

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
Armstrong Atlantic State University
Savannah, Georgia
April 19 and 20, 2005**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, April 19, and Wednesday, April 20, 2005, in the board room of the Armstrong Center Technology Conference Center at Armstrong Atlantic State University. The Chair of the Board, Regent Joel O. Wooten, Jr., called the meeting to order at 1:00 p.m. on Tuesday, April 19, 2005. Present on Tuesday, in addition to Chair Wooten, were Vice Chair J. Timothy Shelnut and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Martin W. NeSmith, Patrick S. Pittard, Doreen Stiles Poitevint, Richard L. Tucker, and Allan Vigil.

Chair Wooten thanked President Thomas Z. Jones of Armstrong Atlantic State University for hosting this meeting of the Board of Regents.

ATTENDANCE REPORT

The attendance report was read on Tuesday, April 19, 2005, by Secretary Gail S. Weber, who announced that Regents Michael J. Coles, Joe Frank Harris, and Wanda Yancey Rodwell 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 March 8 and 9, 2005, were unanimously approved as distributed.

SPECIAL PRESENTATION ON ARMSTRONG ATLANTIC STATE UNIVERSITY

Chair Wooten recognized former Regent and former Commissioner of the Georgia Department of Transportation, J. Tom Coleman, Jr., who was in attendance at the meeting. He then called upon President Thomas Z. Jones of Armstrong Atlantic State University (“AASU”) to introduce some other special guests and to make a presentation to the Board on AASU.

President Jones welcomed the Regents to Savannah and AASU. He said that he was delighted to have the Board and University System Office staff at AASU for the April meeting. He then invited Vice

Chair Shelnut to make some welcoming comments as well.

Vice Chair Shelnut remarked that it was a pleasure to be in Savannah at AASU. He said that the Regents are extremely proud of the institution and looked forward to spending the next few days there.

President Jones noted that there were special guests in attendance at this meeting who would like to extend their greetings and welcome. He said that Dr. Otis Johnson, Mayor of Savannah and alumnus of AASU, could not be in attendance, but he wanted President Jones to extend his greetings and a welcome from the City of Savannah. President Jones then called upon the Chair of the Chatham County Commission, Pete Liakakis, to make some remarks.

On behalf of the Chatham County Commission, Mr. Liakakis welcomed the Regents to Savannah. He said that Savannah is home to two great System institutions: AASU and Savannah State University. Under the leadership of President Jones, AASU has taken off to great heights. This helps the City of Savannah, the region, and the state. Mr. Liakakis thanked the Regents for their important work on behalf of the University System of Georgia. He noted that the motto of AASU is "Learn today, lead tomorrow." Many AASU graduates have gone on to leadership positions, such as Senator Eric Johnson. In closing, Mr. Liakakis thanked the Regents for coming to Savannah and encouraged them to tour the historic district, which is currently the number one historic district in the nation.

President Jones noted that the legislature had recently concluded its work and that it was a good session. He remarked that the local legislative delegation has been extremely supportive of higher education. He then called upon Senator Eric Johnson, President Pro Tempore of the Georgia Senate, to make some remarks to the Board.

Senator Johnson welcomed the Regents back to Savannah and said that he appreciated the leadership they provide for the University System of Georgia.

President Jones noted that much of AASU's successes is attributable to its two foundations: the Armstrong Atlantic State University Foundation, Inc. (the "Foundation") and the Educational Properties Foundation, Inc. ("EPFI"). He then called upon the Chair of the Foundation, Brian Foster, to make some remarks to the Board.

On behalf of the Foundation, Mr. Foster welcomed the Regents. He said that both of AASU's foundations are very actively supportive of the institution. He noted that the Board was meeting in a facility that the Foundation recently acquired for AASU. The facility was formerly a Publix shopping center adjacent to the AASU campus. In the three years since he has been on the board of the Foundation, it has more than doubled its assets. The Foundation had just completed its annual three-day corporate community fund-raising campaign. Last year, the Foundation raised over

\$100,000 in three days. This year, the Foundation set a goal to increase the campaign by 50% and exceeded that goal. Mr. Foster remarked that this demonstrated the strong local support for AASU. He also said that the Foundation understands that its role is to support the growth of the institution. The student population is growing because there is such need. AASU educates the majority of the region's healthcare professionals, law enforcement officials, and teachers. Mr. Foster congratulated Regent Tucker on his appointment to the Board and thanked all of the Regents for being in attendance.

Finally, President Jones called upon Ray Gaster, Chair of AASU's Educational Properties Foundation, Inc. ("EPFI") and AASU alumnus, who would be the official host for that evening's gathering at Richmond Hill.

Mr. Gaster welcomed the Regents to Savannah and ASSU. He said that there would be a reception at the Main House on The Ford Plantation, which was Henry and Clara Ford's home. Following the reception, Mr. Gaster and his wife, Catherine, would host a low country boil at their home in Richmond Hill. He noted that the dinner would be catered by the Skidaway Institute of Oceanography ("SkIO").

President Jones then recognized the following special friends of the university:

- Amanda D. Seals, Chief of Staff, Office of the Senate President Pro Tempore
- Former Representative Ann R. Purcell, Foundation trustee
- Mr. Paul P. Hinchey, President and Chief Executive Officer of St. Joseph's/Candler hospitals
- Dr. Irving Victor, AASU alumnus, Foundation trustee, former chair of the Armstrong Junior College Commission, and the first person to receive an honorary degree from AASU
- Steve Greene, former Foundation trustee
- J. Cliff McCurry, Foundation trustee
- Dan Flynn, Savannah Chief of Police

President Jones next called upon Philip Pope, the newly elected president of AASU's student government association ("SGA").

On behalf of the SGA and the students of AASU, Mr. Pope extended a warm welcome to the Regents. To some, college is a destination for achieving higher education, and for others, it is a template for exemplifying their extraordinary talents, skills, and helpfulness. AASU has allowed students to interact with each other, faculty, and staff in many ways in and out of the classroom. Mr. Pope said that he has watched both the students and the university mature in recent years. He found his niche in community service. Through the SGA, the Campus Union Board, and the Nick Mamalakis Emerging Leader Program, he learned the importance of organization, planning, programming, and communication. These skills have helped him face and rise above adversity. Mr. Pope said that he is just one of many AASU students who will populate the community with

quality, respectful, diligent, and ethical professionals.

President Jones noted that the university's senior administrative team was also in attendance. He asked them to stand and be recognized. Those administrators were as follows:

- Patricia S. Reese, Executive Director of University Relations and Marketing
- Dr. William L. Megathlin, Assistant to the President for Strategic Initiatives
- Dr. Edward Thompson III, Vice President and Dean of the Faculty
- Dr. C. Leary Bell, Vice President for External Affairs
- James Brignati, Vice President for Business and Finance
- Dr. Joseph A. Buck, Vice President for Student Affairs

President Jones said that he would like to take the next few minutes to share the AASU story with the Regents. He would do this in four chapters. The first chapter would be a very brief history of the institution. The second chapter would be about the students. The third chapter would focus on academic programs and faculty. The final chapter would be President Jones' vision for the university.

In 1935, at the corner of Bull and Drayton Streets adjacent to Forsyth Park in downtown Savannah, the college was established in the Armstrong House with an initial enrollment of 165 students and 8 faculty and staff. In 1959, the college became a two-year unit of the University System of Georgia, and shortly thereafter, the Board of Regents conferred four-year status on what then came to be known as Armstrong State College. By the early 1960s, it became apparent that the college was running out of space. Through the generosity of community leaders, a donation of 250 acres of land was made to the University System, located on the south side of Savannah, as a new home campus for the institution. At the time, the site was on the outskirts of the city. There were no paved roads leading to the property, and it was covered with an undergrowth of vegetation. In 1964, site development and construction began for the new Armstrong State College campus. The first phase of development resulted in six academic buildings surrounding a central quadrangle with crosswalks modeled after the famous downtown Savannah squares.

Over the past 39 years, the campus has grown significantly. New buildings have been added, and today, AASU serves over 7,000 students. During the past five years, the university's enrollment has grown by nearly 30%. Shortly after President Jones' arrival, AASU updated its campus master plan, which revealed that AASU was rapidly running out of space. In 2002, AASU created a second foundation, EPFI, to assist the institution in identifying creative ways to address the institution's space needs. In just three short years, with the help of EPFI and with the Regents' support, AASU has been able to make significant strides in addressing its space needs. In fall 2002, the institution opened its first student housing complex, Compass Point, with 280 beds. With the Board's support, AASU immediately planned a second phase of housing, and in fall 2003, it opened an additional 280 beds. Since opening, the dormitories have had 100% occupancy.

In 2003, AASU learned that the Publix shopping center complex, where this meeting was being held, was available for sale. Again, with the help of EPFI, the staff of the University System Office, and the Board's Committee on Real Estate and Facilities, chaired by Regent Nesmith, the Foundation purchased the complex and a small commercial apartment complex directly behind it. Last spring, AASU renovated the apartment complex and renamed it University Crossings at Compass Point. It has 104 student beds. With the Board's approval on Wednesday, the Foundation would move forward with a bond issue that will allow AASU to begin renovation of this shopping center. This center will add 115,000 square feet of floor space for use by the university. The rear portion of the former Publix will be the new home for AASU's plant operations facilities. The front portion of the former Publix will be converted into a two-story professional and continuing education center with space for additional classrooms, computer labs, and academic departments. The out parcels will be renovated to provide space for academic and institutional support service operations, freeing up space on the main campus for additional classrooms and related space. Earlier this year, AASU began construction on a new indoor student recreation center. It will be completed this summer and will serve as the temporary home for the university's library next year while AASU begins a total renovation of the 39-year-old Lane Library.

President Jones showed the Regents a picture of the campus, noting that the highlighted facilities were purchased, designed, and constructed with private dollars. No state funds were used in those capital projects. These projects comprise a private investment of over \$60 million by the Foundation. He said that none of this could occur without the Foundation and support from the Board of Regents, and he thanked the Regents.

Next, President Jones discussed AASU's students. He said that while brick and mortar are important, the students served are paramount. As an urban-centered state university, AASU serves students of all ages, ranging from 17 to over 70 years of age. At AASU, 80% of the students are Georgians, coming to the university from across the state. The remaining 20% come from 48 different states and 62 foreign countries. Seven out of every ten students at AASU are female; and one-third of the student body is comprised of minorities; with nearly one in four students being African-American.

President Jones said that he wanted the Regents to meet one of AASU's graduates to learn first-hand from her how her experiences at the institution prepared her for a career. He called upon Ms. Christy Sumner, a 2003 graduate of AASU's Nursing program. Ms. Sumner is currently with St. Joseph's/Candler hospital system serving as an operating room nurse.

Ms. Sumner greeted the Regents and said it was an honor to represent the graduates of AASU. When she made the decision to pursue a career in nursing, she knew it would not be easy. She began college in January 2000 and graduated in December 2003 with a Bachelor of Science in Nursing degree. Beginning college at age 31 with a family was frightening, Ms. Sumner said. However, her experience

at AASU was the best. Having the campus and the nursing program so close to home was a true advantage. With the demands of raising a family, there was no way she could have commuted to a further institution. The HOPE Scholarship made it possible for her to go to school without major financial sacrifice, and she would be forever grateful for that. Most important to her were the highly qualified professors at AASU, particularly the professors in the nursing program. They were like parents in that they genuinely cared for, supported, and wanted the best for their students. Ms. Sumner said that AASU has greatly blessed her and her family with an awesome profession in healthcare. She worked at Memorial Hospital as a nursing student, and she did her practicum at Candler Hospital, where she was offered a job upon graduation. She began in postpartum nursing, moved into labor and delivery, and now works in the emergency room. At Candler Hospital, she works with nursing students, which enables her to give back to AASU. In closing, Ms. Sumner said that she looks forward to her future in healthcare and that she appreciates AASU for providing her with an education that allows her to touch lives daily.

President Jones remarked that AASU is a “teaching university.” Its faculty are in the classrooms and laboratories teaching students. AASU has a very well credentialed and highly qualified faculty corps that offers over 75 academic degree programs at both the undergraduate and graduate level. The university’s motto is “Learn today, lead tomorrow.” This leadership theme is woven into the university cultural fabric – in its academic programs, in its student life programming, in its faculty and staff development activities, and in service to its community. It is central to AASU’s mission. Building upon this mission, AASU has identified four strategic directions for academic program development, as follows:

- The liberal arts – including the study of the humanities, social sciences, and fine and performing arts, forming the core foundation of AASU’s academic programs.
- Science and technology – with programs building upon AASU’s solid reputation in physical and life sciences, its nationally accredited programs in computer science and information technology, and its partnership with the Georgia Institute of Technology (“GIT”) in the delivery of the Georgia Tech Regional Engineering Program (“GTREP”).
- Teacher preparation – AASU offers a full array of teacher preparation programs at the undergraduate and graduate levels. The institution is a leader in the statewide Partnership for Reform in Science and Mathematics (“PRISM”) initiative. Over 50% of the teachers in AASU’s region who have won teacher of the year awards at their schools or in their school districts are AASU graduates. Over 30% of the university’s teacher education graduates each year are African-Americans.
- The health professions – AASU has the most comprehensive college of health professions in the State of Georgia. The university offers 21 degree programs in the health professions, and with the Board’s help in the future, it will be able to expand this extremely important

strategic mission.

The expertise and talents of AASU's faculty, staff, and students are constantly serving the development needs of the Savannah community and enriching the economic prosperity of AASU's region and the state, stated President Jones. AASU's success thus far in delivering on its mission and strategic vision needs to be credited to the staff, faculty, alumni, foundation board members, community friends, and the members of the Board of Regents. Without this support, he said, AASU would not be the university it is today.

As he had noted, one of the real strengths of AASU is found in its faculty, an amazing group of well-educated and dedicated professionals. President Jones then introduced Dr. Helen Elizabeth (Beth) Howells, Associate Professor of English. He said that she is much more than just a professor; she is a campus and community leader. He invited Dr. Howells to share some of her thoughts and observations with the Regents.

Dr. Howells said that she was delighted to be present to give voice to the collective experience of the faculty using her individual voice as an example. She said that two early experiences with students came to characterize her mission at AASU and reinforce her decision to work at the institution. The first incidence came about during a conversation with a young woman as she was taking the first literature course that Dr. Howells taught at AASU. The student was a hard worker who was engaged, attentive, and insightful, and this showed in her course work. Dr. Howells learned that the student was a young single mother who worked full-time and took classes at night. She lived in a small house with her parents, who were raising a niece and nephew in addition to the young mother's daughter. In the course of conversation, Dr. Howells and the student were talking about active reading. She learned that the young woman did her homework in her car in the driveway at night. She needed to be home near her family, but she also needed quiet to do her school work. The student's story was not unique, said Dr. Howells, and she would return to it in a moment.

In the second course Dr. Howells taught, there was a student approximately twice her age who would come to see her in the months following the course just to check in. She had gone on to enroll in the nursing program, so Dr. Howells would not be teaching her in future classes, but they had developed a rapport. Dr. Howells encouraged the student to call her Beth instead of Dr. Howells. The student responded that she did not want to call her teacher by her first name because she already had many people in her life she could call by their first names. She knew very few professors, and she was proud to be in college and to know those professors she did. She was glad to have a Dr. Howells to call her own.

Dr. Howells said that these two stories illustrate the responsibility of faculty to their students. Many students work harder and have more complicated lives than the faculty will ever know. They have fewer resources and role models than many faculty had growing up. They need and depend upon their faculty. Dr. Howells said that she owes the students her preparation and commitment,

but the students also have much to teach her about how best to learn. Faculty bear a tremendous responsibility as leaders to give students space to learn, a place beyond a car, a place to spread their wings and to try new things, to broaden their horizons, and to become educated citizens. The second part of faculty responsibility is to give students a familiar face that recognizes them, a face they can turn to and connect with in higher education, a Dr. Howells they can call their own. She said that the AASU faculty recognize their role as leaders. Their work continues beyond the classroom walls with students when conferencing and advising, in the hallways and during activity periods, as they create spaces for learning to take place as they give a face to higher education. The work faculty do on initiatives like the new student scholarship symposium, the honors program, and the study abroad program, to name a few, are opportunities they create. These efforts are equally central to their mission as educators. As circumstances like classroom size and teaching loads become taxing, faculty turn to one another for inspiration and encouragement. The faculty must work together to bear this responsibility. They are encouraged and energized through faculty development and collaboration. The faculty lecture series, field trips, symposia, and learning communities help them inform each other and renew their efforts to reach their very particular student population. Their tremendous responsibility is and must be shared through their joint efforts. In closing, Dr. Howells said that the work of the faculty is a vocation at AASU.

President Jones reiterated that all of AASU's programs build upon the leadership theme to ensure that the institution's graduates will become tomorrow's leaders. Dr. Howells and her faculty colleagues are promoting leadership in their classrooms, laboratories, and mentoring activities and by their own leadership conduct.

Next, President Jones said that he wanted the Regents to hear from a parent of one of the university's graduates. Robert Colvin also is a trustee of the Foundation and Chief Executive Officer and President of Memorial Health University Medical Center (the "Medical Center"), Savannah's largest employer of "knowledge workers." Mr. Colvin could not attend the meeting in person but graciously agreed to speak to the Regents through video technology. He would, however, be in attendance at that evening's social event at the Ford Plantation.

Mr. Colvin said that his son graduated from AASU five years ago and now teaches at an inner-city middle school in Savannah and that he was proud of all the graduates of AASU. He noted that the Medical Center employs 4,800 and has had 500 job openings in the last four years. The Medical Center enjoys a great relationship with AASU. President Jones and his staff work with the Medical Center to provide trained health professionals through traditional and "fast-track" programs. This year, all health professions programs at AASU are at capacity, and yet, there is still an overwhelming demand for more graduates in these fields and this demand will grow as the population ages. In closing, Mr. Colvin said that AASU is one of the great resources for health profession graduates and that the Medical Center wants to help AASU grow its health professions programs.

Finally, President Jones discussed the future of AASU, which he said will be bright with the Board's continued support. AASU is projecting continuous enrollment growth, probably in excess of 30% over the next five years and with the need to serve 10,000 students by 2010. The university will need to expand and diversify its academic program mix in order to address student demand and regional and state needs. AASU anticipates new program development in its strategic mission areas: liberal arts, science and technology, teacher education, and health professions. The institution plans to continue to expand its regional presence and services at the Brunswick and Camden Centers in partnership with Coastal Georgia Community College and at the Liberty Center in partnership with Waycross College. AASU plans to continue work on campus expansion with new facilities, some of which President Jones would point out to the Regents on their campus tour later that day. In closing, he thanked the Regents for visiting AASU and said that he looked forward to more informal discussions with them during their visit.

Chair Wooten thanked President Jones and all of the speakers for this outstanding presentation about AASU. He said that education is very important for the Savannah area and that AASU is doing a great job, together with its sister institutions, to help the Board of Regents in its effort to create a more educated Georgia.

President Jones recognized Becky Smith, Office Manager for the Office of the Assistant to the President, who was primarily responsible for planning this meeting of the Board of Regents on the campus of AASU. He also thanked Dr. Megathlin for his hard work in this regard.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS, "COMMITTEE OF THE WHOLE"

Chair Wooten next convened the Committee on Finance and Business Operations as a Committee of the Whole and turned the Chairmanship of the meeting over to Regent Pittard, the Chair of the Committee.

Chair Pittard thanked the Regents for working with state legislators for the past several months on the budget for the University System of Georgia. The Chancellor and senior staff had reviewed the allocation principles and the budget processes. They had also studied the tuition process and the mandatory student fee proposals. The allocations recommendations reflect a vigorous process and some slight modifications that the Chancellor and the Vice Chancellor for Fiscal Affairs, William R. Bowes, would discuss. Chair Pittard explained that there were five action items that the Committee on Finance and Business Operations would consider as a Committee of the Whole at this meeting: fiscal year 2006 budget allocations (Item 1, pages 25 to 29), fiscal year 2006 tuition (Item 2, pages 29 to 31), fiscal year 2006 mandatory student fees (Item 3, pages 31 to 33), fiscal year 2006 salary and wage administration policy (Item 4, page 33), and the fiscal year 2005 amended budget (Item 5,

pages 33 to 34). He asked the Chancellor to begin the presentation on the first four items of the agenda.

On behalf of the University System Office staff, Chancellor Meredith thanked the Regents for all of the time they put into the budget process to ensure the University System is going in the right direction under the leadership they have provided. This has been a good budget year, he remarked, and the Board is thankful for the Governor's strong budget recommendation and for the support of its partners in the General Assembly. He said that this is a good investment for the state, which will reap great rewards from the activities of the University System of Georgia. The economy is recovering, and the staff are confident that the System has seen the last of the budget cuts. The overall fiscal year 2006 budget represents an 8.5% increase over fiscal year 2005. This is the highest budget increase in nine years. The System now receives 11.5% of the state's budget, up from 10.9% in fiscal year 2005. There remains much work to be done if the System is to be successful in increasing the numbers of Georgians pursuing higher education. The institutions have many pressing priorities, and at the top of the list for all institutions is to increase the numbers of full-time faculty. In order to address budget cuts in recent years, the institutions have had to rely increasingly on part-time faculty, leaving full-time faculty positions unfilled. Now, the System can begin to reverse that trend. The allocation strategy this year uses 80% of the enrollment funds in the formula to offset the major budget cut that the System took last year and then to provide funds to those institutions with increasing enrollments. The other 20% goes to a number of initiatives, including teacher education programs at Macon State College ("MSC") and Dalton State College ("DSC"), transition funding for a new state college in Gwinnett County, support for Coastal Georgia Community College's ("CGCC") Camden Center and Floyd College's ("FC") Bartow Center, and support for the research universities.

Chancellor Meredith stated that the budget includes an additional \$5 million of tobacco settlement funds for the Medical College of Georgia ("MCG"). The budget also funds the Advanced Academy of Georgia at the University of West Georgia ("UWG") and supports Columbus State University ("CSU") as it tries to meet the needs of a growing military population at Fort Benning. The staff attempted to address the priorities at each institution while remaining fair and meeting the strategic needs of the System as a whole.

Overall, tuition is driven by a model in which the state provides 75% and the System must raise 25%, explained the Chancellor. That is about \$45 million that the System must raise in fiscal year 2006, which is a 6.5% overall increase in tuition cost for the System. Therefore, the staff were proposing an 8% increase at the research universities and a 5% increase at the two- and four-year institutions. Even with those tuition increases, tuition in the System will still remain remarkably low, particularly in comparison to other states in the Southeast. The four-year institutions will be sixteenth out of 16 Southern Regional Education Board ("SREB") states. Low tuition for access is an admirable thing to brag about until the System arrives at a point of diminishing returns when it cannot provide the funds to enhance quality, he said. The goal is to create a more educated Georgia,

and the budget allocations proposed at this meeting would help the System continue on this path. Chancellor Meredith then turned the floor over to Mr. Bowes.

Mr. Bowes noted that in fiscal year 2005, the System had a midyear budget reduction of \$64.8 million, which figures into the allocation recommendations for fiscal year 2006. In fiscal year 2005, the System ended up with an adjusted state appropriation of just over \$1.4 billion in formula funds. The formula increases for fiscal year 2006 were \$90.4 million for enrollment growth of about 5.7%. The System also received funding for maintenance and operations of new square footage of \$7.7 million. Mr. Bowes noted that this figure includes funding for the increase sewer rate charges for the Atlanta area institutions: Atlanta Metropolitan College (“AMC”), the Georgia Institute of Technology (“GIT”), and Georgia State University (“GSU”). Finally, \$5.3 million is included in the budget to cover the cost of fringe benefits for new System retirees. The total formula budget increase for fiscal year 2006 is \$103.4 million.

There were also transfers to the formula from the special funding initiatives, specifically the Georgia Tech Regional Engineering Program (“GTREP”) and the information technology program at Georgia Southern University (“GSOU”). Also, funding for the retiree benefits for employees of the Cooperative Extension Service of \$1.6 million has been moved into the formula and taken out of the separate budget for the Cooperative Extension Service. This had to do with a long-standing issue of retirees’ not having their benefits paid by state funds. So, this change takes care of that issue permanently. Public service institutes had an austerity cut averaging 3% per institute. The System also received funding of approximately \$28.5 million for salary increases and the annualization of the increase in fiscal year 2005. Mr. Bowes reminded the Regents that the System had an average 2% salary increase in fiscal year 2005 that went into effect in the middle of the year. So, this allocation provides the balance of that 2% and provides a 2% salary increase that will go into effect January 1, 2006. So, the total formula budget is just over \$1.58 billion, an approximate 9.7% increase.

There were no major changes in the special funding initiatives aside from the transfers of funding to the formula budget. There was an austerity reduction for all of the special funding initiatives of 3%, but there were also some significant enhancements. One enhancement is \$5 million so that MCG can continue its faculty research initiative. There is another enhancement of \$375,000 for the Georgia Academy of Mathematics, Engineering, and Science (“GAMES”) at Middle Georgia College (“MGC”), and there was an enhancement of \$450,000 to continue the work of the Georgia Leadership Institute for School Improvement. Overall, the System had a slight increase of about \$1 million in special funding initiatives. So, the total state appropriations to the University System of Georgia approximate just under \$1.59 billion.

Other organized activities, including all of those activities that are line-item funded by the General Assembly are part of the appropriations for nonteaching unit “A” activities. These include the University System Office, the Georgia Public Library Service (“GPLS”), the summer enrichment program at MCG, and the Office of Minority Business Enterprises. In fiscal year 2005, these

activities had an appropriation of \$185 million. Some of the items were transferred to the formula budget in fiscal year 2006, and there were also austerity reductions of approximately \$1.8 million. There were also some minor enhancements of approximately \$10.4 million, including \$2 million for GPLS. So, the final state appropriation for other organized activities was \$192.6 million for fiscal year 2006.

The last piece of the budget is the research consortium, said Mr. Bowes. The major change for fiscal year 2006 in this regard is that funds that had been appropriated to the research consortium from the Georgia Cancer Coalition are now being moved back to the Governor's Office and those funds will be paid from the Governor's Office in the amount of \$6.2 million. After some austerity reductions, the research consortium funding went from \$26.9 million in fiscal year 2005 to \$21.287 million in fiscal year 2006.

The overall increase in funding to the institutions is approximately 9.6%, mostly in formula funding. In terms of other organized activities, there is a slight increase of \$1.8 million, or just under 1%. The total state appropriations for the University System of Georgia for fiscal year 2006 increase by \$140.1 million, or 8.5%.

Mr. Bowes next discussed what the staff were recommending in terms of allocations for fiscal year 2006. He noted that the University System Office staff held meetings with the presidents and their senior staff members in March. They discussed institutional priorities, System strategic initiatives, tuition and fees, and other issues affecting the institutions. They use that information to develop the allocation recommendations. The staff also review the budget allocations with the Regents to get their feedback before they come forward with allocation recommendations. This year, 80% of the formula growth funds are allocated to institutions. That represents \$72 million of the \$90.4 million formula budget. This year, the staff were proposing a slight change in how those funds will be distributed. First of all, \$34.3 million will be distributed based upon the institutional share of the state budget to partially offset the loss from the midyear budget cut of \$64.8 million. In October 2004, the Board of Regents decided that \$27 million of that cut would come out of the health insurance reserve as a credit to the premiums being paid by the institutions. Another \$9.4 million would come from funds that would lapse in the fiscal year 2005 budget. As 2006 approaches, the System does not have that option to help support the institutions in meeting that cut. So, that \$34.3 million is an attempt to address the budget cut. The balance of the \$72 million, approximately \$38 million, will be distributed to the institutions based upon their enrollment growth as if generated by the formula. As in recent years, funds for physical plant growth will be allocated back to institutions based upon what they have generated in the formula. Salary annualizer funds will be allocated on the basis of actual need. Likewise, the salary increase funds for fiscal year 2006, \$16.1 million, will be allocated to institutions based upon actual numbers of employees and their current salaries. Retiree fringe benefit funds of \$5.3 million will also be allocated based upon actual need.

The staff were recommending that 20% of new formula funds plus other prior year funds, a total of

\$20.4 million, be allocated as follows: 1) \$6.8 million to partially offset the losses that institutions may experience under the formula due to significant enrollment growths, 2) \$1.6 million for the start-up costs of the proposed state college in Gwinnett County, 3) \$7.8 million to fund major System and some institutional priorities, and 4) \$4.2 million to meet the ongoing needs of the Office of Information and Instructional Technology (“OIIT”), for which the System has not received any funding in the last couple of years. Mr. Bowes noted that Appendix I of the Committee agenda shows how these funds are to be distributed to each institution and each agency within the University System of Georgia. Appendix I also included detailed information on the fiscal year 2006 budget.

Next, Mr. Bowes discussed tuition recommendations. He said it is important to recognize that the University System and its institutions have some of the lowest tuition rates in the nation. Nationally, the System is thirty-ninth in tuition and fees with regard to its flagship institution, UGA, and forty-ninth among comprehensive two- and four-year colleges. This is based upon information provided annually by the Washington Higher Education Coordinating Board. Last year, the System ranked thirty-fifth and thirty-ninth, respectively, in these categories. What is more significant is how Georgia compares regionally at other SREB states. In 2001, the System’s four-year colleges ranked twelfth among the 16 SREB states. Now, Georgia is sixteenth. In 2001, the System’s two-year colleges ranked fifth among the SREB states, but now, it ranks thirteenth. So, despite the tuition increases the System has had in recent years, its rate of increase has been much lower than in other states. For 2006, the staff were recommending a \$135 (8%) per semester increase in the tuition rate for research universities, \$58 (6.5%) per semester for regional and state universities, and \$37 (5%) for two-year colleges. Two exceptions were Georgia College & State University (“GCSU”) and Southern Polytechnic State University (“SPSU”), where there are different tuition rates based upon the institutions’ unique missions. Mr. Bowes noted that out-of-state tuition remains approximately four times the in-state tuition rate. Graduate tuition rates also remain approximately 20% higher than the undergraduate rates. Also, each year, the staff receive requests from the institutions to have nationally competitive graduate and professional programs to have tuition rates that are competitive with peer programs across the country. The staff consider the market rates of these programs and were making a number of recommendations, as listed in Item 2 of the Committee agenda. The tuition increases proposed will generate an additional \$43.7 million, raising the total projected revenues for the System to \$709 million in fiscal year 2006.

Mr. Bowes then discussed mandatory student fees. He reiterated that the staff have a fairly rigorous selection process. They limit increases to the critical needs that have been identified by institutions. They have not expanded greatly the number of new programs. They review each of the requests in terms of Board policy, which requires that there be student participation in the student fee process. He noted that this year, the staff had invited institutions to come forward and request increases for technology fees, which have been essentially unchanged since 1999, when they were first established as a pilot program at four institutions. The staff have kept the technology fee rates capped at \$75 per semester for research universities and \$38 per semester at all other institutions. Last year, at the

Chancellor's direction, the staff started to look into this issue. They did a survey of other states to see how they were handling technology fees, and they found two very important things. First, the average technology fee in the University System of Georgia is far below the national average of \$200 per year and up. Secondly, the staff found no other state that had a tiered structure for technology fees. Instead, technology fees were treated like other mandatory student fees in that the rate was a function of how many students were paying the fee, the kind of institution, and the particular needs of the institution. So, this year, the staff asked the institutions to come forward with proposed increases in technology fees. They also asked for a lot more information from institutions as to how these fees are being used. They discussed the matter at length at the budget conferences, and the institutions involved the students in the fee-setting process. There were 14 requests for technology fee increases, and the staff were recommending all of them, though 4 were being recommended at a slightly reduced level. Overall, there were 61 student fee requests. Of these, 34 were being recommended to the Board at the requested levels and 22 at reduced levels. Five were not being recommended. The recommendations result in a rise in fee rates of about 7%.

Mr. Bowes reported that the staff were recommending a 2% average merit-based salary increase for fiscal year 2006, which was approved by the Governor and General Assembly. That increase will become effective January 1, 2006. The merit-based increases will be distributed at rates between 0% and 5%, and the staff were requesting written justification for requests above 5%. The staff had also provided an allowance for institutions to address issues of salary equity or salary depression. Mr. Bowes then called upon the Vice Chancellor for Facilities, Linda M. Daniels, to discuss the capital budget.

Ms. Daniels stated that the capital budget was comprised of line items that were included in the materials that had been distributed to the Regents. She wanted to make three major points in an overview of the capital budget recommendations. First, under the fiscal year 2005 amended budget, the System received design funds for four major capital outlay projects. She noted that these were for the fifth through eighth projects on the Regents' major capital outlay projects list. At the point in time when the amended budget was approved, the Governor's recommendation still included construction funding for the first four projects on the list.

Second, Ms. Daniels reported that the University System of Georgia is known for using bond financing wisely; that is, to act efficiently and quickly on the spend-down of the bonds to get facilities built. However, with the new phenomenon of reauthorization and deauthorization of projects, the staff is having to include increased waiting time in some of the strategies for moving forward quickly with projects. The staff are consulting with the institutions to figure out a way to be proactive about this.

Third, Ms. Daniels showed the Regents a slide depicting the four projects for which the System had been provided design funds. She noted that in the previous year, the System did not receive any design funds, though the staff wanted to move forward expeditiously with a fast-track construction

management approach. Those project have been front-end funded either through the revolving funds or by the institutions to get them jump-started, and the institutions will be able to use these design funds to keep the projects going, but unfortunately, the new facilities will not be constructed as soon as the institutions had envisioned. The System received equipment funds and minor capital projects funds. With regard to major repairs and renovations (“MRR”), the System received \$50 million. Ms. Daniels noted that the formula funding request was \$65 million and that the staff are hoping the Governor will consider a \$15 million adjustment to the existing allocation. The Board is very cognizant of the importance of maintaining existing facilities. All presidents agree that solid MRR funding is critical in this regard. In closing, Ms. Daniels said that in light of the fiscal constraints of the state, the staff were very grateful for the capital funding that had been allocated to the System by the state.

Mr. Bowes said that this concluded the budget presentation and asked whether the Regents had any questions or comments.

Regent NeSmith stated that even if the Board approved the tuition rate increases, the University System of Georgia would still be well below the median tuition rate nationally.

Mr. Bowes concurred and noted that the median is about \$4,000 per year, while the System average is about \$1,100 below that figure.

Chair Pittard agreed that there was certainly room for more aggressive tuition increases. He said that the Board of Regents owes the citizens of the State of Georgia a strong four- to five-year plan to bring tuition more in line with the national median. However, one reason that tuition in the University System of Georgia is more modest than in other states is because the State of Georgia has been more supportive of higher education than other states. While the System only receives about one-third of its operating expenses from the state, there are many public higher education systems who receive considerably less state funding. Compared to some neighboring states, Georgia was not hit as hard in recent years in terms of budget cuts. He stated that the System and the students will have to be increasingly responsible for the cost of higher education in the future and that there would be no leveling off of tuition rates in the near future. Chair Pittard noted that the budget process is essentially three different pieces: enrollment, physical plant, and fringe benefits. All (100%) of state funding for physical plant and fringe benefits is passed on to the institutions. Meanwhile, 80% of enrollment funding is passed on to the institutions, while 20% is discretionary. In the past, that meant that some institutions got more or less than 100% of that funding based upon their specific needs that year. This year, however, was less discretionary because the System is catching up from the past several years of budget cuts, particularly the midyear budget cut in fiscal year 2005. He stated that the legislature had been generous to the University System of Georgia and that the proposed budget was reasonable. He then asked for a motion to approve the first four action items on the agenda of the Committee on Finance and Business Operations: fiscal year 2006 budget allocations (Item 1, pages 25 to 29), fiscal year 2006 tuition (Item 2, pages 29 to 31), fiscal year 2006

mandatory student fees (Item 3, pages 31 to 33), and fiscal year 2006 salary and wage administration policy (Item 4, page 33).

Regent Leebern made a motion to approve these agenda items. The motion was seconded by Regent NeSmith and unanimously adopted by the Board of Regents.

Chair Pittard asked Mr. Bowes to next discuss the fiscal year 2005 amended budget.

Mr. Bowes stated that the staff were recommending the allocation of the fiscal year 2005 amended budget, which had been provided to the Regents. He noted that the amended budget included \$9.4 million in lapsed project funds. The amended budget also included \$4.4 million to correct an error in the payroll shift reduction that occurred for the Georgia Tech Research Institute (“GTRI”). He noted that GTRI is a “B” unit, which means that it is a line item in the budget. Therefore, there was funding in the fiscal year 2006 budget to fix this error permanently going forward. Also in the amended budget, \$1.6 million is provided for retirees of the Cooperative Extension Service at UGA as well as the transfer of \$2.1 million from the budget of the Cooperative Extension Service to the budget of UGA to deal with this issue going forward. Mr. Bowes said that these were the highlights of the fiscal year 2006 amended budget and that he would be happy to answer any questions.

Chair Pittard asked for a motion to approve the fiscal year 2005 amended budget (Item 5, pages 33 to 34). Motion properly made, seconded, and unanimously adopted, the Board approved this item. Seeing that there were no further items to come before the Committee on Finance and Business Operations as a Committee of the Whole, Chair Pittard adjourned the meeting and turned the Chairmanship of the meeting back over to Chair Wooten.

At approximately 2:35 p.m., Chair Wooten adjourned the Regents into the regular meeting of the Committee on Finance and Business Operations.

CALL TO ORDER

The Board of Regents of the University System of Georgia met again on Wednesday, April 20, 2005, in the board room of the Armstrong Center Technology Conference Center at Armstrong Atlantic State University. The Chair of the Board, Regent Joel O. Wooten, Jr., called the meeting to order at 9:00 a.m. Present on Wednesday, in addition to Chair Wooten, were Vice Chair J. Timothy Shelnut and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Martin W. NeSmith, Doreen Stiles Poitevint, Richard L. Tucker, and Allan Vigil.

INVOCATION

The invocation was given on Wednesday, April 20, 2005, by Richard L. Tucker.

ATTENDANCE REPORT

The attendance report was read on Wednesday, April 20, 2005, by Secretary Gail S. Weber, who announced that Regents Michael J. Coles, Joe Frank Harris, and Wanda Yancey Rodwell had asked for and been given permission to be absent on that day. Regent Patrick S. Pittard was attending the meeting via conference call.

Chair Wooten thanked President Thomas Z. Jones, and his wife, Joyce; the administrators, faculty, staff, and students of Armstrong Atlantic State University (“AASU”); and the Savannah community for their hospitality extended to the Regents at this meeting. He said that being on the campus adds so much to the Board’s understanding of AASU’s successes and challenges. The AASU community had treated the Regents like royalty. The social events had given the Regents the opportunity to meet everyone, and they had enjoyed the events very much. On behalf of the Board of Regents, Chair Wooten thanked everyone involved in the planning of this meeting.

At approximately 9:05 a.m., Chair Wooten adjourned the Regents for consecutive meetings of the Committee on Academic Affairs, Committee on Information and Instructional Technology, and Committee on Real Estate and Facilities. After these Committee meetings, at approximately 10:00 a.m., Chair Wooten reconvened the meeting of the full Board and called for the Committee reports.

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, April 19, 2005, at approximately 9:15 a.m. in the conference room of the Armstrong Center Technology Conference Center at Armstrong Atlantic State University. Committee members in attendance were Chair James R. Jolly and Regents Connie Cater, W. Mansfield Jennings, Jr., Doreen Stiles Poitevint, and Richard L. Tucker. Also in attendance were the Senior Vice Chancellor for Support Services, Corlis Cummings; the Associate Vice Chancellor for Legal Affairs, Elizabeth E. Neely; and the Assistant Vice Chancellor for Legal Affairs (Prevention), J. Burns Newsome. Chair Jolly reported to the Board on Wednesday that the Committee had reviewed three items, all of which required action. Item 1 included 16 applications for review; 12 of these were denied, 1 was continued for further consideration, 1 was withdrawn at the appellant’s request, and 2 were referred to the Office of State Administrative Hearings. In accordance with H.B. 278, Section 3 (Amending O.C.G.A. § 50-14-4), an affidavit regarding this Executive Session is on file with the Chancellor’s Office. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Applications for Review

- a. In the matter of file no. 1743 at the University of West Georgia (“UWG”), concerning alleged violation of UWG’s Student Code of Conduct (Sections 1.00 and 4.02), the application for review was denied.
- b. In the matter of Chief Stokes at Savannah State University, concerning disciplinary actions taken against him and findings in a case involving Ms. Shannon Holman, the application for review was denied.
- c. In the matter of Patricia Jordan at the Georgia Institute of Technology, concerning termination of employment, the application for review was denied.
- d. In the matter of file no. 1746 at the University of Georgia, concerning scholastic dismissal, the application for review was denied.
- e. In the matter of Linda Hodge at the Georgia Institute of Technology, concerning demotion due to fiscal cutbacks, the application for review was denied.
- f. In the matter of Dr. Modibo Kadalie at Savannah State University, concerning denial of a leave of absence to attend a fellowship program in South Africa, the application for review was continued for further consideration.
- g. In the matter of Dr. Obioma Iheduru at Fort Valley State University, concerning an imposition of sanctions for an alleged violation of sexual harassment policies, the application for review was denied.
- h. In the matter of Stanley Phillip Brown, Jr. at Fort Valley State University, concerning termination as a result of alleged job abandonment, the Committee recommended referral to the Office of State Administrative Hearings.
- i. In the matter of John Kwesi DeGraft-Hanson at the University of Georgia, concerning nonpromotion and tenure, the application for review was denied.
- j. In the matter of LaToya M. Haynes at the Medical College of Georgia, concerning termination, the Committee recommended referral to the Office of State Administrative Hearings.
- k. In the matter of file no. 1751 at the University of Georgia, concerning reclassification matters, the application for review was denied.

- l. In the matter of Harriette Haynes at Albany State University (“ALSU”), concerning termination from her position as Associate Vice President for Information Technology and Chief Information Officer of ALSU, the application for review was denied.
- m. In the matter of Paul Nelson, a former employee of the University of Georgia (“UGA”), concerning discharge from UGA’s School of Veterinary Medicine teaching hospital, the application for review was denied.
- n. In the matter of file no. 1754 at Kennesaw State University, concerning financial aid matters, the application for review was denied.
- o. In the matter of file no. 1755 at Savannah State University, concerning indefinite suspension, the application for review was withdrawn at the appellant’s request.
- p. In the matter of Dr. Barbara D. Holmes at Albany State University, concerning nonrenewal and alleged violations of Board of Regents policies, the application for review was denied.

2. Approval of the Georgia College & State University Mutual Aid Agreement With the City of Milledgeville

Approved: The Board approved the following mutual aid agreement between Georgia College & State University (“GCSU”) and the City of Milledgeville, effective April 20, 2005.

Background: GCSU has reached an agreement with the City of Milledgeville 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.

3. Approval of the Georgia College & State University Mutual Aid Agreement With Baldwin County

Approved: The Board approved the following mutual aid agreement between Georgia College & State University (“GCSU”) and Baldwin County, effective April 20, 2005.

Background: GCSU has reached an agreement with Baldwin 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.

AUDIT COMMITTEE

The Audit Committee met on Tuesday, April 19, 2005, at approximately 11:05 a.m. in the board room of the Armstrong Center Technology Conference Center at Armstrong Atlantic State University. Committee members in attendance were Chair Connie Cater, Vice Chair W. Mansfield Jennings, Jr., and Regents Julie Hunt, James R. Jolly, Martin W. NeSmith, Richard L. Tucker, and Allan Vigil. Regent Hugh A. Carter, Jr. was also in attendance. Chair Cater 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: Update on Corrective Action Plan for Albany State University

At the May 2004 Audit Committee meeting, the Associate Vice Chancellor for Internal Audit, Ronald B. Stark, presented the fiscal year 2003 audit ratings of the System institutions that are audited by the State Department of Audits and Accounts. The Committee requested that the presidents, chief business officers, and campus-based auditors from the institutions that received a Code 5 rating present their action plans to improve their audit results. (A Code 5 rating is the worst possible audit rating, indicating several significant observations or one or more major observations, significant risk for noncompliance with regulations, and/or serious violation of laws, etc.) Therefore, at the June 2004 Audit Committee meeting, the Committee received a report from President Portia H. Shields and other representatives from Albany State University (“ALSU”) regarding their corrective action plan to improve ALSU’s audit rating.

At the November 2004 meeting, ALSU’s Vice President for Fiscal Affairs, Stanley L. Williams, and Director of Internal Audits, Carl E. Threatt, Jr., updated the Committee on their corrective action plan for improvement. At this meeting Mr. Williams, and the Associate Vice President for Fiscal Affairs, Diann Moffett, accompanied President Portia H. Shields, who gave a further update on the institution’s corrective action plan. President Shields reported that all of the audit findings had been resolved or are in the process of being resolved. Middle management positions in the Division of Fiscal Affairs have been filled, enhancing the division’s efficiency and accountability. The Financial Operations Department has been reorganized to enhance workflow, internal controls, and accountability. Staff developed month-end and year-end task lists in order to ensure that accounting periods will be closed by required deadline dates. They also prepared bank reconciliation throughout fiscal year 2005. Capital assets balances are correctly recorded and depreciated, and the ALSU’s capital ledger is in balance with the University System data warehouse. Staff analyzed and reconciled restricted account balances, and made corrected journal entries to the accounting records. They also implemented additional exception reporting to further enhance monitoring of students’ eligibility for financial aid and cost of attendance budget calculations. In closing, President Shields commended Mr. Williams and Ms. Moffett for their tireless work to rectify the audit results at ALSU.

2. Information Item: Fiscal Year-End 2004 Financial Audit Ratings

Annually, the Associate Vice Chancellor for Internal Audit, Ronald B. Stark, evaluates audit findings and reports the overall results of each institution's audit. The process rates each audit completed by the State Department of Audits and Accounts a Code 1 through a Code 5 rating. Mr. Stark presented the institutional audit ratings at this meeting. He reported that there has been a trend of tremendous improvement in recent years. In fiscal year 2002, there were 164 audit findings. In fiscal year 2003, there were 125 audit findings, and in fiscal year 2004, there were only 77. Moreover, the percentage of System institutions having a Code 1 rating, the best possible audit rating, has increased from 19% to 72% in the same time period. Mr. Stark said that the System has improved greatly overall and that he expects even more improvement in the current fiscal year.

Chair Cater commended Mr. Stark for the significant improvement in audit ratings during his tenure with the University System Office and said that he looks forward to continued audit improvements in the System.

EXECUTIVE AND COMPENSATION COMMITTEE

The Executive and Compensation Committee met on Tuesday, April 19, 2005, at approximately 10:30 a.m. in the conference room of the Armstrong Center Technology Conference Center at Armstrong Atlantic State University. Committee members in attendance were Chair Joel O. Wooten, Jr., Vice Chair J. Timothy Shelnut, and Regents Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, and Doreen Stiles Poitevint. Chancellor Thomas C. Meredith was also in attendance. Chair Wooten reported to the Board on Wednesday that the Committee had reviewed one item, which did not require action. That item was as follows:

1. Information Item: Future Issues

The Chancellor provided information that 64 of 65 memoranda of understanding regarding university foundations had been signed. He also reported that a task force would be formed in the near future to address revision of the budget formula. Finally, the Chancellor reported that the Governor planned to establish an ad hoc committee regarding Senate Bill 250, which pertains to public-private partnerships and facilities.

At approximately 10:35 a.m. on Tuesday, April 19, 2005, Chair Wooten 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 Joel O. Wooten, Jr., Vice Chair J. Timothy Shelnut, and Regents Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, and Doreen Stiles Poitevint. Also in attendance were Chancellor Thomas C. Meredith; the Secretary to the Board, Gail S. Weber; and the Senior Vice Chancellor for Support Services, Corlis Cummings. In accordance with

H.B. 278, Section 3 (amending O.C.G.A. § 50-14-4), an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 11:45 a.m., Chair Wooten reconvened the Committee meeting in its regular session and announced that no actions had been taken in Executive Session.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

The Committee on Finance and Business Operations met as a Committee of the Whole during the full Board meeting on April 19, 2005. Committee members in attendance were Chair Patrick S. Pittard, Vice Chair Hugh A. Carter, Jr., and Regents James R. Jolly, Donald M. Leebern, Jr., Doreen Stiles Poitevint, and J. Timothy Shelnut. Also in attendance were Chancellor Thomas C. Meredith, Board Chair Joel O. Wooten, Jr., and Regents Connie Cater, Julie Hunt, W. Mansfield Jennings, Jr., Elridge W. McMillan, Martin W. NeSmith, Richard L. Tucker, and Allan Vigil. The Committee met in its regular session immediately following its meeting as a Committee of the Whole at approximately 2:35 p.m. with the same attendance. Committee Vice Chair Carter reported to the Board on Wednesday that the Committee had reviewed nine items, all of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Fiscal Year 2006 Budget Allocations

Approved: The Board approved the allocation of state appropriations for fiscal year 2006 among the institutions and operating units of the University System of Georgia.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 10 to 17.)

Background: After three years of budget cuts, the State of Georgia appears to have turned the corner economically. The budget for the University System of Georgia for fiscal year 2006 begins to address budget cuts of recent years and allows the System to move forward with many important initiatives. The state budget restores the University System of Georgia's share of funding to 11.5%, which is an important change and reflects recognition by the System's funding partners of the critical role the System plays in the education of its citizens as well as its contribution to the state economy.

The total state appropriations approved by the General Assembly for current University System of Georgia operations, including institutions and other organized activities, is \$1.8 billion, an increase of 8.5%, or \$140.7 million, over fiscal year 2005 appropriations. Appropriations for University System institutions are \$1.59 billion, including \$29.8 million in funds for special funding initiatives.

Other organized activities ("B" budget unit and nonteaching "A" budget activities and the Research

Consortium), including, for example, the Georgia Tech Research Institute, the Agricultural Experiment Station, the Cooperative Extension Service, the University System Office, and the Georgia Public Library Service, and line item A units received \$213.9 million in state appropriations, an increase of \$1.8 million, or just under 1% above current funding levels.

The fiscal year 2006 approved budget for the University System of Georgia includes the following major components:

- \$17 million is included to provide merit-based salary increases averaging approximately 2%. The increases for both faculty and staff will become effective January 1, 2006.
- \$103.4 million is included for formula-related increases. The formula comprises the major component of new state appropriations approved by the Governor and General Assembly for the University System of Georgia and includes \$90.4 million for enrollment-related increases; \$7.7 million is for operation and maintenance of new facilities; and \$5.3 million is for new System retirees.
- An additional \$5 million has been provided to assist the Medical College of Georgia in achieving its goal to become a premier teaching hospital and research institution.
- Funding in the amount of \$375,000 was approved for continuation the Georgia Academy of Mathematics, Engineering, and Science (“GAMES”) program at Middle Georgia College, and \$450,000 was approved to maintain funding support for the Georgia Leadership Institute for School Improvement.
- Transfer of \$2.3 million of Georgia Tech Regional Engineering Program (“GTREP”) funding and \$1.8 million in funding for the Georgia Southern University information technology initiative to the formula.

Capital Funding

The Governor’s budget recommendations provided design and construction funding for the four top projects on the Board of Regents major capital projects priority list. These projects include renovation of facilities at Georgia College & State University for Nursing and Health Science programs; the Health, Wellness and Lifelong Learning Center at the University of West Georgia; the Library and Technology Center at North Georgia College & State University; and the Academic Classroom Building at Savannah State University. The fiscal year 2006 final budget provides design funds only for those projects in the total amount of \$7,023,500. Funding for the major repair and renovation (“MRR”) fund was reduced from the formula amount of \$65 million to \$50.6 million to be funded with bond proceeds.

Additional major changes for fiscal year 2006 include the following:

- Ten minor capital projects at Georgia Southern University, Waycross College, the Georgia Institute of Technology, Kennesaw State University, the Medical College of Georgia, Gainesville College, Gwinnett University Center, East Georgia College, Dalton State College, and Armstrong Atlantic State University (\$38,850,000).
- Funding for the Nanotechnology Project at the Georgia Institute of Technology (\$5,000,000).
- Equipment funding for major capital projects at Kennesaw State University, Georgia Perimeter College, and the University of Georgia (\$3,895,000).
- Funding for five Georgia Public Library Service projects (\$7,880,000).

In addition, actions by the General Assembly included additions of major capital projects in the fiscal year 2005 amended budget and changes to projects previously approved in fiscal year 2005 but deferred by the Governor. These changes include the following:

- Fiscal Year 2005 Amended Budget: Design funds for four major capital projects at Macon State College (Professional Sciences Center), Fort Valley State University (Academic Classroom Building), Georgia State University (Teaching Laboratory Building), and the University of Georgia (College of Pharmacy). Total funding provided is \$6,195,000.
- Reauthorization of Deferred Projects: Funding for projects at South Georgia College (rehab of Davis Hall and equipment), Gordon College (Success and Retention Center), and Southern Polytechnic State University (minor capital project). Total funding provided is \$7,777,000.
- Deauthorization of Deferred Projects: Savannah State University (renovation of Hill Hall), University of West Georgia (infrastructure for campus expansion), and Georgia Southwestern State University (Wheatley Hall). Total funding deauthorized is \$6,150,000.

The net increase in capital funding based upon actions during the 2005 legislative session is \$133,500,500.

Allocation Process and Strategy

In March 2005, key administrators among the academic and fiscal affairs staff held budget conferences with each institutional president and his/her senior administrators. The purpose of the conferences was to discuss the Governor's budget recommendations and actions by the General Assembly on the budget, particularly as they concerned issues of formula funding and proposed budget reductions. The conferences also focused on key institutional priorities and needs,

institutional enrollment trends, tuition strategies, and mandatory and elective student fee requests, with special emphasis on proposed changes to institutional technology fees. Additionally, prior to the development of final allocation recommendations, staff consulted with the Chair of the Board of Regents, the Chair of the Committee on Finance and Business Operations, and other members of the Board.

The budget allocations for fiscal year 2006 are based upon the following strategy:

1. A minimum 80% of formula growth funds are allocated to institutions (about \$72.3 million) as in the past. However:
 - \$34.3 million is distributed on the basis of institutional share of state budget to partially offset loss from midyear budget cut of \$64.8 million.
 - The balance of approximately \$38 million will be distributed based upon enrollment growth as generated under the formula.

(Note: In August 2004, the Governor announced that \$68 million in funds originally intended to support a shift of the June 30, 2005, payroll from fiscal year 2005 to fiscal year 2006 would now simply be cut from fiscal year 2005 appropriations. The Board of Regents responded to this by adopting a plan, in concurrence with the Governor, to use \$27.7 million from health insurance reserves and \$9.4 million from lapsed project funds to support \$36.1 million of the budget reduction. The \$36.1 million becomes a permanent cut to System institution and agency budgets in fiscal year 2006. The balance of the cut – about \$38 million – was absorbed by institutions based upon their share of the total state appropriations to the University System of Georgia and also becomes a permanent budget reduction.)

2. Funds for physical plant growth increases in square footage are allocated to institutions based upon the formula (\$7.7 million).
3. Fiscal year 2005 salary annualizer funds (\$12.3 million) are allocated on the basis of actual need.
4. Fiscal year 2006 salary increase funds (\$16.1 million) are allocated on the basis of actual need.
5. Fiscal year 2006 retiree benefit funds (\$5.3 million) are allocated on the basis of actual need.

6. 20% of new formula funds (\$18.2 million) plus other prior year funds (\$2.2 million) are allocated:
 - To partially offset major losses to institutions by the change in the allocation strategy (\$6.8 million),
 - To fund start-up of the state college in Gwinnett County (\$1.6 million),
 - To fund major strategic priorities of the System and institutions as they relate to instructional programs (\$7.8 million), and
 - To assist the Office of Information and Instructional Technology and the University System Office with loss of technology funds supported by lottery monies and to meet ongoing needs (\$4.2 million).

In summary, 96% of new formula funds are allocated to System institutions under these recommendations. Appendices I A-D summarize the fiscal year 2006 budget for the University System of Georgia and the allocation recommendations for teaching institutions and other organized activities.

2. Fiscal Year 2006 Tuition

Approved: The Board approved the tuition rates and policy adjustments for fiscal year 2006 to become effective in the fall semester 2005.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 10 to 17.)

Background:

Undergraduate and Graduate Tuition

Under the recommendations outlined in Appendix II, tuition rates for resident undergraduate students at System research universities increase from \$1,684 per semester to \$1,819 per semester, a dollar increase of \$135 per semester. Tuition rates for resident undergraduate students at System four-year regional and state universities increase from \$1,161 per semester to \$1,219 per semester, a dollar increase of \$58 per semester. At System two-year colleges, tuition rates for resident students increase from \$734 per semester to \$771 per semester, a dollar increase of \$37 per semester.

Tuition rates for resident undergraduate students at Georgia College & State University increase from \$1,576 per semester to \$1,702 per semester. At Southern Polytechnic State University, tuition rates for resident undergraduate students increase from \$1,214 per semester to \$1,311 per semester. Tuition rates for these institutions were adjusted in recent years to reflect their unique missions among the System four-year regional and state universities. The percentage increase for both

institutions, however, matches that for all System two-year and four-year regional and state universities.

The increases will aid System institutions in meeting costs associated with increasing enrollments and help retain the achievements in quality that have been gained over the last several years. Although the fiscal year 2006 budget includes formula funds for enrollment increases, budget reductions of recent years have left System institutions at funding levels significantly below those of four years ago, based on dollars per full-time equivalent (“FTE”) student. Notwithstanding the recommended tuition rate increases, the University System of Georgia continues to be an exceptionally good bargain for students, offering educational opportunities at nationally recognized institutions at tuition costs that are far below national and regional averages. In 2005, the University of Georgia ranked thirty-ninth in the nation in tuition and mandatory fees for comparable public universities. The University System’s four-year regional and comprehensive state colleges and universities and its two year colleges ranked forty-first in the nation in tuition and mandatory fees. In the Southern Regional Education Board (“SREB”), an organization comprising 16 states from Texas to Delaware, the University of Georgia ranks sixteenth, while the System’s four-year and two-year institutions rank sixteenth and thirteenth, respectively.

Graduate tuition rates, excluding select graduate and professional programs, are set by Board policy at a level 20% above undergraduate tuition rates. Nonresident tuition rates are established also by Board policy at a level representing at least four times the resident student tuition rates.

Graduate and Professional Program Tuition

Board policy authorizes institutions to request approval for separate tuition rate adjustments for select nationally competitive graduate and professional programs. The purpose of the policy is to provide additional funds for program enhancements to enable programs to remain competitive with peer programs in colleges and universities across the country. This year, 12 requests to increase or establish new tuition rates were submitted. The recommendations supported all requests with the only modification being for the graduate nursing program rates requested by the Medical College of Georgia. The programs are listed below.

Georgia State University

- Executive Master of Business Administration (“M.B.A.”) program
- Doctor of Physical Therapy (“D.P.T.”)

Medical College of Georgia

- School of Medicine
- School of Nursing
- Master of Physician Assistant (new program)

University of Georgia
School of Law
Doctor of Veterinary Medicine
M.B.A.
Master of Accountancy
Master of Public Health

Kennesaw State University
M.B.A. for Experienced Professionals
Master of Science in Conflict Management

3. Fiscal Year 2006 Mandatory Student Fees

Approved: The Board approved increases and/or adjustments in mandatory student fees for various institutions of the University System of Georgia.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 10 to 17.)

Background:

In support of their requests to increase mandatory fees, System institutions are required to submit financial statements and supporting materials to document need. The fee review process carefully considers those requests that meet minimum submission criteria, provide full explanation of all costs and revenues, and meet business plan objectives. Additionally, and in accordance with Board policy, each institution must demonstrate that fee increase requests have been reviewed by a committee comprised of at least 50% student representatives appointed by the student government association.

Sixty-one requests for increases in technology fees, athletic fees, student activity fees, student health fees, parking, and other mandatory were submitted. The recommendations contained in Appendix III propose that 34 of these requests be approved as submitted and 22 be approved at reduced levels. Five requests are not recommended for approval.

Of note this year are recommendations to increase technology fees at several System institutions. Technology fees were first established in the University System of Georgia in 1999 on a pilot basis for four institutions. Following an evaluation of those pilot programs, the concept was extended to all System institutions to help support academic technology needs. Under criteria created for the program, institutions were required to demonstrate not only that the use of funds provides direct benefits to students, but also that students played a significant role in the fee setting process and the determination of how funds would be expended. Technology fee revenues cannot be used for general infrastructure needs nor to support administrative systems.

In 1999, technology fees were capped at \$75 per semester for the four System research universities and at \$38 per semester for all other System institutions. Technology fee rates have been virtually unchanged in the last six years. The only institutions to receive approval for rate changes since 1999 have been those that established their initial fee rates at levels below the caps. During the last year, Board of Regents staff conducted a survey of technology fees charged at other public colleges and universities across the nation. Several findings emerged from this survey. First, the fees charged at University System of Georgia institutions are on average below rates charged at institutions of similar size and mission. Second, there is wide variation within states regarding the technology fee structures. No other state that responded to the survey indicated a tiered structure such for technology fees such as has existed in Georgia since 1999. Generally, rates were established according to institutional needs and, in most cases, with the support of students.

This year, 14 institutions requested increases in technology fees beyond current caps. All of these requests had the strong support of students.

Most institutions have established procedures for ensuring student participation that exceed the minimum requirements of the policy on fee committees adopted by the Board of Regents in 2000 as evidenced by the reports submitted to the University System Office staff earlier this year and the discussions that occurred during the budget conferences held with senior institutional staff in March 2005. The recommendations supported ten technology fee increases in full and four at a reduced level.

4. Fiscal Year 2006 Salary and Wage Administration Policy

Approved: The Board approved the fiscal year 2006 salary and wage administration policy for the University System of Georgia.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 10 to 17.)

Background:

It is Board of Regents policy to provide salary increases to System employees based upon merit determined through performance evaluation processes at all System institutions. The state general funds provide \$17 million for salary increases in fiscal year 2006, which allows for an average merit-based salary increase of approximately 2% across the System. The proposed policy allows for distribution of the merit increase in ranges from 0% to 5%, with the requirement that any increase above 5% for any employee will be supported by appropriate documentation. Additionally, the policy allows for institutions needing to make promotions or position reclassifications or to address market issues and issues of salary inequity or compression to make adjustments while requiring that

these adjustments be supported by appropriate documentation (e.g., market analysis or internal salary studies).

Salary increases become effective January 1, 2006, for all System employees.

5. Amended Fiscal Year 2005 Budget Allocations

Approved: That the Board approve the allocation of the amended budget for fiscal year 2005 among the institutions and operating units of the University System of Georgia

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 10 to 17.)

Background: The fiscal year 2005 amended budget includes a net total of \$17.8 million in funding for the University System of Georgia. The supplemental allocations include the following:

- Reappropriation of prior year lapsed funds in the amount of \$9.4 million to assist the units with the payroll shift reduction for fiscal year 2005. These funds were allocated to various units on the basis of the share of reduction, including \$8.6 million for the unit A institutions and \$0.8 million for the B units.
- Addition of \$4.4 million to correct the error in the payroll shift reduction for the Georgia Tech Research Institute.
- Allocation of \$1.8 million for the Department of Administrative Services unemployment fund distributed to units in accordance with the increase in expenditure.
- Elimination of funding for the Governor's deferrals in the original budget for the Center for Civic Participation and Renewal, the Georgia Institute for Community Business Development, and the transfer of a position, all at Georgia State University, in the amount of \$431,889.
- Provision of additional funding of \$1.6 million for retirees of the Cooperative Extension Services at the University of Georgia, along with the transfer of \$2.1 million from Cooperative Extension Services for the same purpose.
- Funding in the amount of \$93,870 to offset the loss of tuition revenue from cadets being deployed to active duty at North Georgia College & State University and \$471,440 for the Georgia Military College.

- Transfer of the bamboo farm from the University of Georgia A budget to the Agricultural Experiment Station B budget in the amount of \$180,000.
- Increase of \$175,000 for the Carl Vinson Institute of Government.

The total allocations are \$13.8 million for the A budget and \$4 million for the B budget.

6. Approval of Changes to the Pooled Investment Fund Guidelines and Revision of The Policy Manual, Section 705.02, Investments

Approved: The Board approved the addition of a diversified fund to the pooled investment funds.

Background: The pooled investment fund program was created in 1991 by the Board of Regents. The four investment options have remained the same since inception. These include the total return fund, balanced income fund, short-term fund, and legal fund.

The National Association of College and University Business Officers has released data demonstrating that educational institutions of all sizes are more fully diversifying their endowments to achieve more consistent returns with less downside risk. The addition of the diversified fund would provide an additional investment option for University System institutions. By utilizing alternative asset classes, the new fund would seek to gain further diversification. The primary strategy for investing in these asset classes is to increase exposure to assets that have lower correlation to equity and bond markets with the overall character being one of above-average quality and a moderate degree of investment risk. The diversified fund is constructed to build an optimal portfolio where return is increased and risk is reduced. Currently, 28 institutions participate in the pooled investment fund in some way. Participation in this new fund is optional for the institutions as is the case with the other four funds.

Further Approved: The Board also revised The Policy Manual, Section 705.02, Investments.

Background: During the review of the investment policy, it was noted that the current Board of Regents policy includes language not required by the state, which causes an inconsistency with state guidelines and places unnecessary restrictions on the Board's investment options. It is recommended that this language be deleted

The approved revision to Section 705.02, Investments, affords consistency with state guidelines and offers the opportunity to expand the investment options.

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

Revised Policy

705.02 INVESTMENTS

General: It is the intent of the Board that each institution develop an investment policy which fosters sound and prudent judgment in the management of assets to ensure safety of capital consistent with the fiduciary responsibility each institution has to the citizens of Georgia and which conforms with Board of Regents investment policy. Each institution shall be required to have a written investment policy statement on file with the Vice Chancellor for Fiscal Affairs and Treasurer. The policy should be reviewed and updated at least once every two years. Each institution shall submit an annual report on its investment performance to the Vice Chancellor for Fiscal Affairs and Treasurer which asserts that investments have been made in accordance with the institution's written investment policy.

Investment Objectives: The investment policy should specify overall investment objectives. There may be several different investment objectives depending on the type of funds to be invested and period of investment to be considered. These may include objectives which attempt to preserve the purchasing power of income and principal, maximize current income, or maximize capital values. Each investment objective should clearly state the time horizon for achieving investment objectives.

Investment Type: The investment policy should identify the general type of investments permitted under each investment objective. Investment must be consistent with donor intent, Board of Regents policy, and applicable federal and state laws. **~~Under Georgia Code Sections 50-17-59 and 50-17-63, investment of state funds is restricted to direct U.S. Government obligations and obligations of selected U.S. Government agencies. This restriction would not apply to private endowment funds or other non-state fund sources.~~**

Asset Allocation: The investment policy should include asset allocation guidelines which outline the asset classes and subclasses that will constitute permissible areas for investment of funds. The guidelines should indicate the maximum and normal distribution of funds among the different asset classes or subclasses and the rationale for selecting these criteria. Asset allocation guidelines should also be tied to the investment objective and consider the potential risks associated with different asset allocations. The investment policy should outline the factors to be considered when an institution proposed a change in asset allocation such as during times of significant rate shift affecting the investment portfolio and instability in inflationary trends.

Diversification: Diversification is fundamental to the management of risk and is therefore a pervasive consideration in prudent investment management. The investment policy should include a diversification plan that considers the asset classes and investment products to be utilized in an attempt to achieve desired return with an acceptable level of risk.

Spending Policy: The investment policy should include spending rules and relate these to investment objectives. Variables to be considered include the percentage of return allocated to prevent principal erosion by inflation versus the percentage to be expended currently.

Collateralization: The investment policy should provide for appropriate collateralization of invested funds, which, by law, require the pledge of collateral.

Management, Reporting and Monitoring: Management's plan for authorization of investment activity, periodic reporting of investment activity, and monitoring of investment results should be outlined in detail in the investment policy.

Use of Investment Managers: Criteria to be used in the selection of investment managers and the evaluation of their performance should be described if the institution chooses to use outside investment managers. These criteria should address the investment manager's:

- Professional background and experience,
- Investment philosophy relative to the institution's stated investment objectives,
- Organizational structure and overall product line,
- Control with respect to ensuring that individual managers adhere to policy objectives and guidelines,
- Total size of managed assets,
- Record of performance measured against appropriate benchmarks, and
- Ability to communicate results effectively and in timely fashion.

7. Revision of The Policy Manual, Section 705.01, Banking

Approved: The Board revised The Policy Manual, Section 705.01, Banking, to allow institutions to competitively bid bank services every five years rather than every three years consistent with terms for other institutional contracts.

Background: The previous policy of requiring each University System institution to determine the bank or banks where its funds are deposited through a best value competitive bid process every three years was approved by the Board in February 1996. Prior to adopting that policy, University System institutions were allowed broad discretion in selecting banks for depositing operating and payroll clearing account funds.

The previous policy, which required each institution to select through a best value competitive bid process every three years the bank or banks with which it deposits funds, was established to bring Board policy into conformance with other policies concerning the acquisition of goods and services by units of the University System. The three-year limit on contracts was burdensome due to the complexity of the relationships System institutions have with their banking institutions.

Developments in banking have expanded the variety and improved the efficiency of banking services available in the competitive market, making longer-term contracts a more cost-effective way of conducting business for University System institutions.

The approved revision is as follows. Please note that the strike-through text represents a deletion from the current version and the highlighted text represents the revision.

Revised Policy

705.01 BANKING

All depositories, where funds of the Board of Regents of the University System are held in time deposits, shall either give a depository bond in some acceptable security company qualified to do business in Georgia or, in lieu thereof, may deposit with some other depository satisfactory to the Treasurer of the Board of Regents securities of the following classes, the current market value of which shall be equal to or in excess of the amount of the time deposits:

1. Direct obligations of the United States Government;
2. Obligations unconditionally guaranteed by the United States Government;
3. Direct obligations of the State of Georgia;
4. Direct obligations of any political subdivision of the State of Georgia;
5. Georgia municipal, county, or State of Georgia Authority Bonds acceptable to the Treasurer of the Board of Regents (BR Minutes, 1970-71, p. 691).

The president of each institution of the University System shall determine the bank or banks where funds are deposited through a best value competitive contract bid process to be undertaken every **three five** years. The president shall inform the Vice Chancellor for Fiscal Affairs and Treasurer of the Board of Regents of the bank or banks where funds are deposited. It shall be the duty of the Treasurer of the Board to handle all details relative to the bank or banks furnishing the required depository protection (BR Minutes, 1949-50, p. 251; February 1996).

The Vice Chancellor for Fiscal Affairs and Treasurer of the Board shall appoint a person or persons at each of the institutions of the University System with authority to sign checks drawn on banks where funds of the respective institutions are deposited. Persons so appointed shall be authorized to sign any documents that may be required by the banks concerned (BR Minutes, 1952-53, p. 365).

The chief business officer of each institution of the University System of Georgia and any other officer or employee who participates in the selection of the institution's depository (bank) is prohibited from serving on the governing boards of banks and other financial institutions if such banks or other financial institutions have or seek a commercial relationship with that institution (BR Minutes; 1996). A president of an institution may serve on the governing board of a bank or financial

institution that does not have a commercial relationship with the institution. However, such a bank or financial institution will not be considered by the institution for establishment of a commercial relationship with that institution of the University System of Georgia for not less than two years after the termination of the president as a member of the board.

8. Acceptance of Gifts for Valdosta State University

Approved: The Board accepted on behalf of Valdosta State University (“VSU”) gifts-in-kind from the following corporation:

<u>Company</u>	<u>Value</u>	<u>Items</u>	<u>Department</u>
Sci-Trek	\$300,000	SciTrek 501(c)(3) brand; Work and intellectual properties completed to date on the Communication Knowledge Pavilion Cash award of \$150,000 to complete build-out of the Communication Knowledge Pavilion; and, Materials from the Thomas Edison Foundation	College of Education

Background: The receipt of the Science and Technology Museum of Atlanta (“SciTrek”) properties resulted from over four months of negotiations and allows VSU to become a center for science education and training. Under the transfer agreement with SciTrek, VSU will receive the following:

- All intellectual property related to the business models for creating a technology charter school;
- The Center of Innovation (to teach middle school and high school students technical and science skills that can be used to obtain employment should they decide not to pursue college degrees);
- The Teacher Resource Center for training science educators from throughout the state how to teach inquiry-based science lessons and support the Georgia Performance Standards. The center would also serve as a facility to teach children hands-on process-oriented science skills or “doing versus viewing”; and
- The Knowledge Pavilions (topical learning centers tied to education instruction techniques and the Georgia Performance Standards).

Additionally, VSU also was awarded all of SciTrek’s computers, a grant of \$150,000 to continue the build-out of the Communications Knowledge Pavilion, support to start outfitting two mobile science education labs and the materials on permanent loan from the Thomas Edison State College

Foundation, Inc., including some of Thomas Edison's possessions such as a prototype phonograph, kinoscope (motion picture viewer), and early fluoroscope (x-ray machine).

Board policy requires that any gift, including declarations of trust, to a University System of Georgia institution with an initial value greater than \$100,000 must be accepted by the Board of Regents. VSU has advised that there are no material costs associated with the acceptance of these gifts.

9. Acceptance of Gift for the University of West Georgia

Approved: The Board accepted on behalf of the University of West Georgia ("UWG") \$333,000 for the university's National Excellence Fund.

Background: This donation represents the second installment toward a \$1 million pledge made by Ms. Alice Richards to establish UWG's National Excellence Fund. The National Excellence Fund is an endowment fund that provides much needed dollars that are not restricted to any particular university program but may be used where the need is greatest. The interest earned each year from the endowment fund will be made available to support programs of excellence at UWG that require funding sources other than tax dollars.

Board policy requires that any gift, including declarations of trust, to a University System of Georgia institution with an initial value greater than \$100,000 must be accepted by the Board of Regents.

COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs met on Wednesday, April 20, 2005, at approximately 9:05 a.m. in the board room of the Armstrong Center Technology Conference Center at Armstrong Atlantic State University. Committee members in attendance were Chair William H. Cleveland and Regents Hugh A. Carter, Jr., Martin W. Nesmith, J. Timothy Shelnut, and Allan Vigil. Also in attendance were Chancellor Thomas C. Meredith, Board Chair Joel O. Wooten, Jr., and Regents Connie Cater, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Doreen Stiles Poitevint, Richard L. Tucker, and Allan Vigil. Chair Cleveland reported to the Board that the Committee had reviewed 16 items, 13 of which required action. Item 9 included 169 regular faculty appointments, which were reviewed by the Committee Chair and recommended for approval. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Change of Institutional Name Without Changing Institutional Mission or Sector, Floyd College

Approved: The Board approved the request of President John Randolph Pierce that Floyd College ("FC") be authorized to revise its institutional name, effective April 20, 2005.

Abstract: FC requested that the Board of Regents consider a name change of the institution from Floyd College to Georgia Highlands College. The reason for this is straightforward. Since it began operations, FC has occupied a single campus in Floyd County. However, in March 2005, it occupied a second campus in Bartow County. The name “Georgia Highlands College” will accurately reflect both the growth of the institution from one campus to two campuses and the expansion of the institution’s service area. All relevant constituencies of the institution have been consulted concerning the proposed name change via campus meetings, town meetings, focus groups, and personal discussions.

No mission or sector change will take place as a result of this action. Costs of the name change will be absorbed by the institution through a combination of state funds and nonstate funds.

2. Clarification of Mission Statement Without Changing Institutional Mission or Sector, Coastal Georgia Community College

Approved: The Board approved the request of President Dorothy L. Lord that Coastal Georgia Community College (“CGCC”) be authorized to revise its mission statement, effective April 20, 2005.

Abstract: As a result of the Chancellor’s statewide assessment process, the Board’s 1996 moratorium on changes in mission and mission statements was lifted at the November 2004 Board meeting.

As part of this process, institutions that wish to make alterations in the wording of their existing mission statement that do not change their current missions in any substantive way have been encouraged to submit them for University System Office review and subsequent action by the Board.

The revision has been reviewed by the University System Office staff, and it neither alters the sector nor the fundamental program level of the institution.

Previous Mission Statement

Coastal Georgia Community College was founded in 1961 by the Regents of the University System of Georgia as a non-residential college to offer pre-baccalaureate degrees. In 1972, the Regents of the University System of Georgia and the State Board of Education agreed to fund jointly a vocational technical division at Brunswick College in order to preclude the necessity of building a separate vocational technical institute. This agreement calls for equal emphasis on career programs and university parallel program. Thus, from 1972 Coastal Georgia Community College began to function as a comprehensive community college to serve the needs of coastal Georgia. In 1986 the Regents authorized the creation of the Brunswick Center to provide baccalaureate and master's degrees in collaboration with other units of the University System.

- Coastal Georgia Community College shares with the University System of Georgia the following core characteristics or purposes:
- a supportive campus climate, necessary services, and leadership and development opportunities, all to educate the whole person and meet the needs of students, faculty and staff;
- cultural, ethnic, racial, and gender diversity in the faculty, staff and student body, supported by practices and programs that embody the ideals of an open, democratic, and global society;
- technology to advance educational purpose, including instructional technology, student support services, and distance education;
- collaborative relationships with other system institutions, state agencies, local schools and technical institutes, and business and industry, sharing physical, human, information, and other resources to expand and enhance programs and services available to the citizens of Georgia.

Coastal Georgia Community College shares with other two-year colleges of the University System of Georgia the following core characteristics or purposes:

- a commitment to excellence and responsiveness within a scope of influence defined by the needs of a local area and by particularly outstanding programs or distinctive characteristics that have a magnet effect throughout the region or state;
- a commitment to a teaching/learning environment, both inside and outside the classroom that sustains instructional excellence, functions to provide University System access for a diverse student body, and promotes high levels of student learning;
- a high quality general education program that supports a variety of well-chosen associate programs and prepares students for transfer to baccalaureate programs, a learning support program designed to insure access and opportunity for a diverse student body, and a limited number of certificate or other career programs to complement neighboring technical institute programs;
- a commitment to public service, continuing education, technical assistance, and economic development activities that address the needs, improve the quality of life, and raise the educational level within the college's scope of influence;

- a commitment to scholarship and creative work to enhance instructional effectiveness and meet local needs.

As a two-year unit of the University System of Georgia, Coastal Georgia Community College emphasizes teaching and learning in response to the needs of coastal Georgia for academic, technical, and continuing education. Within its historical context, as Coastal Georgia Community College moves into the twenty-first century, the college is committed to enhancing the above core characteristics through emphasizing:

- promoting retention and success in college, especially for students in at-risk situations, via an intensive orientation and advisement program;
- promoting the development of the whole student through cultural and fine arts programming, leadership training and opportunities on campus, community service activities and health, wellness and recreational opportunities;
- a carefully developed plan of activities and services to meet the learning needs of a diverse student body, including minority, non-traditional, disabled and international students;
- strengthening resources for teaching and for student use in research and learning;
- developing and expanding off-campus centers to provide access for students in coastal communities;
- providing a center for on-site access to baccalaureate and master's degree programs in collaboration with other units of the University system;
- promoting workforce preparedness by partnerships with business and industry;
- developing state-of-the-art instructional and support technology to enhance teaching and learning;
- expanding conference services with state-of-the-art training facilities and instruction;
- developing and implementing formal activities with area schools;
- improving marketing to create awareness of programs and services;
- improving aging physical facilities and upgrading equipment;

- improving institutional effectiveness by college-wide linking of planning, evaluation and budgeting.

Revised Mission Statement

As a unit of the University System of Georgia and a two-year institution, Coastal Georgia Community College has as its mission to provide pre-baccalaureate programs of study for transfer, to provide preparation for immediate employment in a variety of technical program areas, to provide assistance to students who are academically under-prepared for college level study, and to provide lifelong learning opportunities for workforce development and career enhancement as well as personal development and enrichment. Within the context of this mission, Coastal Georgia Community College places emphasis on the following:

- Promoting retention and program completion for all students;
- Providing activities and services that meet the learning needs of a diverse student body and that provide learning opportunities outside the classroom for the whole student;
- Providing appropriate resources for faculty and student use in support of classroom learning;
- Providing instruction and support services at off-campus locations as needed in the service area;
- Providing a center for on-campus access to baccalaureate and master's degree programs in collaboration with other institutions of the University System;
- Promoting workforce preparedness through partnerships with business and industry and service area K-12 school systems;
- Providing and expanding noncredit lifelong learning programs and conference services to meet the needs of the community;
- Partnering with area school systems to foster seamless transitions from secondary schools to college; and
- Promoting and improving institutional effectiveness through an organized system of planning and assessment.

3. Clarification of Mission Statement Without Changing Institutional Mission or Sector, Armstrong Atlantic State University

Approved: The Board approved the request of President Thomas Z. Jones that Armstrong Atlantic State University (“AASU”) be authorized to revise its mission statement, effective April 20, 2005.

Abstract: As a result of the Chancellor’s statewide assessment process, the Board’s 1996 moratorium on changes in mission and mission statements was lifted at the November 2004 Board meeting.

As part of this process, institutions that wish to make alterations in the wording of their existing mission statement that do not change their current missions in any substantive way have been encouraged to submit them for University System Office review and subsequent action by the Board.

The revision has been reviewed by the University System Office staff, and it neither alters the sector nor the fundamental program level of the institution.

Previous Mission Statement

Armstrong State College was founded in 1935 as a city college and continues to fulfill an urban mission, teaching a diverse population of traditional and non-traditional students. Throughout its history, Armstrong has shared its creative, scholarly, technical, and leadership expertise with individuals and organizations throughout southeast Georgia. It is a designated Regional Health Professions Education Center. Offering a broad range of programs in arts and sciences, teacher education, health professions, and graduate studies. Armstrong provides all students with a firm foundation in the liberal arts and anchors its academic excellence in its baccalaureate and graduate programs.

Armstrong Atlantic State University shares with other institutions in the University System of Georgia the following common mission:

The mission of the University System of Georgia is to contribute to the educational, cultural, economic, and social advancement of Georgia by providing excellent undergraduate general education and first-rate program leading to associate, baccalaureate, masters, professional, and doctoral degrees; by pursuing leading-edge basic and applied research, scholarly inquiry, and creative endeavors; and by bringing these resources to bear on the economic development of the State and the continuing education of citizens through public service.

While the core teaching, research and scholarship, and service functions differ by institutional type, the campus life of every institution in the University System of Georgia will be characterized by:

- a supportive campus climate, necessary services, and leadership and development opportunities, all to educate the whole person and meet the needs of students, faculty, and staff;
- cultural, ethnic, racial, and gender diversity in the faculty, staff and student body, supported by practices and programs that embody the ideals of an open, democratic, and global society;
- technology to advance educational purposes, including instructional technology, student support service, and distance education;
- collaborative relationships with other System institutions, State agencies, local schools and technical institutes, and business and industry, sharing physical, human, information, and other resources to expand and enhance programs and services available to the citizens of Georgia.

Armstrong Atlantic State University shares with the other senior universities of the University System of Georgia the following core characteristics or purposes:

- a commitment to excellence and responsiveness within a scope of influence defined by the needs of an area of the state, and by particularly outstanding program or distinctive characteristics that have a magnet effect throughout the region or state;
- a commitment to a teaching/learning environment, both inside and outside the classroom, that sustains instructional excellence, serves a diverse and college-prepared student body, promotes high levels of student achievement, offers academic assistance, and provides developmental studies programs for a limited student cohort;
- a high quality general education program supporting a variety of disciplinary, interdisciplinary, and professional academic programming at the baccalaureate level, with selected master's and educational specialist degrees, and selected associate degree programs based on area need and/or inter-institutional collaborations;
- a commitment to public service, continuing education, technical assistance, and economic development activities that address the needs, improve the quality of life, and raise the educational level within the university's scope of influence;
- a commitment to scholarly and creative work to enhance instructional effectiveness and to encourage faculty scholarly pursuits, and a commitment to applied research in selected areas of institutional strength and area need.

The primary mission of Armstrong Atlantic State University is to foster its students' abilities

essential to being knowledgeable, thoughtful, responsible, and creative members of society. For its population of traditional and non-traditional students, Armstrong strives to promote academic excellence and provide appropriate access to its programs, including magnet offerings in health professions, teacher education, public history, criminal justice, and transfer programs in engineering studies. Moreover, Armstrong shall:

- augment traditional classroom instruction and provide student-centered learning through the integration of new technologies and innovative methods of course delivery;
- improve and expand access through distance learning, flexible course scheduling, and development of off-campus sites;
- respond to student needs through accessible faculty and administrators, an effective student-teacher ratio, and appropriate learning support;
- foster a deepened understanding of diverse world views and experiences through the examination of multicultural and international perspectives across the curriculum, and activities that encourage respect for human worth;
- offer activities to students that help to prepare them for the work place or for further study through a wide array of leadership programs, experiential training, and entrepreneurial opportunities;
- optimize resources and expand educational opportunities for citizens throughout Georgia through the interchange of faculty and programs and in partnerships with other educational institutions, especially other units of the University System.

In shaping its vision for the twenty-first century, Armstrong has assumed a leadership role in the application and integration of new educational technologies. The institution aspires to build upon its already excellent curricular and urban oriented research programs and expand its magnet offerings, especially in the sciences. A planned student body profile based on admissions, progressions, and graduation expectations shall enhance institutional effectiveness. Finally, Armstrong assumes responsibility for initiating collaborative efforts and for attracting and cultivating credit and non-credit programs designed to meet societal needs in such areas as economic development, health, cultural life, and technological advancement.

Revised Mission Statement

As a unit of the University System of Georgia, Armstrong Atlantic State University is committed to the following:

- Educating students in the liberal arts tradition through quality programs in the arts and sciences, teacher education, health professions, and computing and technology;
 - Providing students with intellectual challenges, professional experiences, and extracurricular activities that prepare them for citizenship, leadership, career success, and a lifelong passion for learning; and
 - Advancing teaching, scholarship, creative endeavors, and service to the community by supporting the collaborative initiatives of students, faculty, and staff.
4. **Establishment of a Five-Year Bachelor of Science/Master of Science in Earth and Atmospheric Science, Georgia Institute of Technology**

Approved: The Board approved the request of President G. Wayne Clough that the Georgia Institute of Technology (“GIT”) be authorized to establish a five-year Bachelor of Science/Master of Science in Earth and Atmospheric Science, effective April 20, 2005.

Abstract: GIT proposed to offer a five-year Bachelor of Science/Master of Science in Earth and Atmospheric Science as a mechanism for providing academically strong students with opportunities to move more rapidly to master’s level competencies in this field. The key components of the program are twofold: 1) intense interaction among students and faculty to include mentoring and research experience and 2) careful advising and course planning to enable students to begin graduate course work in their fourth year of study. Separated degrees at the undergraduate and graduate levels already exist for the earth and atmospheric science discipline. Undergraduate students are eligible to apply for admission. Admission of undergraduate students into the graduate program is contingent upon the completion of 30 semester credit hours at GIT (i.e., end of freshman year) and prior to the completion of 75 semester credit hours, including advanced placement and transfer credit (i.e., middle of junior year). A grade point average of 3.2 is required. The applicant must submit an application, an essay, and two letters of recommendation from GIT faculty members. Students must maintain a 3.0 grade point average to continue in the program.

5. **Establishment of an External Master of Science in Building Construction and Integrated Facility Management Offered Predominantly at a Distance via Multiple Technologies, Georgia Institute of Technology**

Approved: The Board approved the request of President G. Wayne Clough that Georgia Institute of Technology (“GIT”) be authorized to establish an external Master of Science in Building Construction and Integrated Facility Management offered predominantly at a distance via multiple technologies, effective April 20, 2005.

Abstract: GIT proposed to offer a Master of Science in Building Construction and Integrated

Facility Management through its distance learning program. The program will be the equivalent of the current in-residence program sharing the same application procedures; curriculum, grading, and testing requirements; and faculty and staff support.

Delivery Method and Need: The instructional delivery method will be different, in some cases synchronous and in other cases asynchronous sessions made available on the Internet via Buzzport and WebCT. Interaction will primarily be conducted via Internet chat rooms, electronic messaging, and, to a limited extent, teleconferencing using products already licensed by the institution. In the asynchronous delivery mode, streaming video to desktop, DVDs, CDs, videotapes, and supporting materials are sent to off-campus students. Students participate in classroom activities by watching the video and using the course materials at their own designated location. These delivery methods will replace the traditional instructor/classroom scenario. The need and demand for distance education delivery in building construction is based upon a qualitative assessment of global factors related to the industry. The Building Owners and Managers Association and the Design-Build Institute of America are organizations that have identified the need for and have documented the demand for increased education within their membership ranks. The delivery of graduate education in building construction using the traditional classroom setting is reaching its limit with continued increases in enrollment.

Objectives: The program provides graduates with a clear understanding of the management skills and expertise necessary to be successful within the facility management industry. The academic objective of the Master of Science in Building Construction and Integrated Facility Management is to give tactical professionals a broader, strategic education that mirrors the business world. The program will integrate the study of corporate business strategies with a specific emphasis on facility areas and property management.

Curriculum: Graduate courses offered in the 36-semester-hour program include, but are not limited to, courses in maintenance management of built assets, safety and environmental issues, value management for integrated facility design and construction, real estate asset and income property management, facilities management financial analysis, and design and construction law.

Projected Enrollment: The institution anticipates enrollments of 20, 35, and 50 during the first three years of the program.

Funding: The program will be supported through existing courses. President Clough has provided verification that funding for the program is available at the institution.

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

6. Establishment of an External Master of Science in Operations Research Offered Predominantly at a Distance via Multiple Technologies, Georgia Institute of Technology

Approved: The Board approved the request of President G. Wayne Clough that the Georgia Institute of Technology (“GIT”) be authorized to establish an external Master of Science in Operations Research offered predominantly at a distance via multiple technologies, effective April 20, 2005.

Abstract: GIT proposed to offer a Master of Science in Operations Research through its distance learning program. The program will be the equivalent of the current in-residence program sharing the same application procedures; curriculum, grading, and testing requirements; and faculty and staff support.

Delivery Method and Need: All courses offered via distance education technologies by GIT are also offered concurrently to on-campus students during the same semester. Students will participate in courses taught on the GIT campus by on-campus faculty. Students interact with campus faculty via telephone, USPS mail, email, threaded discussion lists, and facsimile services. Students use course tools, such as BuzzPort (the campus intranet portal) and WebCT, to facilitate student-to-student and student-to-faculty communication. Working professionals in several companies, such as United Parcel Service of America, Inc. (“UPS”), FedEx Corp., Delta Air Lines, Norfolk Southern Corporation, and Schneider Logistics, Inc., have expressed an interest in a distance-learning-based operations research program.

Objectives: Graduates will demonstrate proficiency in understanding the fundamental results and methodologies of operations research. The academic objective of the program is to provide students an advanced education in mathematical modeling and solution methodologies appropriate for addressing difficult problems in business and industry.

Curriculum: The 30-semester-hour program includes, but is not limited to, courses in probabilistic methods and their applications, computing in operations research, and simulation. To provide students with both a theoretical and practical understanding of the field, the curriculum is divided between required core courses in deterministic optimization, stochastic systems, simulation modeling, and statistics and technical electives in operations research or supporting disciplines, such as computer science or mathematics.

Projected Enrollment: The institution anticipates enrollments of 15, 25, and 40 during the first three years of the program.

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

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

7. **Establishment of an External Bachelor of Science in Agriculture With a Major in Biological Science to Be Offered Predominantly on the Griffin Campus, University of Georgia**

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ("UGA") be authorized to establish an external Bachelor of Science in Agriculture with a major in Biological Science to be offered predominantly on UGA's Griffin campus, effective April 20, 2005.

Abstract: UGA sought to offer the existing Bachelor of Science in Agriculture with a major in Biological Science on its extended campus in Griffin. The Griffin campus, also known as the Georgia Experiment Station, is one of the research arms of UGA's College of Agricultural and Environmental Sciences. In addition to Griffin, UGA has established the College Experiment Station in Athens and the Coastal Plain Experiment Station in Tifton. The major in Biological Science would be offered on both the Griffin campus and the institution's home campus.

Need: An additional reason that makes the undergraduate program desirable on the Griffin campus is the ability to capitalize on the existing infrastructure at both Gordon College ("GOC") and the UGA Griffin campus. GOC offers the Associate of Arts degree and the Associate of Science degree. Majors offered at GOC that are relevant to the proposal include Agricultural and Environmental Sciences, Biological Sciences and Biology, Forestry, and Horticulture. Student interest surveys suggest that initial enrollments are projected at 20 to 30 students.

Objectives: The objectives for offering the existing major on the Griffin campus are 1) to provide an interdisciplinary program that will train students in biological science using the most recent developments in agricultural sciences, such as biotechnology, plant genetics, and integrated pest management; 2) to provide students with educational opportunities to benefit from practical experiences that can be provided by the research environment of the UGA Griffin campus; and 3) to provide the opportunity for students to receive a UGA undergraduate degree in south metro Atlanta and Middle Georgia.

Curriculum: The 120-semester-hour program includes, but is not limited to, courses in the major in subjects such as water resource economics, soils and hydrology, plant breeding, advanced turfgrass science, food and fiber marketing, applied econometrics, general entomology, biotechnology, and agricultural policy.

Projected Enrollment: The institution anticipates enrollments of 11, 22, and 33 during the first three years of the program.

Funding: The program will be supported through a combination of existing and new courses. 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 program reviews.

8. Establishment of a New External Major in Environmental Resource Science Under the Bachelor of Science in Environmental Sciences to Be Offered Predominantly on the Griffin Campus, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ("UGA") be authorized to establish a new external major in Environmental Resource Science under the existing Bachelor of Science in Environmental Sciences to be offered predominantly on the UGA's Griffin campus, effective April 20, 2005.

Abstract: UGA proposed to offer a new major in Environmental Resource Science under the Bachelor of Science in Environmental Sciences as an external degree to be offered predominantly at UGA's Griffin campus. The Griffin campus, also known as the Georgia Experiment Station, is one of the research arms of UGA's College of Agricultural and Environmental Sciences. The major will not necessarily be offered at the home institution. The proposed new major is to be offered in collaboration with Gordon College and UGA's College of Agricultural and Economic Sciences. Offering the Bachelor of Science in Environmental Sciences with a major in Environmental Resource Science on the Griffin campus affords students an opportunity to combine classroom, research, and work experiences. The Griffin campus undergraduate students will have access to faculty from the U.S. Department of Agriculture Plant Genetic Resources Conservation Unit, The Center for Food Safety, the Food Product Innovation and Commercialization Center, and the Georgia Center for Urban Agriculture. In addition, coursework is transferable between the two institutions.

Need: According to the Georgia Department of Labor, Workforce Information and Analysis Division, the demand for educated workers in careers related to urban agriculture is expected to increase between 30% and 50% by 2010. Specifically, jobs for environmental scientists and specialists are expected to increase by 39% by year 2010. According to the National Association of Colleges and Employers, median annual earnings of environmental scientists were \$47,600. A baccalaureate degree in environmental sciences offers an interdisciplinary approach to natural sciences.

Objectives: The objectives of the Environmental Resource Science major are 1) to provide students an interdisciplinary program in applied environmental science, 2) to impart to students the knowledge and practical skills necessary for careers in environmental sciences, and 3) to provide undergraduate students educational opportunities to benefit from practical experiences that can be provided by the research environment of the UGA Griffin campus.

Curriculum: The 120-semester-hour program requires, but is not limited to, courses in the following major subjects: environmental microbiology, environmental issues in horticulture, introductory microbiology, introductory biochemistry and molecular biology, special problems in agricultural and environmental sciences, chemical analysis of environmental samples, and hydrology, geology, and soils in Georgia.

Projected Enrollment: The institution anticipates enrollments of 14, 28, and 42 during the first three years of the program.

Funding: The program will be supported through a combination of existing and new courses. 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 program reviews.

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

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

10. Termination of the Major in Radiography Under the Bachelor of Science in Radiological Sciences, Medical College of Georgia

Approved: The Board approved the request of President Daniel W. Rahn that the Medical College of Georgia ("MCG") be authorized to terminate the major in Radiography under the Bachelor of Science in Radiological Sciences, effective April 20, 2005.

Abstract: MCG sought approval to terminate the major in Radiography under the Bachelor of Science in Radiological Sciences offered in the School of Allied Health Sciences. The justification for deleting this program is the fundamental academic concentration shift resultant to professional and

workforce needs identified and strategic hires to the institution. Termination of the program will not have an adverse impact on students or faculty.

11. Establishment of the Andrew C. and Eula C. Carlos Family Founding Chair in Contemporary Greek Studies, Georgia State University

Approved: The Board approved the request of President Carl V. Patton that Georgia State University (“GSU”) be authorized to establish the Andrew C. and Eula C. Carlos Family Founding Chair in Contemporary Greek Studies, effective April 20, 2005.

Abstract: GSU sought to establish the Andrew C. and Eula C. Carlos Family Founding Chair in Contemporary Greek Studies. The focus of the chair will be to promote a greater understanding of the role Hellenic culture has played in the formation of Western culture and the continuing influence it has on the contemporary landscape. The chair will seek to establish a curriculum of Hellenic study across diverse disciplines within the university and to present scholarly and cultural events on relevant topics within the university community as well as the greater Atlanta area. It will also seek to establish formal ties with the Republic of Greece for student and faculty exchanges.

Toward that end, the Georgia State University Foundation, Inc. has received gifts that total \$500,000 and has established an endowed account with the funds.

12. Establishment of the Shaw Distinguished Chair in Southern Business and Economic History, Kennesaw State University

Approved: The Board approved the request of President Betty L. Siegel that Kennesaw State University (“KSU”) be authorized to establish the Shaw Distinguished Chair in Southern Business and Economic History, effective April 20, 2005.

Abstract: KSU sought to establish the Shaw Distinguished Chair in Southern Business and Economic History. The focus of the chair will be to promote the economic and business history of the American South. In addition to curriculum development and publications, the distinguished chair’s responsibilities will include a commitment to public outreach.

Toward that end, the Kennesaw State University Foundation, Inc. has received gifts that total \$500,000 and has established an endowed account with the funds.

Biosketch: In summer 2003, Shaw Industries formally agreed to endow a distinguished chair in the Department of History and Philosophy at KSU. The endowment represented the fulfillment of a pledge made by the firm’s chairman emeritus, J. C. “Bud” Shaw, in 1998. The gift was contingent on the completion of a company history by a KSU faculty member, Dr. Randall Patton, Professor of History. Mr. Shaw’s association with KSU required that the institution document and analyze

the rise of one of Northwest Georgia’s economic engines, the carpet industry, and detail the creation and development of Shaw Industries, Inc. The publications, *Carpet Capital: The Rise of a New South Industry* (1999) and *Shaw Industries: A History* (2002) fulfilled both objectives.

13. Reorganization of Institutional Units, Augusta State University

Approved: The Board approved the request of President William A. Bloodworth, Jr. that Augusta State University (“AUSU”) be authorized to reorganize institutional units, April 20, 2005.

Abstract: AUSU proposed a reorganization of institutional units that serves to restructure functions on campus and streamline the administrative reorganization with the retirement of specific administrators.

AUSU proposed specific changes with regard to the position of vice president for business and student services. AUSU proposed the elimination of the current position and promotes the establishment of the positions of vice president for business operations and vice president for student services and dean of students. The reorganization of institutional units does not require the addition of administrative staff. The change reduces by one the number of upper administrative positions.

14. 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:

Georgia State University

Georgia Department of Human Resources Evaluate the technical assistance and professional development services provided through the Advancing Careers through Education and Training project	2/1/03 – 10/31/04	\$249,870
Georgia Department of Human Resources Enhance the projections of caseload growth for clients using Temporary Assistance for Needy Families across the state	1/1/04 – 12/31/04	\$17,169
Georgia Cancer Coalition Identify and provide key resource personnel to devise and inform the planning process, as well as enable data collection, data analysis, and report writing	10/31/03 – 12/31/03	\$30,670
Atlanta Urban Design Commission Obtain assistance of research foundation for the performance of certain work and for the provision of services	1/1/04 – 12/31/06	\$20,000

related to the City of Atlanta Comprehensive Historic Resource Survey		
Georgia Humanities Council Develop conversations among Partners in Learning and annual lecture series and make the English department into a center for English instruction	1/1/04 – 12/31/04	\$2,500
Georgia Cancer Coalition Study mechanism and regulation of gene expression in cancer development	8/1/03 – 7/31/04	\$100,000
Georgia Learning Resources System Develop effective behavioral and instructional support	9/1/03 – 8/31/04	\$24,000
Georgia Department of Human Resources Evaluate the collaborative effort between Georgia and South Carolina to address cross jurisdiction obstacles which hinder timely permanency for children in foster care	9/15/03 – 2/29/04	\$7,500
Georgia Department of Education Provide training to school administrators and facilitators in three districts on how to schedule and maximize special education resources through the co-teaching and collaborative model	2/1/04 – 6/30/04	\$131,922

University of Georgia

Georgia Council for the Arts Assist Georgia Museum of Art with funds for general operating support	7/1/04 – 6/30/05	\$54,734
Georgia Department of Education Help students develop critical thinking and problem-solving skills to interpret and use math and science as related to technologies	9/15/04 – 6/30/05	\$15,572
Georgia Department of Education Assist Georgia Department of Education in gathering and reporting information about use and satisfaction with supplemental education services and providers required by federal legislation for Title I schools not making adequate yearly progress in student achievement measures	9/15/04 – 9/14/05	\$85,800
Georgia Department of Education Conduct and manage all aspects of a Fruits and Vegetable Galore Conference for school nutrition directors and managers that will give guided instruction on nutrition	11/1/04 – 9/30/05	\$19,995
Georgia Department of Human Resources	10/1/04 –	\$52,500

Assess stress factors for low- to moderate-risk families and provide crisis intervention services for clients as needed	9/15/05	
Georgia Department of Human Resources Expand child welfare services through purchase of community-based family support services as part of comprehensive, coordinated service delivery system	10/1/04 – 6/30/05	\$67,500
Georgia Department of Human Resources Increase effective reporting and investigation of the maltreatment of children with disabilities by increasing communication and collaboration between departments and agencies providing disability-related services, law enforcement, and child protective services	11/1/04 – 12/31/04	\$24,222
Georgia Department of Natural Resources Provide for active cooperation in the advancement, organization, and conduct of research, graduate education, in-service training, technical assistance, public relations, and demonstration programs relating to fish and wildlife resources	7/1/04 – 6/30/05	\$40,000
Georgia Department of Natural Resources Facilitate monthly public meetings of the stakeholder group in the Flint River Basin area of Georgia	10/11/04 - 12/31/05	\$52,923
Georgia Cancer Coalition Identify or seek to identify cancer clinicians and scientists who meet the requirement of the Georgia Cancer Coalition program in order to establish Georgia as a national leader in cancer prevention, treatment, research, and education	8/1/04 – 6/30/05	\$100,000
Governor’s Office of Highway Safety Educate members of the University of Georgia community on the risks of alcohol and other drug use	10/1/04 – 9/30/05	\$18,800
Georgia Department of Human Resources Provide training to promote understanding of new requirements, the Babies Can’t Wait system in Georgia and how to access it, typical and atypical early childhood development, and how to complete developmental screening tools to assist in referral processing	1/15/05 – 11/15/05	\$179,190
Georgia Office of Planning and Budget Prepare proposal to solicit bids for determining cost model options necessary to develop an educational program of excellence for Georgia public K-12 schools	1/1/05 – 6/30/05	\$50,600
Georgia Commodity Commission for Cotton	1/1/05 –	\$3,000

Determine appropriate level of a skippy stand to justify replanting	12/31/05	
Georgia Commodity Commission for Cotton Determine if any newer or more expensive growth regulators and yield enhancers provide any real economic benefit	1/1/05 – 12/31/05	\$6,000
Georgia Commodity Commission for Cotton Examine the impact of seeding rate on fiber quality	1/1/05 – 12/31/05	\$9,000
Georgia Commodity Commission for Corn Analyze economic feasibility of an ethanol production plant in Georgia for more efficient distribution to Georgia and Florida	7/1/04 – 6/30/05	\$7,500
Georgia Department of Agriculture Purchase chemical supplies used to detect presence of phytophythora ramorum in foliage samples and for purchase of a device to better and more quickly test plant samples	4/1/04 – 3/31/05	\$15,00
Georgia Department of Education Integrate technology education program certification and technology education online assessment	9/15/04 – 6/30/05	\$24,952
Georgia Department of Human Resources Help participants adopt healthy eating habits and active lifestyles consistent with dietary guidelines and the food guide pyramid in order to improve overall health and as a first step in primary prevention of childhood obesity	10/1/04 – 9/30/05	\$490,861
Georgia Department of Human Resources Enhance food safety knowledge and facilitate development of intervention methods that improve public health for food safety by the department and its public health partners	1/1/05 – 11/30/05	\$120,000
Georgia Department of Natural Resources Administer the Certified Local Government Program in coordination with the department’s Historic Preservation Division according to all federal and state regulations	7/1/04 – 6/30/05	\$42,000
Georgia Department of Natural Resources Develop programs and activities in area of radon awareness, testing, mitigation, and prevention	1/1/05 – 12/31/05	\$127,000
Georgia Department of Natural Resources Identify potentially suitable habitats for the bog turtle by developing predictive models using analysis, geographic information systems, and soil surveys	9/21/04 – 6/30/05	\$13,000
Georgia Department of Natural Resources Assist the Environmental Protection Division in developing a	1/1/05 – 12/31/05	\$289,673

statewide comprehensive water management plan, called for by the passage of House Bill 237 during the 2004 legislative session		
Georgia Department of Public Safety Provide the department with fiscal year 2005 promotional testing services for the ranks of corporal, sergeant, sergeant first class, and lieutenant in the Georgia State Patrol	10/15/04 – 7/15/05	\$83,270
Georgia Department of Technical and Adult Education Continue relationship initiated in 2000 between the University of Georgia and the department, which builds upon common interests in the development and improvement of a high-quality workforce education system in the state	10/1/04 – 6/30/05	\$168,000
Georgia Department of Technical and Adult Education Help improve transition from school to work and improve employment and postsecondary opportunities	10/1/04 – 9/30/05	\$59,873
Georgia Humanities Council Offer a teacher seminar that will address citizenship, participation, and responsibility while offering Georgia teachers the opportunity to obtain two staff development unit credits while improving knowledge and skills in civic education	1/1/05 – 10/31/05	\$7,750

Georgia Southern University

Chatham County Board of Health Develop comprehensive evaluation parameters related to HIV awareness and risk reduction among detainees	11/1/04 – 1/31/05	\$1,922
Georgia Department of Natural Resources Investigate whether springs from artesian aquifers are present in Coastal Georgia and their possible role in ecology of rivers	11/19/04 – 3/31/06	\$58,988

TOTAL AMOUNT - APRIL	\$ 2,873,356
TOTAL AMOUNT FY 2005 TO DATE	\$ 24,158,573
TOTAL AMOUNT FY 2004 TO APRIL	\$ 128,689,953
TOTAL AMOUNT FY 2004*	\$ 131,651,016

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

15. Information Item: Grants and Contracts Received by Institutions in the University System of Georgia for Research, Instruction, and Public Service for Fiscal Year 2004

Much of the financial support for the University System is derived from extramural sources. The dollar amounts for contracts and grants received by the institutions in fiscal year 2004 were presented to the Committee, as were highlights of the larger research grants awarded to University System institutions.

The total external support for these activities in all institutions equaled \$980,194,687, an increase of \$119,693,676, or 13.9% above fiscal year 2003. Contracts and grants are categorized as research, instruction, or public service. Research alone increased from \$532,728,239 to \$654,875,475, a 22.9% increase.

16. Information Item: Intellectual Property Income Summary in the University System of Georgia for Fiscal Year 2004

The table below presents income received from intellectual properties during fiscal year 2004. The total income represents an increase of \$23,930,488, or 342.7% above fiscal year 2003. This large increase is primarily from a University of Georgia one-time royalty buy-down of \$28 million on one technology.

Institution	Inventions	Software	Copyrights/ Trademarks	Totals
Georgia Institute of Technology	\$403,288	\$1,891,580	\$20,156	\$2,315,024
Georgia State University	\$0	\$0	\$19,900	\$19,900
Medical College of Georgia	\$155,351	\$0	\$0	\$155,351
University of Georgia	\$28,328,997	\$50,781	\$35,282	\$28,415,060
Georgia Southern University	\$0	\$7,750	\$0	\$7,750
Totals	\$28,887,636	\$1,950,111	\$75,338	\$30,913,085

COMMITTEE ON INFORMATION AND INSTRUCTIONAL TECHNOLOGY

The Committee on Information and Instructional Technology met on Wednesday, April 20, 2005, at approximately 9:20 a.m. in the board room of the Armstrong Center Technology Conference Center at Armstrong Atlantic State University. Committee members in attendance were Vice Chair W. Mansfield Jennings, Jr. and Regents Hugh A. Carter, Jr., Julie Hunt, Martin W. NeSmith, and Doreen Stiles Poitevint. Also in attendance were Chancellor Thomas C. Meredith, Board Chair Joel O. Wooten, and Regents Connie Cater, William H. Cleveland, James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, J. Timothy Shelnut, Richard L. Tucker, and Allan Vigil. Vice Chair Jennings 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: System Information Security Update

At the Committee's January 2005 meeting, the Vice Chancellor for Information and Instructional Technology and Chief Information Officer, Randall A. Thursby, provided a status report on the submission of updated information security plans by each institution at the end of 2004. At that time, Mr. Thursby indicated that he would report back to the Committee on the review of these plans by staff of the Office of Information and Instructional Technology ("OIIT"). At this meeting, Mr. Thursby reported that the OIIT staff had completed an initial review of the plans, and an in-depth review is underway. The staff will identify strengths and weaknesses of the plans and report these to the institutions, including suggestions to improve the plans. The staff will develop a collective view of campus plans, highlight commonalities in successful policies and best practices, look for commonalities in areas needing improvement, and devise best System strategies for addressing areas of common need. Mr. Thursby also reported that security device hardware and software had been deployed to 32 System sites. OIIT is monitoring security activities at the System level, and OIIT staff are collecting valuable data and providing alerts to the institutions to help deter hacking attacks and identify vulnerable systems.

Additionally, the Chief Information Security Officer at the University of Georgia, Stanton S. Gatewood, provided an overview of emerging issues and trends in information security. He reported that today, traditional antivirus protection is not enough to stay protected from the new proliferation of attacks called "multi-threaded threats." Some of the challenges in this area are habit, bureaucracy, inertia, and institutional and System consent. The Internet is resistant to all change, and technologies have increased network and system complexities. Meanwhile, there are many well funded, technically sophisticated criminal elements out there. Unauthorized use of institutions' computer systems is increasing, and the overall number of year-to-date incidents reported has doubled. Mr. Gatewood noted that over 80% of System institutions do not conduct information technology security audits or security assessments. Therefore, there is no time to plan for security, only enough time to react to crises as they arise one after another. There is also a lack of security awareness training. Moreover, information technology planning and budgeting are not tied together with

security. The numbers of identity theft and fraud cases are also on the rise. In closing, Mr. Gatewood briefly discussed the emerging threats pertaining to mobile devices, instant messaging, voice-over Internet protocol (“VoIP”), and cyber crime.

2. Information Item: Administrative Committee on Information Technology Annual Update

The Administrative Committee on Information Technology (“ACIT”), a standing committee of the University System composed of senior information technology staff from each System institution, acts to advise the System’s Chief Information Officer (“CIO”). At this meeting the Chair-Elect of the ACIT and CIO at Georgia Southern University, Lisa Spence, provided an update of ACIT activities during the past year and plans for the coming year. She explained that the ACIT is concerned with policies and procedures affecting information technology within the University System, including, but not limited to, electronic communication networks, computing hardware, administrative information systems, academic information systems, and other computing activities. The ACIT serves as an advisory body to the Vice Chancellor for Information Technology, and its institutional representatives are nominated by the presidents of the institutions. The officers and executive committee of ACIT for fiscal year 2005 are as follows:

- Lisa Spence (Chair), CIO, Georgia Southern University
- Dr. Randy C. Hinds (Past Chair), CIO and Professor of Information Systems, Kennesaw State University
- Jay Steed (Chair-Elect), CIO, North Georgia College & State University
- Michael Russell (Secretary), Director of Information Technology Services, University of West Georgia
- Chip Matson, Director of Computer Services, Augusta State University
- Dr. James Wolfgang, CIO, Georgia College & State University
- William Johnson, Executive Director, Computer Information & Networking Services, Columbus State University
- John K. Mullin, CIO, Georgia Institute of Technology
- J. L. Albert, Associate Provost and CIO, Georgia State University

Ms. Spence stated that the ACIT is engaged in Systemwide activities, such as the use of Social Security number as identification conversions, the Security Advisory Group, telecommunications projects, Banner hosting, facilities and information technology collaborations, and overall communications enhancements.

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Wednesday, April 20, 2005, at approximately 9:45 a.m. in the board room of the Armstrong Center Technology Conference Center at Armstrong

Atlantic State University. Committee members in attendance were Chair Martin W. NeSmith, Vice Chair Allan Vigil, and Regents Connie Cater, Julie Hunt, W. Mansfield Jennings, Jr., Donald M. Leebern, Jr., and Richard L. Tucker. Also in attendance were Chancellor Thomas C. Meredith, Board Chair Joel O. Wooten, Jr., and Regents Hugh A. Carter, Jr., William H. Cleveland, James R. Jolly, Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, and J. Timothy Shelnut. Chair NeSmith reported to the Board on Wednesday that the Committee had reviewed 24 items, 22 of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Naming of the “Parker H. Petit Science Teaching Laboratory,” Georgia State University

Approved: The Board approved the naming of the future science teaching laboratory at Georgia State University (“GSU”) the “Parker H. Petit Science Teaching Laboratory” in honor of Mr. Parker H. “Pete” Petit.

Understandings: Mr. Petit is Chairman of the Board and Chief Executive Officer of Matria Healthcare, Inc. Mr. Petit was founder of Healthdyne, Inc. and is credited with designing the Healthdyne monitor that has become the industry standard in monitoring infant heart rhythm. In 2003, Mr. Petit was awarded the Robinson College of Business Community Service Award for this national leadership in the prevention of Sudden Infant Death Syndrome (“SIDS”). Mr. Petit was a generous supporter of GSU’s Rialto Theater renovation in 1994-1995.

Mr. Petit has pledged \$5 million to support the construction of the science teaching laboratory at GSU.

2. Naming of “John W. Rooker Hall,” University of Georgia

Approved: The Board approved the naming of a student residential facility at the University of Georgia (“UGA”) East Campus Village, “John W. Rooker Hall” in honor of Mr. John W. Rooker.

Understandings: The facility is one of the four student residence facilities comprising the East Campus Village and contains a central gathering space for the East Campus Village housing complex.

John W. (Jack) Rooker, an Atlanta native and 1960 business graduate of UGA, is the quintessential volunteer on behalf of the university. He served as Chair of the University of Georgia Foundation, Inc. (the “Foundation”). Mr. Rooker was instrumental in establishing the UGA Real Estate Foundation, Inc. (“UGAREF”), provided some of its earliest seed funding, and was its founding chair. The East Campus Village complex is UGAREF’s most significant project to date.

Mr. Rooker is known for leading by example, and his service to his alma mater is second to none. In

addition to his service as founding Chair of UGAREF, he remains on the Foundation board today after a decade of loyal service. He is a member of the steering committee for UGA's current capital campaign and has committed more than \$2 million to the effort. His gifts support unrestricted needs as well as specific areas, such as the Terry College of Business, UGAREF, alumni/external affairs, athletics, and the equestrian program. Mr. Rooker is a founding Presidents Club member, as well as a University Partner and Heritage Society (planned gift) member.

Mr. Rooker is well respected in the Georgia real estate and development community. He began his career in the family business, Southern Bonded Warehouse, a third-party provider of warehousing and distribution throughout the Southeast. In the mid-1960s, he founded John W. Rooker & Associates, a construction and real estate development company specializing in industrial and commercial properties. Mr. Rooker has received several major awards from his peers in the profession. In 1990, he received the Society of Industrial and Office Realtors Developer's ("SIOR") Lifetime Achievement Award, and in 1995, he was named Industrial Developer of the Year by National Association of Industrial and Office Properties ("NAIOP"). In 1992, he was awarded the Distinguished Alumnus Award from the Terry College of Business.

3. Naming of the "Turner Soccer Complex," University of Georgia

Approved: The Board approved the naming of the women's soccer clubhouse at the soccer/softball complex at the University of Georgia ("UGA") the "Turner Soccer Complex" in honor of Mr. Jack Turner.

Understandings: The women's soccer clubhouse, completed in 2004, is the centerpiece of the soccer/softball complex located on South Milledge Avenue.

Jack Turner, a 1953 graduate of UGA, remains an active and engaged alumni leader for UGA Athletics and UGA as a whole. His current list of involvement includes service as an emeritus member of the Athletic Board, trustee of Georgia Student Educational Fund athletic scholarship support, trustee of the University of Georgia Foundation, Inc., member of Chi Psi fraternity, member of the Georgia G Club as a men's basketball and baseball letterman, and member of the UGA Athletic Development Council.

Mr. Turner is one of the UGA Athletic Association's most loyal and generous donors and was a major contributor toward the development of the soccer/softball complex. His donations to UGA athletics total more than \$1.6 million.

4. Naming of the "Betty Browning Tollison Reflection Garden," Medical College of Georgia

Approved: The Board approved the naming of an external campus grounds space at the Dugas

Building, Medical College of Georgia (“MCG”), the “Betty Browning Tollison Reflection Garden” in honor of Mrs. Betty Browning Tollison.

Understandings: Consistent with the family-centered approach to the healing environment, MCG is planning a reflection garden designed to ease the pain and suffering of others through the beauty and peace of its surroundings. The reflection garden will celebrate the life of Mrs. Tollison.

The garden is designed to provide a tranquil and healing setting where patients, their families, and the community can reflect on the lives of those they hold dear. This reflection garden will create an environment that permits families and their loved ones to actively participate in the healing of the patient and perhaps themselves.

Mrs. Tollison consistently provided support to her physician husband, who served as Director of the Student Health Center at the University of Georgia and later as Chair of the Department of Family Medicine at MCG, as well as to her family and her friends. She encouraged, edified, and lovingly touched the lives of many individuals in the community. She was humble, yet strong in her values and beliefs.

Mrs. Tollison was supportive of the Children’s Medical Center. She witnessed the extraordinarily difficult journey of her godson as he underwent treatment for terminal cancer. This experience further sensitized her to the burdens of others and motivated her to additional opportunities to help others in pain and suffering. Mrs. Tollison succumbed to cancer in May 1995.

The Tollison family has pledged half the cost toward the \$200,000 project cost to design and construct a reflection garden in memory to Mrs. Tollison. In addition to the initial pledge, Dr. Tollison has included gifts of \$100,000 each for the garden and for the Georgia Academy of Family Physicians’ Joseph W. Tollison, M.D. Distinguished Chair in his estate plan. A university-sponsored fund-raising effort is underway to raise the \$100,000 needed to make the garden a reality. At the present time, approximately \$69,500 has been raised for this purpose. A May 2005 groundbreaking is being planned to coincide with the tenth anniversary of the passing of Mrs. Tollison.

5. Transfer of Existing Name of “McWhorter Hall,” University of Georgia

Approved: The Board approved the transfer of the “McWhorter Hall” name of student residence hall building no. 1280 to student residence hall building no. 1515 in the East Campus Village at the University of Georgia (“UGA”) to be known as “Robert L. McWhorter Hall.”

Understandings McWhorter Hall, which was built in 1967 and is currently located on D. W. Brooks Drive, has primarily housed athletes since its construction. The student residence hall is no longer used in that capacity due to NCAA regulations. It is outdated, and UGA intends to request Board

authorization for demolition. The university wishes to transfer the name to one of the student residence halls in the East Campus Village.

Robert (Bob) Ligon McWhorter (1891-1960) was an Athens native and UGA graduate. Mr. McWhorter, a halfback on the UGA football team from 1910 to 1913, was a legendary figure in Georgia sports. Originally a baseball player, he was captain of both the 1913 football and baseball teams. He made the All-Southern team for four straight years and became Georgia's first All-American. Mr. McWhorter was the first UGA player to be inducted into the Georgia Hall of Fame and the College Football Hall of Fame. He is said to have scored 61 touchdowns in four years at UGA; however, because of insufficient documentation, Herschel Walker, with 52 touchdowns, is credited with that record.

Mr. McWhorter went on to distinguish himself as an attorney, military captain, professor, and mayor. After graduating from UGA in 1914, he declined professional offers in both football and baseball to pursue a law degree. He graduated Phi Beta Kappa in 1917 from the University of Virginia. He served as a captain in World War I and then resumed private life, practicing law in Athens. He joined the law school faculty in 1923, where he served until 1958. Mr. McWhorter was a highly regarded mayor of Athens, serving four terms from 1939 to 1947. He was also a member of UGA's athletic board, serving in that capacity until his death at age 68.

6. Demolition of Student Study Center (Building CK), Medical College of Georgia

Approved: The Board declared the Student Study Center (Building CK) on the campus of the Medical College of Georgia ("MCG") no longer advantageously useful to MCG or other units of the University System of Georgia and authorize the demolition and removal of this building.

The Board requested that the Governor issue an Executive Order authorizing the demolition and removal of this building from the campus of the MCG.

Understandings: The Student Study Center (Building CK) is a two-story 23,331-square-foot masonry structure originally constructed in 1957 as a motel. The Board of Regents purchased the property in 1974, and MCG renovated it for use as office space. Currently, it is partially occupied and used by MCG as student study rooms.

The building is not a cost-effective candidate for repair. It is obsolete and no longer provides support for academic purposes.

A Georgia Environmental Policy Act review and an environmental site assessment indicating no adverse environmental effects or conditions have been completed.

The demolition is consistent with the MCG facilities master plan.

MCG will pay for the demolition with institutional funds.

7. Authorization of Project No. BR-66-0503, Renovation of Veazey Hall, Georgia Southern University

Approved: The Board authorized Project No. BR-66-0503, Renovation of Veazey Hall, Georgia Southern University (“GSOU”), with a total project budget of approximately \$4 million to be funded from institutional funds.

Understandings: Veazey Hall is a 32,500-square-foot three-story facility built in 1959 as a student residence hall. This building is located at the main entrance of the campus. It is considered a contributing structure to historic Sweetheart Circle. It is currently being used to house students, but since 750 new student residence beds will be available for fall semester in the privatized housing complex approved by the Board in April 2004, the building will be closed in May 2005 and renovated to provide academic classrooms, offices, and support spaces. This project also will upgrade the mechanical, electrical, and life-safety systems and will be made handicap accessible. The construction cost will be approximately \$3 million (\$92 per gross square foot).

Authorization of this project is subject to completion of a Georgia Environmental Policy Act (“GEPA”) evaluation.

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

8. Authorization of Project, Animal Care Facility, Georgia State University

Approved: The Board authorized Project No. BR-50-0505, Animal Care Facility, Georgia State University (“GSU”), with a total project budget of approximately \$1,271,000 to be funded from campus funds budgeted for research (\$971,000) and a grant from the Georgia Research Alliance (\$300,000).

Understandings: This project consists of a 3,500-square-foot animal care facility that will be utilized by approximately 24 research scientists from the College of Arts & Sciences and will house small research animals, such as mice, ferrets, rabbits, hamsters, and gerbils. The facility will be constructed in accordance with the standards of the Association for Assessment and Accreditation of Laboratory Animal Care.

All existing animal care space at GSU is full. This facility will allow research requiring the testing of small animals to continue. The Office of Research and Awards Administration at GSU processes and supports over 500 grants and contract proposals totaling over \$60 million. GSU faculty and research

staff forfeit another estimated \$5 million to \$10 million in research funding each year for lack of animal care space.

University System Office staff and GSU will proceed with the selection of design-build consultants in accordance with the Board of Regents' procedures.

9. Rental Agreement, 740 East General Stewart Way, Hinesville, Armstrong Atlantic State University

Approved: The Board authorized the execution of a rental agreement between Michael L. Porten, Landlord, and the Board of Regents of the University System of Georgia, Tenant, for approximately 10,500 square feet located at 740 East General Stewart Way, Hinesville, Georgia, for the period July 1, 2005, through June 30, 2006, at a monthly rent of \$8,750 (\$105,000 per year/\$10 per square foot per year) with options to renew on a year-to-year basis for ten consecutive one-year periods at the same rent rate for the use of Armstrong Atlantic State University ("AASU") as the Liberty Center.

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: AASU has operated the Liberty Center on the Ft. Stewart Army Base and in Liberty County High School since 1998. These facilities are no longer available to AASU to serve the approximately 350-student head count enrollment in Liberty County. AASU needs this space because prior space is no longer available and no other suitable space could be identified to avoid disruption of academic programs.

Operating expenses, including utilities, janitorial services, rubbish removal, pest control, landscaping, and parking lot maintenance and lighting, are estimated to be \$49,512 per year.

10. Rental Agreement, Grady Hospital , Atlanta, Georgia State University

Approved: The Board authorized the execution of a rental agreement between Fulton-DeKalb Hospital Authority d/b/a Grady Health System[®], Landlord, and the Board of Regents of the University System of Georgia, Tenant, for approximately 4,825 square feet located in the Grady Hospital – Georgia Cancer Center for Excellence, Atlanta, Georgia. for the period July 1, 2005, through June 30, 2006, at a monthly rent of \$7,291.67 (\$87,500 per year/\$18.13 per square foot per year) with options to renew on a year-to-year basis for four consecutive one-year periods with rent increasing based upon the Consumer Price Index not to exceed 5% per year for the use of Georgia State University ("GSU").

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

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

Understandings: The Georgia Cancer Coalition (“GCC”) is a collaborative effort of research universities to reduce the number of cancer deaths in the state by becoming a leader in cancer control by accelerating prevention, early detection, treatment, and research. Grady Hospital is one of the cancer research centers in the state. The State of Georgia has outfitted labs in Grady Hospital for world-class scientists to conduct cancer research.

GCC and the Georgia Research Alliance recruited Professor Binghe Wang to GSU to conduct cancer research. Dr. Wang is the Georgia Research Alliance Eminent Scholar in Drug Discovery and Georgia Cancer Coalition Distinguished Cancer Scientist. He is a world-class scientist who needs to conduct research as an integral part of the collaborative GCC at Grady Hospital.

All operating expenses are included in the rent rate.

11. Rental Agreement, 3391 Town Point Drive, Kennesaw, Kennesaw State University

Approved: The Board authorized the execution of a rental agreement between Duke Realty Limited Partnership, Landlord, and the Board of Regents of the University System of Georgia, Tenant, for approximately 23,531 square feet of space on the fourth floor of the 3391 Town Point office building, Kennesaw, Georgia, for the period May 1, 2005, through April 30, 2006, at a monthly rent of \$37,257.42 (\$447,089.04 per year annualized/\$19 per square foot per year) for the use of Kennesaw State University (“KSU”).

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

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

Understandings: KSU has a desperate need for additional office and classroom space for the Bagwell College of Education. This space will provide space for the Early Childhood Education program. Additionally, the Department of University Relations can be relocated, allowing other programs to be consolidated at the KSU Center and the Advancement Building.

All operating expenses are included in the rent rate.

The Kennesaw State University Foundation, Inc. is negotiating for the acquisition of this property consisting of a four-story 93,849-square-foot office building on approximately 14 acres of land. If

successful, a public-private venture for this property will be presented to the Board for consideration.

12. Gift of Real Property, 13040 Abercorn Street, Savannah, Armstrong Atlantic State University

Approved: The Board accepted a gift of approximately 10.839 acres of real property located at 13040 Abercorn Street, Savannah, Georgia, from Armstrong Center, LLC (the “LLC”) for the use and benefit of Armstrong Atlantic State University (“AASU”).

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

Understandings: The LLC purchased this real property for \$ 7,500,000 in January 2004. An appraisal performed by Clay M. Weibel in December 2003 indicates a value of \$7,600,000.

A facility condition analysis of the improvements, constructed in 1992, indicates that facility is in generally good condition with normal deferred maintenance requirements.

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

There are no restrictions on the gift, no known reversions on the real property, and only necessary easements and restrictions, which do not adversely affect the intended use.

13. Ground Lease and Amendment to Rental Agreement, 13040 Abercorn Street, Savannah, Armstrong Atlantic State University

Approved: The Board declared approximately 10.839 acres of real property located on the campus of Armstrong Atlantic State University (“AASU”) no longer advantageously useful to AASU or other units of the University System of Georgia but only to the extent and for the purpose of allowing this real property to be leased to Armstrong Center, LLC (the “LLC”) for the purpose of renovating the building for use as a conference center, offices, and other AASU purposes.

The Board authorized the execution of a ground lease between the Board of Regents, Lessor, and LLC, Lessee, for the above-referenced approximately 10.839 acres of real property located on the campus of AASU for a period not to exceed 30 years with the option to renew for up to an additional 5 years, should there be debt outstanding at the end of the original ground lease term, for the purpose of renovating the building for use as a conference center and offices.

The Board revised the rental agreement approved by the Board in November 2003 and modified by

the Board in January 2004 to change the number of option periods from 24 consecutive one-year periods to 29 consecutive one-year periods (the final option period to expire no later than December 31, 2034).

The Board also revised the rental agreement approved by the Board in November 2003 and modified by the Board in January 2004 to increase the space rented by 17,300 square feet and to increase the monthly rent by \$12,499.25 (\$149,991 per year annualized/\$8.67 per square foot per year).

The Board concurred with the assignment by Armstrong Atlantic State University Educational Properties Foundation, Inc., Landlord, to the Armstrong Center, LLC of the rental agreement for AASU approved by the Board in November 2003 and modified by the Board in January 2004.

Understandings The LLC agreed to transfer ownership of the real property to the Board of Regents. Additionally, the LLC will construct a 17,300-square-foot second floor in a portion of the facility.

These actions were necessary to adjust the transactions approved by the Board in November 2003 and modified by the Board in January 2004 to accommodate ownership of the real property by the Board of Regents.

All remaining actions and understandings contained in the November 2003 and January 2004 Board actions remain the same.

14. Revision to Ground Lease and Rental Agreement for Student Recreation Center, Armstrong Atlantic State University

Approved: The Board revised the ground lease approved by the Board in March 2004 and modified by the Board in May 2004 to be for a period not to exceed 28 years (end no later than December 31, 2032) with the option to renew for up to an additional 5 years, should there be debt outstanding at the end of the original ground lease term.

The Board approved the assignment by Armstrong Atlantic State University Educational Properties, Inc., Lessee, to AASU Student Recreation Center, LLC (the "LLC") of the ground lease for approximately 1.2 acres approved by the Board in March 2004.

The Board revised the rental agreement approved by the Board in March 2004 and modified by the Board in May 2004 to change the term to commence on the first day of the first month after the LLC obtains an initial certificate of occupancy for improvements but no later than June 1, 2005, and ending the following May 31 with monthly rent for this initial term of \$19,621.17.

The Board also revised the rental agreement approved by the Board in March 2004 and modified by the Board in May 2004 to change the number of option periods from 25 consecutive one-year

periods to 28 consecutive one-year periods (the final option period to expire no later than December 31, 2032) with the first option period commencing on the first day of the first month after the LLC obtains a certificate of occupancy for the recreation center improvements but no later than September 1, 2005, and ending the following June 30 with monthly rent for all option periods exercised of \$27,083.33.

The Board concurred with the assignment by Armstrong Atlantic State University Educational Properties, Inc., Landlord, to AASU Student Recreation Center, LLC of the rental agreement for a student recreation center approved by the Board in March 2004.

Understandings: AASU desired an interim use of the facility as a temporary library during the period of renovation project of Lane Library, which was approved by the Board in September 2002. These actions support this necessary interim use.

All remaining actions and understandings contained in the March 2004 and May 2004 Board actions remain the same.

15. Gifts of Real Property, Statesboro, Georgia Southern University

Approved: The Board accepted a gift of approximately 2.78 acres of unimproved real property located on Harvey Street, Statesboro, Georgia, from Georgia Southern University Housing Foundation Two, LLC (the “LLC”) for the use and benefit of Georgia Southern University (“GSOU”).

The Board also accepted a gift of approximately 0.0397 acre of unimproved real property located on Lanier Drive, Statesboro, Georgia, from the LLC for the use and benefit of Georgia Southern University (“GSOU”).

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

Understandings: The real property that the Board of Regents ground leased to the LLC in April 2004 is bifurcated by real property that formerly contained townhouses. At the time of Board of Regents approval, the LLC had not completed acquisition of the 41 townhouses. This acquisition has now been completed, and the LLC has razed all the improvements on the real property. The LLC desired to gift the real property to the Board of Regents. The 2.78 acres have been appraised for \$695,000 without improvements.

Additionally, the LLC acquired a ten-foot strip of real property contiguous to the ground leased tract and was willing to gift it to the Board of Regents.

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

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

16. Amendment to Ground Lease and Amendment to Rental Agreement, Georgia Southern University

The Board declared approximately 2.8197 acres of real property located on the campus of GSOU no longer advantageously useful to GSOU or other units of the University System of Georgia but only to the extent and for the purpose of allowing this real property to be leased to Georgia Southern University Housing Foundation Two, LLC (the “LLC”) for the purpose of constructing and owning student housing and related parking.

The Board revised the ground lease approved by the Board in April 2004 to include the above-referenced 2.8197 acres of real property.

The Board also revised the rental agreement approved by the Board in April 2004 to include the above-referenced 2.8197 acres of real property.

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

Understandings: The real property that the Board of Regents ground leased to the LLC in April 2004 is bifurcated by property that formerly contained townhouses. At the time of Board of Regents approval, the LLC had not completed acquisition of the 41 townhouses. This acquisition has now been completed, and the LLC has razed all the improvements on the real property. The LLC agreed to transfer ownership of this real property to the Board of Regents. These actions were necessary to adjust the transactions approved by the Board in April 2004 to accommodate ownership of the real property by the Board of Regents. This real property will be used for parking for the housing. Consideration for the ground lease amendment is the value of this gift of real property, which has been appraised for \$695,000 without improvements.

To obtain optimal use of the real property ground leased in April 2004 by the Board to the LLC, it is necessary to locate one building within one foot of the property boundary. To maintain the same architectural standards throughout all the buildings and not have to install special glazing and other specialized construction to meet fire codes, a ten-foot strip of real property can be added to the ground lease. The LLC agreed to transfer ownership of this real property to the Board of Regents. These actions were necessary to adjust the transactions approved by the Board in April 2004 to accommodate ownership of the real property by the Board of Regents.

All remaining actions and understandings contained in the April 2004 Board action remain the same.

17. Gift of Real Property, 2003 Maple Street, Carrollton, University of West Georgia

Approved: The Board accepted a gift of approximately 0.74 acre of improved real property located at 2003 Maple Street, Carrollton, from the University of West Georgia Foundation, Inc. (the “Foundation”) for use and benefit of the University of West Georgia (“UWG”).

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

Understandings: The property contains a one-story brick veneer house of approximately 1,963 square feet with basement built in 1945 in generally good condition.

This real property was acquired by the Foundation in October 1998 for \$114,833. This real property was appraised for \$175,000 by Hugh B. Bass, Sr., MAI, in August 2004.

Acquisition of this real property is consistent with the UWG master plan. This real property will be used as a visitor’s center and for the Office of Public Relations.

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

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

18. Acquisition of Real Property, Sustella Avenue and West Mary Street, Valdosta, Valdosta State University

Approved: The Board authorized the purchase of approximately 7.847 acres of unimproved real property located at the northwest corner of Sustella Avenue and West Mary Street, Valdosta, at a purchase price of \$137,500 from the Valdosta State University Foundation, Inc. (the “Foundation”) for the use of Valdosta State University (“VSU”).

Purchase 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 the acquisition of this property will be handled by the Office of the Attorney General.

Understandings: In November 1998, the Foundation purchased a 13.754-acre tract of real property for \$789,500. In April 2004, the Board accepted a portion of this tract for housing. This purchase is for the remaining portion of the real property purchased by the Foundation.

VSU will utilize this real property for intramural softball fields, soccer fields, flag football fields, and multi-sports fields. Acquisition of this property is in accordance with the VSU facilities master plan. Future use of this real property is for additional student housing.

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

Funding for the purchase is from student activity fee reserves.

19. Acquisition of Real Property, South Thomas and Spring Streets, Athens, University of Georgia

Approved: The Board authorized the purchase of approximately 0.235 acre of real property located at the intersection of South Thomas and Spring Streets, Athens, from the UGAREF Spring Street, LLC (the “LLC”) for \$179,326.47 for the use and benefit of the University of Georgia (“UGA”).

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

Understandings: The acquisition of this real property is consistent with the UGA master plan. This real property is surrounded on all sides by Board of Regents real property in the northeast corner of UGA’s main campus and will be used for green space.

Three independent appraisals of the property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
J. L. Lee, MAI, Alpharetta	\$209,000	
Robert A. Jaeger, MAI, Gainesville	\$200,000	\$198,000
James T. Boswell, CCIM, Athens	\$185,000	

The LLC acquired this real property in October 2002 for \$172,364. Additionally, the LLC has incurred cost for environmental review in the amount of \$6,962.47.

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

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

If acquired, the University System Office staff and UGA will work with the City of Athens to consider abandoning the section of Spring Street that divides this real property.

Funding for the purchase is from UGA auxiliary reserve funds.

20. Acquisition of Real Property, 130 Fulton Street, Athens, University of Georgia

Approved: The Board authorized the purchase of approximately 0.591 acre of real property located at 130 Fulton Street, Athens, Georgia, from UGAREF Spring Street, LLC (“LLC”) for \$709,000 for the use and benefit of the University of Georgia (“UGA”).

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

Understandings: The acquisition of this real property is consistent with the UGA master plan. This real property is surrounded on three sides by Board of Regents real property in the northeast corner of UGA’s main campus and will be used for parking.

Three independent appraisals of the property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
J. L. Lee, MAI, Alpharetta	\$700,000	
Robert A. Jaeger, MAI, Gainesville	\$835,000	\$709,000
James T. Boswell, CCIM, Athens	\$592,000	

The LLC acquired this real property in December 2003 for \$609,804.52. Additionally, the LLC has incurred demolition and grading costs of \$377,370.

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

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

Funding for the purchase is from UGA auxiliary reserve funds.

21. Acquisition of Real Property, Newton Street, Athens, University of Georgia

Approved: The Board authorized the purchase of approximately 5.01 acres of improved and unimproved real property located on Newton Street at a purchase price of \$3,566,667 from the UGAREF Newton Street, LLC (the “LLC”) for the use of the University of Georgia (“UGA”).

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

Understandings: The acquisition of this real property is consistent with the UGA master plan and expands the boundary of contiguous Board of Regents property on the northwest side of campus. This tract includes a 10,000-square-foot warehouse/storage building, a 4,674 square foot single-story office building, and a gravel surface parking lot. The improvements are generally in good condition. The real property will be used for parking and warehouse and office space. Future use of this real property will be for additional student housing.

Three independent appraisals of the real property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
James T. Boswell, CCIM, Athens	\$3,500,000	
James L. Lee, MAI, Alpharetta	\$3,500,000	\$3,566,667
Robert A. Jaeger, MAI, Gainesville	\$3,700,000	

The LLC acquired this real property in April 2003 for \$3,337,307.45. Additionally, the LLC has incurred demolition and grading costs of \$303,700.

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

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

Funding for the purchase is from UGA auxiliary reserve funds.

22. Appointment of Program Manager, Library Transformation Project, Georgia State University

Approved: The Board appointed the first-named firm listed below for the identified project and authorize 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.

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

**Project No. BR-50-0503, “Library Transformation Project”
Georgia State University**

Project Description: This project is a comprehensive interior renovation of GSU's two existing library facilities: Library North, approximately 150,000 square feet constructed in 1966, and Library South, approximately 125,000 square feet constructed in 1984. This renovation project will allow reorganization of departments, centralization of services, and strengthening of the relationship between Library North and Library South. The project is to be funded from student fees, campus funds, and private donations.

Total Project Cost	\$20,000,000
Construction Cost (Stated Cost Limitation)	\$15,900,000

Number of firms that applied for this commission: 15

Recommended firms in rank order:

- 1) Carter & Associates, Atlanta, Georgia
- 2) Collins Project Management, Norcross, Georgia
- 3) The Staubach Company, Atlanta, Georgia

23. Information Item: Update on Emergency Response

The Vice Chancellor for Facilities, Linda M. Daniels, provided a brief update on recent emergency responses, including the Browning Hall fire, which occurred at Middle Georgia College ("MGC") on Wednesday evening, March 16, 2005. The fire caused significant damage to the facility, which was undergoing renovation as a minor capital project at the time. Quick and professional response by local and regional fire-fighting agencies kept the fire contained to one building. The state fire marshal determined that the fire was accidental in nature and started as a result of a plumber soldering pipes. Forensic and structural analyses indicate that complete interior demolition will be required and there will be reduced structural capacity for exterior walls. The project will now require complete redesign and a significantly different construction approach. Redesign is underway, and interior demolition is scheduled to begin in the near future. Due to the building's historic status, exterior walls will be preserved and a new steel structure will be added to support the interior build-out. The Georgia State Financing and Investment Commission ("GSFIC"), the University System Office of Facilities, and the Office of the Attorney General are working with Piedmont Construction and their builder's risk carrier to determine limits of liability. The new target date for completion is July 2006.

Ms. Daniels reported that due to continued heavy rains through mid- to late March 2005, substantial excess water flow began to build in and around the Flint River basin. On March 28, 2005, Albany State University ("ASU") began a "flood watch" in response to the quick-rising Flint River adjacent to the campus. Minor flooding occurred in the lowest portion of campus around the football practice field and lower parking lot area near the president's house. Levee pumps were started in an effort

to reduce flood threat. One of the University System of Georgia emergency response contractors, Alcon Associates, Inc. (“Alcon”), was called in to provide additional pumps and to assist in the inspection of existing flood control structures. ALSU and Alcon personnel operated the levee pumps throughout the night of March 29, 2005. The river crested on March 30. All emergency response activities and processes established by ALSU functioned as required, and all existing equipment worked properly throughout the event. No significant property damage or losses occurred. Ms. Daniels noted that a post-crisis evaluation of existing flood control equipment is currently underway.

24. Information Item: Update on Public-Private Ventures Program

The Vice Chancellor for Facilities, Linda M. Daniels, presented an update on the public-private ventures program, including introduction of the recently hired Executive Director of Real Estate Ventures, Mr. Marty Nance. Mr. Nance comes to the Board of Regents from the private sector, where he served for the past seven years as Senior Vice President of Brencor, Inc., an Atlanta-based firm, and was involved in the development, acquisition, financing, and construction of over 9,500 housing units totaling over \$425 million. Prior to this, he served for over 12 years as the first Executive Director of the Atlanta Urban Residential Finance Authority, where he was responsible for closing over \$717 million in tax-exempt and taxable bond financings. Additionally, he served for nine years as Physical Development Administrator for the City of Atlanta, responsible for federally funded housing programs and community facilities. Mr. Nance was an urban planner for DeKalb County, Georgia, for six years, where he was responsible for master planning around MARTA rapid transit stations. Mr. Nance has a Bachelor of Arts degree in Sociology and Political Science with special emphasis in Urban Planning from Clark College, now Clark Atlanta University, and a Master’s of City Planning from the Georgia Institute of Technology.

Ms. Daniels also presented information to the Committee concerning a resolution approved by the Georgia State Financing and Investment Commission (“GSFIC”) on August 4, 2004. The resolution addresses GSFIC’s authority regarding the issuance of State of Georgia General Obligation Bonds, particularly as related to public-private ventures.

CHANCELLOR’S REPORT TO THE BOARD

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

Thank you, Mr. Chairman. We have enjoyed a very busy and productive two days. And with your decisions, this Board continues to move the University System forward. As always, I appreciate your professionalism, dedication, and enthusiasm.

Before I move to my report, let me first thank President Thomas Z. Jones and the faculty and staff of Armstrong Atlantic State University for their courtesy and hospitality. This has

been a rewarding visit to a great institution in this System.

I have two themes to my report today: access and quality. These are not new themes, but they are the two core concepts that drive so much of our work and provide us with the proper focus for our actions and decisions. And these two themes – access and quality – point to my own focus for the coming year: student success. I'll speak more about this in a few minutes.

I want to use access and quality as the framework for the just completed legislative session and your decisions on the fiscal year 2006 budget and tuition. This has been a highly productive legislative session, one in which we saw a renewed commitment on the part of the Governor and General Assembly to public higher education. We have strong partners in the Governor and the General Assembly, and I want to use this public occasion to say a big “thank you” to Governor Perdue and the legislature for their support and their continued investment in public higher education in Georgia. Their investment is producing results – in academic quality, in teaching, in research, and in public service. But in addition to their recognition of our needs, our success in this legislative session owes a great deal to the work and efforts of this Board, our presidents, and others at our institutions. And I also must note the extraordinary efforts of the Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel, as he marshaled our forces daily – sometimes hourly – under the gold dome.

After three years of budget cuts, the rebound in Georgia's economy allowed our funding partners to begin to correct the recent downward budget trends. The significance of this budget cannot be underestimated. Again, the Governor and the General Assembly have significantly increased the state's investment in the University System. The General Assembly's final budget for the System of \$1.8 billion marks the largest allocation in our history. This is an 8.4% increase in our budget allocation – the largest in nine years. And that is turnaround for the University System. For example, the System's budget as a percentage of the state's total budget has been on the decline in recent years. But with the fiscal year 2006 budget, we are at 11.5% of the total state budget. This is not a record, but given the current size of the state budget and the demands upon it, an important increase.

And what does this turnaround portend for us? Let's look at those entwined themes of access and quality. This budget allows us to lay some important foundations in fiscal year 2006. The key driver is Governor Perdue's recommendation and the General Assembly's adoption of full funding for the formula. The approval of the full formula increase of \$103 million is critical for our future. We can begin to rebuild our faculty in terms of numbers and full-time professors. We can move forward with our existing and new programs to improve retention and graduation rates. We can continue to be proactive in our response to state workforce needs, such as teachers and healthcare professionals. We can feel confident in our

decisions to broaden access through evaluation and action in areas such as two-year college admissions, and overall mission review. We can move forward with the General Assembly's blessing to create a new state college in Gwinnett County. And this strong budget adopted by the legislature allows us to continue to maintain Georgia's historic status as a low tuition state. Your approval today on tuition rates for fiscal year 2006 maintains access to public higher education. All of these are actions that strengthen both access to and quality within the System.

Several weeks ago, I spoke at the dedication ceremony for Kennesaw State University's new Classroom and Convocation Center, and in my remarks there, I stated that ultimately, we will be judged by the success of the students who pass through our institutions. Whether we make the grade on this important measure depends upon our ability to provide broad access to academic quality in an environment focused on helping students succeed.

There is no question that we have a strong foundation to promote student success. The combination of rising SAT scores of entering freshmen in tandem with larger numbers of students enrolling at our institutions is one important base measure of quality. Our significant improvement in retention rates is another measure of quality leading to student success. Another measure of quality is the growing number of institutions, colleges, and programs recognized in national rankings. The latest rankings on graduate programs by *U.S. News & World Report*, released at the beginning of this month, show that many of our programs at our research universities rank in the nation's top 50. For example, the Georgia Institute of Technology's engineering program ranks fourth, and its Industrial Engineering program is number one for the fifteenth year running. The Yellow Jackets saw 8 of their 11 individual engineering programs ranked in the top ten nationally. The University of Georgia's Law, Pharmacy, and Business programs continue to rank in the top 50 nationally, while Georgia State University's part-time Master of Business Administration ("M.B.A.") program is sixth. The Medical College of Georgia is in the nation's top 50 medical schools.

These are important quality indicators for us, but, ultimately, we will be judged on the students we produce from these and other programs around the state. And to honestly claim we create a model for student success, we must significantly improve our graduation rates above the current levels. The news on this measure has been positive, but we can – and will – do better. That's why I want to use this moment – the psychological turnaround point for the System in terms of state budget support – to look ahead. How do we use our resources efficiently and effectively? What programs and policies do we revise or implement that will lead to improved student success at all of our institutions? Fundamentally, we will answer these questions by a continued emphasis upon and drive for access and quality. And that drive will be focused on student success. In fact, we will focus on this even more intently than in the past. You will be hearing much more on this theme in the coming months, as we bring to you programs and plans designed to create the climate for student success. After all,

we will not be successful in “creating a more educated Georgia” if we don’t have successful students and graduates.

Again, let me thank you for your focus and your work on this important goal. Mr. Chairman that concludes my report.

STRATEGIC PLANNING COMMITTEE, “COMMITTEE OF THE WHOLE”

After the Chancellor’s report to the Board, Chair Wooten convened the Strategic Planning Committee and turned the Chairmanship of the meeting over to Regent Leebern, the Chair of the Committee.

Chair Leebern reminded the Regents that at the March 2005 Board meeting, Chancellor Meredith had presented a proposal for a possible pilot admissions program at the two-year colleges, state colleges, and three state universities with university college units. Chair Leebern asked the Chancellor to continue the discussion of the proposed pilot program, which was up for approval at this meeting.

Chancellor Meredith said that since the March 2005 Board meeting, the Regents had given the staff some good ideas to incorporate into the pilot admissions program. The staff had also convened a meeting of the appropriate presidents to solicit their input. The Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, and his staff had done a great job of compiling the feedback and creating a final proposal for Board consideration. The Chancellor noted that the current two-year and state college admissions criteria include having a high school diploma or General Educational Development (“GED”) credential. Under current policy, there is no mandatory minimum high school grade point average (“GPA”), though it is included in the Freshman Index (“FI”) calculation. The proposed policy would require a minimum high school GPA of 2.0 on the college preparatory curriculum (“CPC”) or a 2.2 on the career and technical education (“tech prep”) curriculum. The staff predict that this will result in better prepared students. Although this may increase the need for learning support, the staff believe it will give students a better chance of success. Current admissions policy requires the completion of the CPC but with a number of exceptions. Under the proposed policy, the CPC would not be mandatory, but a 2.0 GPA would be required of students with this type of diploma. Under the current policy, the tech prep diploma does not meet the admissions standards, but under the proposed policy, the tech prep diploma would be acceptable in combination with a 2.2 GPA. Chancellor Meredith said that this will increase opportunities for high school graduates who do not take the CPC.

The current policy requires a minimum American College Testing (“ACT”) or SAT score that is not required under the proposed policy. The Chancellor explained that the reasoning for this proposed change is that it may encourage some students to pursue at least a two-year degree. Currently, learning support placement testing is not mandatory for all freshmen, but with the elimination of the SAT/ACT test score requirement, the placement test would become mandatory in the proposed pilot admissions program. This will require greater resources, but the two-year institutions are considering

charging students for this test to offset the costs of testing. Up to 33% of students not meeting the current admissions criteria can be admitted as presidential exceptions. With the implementation of the proposed pilot admissions policy, this figure would drop to 20%. Chancellor Meredith noted that more students would be admissible by dropping the SAT/ACT requirement and allowing admissions of students with tech prep diplomas.

Overall, the current admissions policy for the two-year and state colleges and the three state universities with university college units relies heavily on the FI with SAT/ACT scores playing a critical part of that calculation. The proposed pilot admissions policy would rely more heavily on high school GPA to ensure that students are working hard in high school to be better prepared for college attendance. Chancellor Meredith noted that in March he had suggested a two-year pilot program. However, based upon input from the Regents and the presidents, he was now proposing a three-year pilot program. If approved, the pilot admissions program would go into effect for fall 2005. Currently, a task force is drafting an implementation and evaluation strategy for this proposed program. The Chancellor noted that the staff would periodically update the Board on the implementation and success of the pilot program.

Chair Leebern asked for a motion to approve the proposed pilot admissions program for two-year and state colleges and the three state universities with university college units. Motion properly made and seconded, the Board unanimously adopted the pilot admissions program.

Chair Leebern asked the Chancellor to continue with his presentation to the Board by presenting the second item on the agenda, a proposed policy on athletic affiliations.

Chancellor Meredith stated that the proposed policy on athletic affiliations was an information item for further consideration at a later meeting. He explained that as athletics have become more of a cost consideration, it should be noted that there is no policy pertaining to athletic affiliations in The Policy Manual. He was proposing that an institution must develop a business plan to be approved by the Board of Regents. This makes sense from a business perspective, he said. The presidents and athletics directors had provided feedback on this proposal, but at this juncture, the Chancellor was soliciting Regent feedback for this proposal to be brought back for approval at a later date.

Chair Leebern thanked Chancellor Meredith for this presentation. There being no further business to come before the Strategic Planning Committee, Chair Leebern adjourned the Committee meeting.

UNFINISHED BUSINESS

There was no unfinished business at this meeting.

NEW BUSINESS

Chair Wooten called upon the Secretary to the Board, Gail S. Weber, to make two honorary degree recommendations to the Board.

Secretary Weber announced that President Kofi Lomotey of Fort Valley State University had nominated Kase Lawal and President Beheruz N. Sethna of West Georgia University had nominated Richard H. Glanton for honorary degrees. On behalf of Presidents Lomotey and Sethna, Secretary Weber submitted these nominations for the Board's approval. With motion properly made, seconded, and unanimously adopted, the Board approved these honorary degrees.

PETITIONS AND COMMUNICATIONS

Secretary Gail S. Weber announced that the next Board meeting would take place on Tuesday, May 17, and Wednesday, May 18, 2005, in the Board Room in Atlanta, Georgia.

Secretary Weber reminded the Regents that there would be a social event at the home of Regent and Mrs. Coles on Tuesday, May 17, 2005.

EXECUTIVE SESSION

At approximately 10:30 a.m. on Wednesday, April 20, 2005, Chair Joel O. Wooten, Jr. 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 Wooten, Vice Chair J. Timothy Shelnut, and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Martin W. NeSmith, Doreen Stiles Poitevint, Richard L. Tucker, and Allan Vigil. Regent Patrick S. Pittard attended the Executive Session via conference call. In accordance with H.B. 278, Section 3 (amending O.C.G.A. § 50-14-4), an affidavit regarding this Executive Session is on file with the Chancellor's Office.

Chancellor Thomas C. Meredith and the Secretary to the Board, Gail S. Weber, were present for part of the Executive Session. In Executive Session, the Board unanimously accepted the Chancellor's recommendations that Ms. Weber be reappointed as Secretary to the Board and that the Vice Chancellor for Fiscal Affairs, William R. Bowes, be reappointed as Treasurer to the Board for fiscal year 2006 per Board of Regents Bylaws IV.8 and IV.9. No action was taken in Executive Session with regard to the reappointment of presidents. The Chancellor and Ms. Weber were asked to leave the room while the Regents began evaluation of the Chancellor as policy dictates.

At approximately 12:30 p.m., Chair Wooten reconvened the Board meeting in its regular session and announced that the Board of Regents was directing President Michael F. Adams of the University of Georgia ("UGA") to send a notice to the University of Georgia Foundation, Inc. (the "Foundation") communicating that the Foundation would no longer be recognized as a cooperative

organization of UGA. The Chairman further announced that in Executive Session, the Secretary and Treasurer to the Board had been reappointed. With motion properly made, variously seconded, and unanimously adopted, these reappointments were reaffirmed in open session. Also in Executive Session, the Board had discussed the reappointment of University System presidents, as listed below. Chair Wooten called for a motion to approve these reappointments at the Chancellor's recommendation. With motion properly made, variously seconded, and unanimously adopted, the Board approved the presidential reappointments.

The approved presidential reappointments were as follows: Michael F. Adams, University of Georgia; David A. Bell, Macon State College; John Black, East Georgia College; William A. Bloodworth, Jr., Augusta State University; Carlton E. Brown, Savannah State University; Frank D. Brown, Columbus State University; James A. Burran, Dalton State College; G. Wayne Clough, Georgia Institute of Technology; Richard J. Federinko, Middle Georgia College; Bruce Grube, Georgia Southern University; Michael L. Hanes, Georgia Southwestern State University; Thomas K. Harden, Clayton College & State University; Thomas Z. Jones, Armstrong Atlantic State University; Dorothy Leland, Georgia College & State University; Dorothy L. Lord, Coastal Georgia Community College; Barbara P. Losty, Waycross College; Martha T. Nesbitt, Gainesville College; Carl V. Patton, Georgia State University; John Randolph Pierce, Georgia Highlands College (formerly Floyd College); David L. Potter, North Georgia College & State University; Daniel W. Rahn, Medical College of Georgia; Lisa A. Rossbacher, Southern Polytechnic State University; Beheruz N. Sethna, State University of West Georgia; Betty L. Siegel, Kennesaw State University; Peter J. Sireno, Darton College; Harold E. Wade, Atlanta Metropolitan College; Lawrence V. Weill, Gordon College; and Ronald M. Zaccari, Valdosta State University. James G. Sanders was also reappointed as Director of the Skidaway Institute of Oceanography.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 12:35 p.m. on Wednesday, April 20, 2005.

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

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