, participatory action, and transformative research. These new traditions focus on the individual and focus on the relationship between psychological factors and the community. Research and application are merged together in the approach adopted by the program.

The following five thematic areas define the program:

- Analysis of problem-solving at the individual, family, organizational, and community levels
- Collaborative research skills
- Community building: holistic approaches
- Program evaluation and accountability

- Mind-body integrated care

Graduates will be required to complete three practica and an internship, and the program will conclude with a field-research-based dissertation. The proposed program will equip graduates for a variety of careers in such settings as community development, wellness and holistic health, psycho-educational facilitation, organizational transformation, personal and executive coaching, consultancies in program evaluation, and policy development.

Need: Although the employment need for licensed clinical psychologists is growing modestly, the need for applied psychologists in a variety of nonacademic settings continues to grow (e.g. health psychology, program evaluation, and disaster response). Rural areas are particularly underserved. The subspecialties that are addressed in the program are: 1) mind-body research, 2) organizational psychology, 3) program evaluation, 4) community building/community psychology, and 5) qualitative research and evaluation in a variety of organizational and community settings.

There is a growing need for highly trained professionals who can evaluate program effectiveness in both the nonprofit and for-profit sectors. Program graduates can work with nonprofits such as The Annie E. Casey Foundation in the area of community building, with the Centers for Disease Control in integrated care approaches, and in other community and organizational settings where interventions are tied to ongoing research, collaborative methods, and evaluation and accountability strategies.

Objectives: The proposed program is designed to prepare psychologists for developing interventions adequate to respond to changing community needs and evolving modes of intervention, evaluation, and research. The program addresses the relationship of psychological factors to the broader community context. The program is grounded in applied research as it relates to interventions at the individual, community, and organizational levels.

Curriculum: The proposed program's curriculum will cover recent and traditional approaches to human consciousness as well as social/community contexts and development. Students will be required to take three praxis-based internships wherein they apply their knowledge and skills to a particular social setting or specific human concern. Using innovative research methods and their theoretical understanding, the internship and related courses will foster the students' integration of the knowledge base of psychology. A dissertation that is research and field-based will be required to complete the program. The program requires a minimum of 60 semester hours beyond the master's degree.

Projected Enrollment: The institution anticipates enrollments of 10, 11, and 12 during the first three years of the program.

Funding: The program will be supported through existing faculty. New courses will be developed.

UWG has not requested additional System funds to support the program. Additional support will be sought through external grants and foundations. President Sethna 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. This is an application-oriented program, and the success of graduates in obtaining employment in fields related to the program objectives is a central measure of the program's effectiveness. This program will be assessed after five years based upon viability, productivity, and quality. An additional outside review may be requested at that time. It is expected that the program will gain accreditation by the American Psychological Association under the category "emerging trends" within five years and/or establish the conditions for licensure for its graduates, or the program will be subject to elimination by action of the Board at that time.

5. Establishment of a Master of Science in Nursing, Clayton State University

Approved: The Board approved the request of President Thomas K. Harden that Clayton State University ("CLSU") be authorized to establish a Master of Science in Nursing, effective June 7, 2006.

Abstract: CLSU proposed to establish a Master of Science in Nursing degree. This degree will prepare advanced practice nurses. Since year 2000, the Department of Nursing has received over \$2 million in federal and state grants, including two Division of Nursing Bureau of Health Professions grants. CLSU offers a Bachelor of Science in Nursing. During fall 2005, the baccalaureate nursing program received a full ten-year re-accreditation by the Commission on Collegiate Nursing Education of the American Association of Colleges of Nursing.

Need: Georgia's shortage of graduate-prepared nurses is acute in that approximately 2,300 nurses are currently needed with master's or doctoral degrees. Based upon *Nursing Economics*' report of recruitment and retention strategies, estimates for master's and doctoral-prepared nurses indicate that an additional 500,000 graduate prepared nurses will be needed nationally by year 2020. The U.S. Department of Health and Human Services reports that only 10.6% of registered nurses in Georgia hold a master's or doctoral degree, compared to 13% nationally. Over 80% of CLSU's nursing graduates remain in Georgia to practice. With the need for advanced practice nurses clear, CLSU seeks to build upon its undergraduate nursing program and prepare graduate nurses capable of advanced practice.

Objectives: The two major objectives of the proposed program are to provide additional graduate education in nursing to help meet the need for advanced practice nurses in Georgia and to provide educational opportunities to the citizens and businesses of the southern crescent.

Curriculum: The proposed program requires completion of 36 to 38 semester hours. Students will select a concentration of either nursing education or nursing leadership in addition to core courses required to complete the degree. Required core courses include content related to nursing theory, physical assessment, pharmacology, pathophysiology, health policy, health promotion and illness prevention, advanced nursing science, and research. The education concentration focuses on the principles of education, teaching strategies, and evaluation of learning and curriculum development within a clinical context. The courses in the leadership concentration focus on advanced principles of leadership, financial management, systems analysis, and resource management.

Projected Enrollment: The institution anticipates enrollments of 7, 14, and 21 during the first three years of the program.

Funding: The program will be supported through new courses and existing faculty. President Harden 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 reviews.

6. Establishment of a Bachelor of Science in Construction Engineering, Southern Polytechnic State University

Approved: The Board approved the request of President Lisa A. Rossbacher that Southern Polytechnic State University ("SPSU") be authorized to establish a Bachelor of Science in Construction Engineering, effective June 7, 2006.

Abstract: SPSU sought to offer a Bachelor of Science in Construction Engineering. The interdisciplinary program will meet industry needs in applying environmental and ethical management principles as they affect engineering decisions and design. The program will enable students to sit for professional engineering registration in the State of Georgia and prepare graduates for advanced studies in construction engineering. Construction engineering combines training in basic engineering principles with skills in the areas of planning and managing construction projects and resources, including selection and oversight of specialty trade contractors. The program's broad-based approach is tailored to develop professionals who will be able to move between the technical and managerial aspects of construction projects and to serve in key leadership positions within the construction industry.

Need: The program will satisfy a need expressed by the engineering and construction industries, the Georgia Department of Transportation, the Georgia Section of the American Society of Civil Engineering, the Georgia Highway Contractors Association, and the Georgia Underground Utilities Contractors Association. According to the Bureau of Labor Statistics, "employment of construction

managers is projected to increase 9 to 17% when compared to all occupations through year 2014.” Employment opportunities are projected to arise from job growth, increased levels of construction activity, the complexity of construction projects, enhanced technology, the replacement of various infrastructures, and the expansion of laws setting standards for building and construction materials, worker safety, energy efficiency, and environmental protection.

Objectives: Construction Engineering graduates will have strengths in engineering design and analysis directly applicable to construction practice and processes. In addition, graduates will be capable of pursuing graduate education and obtaining professional registration across the country. Graduates may seek voluntary certification through the American Institute of Constructors and the Construction Management Association of America. Requirements combine written examinations with verification of education and professional experience. Outcomes associated with the program include graduates who will be able to design a construction engineering system using standard design methods, apply and interpret appropriate software to develop construction engineering solutions, and design and conduct experiments for application in construction engineering designs and solutions.

Curriculum: The 128-semester-hour program will be housed in SPSU’s School of Architecture, Civil Engineering Technology, and Construction. The curriculum requires a waiver to degree-credit-hour length parallel to exceptions made for other engineering and engineering technology programs in the University System. Some existing courses will be modified to meet the requirements of the Accreditation Board for Engineering and Technology (“ABET”) and to provide enhanced learning opportunities for students. The program includes, but is not limited to, such courses as Highway Design, Structural Steel Design, Reinforced Concrete Design, Surveying, Building Techniques and Methods, Fluid Mechanics, Construction Estimating, Site Planning, Construction Project Management, and Construction Safety.

Projected Enrollment: The institution anticipates enrollments of 40, 80, and 120 during the first three years of the program.

Funding: The program will be supported through existing courses and faculty. Laboratories to be used in the program already exist and have the capacity to handle increased enrollments that the new major is expected to generate. The program is supported by firms and professional organizations within the community. President Rossbacher 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 reviews.

7. **Establishment of the Existing Master of Science in Computer Science as an External Degree Online, Georgia Southwestern State University**

Approved: The Board approved the request of President Michael L. Hanes that Georgia Southwestern State University (“GSSU”) be authorized to establish the existing Master of Science in Computer Science as an external degree offered online, effective June 7, 2006.

Abstract: GSSU proposed to offer its existing Master of Science in Computer Science at a distance in an online delivery format. GSSU attracts many students from southwestern counties in Georgia. It is anticipated that the program will attract applicants from nearby baccalaureate degree-granting institutions in computer science and will attract individuals who seek an advanced degree in order to teach in this discipline. Currently, GSSU offers an online graduate certificate program that has attracted student interest for expanded educational opportunities. Another goal of this program is to provide instructors from two-year and technical colleges the opportunity to gain 18 hours of graduate course work in their teaching field, thereby satisfying a Southern Association of Colleges and Schools (“SACS”) requirement for teaching.

Delivery and Curriculum: All requirements for admission to the online program and the basic curriculum will be the same as those for the approved, on-campus degree program. Each student will have access to an advisor, and an orientation will be developed for students matriculating at a distance. Contemporary software development tools, a virtual lab, and a network of testing centers will be used to support the program.

Projected Enrollment: The institution anticipates enrollments of 12, 18, and 24 during the first three years of the program.

Funding: The program will be supported through existing courses and faculty. President Hanes 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 reviews.

8. Establishment of the Existing Bachelor of Science in Family and Consumer Sciences with a Major in Consumer Economics as an External Degree in Griffin, 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 existing Bachelor of Science in Family and Consumer Sciences with a major in Consumer Economics as an external degree in Griffin, effective June 7, 2006.

Abstract: UGA sought to offer the existing Bachelor of Science in Family and Consumer Sciences

with a major in Consumer Economics on its external site in Griffin. The Griffin site, also known as the Georgia Experiment Station, is one of the research arms of UGA's College of Agricultural and Environmental Sciences. The major in Consumer Economics is currently offered on the institution's home campus in Athens. The major in Consumer Economics prepares students to understand how consumers make choices in a changing economy. The program elaborates on how fraud and deception, products of varying quality, and inadequate information affect consumer decisions. Course work for the major includes economics, as well as applied consumer economics, consumer policy, and financial management.

Delivery and Curriculum: The admission requirements and curriculum for the program at the Griffin site will be the same as the existing major in Consumer Economics offered on the Athens campus. All criteria for electives will be equivalent at both locations. A program coordinator exclusive to Consumer Economics on the Griffin site will be hired to provide students with specific recruiting, academic mentoring, and career guidance. Students will receive program-specific advising. The program will be managed as an extended program from the Department of Housing and Consumer Economics located in the College of Family and Consumer Sciences in Athens.

Projected Enrollment: The institution anticipates enrollments of 10, 20, and 30 during the first three years of the program.

Funding: The program will be supported through existing courses and faculty. President Adams 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 reviews.

9. Establishment of the Existing Master of Education with a Major in Mathematics as an External Degree in Griffin, 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 existing Master of Education with a major in Mathematics as an external degree in Griffin, effective June 7, 2006.

Abstract: UGA sought to offer its Master of Education with a major in Mathematics on its external site in Griffin. The Griffin site, also known as the Georgia Experiment Station, is one of the research arms of UGA's College of Agricultural and Environmental Sciences. The master's level major in Mathematics is currently offered on the institution's home campus in Athens. The eight school superintendents in the Griffin Regional Education Service Agency area have indicated the need for degree programs to provide elementary school teachers with enhanced mathematics content and pedagogical knowledge.

Delivery and Curriculum: The admission requirements and curriculum for the program at the Griffin site will be the same as the existing major in Mathematics offered on the Athens campus. Each student will have a faculty advisor. The Master of Education with a major in Mathematics will consist of courses in the following areas: foundations of mathematics education, mathematics education curriculum, mathematics education teaching/learning, mathematics content, mathematics education research, mentoring and supervising student teachers, and field experiences. A degree program assistant will support the program. No more than six hours of credit may be transferred into the program.

Projected Enrollment: The institution anticipates enrollments of 18, 18, and 18 during the first three years of the program.

Funding: The program will be supported through existing courses and faculty. President Adams has provided reverification that funding for the program is available at the institution.

Assessment: The degree program is subject to review by the Georgia Professional Standards Commission and the National Council for Accreditation in Teacher Education. 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 reviews.

10. Establishment of the Existing Specialist in Education with a Major in Mathematics as an External Degree in Griffin, 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 existing Specialist in Education with a major in Mathematics as an external degree in Griffin, effective June 7, 2006.

Abstract: UGA sought to offer its Specialist in Education with a major in Mathematics on its external site in Griffin. The Griffin site, also known as the Georgia Experiment Station, is one of the research arms of UGA's College of Agricultural and Environmental Sciences. The Specialist in Education ("Ed.S.") major in Mathematics is currently offered on the institution's home campus in Athens.

Delivery and Curriculum: The admission requirements and curriculum for the program at the Griffin site will be the same as the existing major in Mathematics offered on the Athens campus. Each student will have a faculty advisor. The Specialist in Education with a major in Mathematics program consists of at least nine courses, an applied project, and two units of seminar at the graduate level beyond the master's degree and the T-5 certificate in mathematics. Students have the option of completing a course to prepare for National Board

Certification. A degree program assistant will support the program. No more than six hours of credit may be transferred into the program.

Projected Enrollment: The institution anticipates enrollments of 7, 7, and 7 during the first three years of the program.

Funding: The program will be supported through existing courses and faculty. President Adams has provided reverification that funding for the program is available at the institution.

Assessment: The degree program is subject to review by the Georgia Professional Standards Commission and the National Council for Accreditation in Teacher Education. 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 reviews.

11. Establishment of the Existing Bachelor of Science in Agriculture with a Major in Agribusiness as an External Degree in Griffin, 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 existing Bachelor of Science in Agriculture with a major in Agribusiness as an external degree predominantly at UGA's Griffin site, effective June 7, 2006.

Abstract: UGA sought to offer the existing Bachelor of Science in Agriculture with a major in Agribusiness on its external site in Griffin. The Griffin site, also known as the Georgia Experiment Station, is one of the research arms of UGA's College of Agricultural and Environmental Sciences. The major in Agribusiness is currently offered on the institution's home campus in Athens.

Delivery and Curriculum: All requirements for admission will be the same as those for the degree as it is offered on the Athens campus. Through surveys of residents in the surrounding counties, UGA has determined that students who hold an Associate of Arts degree with a concentration in such areas as business administration, information systems, and social science would be interested in transferring and completing a baccalaureate degree with a major in Agribusiness in Griffin. The Agribusiness major at Griffin will be managed by the Department of Agricultural and Applied Economics.

Projected Enrollment: The institution anticipates enrollments of 10, 20, and 30 during the first three years of the program.

Funding: The program will be supported through existing courses and faculty. President Adams has provided reverification that funding for the program is available at the institution. UGA's plan for

adding majors to the Griffin campus includes the addition of 1.0 full-time equivalent (“FTE”) instructor in fiscal year 2007 and 1.0 FTE instructor in FY 2008. These FTE instructors will be allocated to new and existing faculty as needed.

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 reviews.

12. 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 Academic Affairs 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.

13. Revised Institutional Statutes, Gainesville State College

Approved: The Board approved the request of President Martha T. Nesbitt that Gainesville State College (“GSC”) be authorized to revise its institutional statutes, effective June 7, 2006.

Abstract: GSC engaged in a process to review and revise its institutional statutes. The revision follows the changes in mission and institutional name. The revision also clarifies adherence to Board policies regarding the removal of faculty and staff members. Revised sections of the statutes were approved by the faculty and staff of GSC.

The statutes have been reviewed by the Office of Legal Affairs and the Office of Academic Affairs. The statutes were found to be in compliance with Board of Regents policies. The revised statutes will remain on file in the Office of Academic Affairs.

14. Establishment of the Goizueta Foundation Chair in Education, Dalton State College

Approved: The Board approved the request of President James A. Burran that Dalton State College (“DSC”) be authorized to establish the Goizueta Foundation Chair in Education, effective June 7, 2006.

Abstract: DSC requested approval to establish the Goizueta Foundation Chair in Education. In December 2005, the Goizueta Foundation of Atlanta awarded the DSC Foundation, Inc. a grant totaling almost \$1.7 million for a variety of programs designed to assist the college in better serving the area’s Latino population. Of the total award, an endowment of \$1 million was dedicated for the creation of a faculty chair in teacher education to support DSC’s Bachelor of Science in Early Childhood Education degree. The funds are managed by the Dalton State College Foundation, Inc.

A senior scholar with expertise in teacher education within the context of cultural diversity will be recruited for the Goizueta Foundation Chair in Education.

15. 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

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| Governor's Office of Highway Safety Establish statewide highway safety programmatic database and evaluate program outcomes of all programs funded during fiscal year 2006 | 10/1/05 – 9/30/06 | \$92,500 |
| Georgia Commodity Committee for Corn To determine which split-combination of Gramoxone Inteon would provide the most effective control of tropical spiderwort following corn harvest | 1/1/06-12/31/06 | \$4,500 |
| Georgia Commodity Committee for Corn Support project conducted by the extension agronomist, weed scientist, and Georgia's hybrid evaluation program | 1/1/06-12/31/06 | \$39,300 |
| Administrative Office of the Courts To facilitate at least two Georgia Alliance for Drug Endangered Children executive committee/staff/board planning retreats to address issues of organization, strategic planning, partnership, sustainability, and other issues | 2/20/06-8/31/06 | \$36,766 |
| Georgia Commodity Committee for Corn To verify the amount of nitrogen derived from legumes in a typical coastal plain corn production system and determine the cost-benefit efficiency and best timing for additional supplemental nitrogen under intensive production in both conservation and conventional systems | 1/1/06-12/31/06 | \$1,400 |
| Georgia Commodity Committee for Peaches Establish a new O-Henry and Redhaven peach block at the United States Department of Agriculture research station in Byron, Georgia, which can be utilized for bacterial spot, brown rot, and scab | 1/1/06-12/31/06 | \$4,500 |
| Georgia Commodity Committee for Peaches Test existing fungicides for immediate, maximized resistance management (strobilirin fungicides in the presence of | 1/1/06-12/31/06 | \$2,500 |

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| insensitive <i>Monilinia fructicola</i>) | | |
| Georgia Department of Agriculture Identify tropical soda apple infested sites in pasture and forestry scenarios; locate studies in various locations and make comparisons of currently registered products with the recently registered herbicide (aminopyralid) | 9/1/05-8/31/06 | \$30,500 |
| Georgia Department of Agriculture Establish programs in Georgia school systems that comprise student populations at unnecessarily increased risk for pesticide exposure | 9/1/05-8/31/06 | \$45,000 |
| Georgia Department of Education Analyze the scoring and reporting of the Georgia high school tests for students receiving Supplemental Educational Services for 2005-2006 | 1/1/06-8/30/06 | \$110,539 |
| Georgia Department of Education Coordinate and conduct a three-day institute using the web model for Criterion Referenced Competency Tests, Georgia High School Graduation Tests, and End of Course Tests | 11/11/05-6/30/06 | \$100,000 |
| Georgia Department of Education Assist in quality control and redesign of the professional development program for Educational Technology Competitive Grant recipients on how to implement high-quality, technology-supported instruction aligned to the new mathematics performance standards, and vet and catalog grant generated teaching resources | 10/17/05-9/30/06 | \$15,000 |
| Georgia Department of Education Provide oversight for the Marketing Education Industry Certification and Credentialing program and engage a consultant, as approved by the Georgia Department of Education, to serve as the State Industry Certification Coordinator | 1/1/06-6/30/06 | \$22,000 |
| Georgia Department of Human Resources Design/convert and print copies of the 2006 School Health Profiles-School Principal Questionnaire Part II into a four-page survey and scan and verify the 600 copies of the survey and submit dataset to the department | 1/15/06-6/30/06 | \$1,348 |
| Georgia Department of Human Resources Oversee the development and execution of a risk communication workshop, development and implementation of a statewide survey of Georgia citizens' perceptions of | 12/10/05-8/15/06 | \$163,699 |

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| emergency preparedness, develop a state risk communication plan, and data regarding recruitment and training activities for risk communicators | | |
| Georgia Department of Natural Resources Develop a constituency for state-level protection of wetlands, develop a tracking system for wetlands development and protection, prioritize wetlands for restoration and protection pursuant to the new statewide land conservation plan, and draft a protection program based on comprehensive analysis of programs in other states | 7/1/05-7/31/08 | \$92,312 |
| Georgia Department of Natural Resources Provide statewide watershed spatial and temporal trends in wetland acreage, develop a wetland permit tracking system, develop a detailed draft plan for a comprehensive wetland protection program, identify priority wetlands, and conduct economic analysis to justify consideration in Georgia's new statewide land conservation plan | 7/1/05-7/31/08 | \$190,544 |

Georgia Southern University

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| Georgia Department of Human Resources Work with project skilled credentialed early interventionists | 10/1/05 – 9/30/06 | \$11,807 |
| Georgia Professional Standards Commission Conduct Georgia Teacher Alternative Preparation Program (“TAPP”) | 5/1/04 – 5/31/07 | \$8,400 |
| Georgia Humanities Council Conduct study of wartime England and medieval France | 1/3/06 – 4/30/06 | \$5,000 |

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|-------------------------------------|-----------|----------------------|
| TOTAL AMOUNT – JUNE | \$ | 997,615 |
| TOTAL AMOUNT FY 2006 TO DATE | | \$ 33,452,938 |
| TOTAL AMOUNT FY 2005 TO JUNE | | \$ 24,771,582 |
| TOTAL AMOUNT FY 2005 | | \$ 24,771,582 |

16. Information Item: Regents' Test Update

The Executive and Compensation Committee of the Board of Regents directed the Office of Academic Affairs to review the Regents' Test and to develop an alternative to the Regents' Test no later than the April 2006 Board meeting. During the February 2006 Board meeting, the Senior Vice

Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, and the Vice Chancellor for Academic, Faculty, and Student Affairs, Frank A. Butler, provided a report on the status of the review process, which entailed study of the existing Regents' Test and the development of alternatives that would ensure students' capabilities to read and write at the collegiate level at a time closer to the point of institutional admission. At this meeting, Dr. Butler introduced Vice President for Academic Affairs and Provost of the University of Georgia, Arnett C. Mace, Jr., who presented a status report from an ad hoc committee, which he chaired, on designing an alternative to the current Regents' Test. Dr. Mace stated that here are two principal recommendations in this report. Students who earn an A or B in both English 1101 and English 1102 will be considered to have satisfied the Board's expectation that all System students are capable of reading and writing at a level sufficient to perform successful college work. Students who do not earn an A or B in these courses and do not otherwise satisfy these expectations will be required to take and pass an additional course (or courses) in order to refine these skills. The Board will be asked to act on formal recommendations at its August 2006 meeting.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

The Committee on Finance and Business Operations met on Tuesday, June 6, 2006, at approximately 3:00 p.m. in the Seventh Floor Training Room, room 7059. Committee members in attendance were Chair W. Mansfield Jennings, Jr., Vice Chair Patrick S. Pittard, and Regents Robert F. Hatcher, Julie Ewing Hunt, and Richard L. Tucker. Chair Jennings reported to the Board on Wednesday that the Committee had reviewed three items, all of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Approval of Fiscal Year 2007 Institutional Operating and Capital Budgets

Approved: The Board approved the fiscal year 2007 institutional operating and capital budgets for the University System of Georgia institutions and agencies. These budgets have been reviewed by fiscal affairs staff for compliance with Board of Regents policies and directives and are on file with the University System Office.

2. Revision of The Policy Manual, Section 704, Tuition and Fees

Approved: The Board approved the revision of The Policy Manual, Section 704, Tuition and Fees, as provided below to implement the Guaranteed Tuition Plan ("GTP") adopted by the Board of Regents on April 16, 2006.

Background: At its April 2006 meeting, the Board of Regents approved in concept the creation of a GTP designed to provide greater predictability in college costs for students and parents, encourage earlier graduation, and provide for better utilization of System assets. The GTP fixes tuition rates for students for four years or three years, depending upon whether the particular student is enrolled

in a four-year or two-year program at a University System of Georgia institution. The recommended policy language addresses, among other things, how the new policy will be applied to the following:

- Currently enrolled and continuing students;
- Non-University System of Georgia transfer students;
- Students in programs of longer duration than four years;
- Tuition rate charges beyond the guarantee period;
- Special circumstances such as summer enrollment, students jointly enrolled in Georgia high school programs, and students attending the university colleges at Augusta State University, Columbus State University, and Savannah State University; and
- Student appeals for extenuating circumstances.

Policy recommendations concerning students who transfer from one University System of Georgia to another have not been completed as yet. They will be presented to the Board of Regents at the August 2006 meeting.

Approved revisions are as follows. Please note that the strike-through texts represent deletions from the current version and the highlighted texts represent additions.

704 TUITION AND FEES

704.01 TUITION DEFINITIONS

A. Tuition shall be defined as payment required for credit-based instruction and related services and shall be charged to all students. Tuition rates for all University System of Georgia institutions and programs shall be approved annually **no later than the May meeting** by the Board of Regents at its ~~April meeting~~ to become effective the following fall semester. Exceptions to this requirement may be granted upon recommendation of the Chancellor and approval by the Board of Regents. Tuition for both undergraduate and graduate students enrolled at an institution within the University System of Georgia shall be charged at the full rate for students enrolled for 12 credit hours or more and at a per credit hour rate for students enrolled for less than 12 credit hours. Distance education courses and programs as defined in Section 704.0156 **6** may be exempted from this policy and charged on a per credit hour basis.

~~704.011 IN-STATE TUITION~~

B. In-state tuition shall be defined as the rate paid by students who meet the residency status requirements as provided in Section 403 of The Policy Manual.

~~704.012 OUT-OF-STATE TUITION~~

C. Out-of-state tuition shall be defined as the rate paid by students who do not meet the residency status requirements as provided in Section 403 of The Policy Manual. Out-of-state tuition at all University System institutions shall be established at a rate that is at least four times the tuition rate charged to Georgia residents. University System of Georgia research universities may request increases in out-of-state tuition rates based upon the tuition levels of peer or comparable institutions.

D. The Guaranteed Tuition Rate shall be defined as the rate paid by students enrolled in a University System of Georgia undergraduate program who entered the System for the first time as new students or as transfer students in fall 2006 or later. The guaranteed tuition rate shall be held constant for each new student or transfer student (except those that may be classified as current and continuing students under Section 704.1 paragraph H) for a period of time as described in Section 704.2.

E. The Nonguaranteed Tuition Rate shall be defined as the rate paid by students enrolled in a University System of Georgia undergraduate program who entered the System for the first time as new students or as transfer students prior to fall 2006. The nonguaranteed tuition rate shall be established at a rate no greater than the guaranteed tuition rate and may increase annually as approved by the Board of Regents.

F. New Students shall be defined for the purposes of this section as students enrolled in an undergraduate program at a University System of Georgia institution for the first time in fall 2006 or later, and who have not previously earned academic credits at a postsecondary institution except as students jointly (or dually) enrolled in a Georgia high school and a University System of Georgia institution or through advanced placement credit.

G. Transfer students shall be defined for the purposes of this section as students enrolled in an undergraduate program at a University System of Georgia institution who were previously enrolled at another postsecondary education institution and have earned academic credits.

H. Current and Continuing Students shall be defined for the purposes of this section as students who entered the University System of Georgia for the first time as new students or as transfer students prior to fall 2006.

I. Semester shall be defined for the purposes of this section as the standard term of instruction for each institution in the University System of Georgia for fall, spring, and summer. The summer semester shall be defined as the combined terms of instruction provided by University System of Georgia institutions which begin after the completion of the spring semester and end prior to the start of the fall semester.

704.2 THE GUARANTEED TUITION PLAN

A. Pursuant to Section 704.1, the Board of Regents shall annually approve guaranteed tuition rates for each of the institutions comprising the University System of Georgia.

B. New students enrolled in an undergraduate program at a University System of Georgia research, regional or state university shall be charged the approved guaranteed tuition rates for these institutions, which shall be fixed for new students for a period of four years (12 consecutive semesters, including fall, spring, and summer).

C. New students enrolled in an undergraduate program at a University System of Georgia two-year college shall be charged the approved guaranteed tuition rates for these institutions, which shall be fixed for new students for a period of three years (nine consecutive semesters, including fall, spring, and summer).

D. New students enrolled in an undergraduate program at a University System of Georgia state college shall be charged the approved guaranteed tuition rates for these institutions as follows:

i. For new students enrolled in lower-division programs, the lower-division guaranteed tuition rate shall be charged and fixed for these new students for a period of three years (nine consecutive semesters including fall, spring, and summer).

ii. For new students enrolled in upper-division programs, the upper-division guaranteed tuition rate shall be charged and fixed for these new students for a period of two years

E. New students enrolled initially in the university college programs at Augusta State University, Columbus State University, and Savannah State University who progress to the regular undergraduate programs offered by these institutions shall be charged the approved guaranteed tuition rates which shall be fixed for a period of five years (15 consecutive semesters) including fall, spring, and summer. New students who enter the regular undergraduate program at these institutions shall be charged the guaranteed tuition rate for four years (12 consecutive semesters) as provided for under Section 704.2 paragraph B.

F. New students enrolling in the summer semester.

i. New students enrolling in an undergraduate program at a University System of Georgia institution in summer 2006 may be charged either the nonguaranteed tuition rate approved by the Board of Regents effective fall 2005, or the guaranteed tuition rate approved by the Board of Regents effective fall 2006 pursuant to the policy established by each University System of Georgia institution and subject to:

- a. If charged the nonguaranteed tuition rate for summer 2006, new students shall be charged the guaranteed tuition rate beginning fall 2006, which shall be fixed as provided under Section 704.2 paragraphs B through E.
 - b. If charged the guaranteed tuition rate for summer 2006, new students shall continue to be charged the same guaranteed tuition rate beginning fall 2006, which shall be fixed at that rate beginning with fall 2006 as provided under Section 704.2 paragraphs B through E.
- ii. New students enrolling in an undergraduate program at a University System of Georgia institution for the first time in summer 2007 and any summer thereafter shall be charged the guaranteed tuition rate approved by the Board of Regents for the year in which that summer occurs and be charged the new fall guaranteed tuition rate as provided under Section 704.2 paragraphs B through E.
- G. Transfer students (excluding those categorized as current and continuing students under Section 704.1 paragraph H).
- i. Transfer students from non-University System of Georgia institutions shall be charged the guaranteed tuition rate effective the year they transfer, which shall be fixed for two years (six consecutive semesters).
 - ii. Students shall be allowed only one transfer to remain eligible for the guaranteed tuition rate. For any subsequent transfers, students shall be charged the guaranteed tuition rates in effect at the new institution in the year they transfer and shall thereafter be charged the new guaranteed tuition rates established by the Board of Regents for the duration of their enrollment at that institution or any other institution within the University System of Georgia.
 - iii. Transfer students who enroll during summer shall be subject to the same rules as apply to new students (paragraph F subparagraphs i and ii) except that the guaranteed tuition rate will be fixed only for two years (six consecutive semesters).
 - iv. Students who are entering the University System of Georgia for the first time but choose to attend one System institution during the summer and enter a second System institution in the fall shall be treated as a new student at the second institution pursuant to Section 704.1 paragraph F if the number of academic credits earned during the summer is 12 credits or less. If the number of credits earned is greater than 12, the student shall be treated as a transfer student.

H. Students enrolled in programs requiring more than four years to complete. University System of Georgia research, regional, and state universities may, under limited circumstances, extend the guaranteed tuition rate up to two additional consecutive semesters for certain selected programs that require more than four years to complete. A list of these programs must be provided to the Board of Regents annually.

I. Students jointly enrolled in high school and a University System institution. Students who graduate from a Georgia high school with college credit are eligible for the guaranteed tuition rate as new students.

J. Students called to active military duty. A student eligible to receive the guaranteed tuition rate as provide under sections 704.1 and 704.2 who is called to active duty will receive an extended guarantee for the period of service up to two years (six consecutive semesters).

K. Transient and nondegree-seeking students. Transient and nondegree-seeking students shall be charged the guaranteed tuition rate at the institution they attend as approved by the Board of Regents for that year.

L. Expiration of the guaranteed tuition rate. The guaranteed tuition rate for new and transfer students will expire at the end of the periods described under this section. Students shall be charged the guaranteed tuition rates established for the next semester in which they enroll at the same institution and be charged the new guaranteed tuition rates established each year by the Board of Regents.

M. Appeal process. Each University System of Georgia institution shall establish a process to allow students to appeal their eligibility for the guaranteed tuition rate based upon extenuating circumstances. Each institution shall have the final decision on any appeal.

704.3 NONGUARANTEED TUITION

The nonguaranteed tuition rates as defined in Section 704.1 paragraph E shall be charged to all students classified as current and continuing students.

704.0134 GRADUATE TUITION

The tuition rate for all University System graduate programs shall be at least 20% higher than the nonguaranteed tuition rate for undergraduate programs. The regular graduate tuition rates normally shall be charged to all graduate students; however, where a graduate student is classified as a research, teaching, or graduate assistant, the institution may waive the graduate tuition or waive the differential between in-state and out-of-state graduate tuition. This policy provision shall expire effective with the completion of summer semester 2007.

704.0145 PROFESSIONAL PROGRAM TUITION

Board approval shall be required for differential tuition rates for nationally competitive graduate and professional programs, as deemed appropriate by the institution based upon the academic marketplace and the tuition charged by peer institutions with similar missions. An institution seeking such approval from the Board shall provide the Board with an impact analysis and a plan for enhancing the quality of the program.

The professional program tuition rates normally shall be charged to all program students; however, where a graduate student is:

- A. Classified as a graduate assistant under section 704.0134, or
- B. Eligible for an out-of-state tuition waiver under section 704.041,

the institution on a degree program basis may waive the graduate tuition in accordance with such policies noted or limit the waiver to the amount associated with the regular graduate tuition (BR Minutes, June 2005).

704.0156 TUITION FOR DISTANCE LEARNING COURSES AND PROGRAMS

Institutions may charge special tuition rates for distance education courses and programs. If the rate is either less than the institution's in-state tuition rate or greater than its out-of-state rate, Board approval is required. Institutions shall report annually to the Vice Chancellor for Fiscal Affairs on all tuition rates charged for distance learning courses and programs. Notwithstanding other provisions in Sections 704, rates shall apply to all students regardless of residency status. For the purposes of this policy, distance learning courses and programs shall be defined as those courses and programs in which 95% or more of class contact time is delivered by a distance technology.

704.0167 TUITION AGREEMENTS WITH CORPORATIONS, ORGANIZATIONS, AND OTHER LEGAL ENTITIES

University System of Georgia institutions may enter into agreements with customers (defined as corporations, organizations, agencies, or other legal entities) for the delivery of credit courses and programs. The course/program delivery shall be restricted to members of the customer group and their dependents, except upon agreement between the institution and the customer to permit nonmembers or nonemployees to enroll in courses/programs on a space-available basis.

The amount institutions may charge for the course/program delivery shall be agreed upon between the institution and the customer, such that the total cost shall represent the reasonable and fair market value of the instruction and provided that the charges are not less than the total direct and indirect costs to the institution for the delivery of instruction and related services. Such costs may include, but are not necessarily limited to, course development, direct instruction, textbooks, consumables, noninstructional

services, hardware, software, and indirect costs such as administrative overhead, maintenance, and security. Institutions shall be required to report annually to the Chancellor regarding these agreements.

The charges agreed upon between the institution and the customer shall be assessed to the customer on a per seat, per student, or per agreement (flat-rate) basis.

3. Revision of The Policy Manual, Section 704.041, Out-of-State Tuition Waivers

Approved: The Board approved the revision of The Policy Manual, Section 704.041, Out-of-State Tuition Waivers, effective fall semester 2007.

Background: In 2005, then Georgia Student Finance Commission (“GSFC”) Director Shelley C. Nickel requested that the Board of Regents, the Department of Technical and Adult Education (“DTAE”), and GSFC enter into negotiations to align residency and waiver policies within the State of Georgia. The Vice Chancellor for Academic, Faculty, and Student Affairs, Frank A. Butler, convened a committee of representatives from around the University System to review and revise Regents’ residency policy and fee waiver provisions.

Approved revisions are as follows. Please note that the strike-through texts represent deletions from the current version and highlighted texts represent additions.

704.041 OUT-OF-STATE TUITION WAIVERS

An institution may waive award out-of-state tuition differential waivers and assess in-state tuition for certain nonresidents of Georgia for the following reasons (under the following conditions):

- A. Academic Common Market. Students selected to participate in a program offered through the Academic Common Market.
- B. International and Superior Out-of-State Students. International students and superior out-of-state students selected by the institutional president or an authorized representative, provided that the number of such waivers in effect does not exceed 2% of the equivalent full-time students enrolled at the institution in the fall term immediately preceding the term for which the out-of-state tuition is to be waived.
- C. University System Employees and Dependents. Full-time employees of the University System, their spouses, and their dependent children.
- D. Medical/Dental Students and Interns. Medical and dental residents and medical and dental interns at the Medical College of Georgia (BR Minutes, 1986-87, p. 340).

- E. Full-Time School Employees. Full-time employees in the public schools of Georgia or of the Department of Technical and Adult Education, their spouses, and their dependent children. Teachers employed full-time on military bases in Georgia shall also qualify for this waiver (BR Minutes, 1988-89, p. 43).
- F. Career Consular Officials. Career consular officers, their spouses, and their dependent children who are citizens of the foreign nation that their consular office represents and who are stationed and living in Georgia under orders of their respective governments.
- G. Military Personnel. Military personnel, their spouses, and their dependent children stationed in or assigned to Georgia and on active duty. The waiver can be retained by the military personnel, their spouses, and their dependent children if the military sponsor is reassigned outside of Georgia, as long as the student(s) remain(s) continuously enrolled and the military sponsor remains on active military status (BR Minutes, February 2004).
- H. Research University Graduate Students. Graduate students attending the University of Georgia, the Georgia Institute of Technology, Georgia State University, and the Medical College of Georgia, which shall be authorized to waive the out-of-state tuition differential for a limited number of graduate students each year, with the understanding that the number of students at each of these institutions to whom such waivers are granted, shall not exceed the number assigned below at any one point in time:

| | |
|---------------------------------|----|
| University of Georgia | 80 |
| Georgia Institute of Technology | 60 |
| Georgia State University | 80 |
| Medical College of Georgia | 20 |

- I. Border County Residents. Residents of an out-of-state county bordering a Georgia county in which the reporting institution or a Board-approved external center of the University System is located.
- J. National Guard Members. Full-time members of the Georgia National Guard, their spouses, and their dependent children. (BR Minutes, April, 1998, pp. 16-17).
- K. Students enrolled in University System institutions as part of Competitive Economic Development Projects. Students who are certified by the Commissioner of the Georgia Department of Economic Development as being part of a competitive economic development project.

- L. Students in Georgia-Based Corporations. Students who are employees of Georgia-based corporations or organizations that have contracted with the Board of Regents through University System institutions to provide out-of-state tuition differential waivers.
- M. Students in Pilot Programs. Students enrolled in special pilot programs approved by the Chancellor. The Chancellor shall evaluate institutional requests for such programs in light of good public policy and the best interests of students. If a pilot program is successful, the tuition program shall be presented to the Board for consideration.
- N. Students in ICAPP[®] Advantage programs. Any student participating in an ICAPP[®] Advantage program.
- O. Direct Exchange Program Students. Any international student who enrolls in a University System institution as a participant in a direct exchange program that provides reciprocal benefits to University System students.
- P. ~~Families Moving to Georgia~~ Economic Advantage. ~~A dependent student who, a~~ As of the first day of ~~classes for the~~ term, an economic advantage waiver may be granted to a dependent or independent student who ~~of enrollment,~~ can provide clear evidence that the student or the student's parent, spouse, or U.S. ~~documentation supporting that his or her supporting parent or court-appointed guardian~~ has relocated to the State of Georgia to accepted full-time, self-sustaining employment and has established domicile in the State of Georgia. ~~Relocation to the state must be for reasons~~ other than enrolling in an institution of higher education. ~~gaining the benefit of favorable tuition rates may qualify immediately for an out-of-state tuition differential~~ This waiver which will expire 12 months from the date the waiver was granted. ~~An affected student may petition for residency status according to established procedures at the institution.~~

As of the first day of classes for the term, an economic advantage waiver may be granted to a student possessing a valid employment-related visa status who can provide clear evidence of having relocated to the State of Georgia to accept full-time, self-sustaining employment. Relocation to the state must be for reasons other than enrolling in an institution of higher education. These individuals would be required to show clear evidence of having taken all legally permissible steps toward establishing legal permanent residence in the United States and the establishment of legal domicile in the State of Georgia. Students currently receiving a waiver who are dependents of a parent or spouse possessing a valid employment-sponsored visa may continue to receive the waiver as long as they can demonstrate continued efforts to pursue an adjustment of status to U.S. legal permanent resident.

- Q. Recently Separated Military Service Personnel. Members of a uniformed military service of the United States who, within 12 months of separation from such service, enroll in an

academic program and demonstrate an intent to become a permanent resident of Georgia. This waiver may be granted for not more than one year (BR Minutes, June 2004).

- R. **Nonresident Student.** As of the first day of classes for the term, a nonresident student whose parent, spouse, or U.S. court-appointed legal guardian has maintained domicile in Georgia for at least 12 consecutive months so long as the student can provide clear evidence showing the relationship to the parent, spouse, or U.S. court-appointed legal guardian has existed for at least 12 consecutive months immediately preceding the first day of classes for the term.

If the parent, spouse, or U.S. court-appointed legal guardian of a continuously enrolled nonresident student establishes domicile in another state after having maintained domicile in the State of Georgia for the required period, the nonresident student may continue to receive this waiver as long as the student remains continuously enrolled in a public postsecondary educational institution in the state, regardless of the domicile of the parent or U.S. court-appointed legal guardian.

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, June 6, 2006, at approximately 3:00 p.m. in the Board Room. Committee members in attendance were Chair Allan Vigil, Vice Chair Hugh A. Carter, Jr., and Regents Michael J. Coles, Felton Jenkins, and Elridge W. McMillan. Chair Vigil reported to the Board on Wednesday that the Committee had reviewed 19 items, 17 of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Naming of the B. R. Tilley Building, Albany, Darton College

Approved: The Board approved the naming of new academic services building, currently under construction at Darton College (“DC”), the “B. R. Tilley Building” in honor of Darton College’s founding president, Dr. B. R. Tilley.

Understandings: The academic services building is currently under construction at the heart of the DC campus and is adjacent to the existing administration building. The 30,000 gross-square-foot building will serve as the new “one-stop shop” for student support services and will also contain the main administrative offices for DC.

Dr. B. R. Tilley was appointed by the Board of Regents to serve as the first President of Albany Junior College (now Darton College) on July 1, 1965. He established offices for Albany Junior College in the offices of a local bank and proceeded to oversee the construction of the campus and the hiring of faculty and staff. The first classes were held on campus September 21, 1965, with 620 students.

Under the leadership of President Tilley, Albany Junior College increased its student enrollment, expanded its curriculum, and encouraged faculty and staff to participate in cultural, civic, and faith-based organizations in the community. Just prior to President Tilley's retirement in 1988, DC had grown to 1,760 students and had developed into a multi-purpose community college providing 50 transfer, 10 career, 20 applied science, and 4 certificate programs. He established a close bond with community leaders that facilitated the establishment of the Albany Junior College Foundation, Inc. (now the Darton College Foundation, Inc.) in 1973.

During his presidency, President Tilley was active in the Chamber of Commerce, the Rotary Club, and other civic, cultural, professional, and religious organizations in Albany. His integrity and effective leadership set the tone for the reputation of excellence the college has enjoyed since its founding. It is altogether fitting and appropriate that the new academic services building be named the "B. R. Tilley Building" in his honor.

2. Rental Agreement, Courtyard I and Courtyard II, Columbus, Columbus State University

Approved: The Board authorized the execution of a rental agreement between Foundation Properties, Inc., (the "Foundation") Landlord, and the Board of Regents, Tenant, for approximately 600 beds of student housing known as Courtyard I, 3423 College Drive, Columbus, and Courtyard II, 3528 Gentian Boulevard, Columbus, for the period July 1, 2006, through June 30, 2007, at a monthly rent of \$119,166.67 (\$1,430,000 per year annualized) with the option to renew on a year-to-year basis for 25 consecutive one-year periods with rent increasing 3% for each option period exercised for the use of Columbus State University ("CSU").

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

That the terms of the above-referenced rental agreement are subject to review and legal approval of the Office of the Attorney General.

Understandings: In October 1996, the Board approved a rental agreement continuing the rental of Courtyard I, which has been rented by the Board for student housing since 1990. In August 2000, the Board entered into a rental agreement for Building F to be part of Courtyard I with a total of 246 student housing beds. In October 1998, the Board approved renting Courtyard II. In September 2001, the Board approved renting an addition to Courtyard II with a total of 354 student housing beds.

Operating costs, including insurance, utilities, maintenance, janitorial services, and pest control, are estimated to be \$440,250 per year.

When the Foundation debt is retired, which is anticipated to occur in 2031, it is intended that this improved real property will be gifted to the Board of Regents.

3. Rental Agreement, Tower Place 200, 3348 Peachtree Road, Atlanta, Georgia State University

Approved: The Board authorized the execution of a rental agreement between OP&F Tower, Inc., Landlord, and the Board of Regents, Tenant, for approximately 12,000 square feet of space located at Tower Place 200, 3348 Peachtree Road, Atlanta, for the period August 1, 2006, through June 30, 2007, at a monthly rent of \$24,000.00 (\$288,000 per year annualized/\$24.00 per square foot per year) with rent abated through December 2006 and with options to renew on a year-to-year basis for five consecutive one-year periods with rent increasing 3.0% for each option period exercised for the use of Georgia State University (“GSU”) for the J. Mack Robinson College of Business Executive Master of Business Administration (“M.B.A.”) program and nondegree executive education.

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

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

Understandings This location will house GSU’s Executive M.B.A. program and nondegree executive education. The Committee on Academic Affairs approved the establishment of an external Executive M.B.A. program in Buckhead for GSU at the April 2006 meeting.

If this agreement is terminated prior to the fifth renewal term, an additional premature termination payment will be due to the Landlord in the amount of \$477,157.94 at the end of the initial term, decreasing each year to \$63,992.24 at the end of the fourth renewal term.

All operating costs are included in this rent rate.

4. Rental Agreement, 394 South Milledge Avenue, Athens, University of Georgia

Approved: The Board authorized the execution of a rental agreement between M.O.I.S., LLC, Landlord, and the Board of Regents, Tenant, increasing office space rented at 394 South Milledge Avenue, Athens, from approximately 20,308 square feet to 21,671 square feet for the period July 1, 2006, through June 30, 2007, at a monthly rent of \$29,761.51 (\$357,138.12 per year/ \$16.48 per square foot per year) with options to renew on a year-to-year basis for four consecutive one-year periods with rent increasing 3% for each option exercised 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: In August 2003, the Board authorized a rental agreement for 18,108 square feet of space in this facility for the use by the UGA Division of External Affairs. In August 2005, the Board amended the agreement to increase the rented space by 2,200 square feet to accommodate new programs. This agreement will increase the rented space by an additional 1,363 square feet and also will add three additional option periods.

All operating costs, except maintenance, are included in the rent rate. Tenant is responsible for maintenance up to \$12,700 per year.

5. Rental Agreement, Oxford Study Abroad Program, 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, for approximately 5,443 square feet known as 106 Banbury Road, Oxford, England, for the period July 1, 2006, through June 30, 2007, at a monthly rent of \$16,740.50 (\$200,886 per year/\$36.90 per square foot per year) with options to renew on a year-to-year basis for four consecutive one-year periods with rent increasing 3.0% for each option period exercised 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 the above-referenced rental agreement are subject to review and legal approval of the Office of the Attorney General.

Understandings: In August 2004, the Board approved a rental agreement continuing the rental of this facility, which has been rented for use by UGA as student housing for the Oxford Study Abroad Program (the “Oxford Program”) since 1999.

The need for housing and the need for continued use of this facility have been assessed. This facility is still required for student housing for the Oxford Program and permits the Oxford Program to be operated year-round.

Operating costs, including utilities, janitorial services, pest control, and management, are estimated to be \$78,185 per year.

The need for continued use of this facility and options to renting this facility for housing will be

assessed annually for the long-term needs of the Oxford Program.

6. Rental Agreement, Ecology and Environmental Studies Program, Costa Rica, University of Georgia

Approved: The Board authorized the execution of a rental agreement between The University of Georgia Foundation, Inc. (the “Foundation”), Landlord, and the Board of Regents, Tenant, for approximately 169 acres of land with building structures in Costa Rica for the period July 1, 2006, through June 30, 2007, at a monthly rent of \$10,538.34 (\$126,460 per calendar year) with options to renew on a year-to-year basis for four consecutive one-year periods with rent increasing 3% each year for the use and benefit of the University of Georgia (“UGA”).

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 May 2002, the Board approved renting this real property from La Dominga de San Luis, S.A., a non-profit affiliate of the Foundation. This agreement will be with the Foundation and will reflect the Landlord’s responsibility for all maintenance of the property.

UGA’s Ecology and Environmental Studies Program will utilize this property for classroom and residential space as well as outdoor research. The land provides one of the few natural rain forests and ecosystems available for research. The buildings include a dining hall, four rooms with 30 bunks, a classroom, and a laboratory. There are also two rooms with 8 bungalow beds, a lodge with 12 rooms, a horse stable, and housing for employees.

Operating costs, including taxes, utilities, janitorial services, and pest control, are estimated to cost \$39,384 annually.

Rent and operating expenses will be paid from UGA’s Costa Rica Ecology and Environmental Studies program fees.

7. Rental Agreement, College Plaza, Unit 4, Statesboro, Georgia Southern University

Approved: The Board authorized the execution of a rental agreement between Revocable Trust of James E. Chambers and Mary S. Chambers Credit Shelter Trust, Landlord, and the Board of Regents, Tenant, for approximately 20,800 square feet of space located at College Plaza, Statesboro, for the period July 1, 2006 through June 30, 2007, at a monthly rent of \$9,232.00 (\$110,784.00 per year/\$5.32 per square foot per year) with the option to renew on a year-to-year basis for five consecutive one-year periods at the same rent rate for the use of the Georgia Southern University

(“GSOU”).

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

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

Understandings: In May 2000, the Board approved a rental agreement continuing the rental of this facility, which has been rented for use by GSOU since May 1995.

The facility is used by the Controller’s Division Department of Archives and Records Management and by the Division of Academic Affairs for a dance studio, a theatre for the puppetry program, to store materials and equipment, and for the museum’s Project Sense program.

Operating costs, including utilities, maintenance, janitorial services, and pest control, are estimated to be \$44,431 per year.

8. Rental Agreement, 1975 Lakeside Parkway, Tucker, Georgia Perimeter College

Approved: The Board authorized the execution of a rental agreement between Capital Partners, Inc., Landlord, and the Board of Regents, Tenant, for 14,784 square feet of office space located at 1975 Lakeside Parkway, Tucker, for the period June 7, 2006, through June 30, 2007, at a monthly rent of \$18,664.80 (\$223,977.60 per year annualized/\$15.15 per square foot per year) with options to renew on a year-to-year basis for two consecutive one-year periods at the same rent rate, for the use of Georgia Perimeter College (“GPC”).

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

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

Understandings: This location will house administrative and production space for administrative units of the Office of Information Technology and the Office of Institutional Research and Planning. This property will create “swing space” that will allow GPC to make some strategic moves within the institution’s existing space. It will provide an opportunity to modernize facilities and create higher efficiencies by designing space to meet the current and future needs of functional areas.

All operating costs are included in the rent rate.

9. Acquisition of Real Property, 3823 Old Register Road, Statesboro, Georgia Southern University

Approved: The Board authorized the purchase of approximately 3.494 acres of real property located at 3823 Old Register Road, Statesboro, from Georgia Southern University Foundation, Inc. (the “Foundation”) for \$548,000 for the use and benefit of Georgia Southern University (“GSOU”).

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

Understandings: Acquisition of this real property is consistent with the GSOU master plan.

The Foundation acquired this real property in January 2006 for \$548,000.

The real property is improved by an approximately 6,056-square-foot metal building in generally fair condition. If acquired, the building will be utilized as a warehouse and shop space for the custodial staff for the GSOU Physical Plant and Auxiliary Services. Long-term use of the real property will be as a portion of the site for the Physical Plant, as identified in the GSOU master plan.

An environmental site assessment has been conducted and indicates no significant adverse environmental issues.

Three independent appraisals of the real property are as follows:

| Appraiser | Appraised Value | Average |
|--|-----------------|------------|
| William E. Hollingsworth, MAI, Augusta | \$ 550,000 | |
| Remer Clifton, Statesboro | \$ 540,000 | \$ 547,333 |
| Marion C. Hulsey, Statesboro | \$ 552,000 | |

There are no known easements, reversions, or restrictions on the real property other than easements to Georgia Power Company and the State of Georgia Department of Transportation at the edge of the real property.

Funding for the purchase is from GSOU auxiliary reserves.

10. Acquisition of Real Property, 172 Stafford Avenue, Barnesville, Gordon College

Approved: The Board authorized the purchase of approximately 1.017 acres of real property located at 172 Stafford Avenue, Barnesville, from Gordon College Properties Foundation, LLC (the “Foundation”) for \$253,334 for the use and benefit of Gordon College (“GOC”).

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

Understandings: Acquisition of this real property is consistent with the GOC master plan.

The Foundation acquired this real property in May 2005 for \$290,000.

The real property is improved by an approximately 2,645-square-foot two-story house and a guest house that is attached by a breezeway, all in generally good condition. If acquired, the house will be used for receptions and fund-raising events.

An environmental site assessment has been conducted and indicates no significant adverse environmental issues.

Three independent appraisals of the real property are as follows:

| Appraiser | Appraised Value | Average |
|-------------------------------|-----------------|------------|
| Gregory Westbury, Barnesville | \$ 230,000 | |
| Gwen White, Griffin | \$ 205,000 | \$ 253,334 |
| James Whitmire, Jr., Griffin | \$ 325,000 | |

There are no known easements, reversions, or restrictions on the real property.

Funding for the purchase is from GOC operating funds.

11. Acquisition of Real Property, 40 Harold Ragan Drive, Blakely, Bainbridge College

Approved: The Board authorized the acquisition of approximately 24.14 acres of real property located at 40 Harold Ragan Drive, Blakely, from the State of Georgia for the use and benefit of Bainbridge College (“BC”).

The Board also authorized the acquisition of approximately 1.86 acres of real property located at 40 Harold Ragan Drive, Blakely, from the State of Georgia when this real property reverts to the State of Georgia from Early County in 2022.

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

Understandings: At this Board meeting, the Committee on Academic Affairs received information concerning the transfer of operations of the Blakely site of Albany Technical College to BC. (See pages 34 to 36.)

The real property is improved by an approximately 32,591-square-foot facility, built in 1999, that houses instructional and administrative space and is in excellent condition. If acquired, the facility

will be used by BC to provide technical programs that are currently offered at this location.

The real property that will revert to the State of Georgia in 2022 was deeded to Early County to construct a 5,064-square-foot child development and demonstration center in 2002.

Transfer of title will require legislative action during the 2007 session of the Georgia General Assembly authorizing the State Properties Commission to transfer title. Until this can occur, a memorandum of understanding will be entered into that will allow BC to assume management of the facilities effective July 1, 2006.

An environmental site assessment was conducted by the State of Georgia prior to acquisition in 1996. Since this real property is being acquired from the State of Georgia, an independent environmental site assessment has not been conducted.

There are no known easements, reversions, or restrictions on the real property.

12. Gift of Real Property, 831 Marietta Street, Atlanta, Georgia Institute of Technology

Approved: The Board accepted a gift of approximately 2.050 acres of improved real property located at 831 Marietta Street, Atlanta, from the Georgia Tech Foundation Real Estate Holding Corporation (the “Foundation”) for the use and benefit of the Georgia Institute of Technology (“GIT”).

Acquisition of this real property is subject to completion of an environmental assessment of the real property indicating no significant problems or, if environmental problems are indicated, said problems be mitigated before the real property is acquired.

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

The Board authorized a rental agreement, or other appropriate agreement, between the Board of Regents, Landlord, and Walter H. Hopkins Company, Tenant, for continued use of a portion of the premises for up to two years.

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

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

Understandings: The property contains a masonry building in generally good condition of approximately 24,000 square feet, including 4,500 square feet of office space, 4,500 square feet of

tenant space, and 15,000 square feet of warehouse space.

This real property was acquired by the Foundation in March 2006 for \$3,382,500. This real property was appraised for \$3,400,000 by Harris “Bo” Simpson, MAI, in January 2006.

Acquisition of this real property is consistent with the GIT master plan.

This real property will be used to house various support functions, as well as continued use by the GIT Air Quality Laboratory. Additionally, the property contains parking that will be utilized for this property as well as the adjacent properties at 811 and 845 Marietta Street.

Walter H. Hopkins Company will rent 18,840 square feet of the building for up to two years from the date the Foundation acquired the real property at no rent for the first 12 months and then \$21,195 per month for continued use pending relocation.

There are no restrictions on the gift and no known reversions, restrictions, or adverse easements on the real property, other than an easement to Georgia Power Company and an easement to Bellsouth Telecommunication, Inc. for an equipment area at the edge of the real property.

When acquired, the rental agreement for 8,300 square feet in this facility at an annual rent of \$30,717 for use by the GIT Air Quality Laboratory will terminate.

13. Conveyance of Real Property, Athens-Clarke County, University of Georgia

Approved: The Board declared approximately 12.573 acres of real property near Will Hunter Road, Athens, on the campus of the University of Georgia (“UGA”) to be no longer advantageously useful to UGA or other units of the University System of Georgia but only to the extent and for the purpose of conveying this real property to Athens-Clarke County (the “County”) for use as a buffer zone for Wastewater Treatment Plant Number 2 (the “Plant”).

The Board conveyed title to the above-referenced real property to the County for use as a buffer zone subject to a reservation of nonexclusive easements and subject to reversion of this real property if it should cease to be used as a buffer zone for the Plant.

The legal details involved with this conveyance of real property and reservation of easements will be handled by the Office of the Attorney General.

Understandings: The Board of Regents conveyed real property adjacent to the State Botanical Garden and other UGA facilities, including UGA’s environmental safety storage facilities, to the County in 1962 for use by the County to operate the Plant.

The County needs to upgrade and expand the Plant. To obtain State Environmental Protection Division permitting, the County must acquire sufficient real property for buffer zones for the Plant.

Consideration for conveying this real property is the future capacity that the Plant will provide to support future growth of the UGA campus in this vicinity.

The State Botanical Garden of Georgia has some walking trails that are within the real property to be conveyed. Additionally, a safety zone surrounding UGA environmental safety storage facilities overlaps with a portion of the real property to be conveyed. Nonexclusive easements will be reserved to permit these continued uses.

14. Appointment of Construction Management Firm, Tate Student Center and Parking Deck Expansion, Athens, University of Georgia

Approved: The Board appointed the first-named construction management firm listed below for the identified project and authorized the execution of a contract with the identified firm. Should it not be possible to execute a contract with the top-ranked firm, staff will then attempt to execute a contract with the other listed firms in rank order.

Understandings: A student fee of \$25 per semester was approved for this project by the Board at its April 2005 meeting. Authorization of the project and appointment of an architect was approved by the Board at its April 2006 meeting.

Until the primary financing with the University of Georgia Real Estate Foundation, Inc. (“UGAREF”) is finalized, UGA has committed to provide student fee revenue to support the preconstruction portion of the project budget.

The Tate Student Center was opened in 1983 and contains 100,000 square feet of floor space. This project will consist of a 100,000-square-foot addition (\$23 million), renovations to the existing building (\$2 million), and a new 550-space parking deck (\$16 million). This project will allow for a student center large enough to facilitate the enrollment growth at UGA, which is now at approximately 33,000 students.

Note: Further action by the Board will be requested to approve the terms of the ground lease, rental agreement, operating agreements, and other agreements necessary for development and operation of the facility.

Following public advertisement, a qualifications-based selection process for a construction management firm was held in accordance with Board of Regents procedures. The following recommendation is made:

| | |
|--|--------------|
| Total Project Cost | \$41,000,000 |
| Construction Cost (Stated Cost Limitation) | \$31,800,000 |

Number of Construction Management firms that applied for this commission: 10

Recommended Construction Management firms in rank order:

1. Holder Construction Group, LLC, Atlanta
2. Whiting-Turner Contracting Company, Atlanta
3. Gilbane, Norcross
4. The Facility Group, Smyrna

15. Appointment of Construction Management Firm, Housing Renovation and Expansion, Student Housing Phase II, Athens, University of Georgia

Approved: The Board appointed the first-named construction management firm listed below for the identified project and authorized the execution of a contract with the identified firm. Should it not be possible to execute a contract with the top-ranked firm, staff will then attempt to execute a contract with the other listed firms in rank order.

Understandings Until the primary financing with the University of Georgia Real Estate Foundation, Inc. (“UGAREF”) is finalized, UGA has committed to provide funds from university housing reserves to support the preconstruction portion of the project budget. Until the primary financing with UGAREF is finalized, the construction manager will only be authorized to provide preconstruction services to aid the design professional and UGA with cost analysis, design reviews, and scheduling.

The project will bring facilities constructed in the 1930s up to current living standards and code requirements. The project will include a new residence hall at Reed Quad North, renovation and expansion of Rutherford Hall, and renovation of Mary Lyndon Hall.

Note: Further action by the Board will be requested to approve the terms of ground leases, rental agreements, operating agreements, and other agreements necessary for development and operation of the facilities.

Following public advertisement, a qualifications-based selection process for a construction management firm was held in accordance with Board of Regents procedures. The following recommendation is made:

| | |
|--|--------------|
| Total Project Cost | \$57,473,000 |
| Construction Cost (Stated Cost Limitation) | \$36,760,000 |

Number of Construction Management firms that applied for this commission: 8

Recommended Construction Management firms in rank order:

1. Brasfield & Gorrie, LLC, Kennesaw
2. Choate Construction Company, Atlanta
3. Skanska USA Building, Inc., Atlanta

16. Resolution 2006D General Obligation Bond Issue, Georgia State Financing and Investment Commission, University System of Georgia

Approved: The Board adopted the Resolution prepared by the Revenue Division of the Department of Law covering the issuance of 2006D 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 prepared on behalf of the Board of Regents a Resolution to cover the sale of 2006D G. O. Bonds for the following project:

| | | |
|------|---|--------------|
| J-77 | Nanotechnology Research Center Building | |
| | Georgia Institute of Technology | \$38,000,000 |

17. Approval of 2007 Major Repair and Renovation Funds

Approved: The Board authorized distribution of major repair and renovation (“MRR”) funds in accordance with staff recommendations.

Understandings: MRR bond funds in the amount of \$60 million are in the fiscal year 2007 budget and will be available after the appropriate bond sale takes place.

The University System Office facilities staff has reviewed proposed projects from each institution for priority, quality, and cost. Their recommendations generally follow institutional priorities; however, all must meet the test of efficiency, effectiveness, and return on investment. Guidelines are used to screen institution-requested projects for MRR funding.

MRR funds are not used for new construction or land acquisition. Only when there are bona fide critical conditions in an auxiliary facility, such as a dormitory or dining hall, and the campus’s own auxiliary reserves will not cover the need will auxiliary projects be considered for MRR funding.

Institutions are expected to perform adequate annual maintenance. MRR funding is intended to cover

nonroutine larger expenditure items. It is intended to be used for building system and building integrity purposes before other uses; for example, roofs and mechanical/electrical systems take priority over programmatic renovations. MRR priorities are focused on building envelopes, systems, and utility infrastructure to reduce building outages due to failures.

18. Information Item: Capital Project Prioritization (To Be Addressed by Committee of the Whole)

The Vice Chancellor of Facilities, Linda M. Daniels, and the Director of Planning, Alan S. Travis, presented information to the Committee as a Whole on capital project prioritization. See pages 13 to 20.

19. Information Item: Executive Session, Real Property Acquisition

At approximately 3:20 p.m. on Tuesday, June 6, 2006, Chair Allan Vigil called for an Executive Session for the purpose of discussing the potential acquisition of real property. 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 Vigil, Vice Chair Hugh A. Carter, Jr., and Regent Felton Jenkins. Also in attendance were Board Chair J. Timothy Shelnut; the Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel; the Vice Chancellor for Facilities, Linda M. Daniels; the Executive Director of Real Estate Ventures, Marty Nance; the Director of Compliance and Administration, Mark Demyanek; President Carlton V. Brown of Savannah State University (“SSU”); and the Vice President for Business and Finance at SSU, Arthur L. Moncrief.

In accordance with O.C.G.A. § 50-14-4, an affidavit regarding this Executive Session is on file with the Chancellor’s Office.

At approximately 3:40 p.m., Chair Vigil reconvened the Committee meeting in its regular session and announced that no actions were taken in the Executive Session.

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, June 6, 2006, at approximately 3:50 p.m. in room 7010. Committee members in attendance were Chair James R. Jolly, Vice Chair Felton Jenkins, and Regent Robert F. Hatcher. Chair Jolly reported to the Board on Wednesday that the Committee had reviewed three items, all of which required action. Item 3 included nine applications for review; of these, seven were denied, and two were continued for further consideration. In accordance with 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. Approval of the Columbus State University Mutual Aid Agreement with Muscogee County

Approved: The Board approved the following mutual aid agreement between Columbus State University and Muscogee County, effective June 7, 2006.

Background: Columbus State University has reached an agreement with Muscogee County to provide for the rendering of extraterritorial assistance as defined in Georgia Code 36-69-2 (local emergency) and under the conditions established in Georgia Code 36-69-2 (extraterritorial cooperation and assistance to local law enforcement agencies or fire departments; commander of operations). The mutual aid agreement follows a statutory format and has been approved by the Office of Legal Affairs.

2. Revision of The Policy Manual, Section 407.01, Grade, Parking, and Residency Appeals

Approved: The Board revised Section 407.01 of The Policy Manual to preclude appeals to the Board of Regents concerning tuition under the Guaranteed Tuition Plan (“GTP”).

Background: Section 704.2, The Guaranteed Tuition Plan, is recommended for Board approval as Item 2 of the agenda of the Committee on Finance and Business Operations. The following proposed revision to Section 407.01 of The Policy Manual is necessary to be consistent with the terms of the GTP.

Previous Policy

407.01 GRADE, PARKING, AND RESIDENCY APPEALS

Final judgment on all appeals regarding residency, student grades, or traffic citations rests with the president of the institution at which the appeal is heard (BR Minutes, April 1995).

Revised Policy

407.01 GRADE, PARKING, AND RESIDENCY, AND TUITION APPEALS

Final judgment on all appeals regarding residency, student grades, or traffic citations, and the Guaranteed Tuition Plan rests with the president of the institution at which the appeal is heard (BR Minutes, April 1995).

3. Applications for Review

At approximately 3:55 p.m. on Tuesday, June 6, 2006, Chair James R. Jolly called for an Executive Session for the purpose of discussing personnel matters and academic records of students. With motion properly made and variously seconded, the Committee members who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair James R. Jolly, Vice Chair Felton Jenkins, and Regent Robert F. Hatcher. Also in attendance were the Senior Vice Chancellor for Support Services, Corlis P. Cummings; the Associate Vice Chancellor for Legal Affairs, Elizabeth E. Neely; and the Assistant Vice Chancellor for Legal Affairs (Prevention), J. Burns Newsome. In accordance with O.C.G.A. § 50-14-4, an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 4:25 p.m., Chair Jolly reconvened the Committee meeting in its regular session and announced that the following actions were taken in Executive Session:

- a. In the matter of Dr. Lloyd Klein at Macon State College, concerning nonrenewal of his employee contract, the application for review was denied.
- b. In the matter of Dr. Robert Lee at Fort Valley State University, concerning denial of promotion and tenure, the application for review was denied.
- c. In the matter of Ms. Suzanne L. Talbott at Kennesaw State University, concerning her termination, the application for review was denied.
- d. In the matter of Michael Todd Brandenburg at the Medical College of Georgia, concerning his termination, the application for review was continued.
- e. In the matter of file no. 1844 at Macon State College, concerning expulsion, the application for review was denied.
- f. In the matter of Ms. Marsha Aaron at Albany State University, concerning discrimination and position reassignment, the application for review was denied.
- g. In the matter of Dr. Carl D. Mueller at Georgia Southwestern State University, concerning denial of promotion, the application for review was denied.
- h. In the matter of file no. 1846 at Kennesaw State University, concerning financial aid matters, the application for review was denied.
- i. In the matter of file no. 1847 at the University of Georgia, concerning denial of readmission into the College of Pharmacy, the application for review was continued.

AUDIT COMMITTEE

The Audit Committee met on Tuesday, June 6, 2006, at approximately 4:30 p.m. in room 7005. Committee members in attendance were Chair Julie Ewing Hunt, Vice Chair James R. Jolly, and Regent Robert F. Hatcher. Chair Hunt reported to the full Board on Wednesday that the Committee had reviewed two items, neither of which required action. Those items were as follows:

1. Information Item: Audit Plan for Fiscal Year 2007

Each year, the Associate Vice Chancellor for Internal Audit, Ronald B. Stark, prepares an audit plan for the University System of Georgia. He develops this plan by requesting input from the Regents, University System Office managers, and the institutions. He prepares a matrix of the responses from all parties, determines risk factors, and selects institutions to be audited. He determines the scope of the audit coverage using a risk-evaluation process. He then allocates audit resources based upon the coverage provided by the Georgia Department of Audits and Accounts and the audit plan of the 14 institutions with internal audit departments. The campus-based auditors prepare their audit plans based upon an institutional risk-assessment process. Mr. Stark and the respective institution's president approve each campus audit plan. At this meeting, Mr. Stark presented the full audit plan for the University System of Georgia for fiscal year 2007, including coverage provided by the Board of Regents audit staff and the campus-based auditors.

2. Information Item: Principles of Enterprise Risk Management Presentation

The Associate Vice Chancellor for Internal Audit, Ronald B. Stark, presented the principles of Enterprise Risk Management ("ERM"). He explained the concepts, benefits, and implementation strategy to have an effective ERM process. The Audit Committee reviewed the information enthusiastically but questioned whether it was the right time to adopt a new initiative, since there are so many others already underway.

EXECUTIVE AND COMPENSATION COMMITTEE

The Executive and Compensation Committee met on Tuesday, June 6, 2006, at approximately 4:00 p.m. in the room 7019, the Chancellor's Conference Room. Committee members in attendance were Chair J. Timothy Shelnut, Vice Chair Patrick S. Pittard, and Regents William H. Cleveland, Elridge W. McMillan, and Richard L. Tucker. Chair Shelnut reported to the Board on Wednesday that the Committee had reviewed two items, one of which required action. Item 2 was a walk-on item. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Information Item: Executive Session: Personnel and Compensation Issues

At approximately 4:00 p.m. on Tuesday, June 6, 2006, Chair J. Timothy Shelnut called for an Executive Session for the purpose of discussing personnel and 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 Shelnut, Vice Chair Patrick S. Pittard, and Regents William H. Cleveland, Elridge W. McMillan, and Richard L. Tucker. Also in attendance were Chancellor Erroll B. Davis, Jr.; the Senior Vice Chancellor for Support Services, Corlis Cummings; and the Secretary to the Board, Gail S. Weber. In accordance with O.C.G.A. § 50-14-4, an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 4:30 p.m., Chair Shelnut reconvened the Committee meeting in its regular session and announced that no actions were taken in the Executive Session but that the issues discussed would be taken up by the full Board in Executive Session on Wednesday, June 7, 2006. (See page 94.)

2. Change in Board Meeting Schedule

Approved: The Board approved a change in the November 2006 Board meeting dates to Wednesday, November 8, and Thursday, November 9, 2006, so that the Board of Regents would not be meeting on election day.

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

CHANCELLOR'S REPORT TO THE BOARD

After the Committee meeting reports, Chancellor Davis gave his report to the Board, which was as follows:

Thank you, Mr. Chairman. As I noted yesterday in my introductory remarks, June has been a busy month in terms of the Board agenda and my own. We continue to move forward on two presidential searches at Waycross College and Georgia Perimeter College. Interviews of the candidates on the two campuses ended last week, and we will begin the Regents' interviews of candidates shortly.

Tomorrow, I will resume my campus visits. Since February 10, I have visited 27 campuses, and beginning tomorrow with North Georgia College & State University, I will wind up my campus tours with visits to eight institutions. The tours will wrap up in mid June, and I will complete my visits with Regents over the next month or so as well. Once the visits are finished, then I will focus my efforts on strategic planning.

Let me just say at this point that our strategic planning will focus on the System and how the System can best meet the needs of its customers. As a result of our governance training,

I now also have a sense of what you believe are the critical issues in the System. One of my responsibilities as Chancellor is to ensure institutional resources align with these System goals, and I will focus on creating a strategic plan that more closely aligns our institutions with these larger goals. We will provide a connection – and hopefully, appropriate incentives – between institutional ambitions and System goals. The point of strategic planning for the University System will be to strengthen the System and discourage the sense of a loose confederation that we, in many ways, have today. We have a constitutional responsibility to maintain and strengthen the strong System Georgians have created, supported, and sustained. This historical reality will inform and underlie our strategic planning in the coming months. The campus visits help set up this planning, as will your continuing input.

Two presentations you heard yesterday – plus two today – will also inform this planning. Yesterday, you heard the Associate Vice Chancellor for Planning and Policy Analysis, Cathie Mayes Hudson, discuss enrollment projections. The biggest variable in future college enrollment numbers is Georgia’s high school completion rate. Any significant improvement in this rate will have profound implications for our strategic planning. We must recognize this variable as we begin our strategic planning and understand that we must be very flexible in our thinking and policy direction. The Vice Chancellor for Facilities, Linda M. Daniels, and the Director of Planning, Alan S. Travis, presented our interim capital process. We are moving toward a process that allows strategies and mission to drive construction. This reflects my belief – and intent – that missions drive budgets; budgets don’t drive mission.

Over the longer term, our capital process must be placed in a multiple-year, strategic context. As you heard in President Daniel W. Rahn’s presentation, facilities also must align with what we determine to be the state’s strategic priorities. This alignment can be seen in our recommendations at the Medical College of Georgia, Kennesaw State University, and the University of Georgia for facilities that address the need for health professionals in Georgia.

However, we cannot just focus on distant strategic needs; our focus also must be timely and responsive. In this vein, you will note that we continue to prepare to implement our guaranteed tuition plan – “Fixed for Four.” Under the direction of our Vice Chancellor for Fiscal Affairs, William R. Bowes, most outstanding issues have been resolved, and public receptivity remains positive. This is a good example of the model I will follow to use data to inform our decisions, to act in a timely and responsive manner, and to be flexible in the subsequent implementation of policy.

Responsiveness and accountability are the watchwords of our funding partners. “Fixed for Four” does send a strong message in this regard to both the Governor and the General Assembly. My belief is that we must send another strong message with our budget for fiscal year 2008. We must make strategic progress, and we must make operational progress as well. Our partners demand this. I don’t want to steal his thunder, but the Senior Vice Chancellor

for External Activities and Facilities, Thomas E. Daniel, will report immediately after my comments on our current activities and future plans with our funding partners. One of the themes running through Tom's presentation will be our awareness of and efforts toward increasing accountability and responsiveness to those that fund our core functions. To that end, we will be creating new opportunities for you as Regents to interact with our funding partners and to help communicate our key messages.

Let me take a moment to update you on five open items from the May meeting. As we seek to use data in new ways to drive our policy decisions, we will begin to examine potential changes in our financial reports to ensure these reports are responsive to our needs. Work will begin shortly. We also are poised to begin a review and potential revision of Policy 203, which deals with the removal and resignation of presidents. A revised look at our Board and Committee schedules and formats will be discussed with you in August. Also in August, we will discuss with you recommendations for the revision in the makeup of the Regents Committees for presidential searches. And finally, later in the year, we will begin discussions on the relationship between the Board of Regents and Department of Technical and Adult Education.

As you know, the Board will not meet in July, but our staff will continue to move forward on a number of fronts that I have referenced today and many others. A new budget cycle is underway. We have clear instructions from the Governor on the fiscal year 2008 budget request that we must adopt at the August meeting in order to meet the September 1 requirement. Our institutions are gearing up for another fall semester. We will be bringing back to you more detailed plans for our new capital priorities process. In August, we will be looking at some findings from our communications survey. We will share them with you in September. Strategic planning will be getting in gear as we begin the new fiscal year, and we will have new board leadership ready to move the System forward and to build upon the good work of Chairman Shelnut and his predecessors.

As you take this brief hiatus, I do want to thank you for your ongoing support and guidance over the last four months. They have been exciting ones for me. There is a lot of work to be done, and I am anxious about putting a team in place to tackle it! Any questions? If not, let me wish you all a great summer!

PRESENTATION: STRATEGIES ON PARTNERSHIPS

Chancellor Davis called upon the Senior Vice Chancellor for External Activities and Facilities to make a special presentation to the Board.

Mr. Daniel said that Representative Bob Smith's comments the previous day indicated that the Chancellor has done a very effective job of building strong relationships with members of the General

Assembly. He thanked Chancellor Davis for this. He also expressed his appreciation to the Regents for their good work and dedicated efforts on behalf of the University System during the recent legislative session. The Regents' calls and conversations with the System's funding partners made a tremendous difference, he said. As the Chancellor and others had recounted, the University System of Georgia had a very successful legislative session this year, thanks to the strong support of both Governor Sonny Perdue and the General Assembly. However, the System must continue to look forward. Mr. Daniel said there is no rest, particularly for the successful. As Thomas L. Friedman, author of *The World Is Flat: A Brief History of the Twenty-First Century*, has noted, there is always someone gaining on you. So at this meeting, Mr. Daniel would look forward to the Board's next steps in its legislative relationships.

The Regents are not going down the path of Alice in Wonderland, said Mr. Daniel, although at times the legislative process can seem similar. Alice asked the Cheshire Cat, "Would you tell me, please, which way I ought to go from here?" To which the cat replies, "That depends a good bit on where you want to get to." Mr. Daniel would discuss the path to follow, but that path is one that the Regents have worked very hard to identify and to chart. They know where the System needs to go and how it should get there. Communication is central to the Board's efforts to create more and stronger legislative partnerships. This means the Board must engage in year-round dialogue with its funding partners, not just around the legislative calendar and the session. The Regents should not only talk, he said, but also listen, and listen more. There is an old adage: a person has one mouth and two ears; therefore, they should listen twice as much as they talk. Moreover, Board communications will shift, as Chancellor Davis has noted, from telling what the System is doing to how it serves. The Board will be accountable: "Here are the numbers," instead of, "We need the money." The System will be customer-focused: "How can we help you?" instead of "How can you help us?" The pace of System activities with its funding partners will increase and become more intense.

"So what are our plans for the next fiscal year budget cycle?," asked Mr. Daniel. What is the path we will follow to get us and our funding partners to that place we want to be – strong state support for the University System of Georgia? Since the session ended on March 30, the Regents have been busy. The Regents and the Chancellor have officially thanked the System's funding partners. As the Chancellor has conducted his campus visits; he has invited legislators to these events. He is meeting them on their home turf to hear their perceptions of the Board of Regents and strengthen relationships. Staff held a meeting on May 1 with representatives from the Governor's Office, the Governor's Office of Planning and Budget, the House of Representatives and Senate budget offices, and selected System presidents. They asked these individuals for feedback on the job they were or were not doing in keeping the System's funding partners informed of the System's issues, progress and needs. Staff were told that their efforts are useful, timely, helpful, and responsive. They asked how they could improve. The Board approved the "Fixed for Four" Guaranteed Tuition Plan. This plan sends a strong signal to the System's funding partners. This signal indicates the System will be responsive to state needs and should create a stronger level of trust and confidence by funding partners in the University System. "Fixed for Four" will be a foundation for many upcoming

activities with the legislature. The Chancellor has continued a series of one-on-one meetings with the Governor, the Speaker and the Director of OPB, Shelley C. Nickel.

Moving forward, there are a number of things the Board of Regents will do to enhance its current legislative efforts. The Chancellor will continue his one-on-one meetings with legislators and others. Staff will conduct a survey of legislators to better understand members' perceptions and expectations of the University System. The University System Office staff want the Regents to become more involved in its efforts, and to that end, their future plans will provide the Regents with new and additional opportunities for interaction with the System's funding partners. For example, on a regular basis staff will be inviting legislators to the Board of Regents meetings. They will develop a two-year series of events, including regional meetings, for the System's funding partners. Some of these could be hosted by Regents, and some hosted by System institutions. Another approach is to look at direct communications to legislators both as to content and timing. Staff will develop some new written communications pieces. They will be putting items in the hands of the legislature prior to the upcoming session. While content will be based in part upon what their surveys indicate, staff cannot lose sight of the need to craft a message that focuses on the System's statewide mission.

“What are the policy implications of this new ‘more and stronger’ legislative effort?,” asked Mr. Daniel. First, the University System of Georgia must demonstrate its capacity for change and growth as it evolves to meet change and growth in the state, and it must display an even greater sense of urgency and responsiveness. Accomplishing these things – change, growth, urgency, and responsiveness – will engender in the System's funding partners a greater sense of confidence in its actions. This confidence, in turn, will lead to greater trust in the Board's ability to act wisely on behalf of the state, and that trust should cause the System's funding partners to be willing to make a greater investment in the University System. However, this investment is not about the System, stressed Mr. Daniel. Rather, it is about serving the needs of the state and System students. The Board's efforts are for the ultimate benefit of its customers. The Regents' goal is to ensure the resources are available from the state to help them reach their goal of “creating a more educated Georgia.” To be successful, the System's funding partners must understand the importance of that goal and make it their own. As the baby boomers retire and vacate jobs, the responsibility of the University System is to keep the pipeline full of students who will graduate ready to fill those soon-to-be-empty slots. Beyond meeting workforce needs, as the Chancellor has noted, public education is the foundation for a democratic and decent society. The middle class is built through higher education. In closing, Mr. Daniel said he was excited about the days ahead and would be happy to answer the Regents' questions.

Regent Hatcher asked when staff would begin legislative briefings with the Regents.

Mr. Daniel responded that this would begin in the next quarter, but the pace of activity would have to vary around events like the election cycle, the budget process, etc.

Chair Shelnut thanked Mr. Daniel for his hard work and efforts in keeping the Board of Regents and the legislature informed so that they can develop a better relationship.

ELECTION OF NEW CHAIR AND VICE CHAIR FOR FISCAL YEAR 2007

Chair Shelnut stated that he had asked Regent Richard L. Tucker to chair this year's Nominating Committee, which also included Regents Leebern and McMillan. At the May 2006 Board meeting, the Nominating Committee had recommended to the Board that Regent Allan Vigil be elected Chair and Regent William H. Cleveland be elected Vice Chair for the upcoming fiscal year, beginning July 1, 2006. Chair Wooten asked whether there were any other nominations at this time. Seeing that there were none, he called for a vote to elect Regent Vigil as Chair of the Board of Regents for fiscal year 2007. On behalf of the Nominating Committee, Regent Tucker made the motion, which Regent Coles seconded. With motion properly made and seconded, the Board unanimously elected Regent Allan Vigil as Chair of the Board of Regents for fiscal year 2007.

Chair Shelnut next called for a vote on the office of Vice Chair. Regent Coles made the motion, which was variously seconded. With motion properly made and seconded, the Board unanimously elected Regent Cleveland as Vice Chair of the Board of Regents for fiscal year 2007.

Chair Shelnut thanked the Nominating Committee and congratulated Regents Vigil and Cleveland on their elections as Chair and Vice Chair, respectively.

CHAIRMAN'S REMARKS

Chair Shelnut then gave his report on highlights of the past year. He said that it was a pleasure to have served as Chair of the Board of Regents during the past year. This assignment had been one of the most exhilarating and indeed one of the most challenging assignments he had taken on in his entire career. He wished Regent Vigil the best of luck in his term as Chair for fiscal year 2007.

He said that the Board of Regents had an extremely productive year. Much had been accomplished during the past 12 months, which he referred to as "a year of change and transition." Last August, he outlined for several goals and objectives that he wanted to focus on as a Board. The Regents had addressed each and every one of those challenges and priorities, several of them with boldness and innovation. He cited that the Board's most important priority would be filling the Chancellor vacancy. Whenever there is change in the Chancellor's post, such transitions present serious implications for the University System as a whole. So, hiring an effective Chancellor was the Board's greatest responsibility. The Regents took on that responsibility with great focus, dedication, and expediency, and Chair Shelnut was pleased with the result. During the search period, the University System of Georgia was well served by Corlis Cummings as Interim Chancellor. Her appointment marked a milestone for the University System, as she was the first female and first African American to serve in the Chancellor's post. The University System moved forward under her strong and

steady leadership. The national search netted the System an outstanding leader in Erroll B. Davis, Jr., thanks to the good management skills of the search chair, Regent Elridge W. McMillan. The Board was bold and daring enough to seek applications from leaders in all fields and then selected a businessman to lead the System to new levels of excellence and achievement. Chancellor Davis chooses not to focus on the fact that he is an African-American, but Chair Shelnut noted that the national search resulted in the identification of approximately 50 qualified candidates who expressed strong interest in serving as the Chancellor of the University System of Georgia. Chancellor Davis emerged strongly from that pool of candidates and impressed this Board with his intellect, his experience, and his vision... and he earned the Regents' unanimous approval to be named chancellor. While Chancellor Davis does not want to dwell on his race, the fact that he is an African American is important. His appointment as Chancellor is a major historic milestone for the Board of Regents of which each and every one of the Regents can be extremely proud, said Chair Shelnut. It points to just how far the University System of Georgia has come. More importantly, the Chancellor has rapidly assumed the reins over the past four months and is quickly establishing solid plans with measurable outcomes to achieve the Board's stated goals and objectives. Chair Shelnut thanked Chancellor Davis for his leadership.

Another key priority that Chair Shelnut cited last year was the need to accommodate rising enrollment. He was very pleased to note that Governor Perdue and the General Assembly fully funded the funding formula of the University System to the tune of \$1.67 billion. Overall, this was a superb year for the System in terms of legislative support. The System received its highest appropriation in history – \$1.93 billion. This represents an increase of 6.6%, or \$120 million in new dollars, over last fiscal year. These dollars were sorely needed to address student enrollment, which has climbed in leaps and bounds. Chair Shelnut was pleased to see the May 2006 Board meeting that the additional funds were strategically directed toward pressing priorities in the System, such as \$3.1 million for getting the newest institution, Georgia Gwinnett College (“GGC”), up and running. GGC just admitted its first three students last month for the fall 2006 semester, so the System's thirty-fifth institution is now officially up and running. Strategic funding also was directed at hiring 250 new faculty on System campuses (\$24 million)and addressingkey workforce shortages in the state, such as nursing (\$4.9 million), among other key goals. These allocations are in line with the Chancellor's strategy of letting System priorities drive the budget, which makes excellent business sense.

Besides focusing on these very important priorities of hiring a Chancellor and helping to secure legislative funding, Chair Shelnut also established four task forces at the beginning of his tenure to address some key challenges and opportunities facing the System and the Board. He gave the Regents a status report on what was accomplished during the past year in those areas. He began with the student retention, progression, and graduation (“RPG”) initiative, which was chaired by the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp. The task force identified and articulated the barriers to retention and graduation faced by many students. The findings were shared and discussed with the Regents in major reports to the Board delivered by University System Office

staff. In addition, all System presidents were notified that this is a key priority and a major area of accountability with which this Board is concerned. More specifically, it resulted in the allocation of \$2.2 million in funding to five System institutions (Kennesaw State University, Georgia Southern University, Georgia State University, the University of West Georgia, and Valdosta State University) that were determined to have the best opportunity to enhance student retention and graduation through strengthened faculty advising, expansion of freshman learning communities, and other best practices. This is a good start, said Chair Shelnut; however, he would like to see the Board direct continued attention to these challenges. The University System of Georgia must not only achieve national rates of retention and graduation, he said, but rather surpass the national averages. So, the System still has a lot of critical work to do in these areas on behalf of students. The new Guaranteed Tuition Plan will be a tremendous benefit in increasing on-time graduation of students. Students now will have the ability to plan for college expenses with certainty, removing the “surprises” from college planning. He strongly applauded this innovative new incentive program and looks forward to the positive impact it will have on students and their parents.

The Board also focused on expanding its communications efforts during the past year. Vice Chair Pittard chaired this task force, joined by Regents Cleveland and Rodwell. The Associate Vice Chancellor for Media and Publications, Arlethia Perry-Johnson, staffed the initiative. Chair Shelnut said he was pleased with the progress made on the communications front with the development of the System’s new online e-newsletter, “Linkages.” With this new publication, the University System of Georgia has an opportunity to disseminate news and information to its strategic audiences in an unfiltered manner. Also, under this project, the System has launched the comprehensive, statewide constituent survey, that will allow the Board to secure feedback from legislators, business leaders, the general public, and faculty, staff, and students on the campuses. The goal of this effort is to assess how well the Board serves and communicates with its key audiences, so that it may shape effective communications strategies based on the feedback we receive. Chair Shelnut said he is looking forward to the outcomes of that project when the Board receives a report at its September 2006 meeting.

On the previous day, the Regents heard the details of the proposed strategy for addressing the growing demand for construction of new facilities for the University System. This was one of the major task force efforts, chaired by Regent Allan Vigil and staffed by the Vice Chancellor for Facilities, Linda M. Daniels. Chair Shelnut appointed a task force to assess the effectiveness of the Board of Regents’ current capital priority selection process and to identify ways to get ahead of the future demand for facilities. The report the Committee of the Whole heard is one outcome of this group’s hard work over the past several months. The Regents heard the details of the transitional strategy for next year’s capital budget request. “We are moving away from the annual procession of presidents making presentations to outline their capital needs only to make it onto a capital priority list that has grown so lengthy that the time between earning a slot and initiating construction continues to grow longer and longer,” said Chair Shelnut. It is imperative that the Board do things differently and better, he said, and many people worked to devise a new approach to the System’s

capital demands. That included shaping and securing approval for new legislation to assist with this challenge. Senate Bill 562 created the Georgia Higher Education Facilities Authority (“GHEFA”), the new agency created to assist the University System and the Department of Technical and Adult Education (“DTAE”) with financing some capital projects, which should be instrumental in streamlining the facilities bonding process. Chair Shelnut said he is looking forward to the impact this new authority will have and to how proposed changes in the capital prioritization process will be received in the next legislative session. This must remain a continuing priority for the Board, he said, because effectively meeting facilities needs is critical to the System’s successful operation.

The final “opportunity” that he identified last year was the need to conduct a comprehensive assessment of the total impact of the University System on the State of Georgia. President G. Wayne Clough of the Georgia Institute of Technology chaired this task force, and the Executive Director of the Office of Economic Development, Joy Hymel, staffed it. Chair Shelnut said he is extremely pleased with the outcome of that initiative. In the increasing competition for state dollars, it is imperative that the Board effectively evaluate and communicate the return on the investment made in the University System. Not only does the System educate more than 250,000 degree-seeking students each year and about a million continuing education students annually, but it also produces doctors, dentists, lawyers, and entrepreneurs. The System operates hospitals, educates teachers, and supports farmers. The System trains law-enforcement officers, commercializes new technologies, and provides cultural events for communities throughout the state. System faculty and scientists conduct leading-edge research, and System employees provide thousands of hours of community service. The bottom line is that the University System is responsible for the creation of 130,000 jobs annually, and provides a 15:1 return on the more than \$1 billion the state invests each year in the University System. So, with the success of the total impact initiative, the Regents can now say definitely that the return on investment in the University System is \$23 billion. That figure will continue to grow in the future, he said, and he hopes the System will continue to effectively measure, assess, and communicate its impact to its funding partners and constituents.

Chair Shelnut reiterated that this was a year of change and transition. The Board also oversaw the appointment of new presidents at several System institutions. Many Regents served on Special Regents Committees that helped to select these presidents, and he thanked them for that special service. The Board also accepted the resignations of three long-serving presidents: Dr. Betty L. Siegel, after her illustrious 25-year tenure as President of Kennesaw State University (“KSU”); Dr. Harold E. Wade, who served Atlanta Metropolitan College well for more than a decade; and Dr. Barbara P. Losty, who also provided 10 years of solid leadership at Waycross College. The Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, will be taking on the KSU presidency, representing another transition in his critical role here in the University System Office. The Board also named Dr. Daniel J. Kaufmann as the first President of Georgia Gwinnett College; Dr. Everette J. Freeman as the new President of Albany State University; Dr. Larry Eugene Rivers as the new President at Fort Valley State University; Dr. David C. Bridges as the new President of Abraham Baldwin Agricultural College; and Dr. Torri Lilly as the new President of South Georgia

College.

While this year of transition presented many challenges and opportunities for the Board to address, these challenges paled in comparison to the hurdles faced by Georgia's neighbors, family, and friends who contended with the wrath of Hurricane Katrina. This University System responded compassionately to those whose lives were shaken by that hurricane, both in terms of human outreach and community service, as well as in addressing the educational needs of students who were impacted by that natural disaster. The System continues to do so, thanks to this Board's actions. So, while the System and Board were on the move, they were not too busy to care or to display compassion, and that matters to Georgians.

In closing, Chair Shelnut thanked his fellow Regents for this unparalleled leadership opportunity. In particular, he thanked Regent Pittard for his dedicated service as Vice Chair during the past year and for giving of his time and talent. He thanked the Regents for their hard work and contributions to the success of the Board, both individually and collectively. The Chairmanship is a position that requires an incredible amount of staffing support, and he thanked the Secretary to the Board, Gail S. Weber, for all that she does for the Regents on a daily basis to make the Board function so effectively. Chair Shelnut said he looked forward to passing the Chair's gavel on to Regent Vigil and to continuing to serve as a member of this esteemed Board of Regents, as it presents a rich opportunity to give back to a state that has given so much to him.

UNFINISHED BUSINESS

Regent Tucker announced the University System of Georgia Foundation, Inc. would host its third annual Excellence in Education Celebration on March 3, 2007.

NEW BUSINESS

Chair Shelnut announced that there would be no July 2006 meeting of the Board of Regents. He then asked for a motion to authorize Chancellor Davis to take any actions necessary on behalf of the Board between this meeting and the August 2006 Board meeting with such actions to be ratified by the Board at the August meeting. With motion properly made, variously seconded, and unanimously adopted, the Board approved this authorization.

PETITIONS AND COMMUNICATIONS

Secretary Gail S. Weber announced that there would be no meeting in July. The next Board meeting would take place on Tuesday, August 8, and Wednesday, August 9, 2006, in the Board Room in Atlanta, Georgia.

EXECUTIVE SESSION

At approximately 11:10 a.m. on Wednesday, June 7, 2006, Chair Shelnut called for an Executive Session for the purpose of discussing personnel and compensation issues and a real estate matter. 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 Shelnut, Vice Chair Patrick S. Pittard, and Regents Hugh A. Carter, Jr., William H. Cleveland, Michael J. Coles, Robert F. Hatcher, Julie Ewing Hunt, Felton Jenkins, W. Mansfield Jennings, Jr., James R. Jolly, Elridge W. McMillan, Doreen Stiles Poitevint, Willis J. Potts, Jr., Wanda Yancey Rodwell, Richard L. Tucker, and Allan Vigil. Also in attendance were Chancellor Erroll B. Davis, Jr.; the Senior Vice Chancellor for Support Services, Corlis Cummings; and the Secretary to the Board, Gail S. Weber. In accordance with O.C.G.A. § 50-14-4, an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 11:30 a.m., Chair Shelnut reconvened the Board meeting in its regular session and announced that in the Executive Session, the Board had voted unanimously to approve his sending letters of support for the University of Georgia's bid to build the national bio- and agro-defense facility to all Georgia's national leaders and others. The Board also unanimously approved an additional \$10,000 in deferred compensation from the University of West Georgia Foundation, Inc. to President Beheruz N. Sethna.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 11:35 a.m. on June 7, 2006.

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

s/ _____
J. Timothy Shelnut
Chair, Board of Regents
University System of Georgia