

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
270 Washington St., S.W.
Atlanta, Georgia
August 2 and 3, 2005**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, August 2, and Wednesday, August 3, 2005, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent J. Timothy Shelnut, called the meeting to order at 1:00 p.m. on Tuesday, August 2, 2005. Present on Tuesday, in addition to Chair Wooten, were Vice Chair Patrick S. Pittard and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Joe Frank Harris, Julie Ewing Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Martin W. NeSmith, Doreen Stiles Poitevint, Wanda Yancey Rodwell, Richard L. Tucker, Allan Vigil, and Joel O. Wooten, Jr.

Chair Shelnut recognized Senator Seth Harp, Chair of the Higher Education Committee of the Georgia Senate. He asked Senator Harp to stand and said that the Board of Regents appreciates all the Senator does for the University System of Georgia.

Chair Shelnut noted that former Regent Edgar L. Rhodes had passed away recently. Regent Rhodes served two terms as Chair of the Board of Regents. Chair Shelnut extended the Regents' sympathy to Regent Rhodes' widow, Daisy, and the rest of their family.

Finally, Chair Shelnut remarked that the Regents had been thinking of Regent Joe Frank Harris's wife, Elizabeth, and were wishing her well in her recovery from a recent surgery. He asked Regent Harris to let Mrs. Harris know that she is in the Regents' prayers.

ATTENDANCE REPORT

The attendance report was read on Tuesday, August 2, 2005, by Secretary Gail S. Weber, who announced that Regents Michael J. Coles and Martin W. NeSmith had asked for and been given permission to be absent on that day.

APPROVAL OF MINUTES

Motion properly made and duly seconded, the minutes of the regular meeting of the Board of Regents held on June 7 and 8, 2005, as well as the minutes of the special meeting of the Board of Regents held on July 26, 2005, were unanimously approved as distributed.

CHAIRMAN'S GOALS FOR THE COMING YEAR

Chair Shelnut then discussed his goals for fiscal year 2005, as follows:

I'd like to begin my remarks today by thanking you, once again, for your vote of confidence in asking me to serve as Chair. This Board is comprised of a talented and committed group of individuals, and I am honored you have asked me to serve on your behalf in this capacity.

The University System of Georgia currently faces many significant challenges that the Board of Regents is prepared to tackle in the coming months. These challenges include, most importantly, filling the vacancy in the Chancellor's post, accommodating rising enrollment, meeting the demand for new facilities, wisely directing the increases in budgetary support the System is receiving now that the state's fiscal strength is improving, and ensuring that the University System maintains and enhances its reputation of national preeminence in order to continue attracting the state's and the nation's best and brightest students, faculty, researchers, and administrators. I look forward to joining with the Board's Vice Chair Pat Pittard, the Board's Committee chairs, and each and every one of you as Board members to address these important priorities.

Our most visible work presently, of course, focuses on the selection of a new Chancellor, and I assure you that the full Board is hard at work on this task, pursuing an ambitious schedule to fill this critical post by year's end. As I have committed, we will keep all of our key constituents fully apprised regarding the search process.

Regarding some of the additional immediate challenges we must address as a Board, today I would like to outline a four-point plan that will serve as the agenda for my chairmanship during this year. I would like to label this plan and our work as the "Year of Creating Opportunities." Special task forces will be appointed to address each of the "opportunities" in the plan. All of the initiatives will have measurable goals and action plans. This work will involve fellow Board members, University System Office personnel, campus presidents, System faculty and staff, and, in some instances, support from the private sector.

For our first opportunity, I would like us to build upon the successful recent work done by the Chancellor, the University System Office staff, and the campuses focusing on the retention, progression, and graduation of our students. We must improve these three performance measures, including particularly the retention and graduation of minority students, where there are large gaps against their peers in other ethnic cohorts. One outgrowth of these efforts would be the creation of an accountability system for the University System to share performance data. I've asked the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, to chair this task force, and have already shared specific ideas regarding financial incentives for students that will need to be fleshed out from the finance and legal perspectives. The Senior Vice Chancellor for Support Services, Corlis Cummings; the Vice Chancellor for Academic, Student, and Faculty Affairs,

Frank A. Butler; and the Vice Chancellor for Fiscal Affairs, William R. Bowes, whose expertise will help us shape these incentives. The bottom line is we need to implement more innovative strategies, ones that also will address the needs of students who don't qualify for or maintain their HOPE Scholarships, but who still have potential and deserve the opportunity to earn a college degree.

Another vital opportunity we have is the need to expand our communications efforts. Regent Patrick S. Pittard will chair this task force, and the Associate Vice Chancellor for Media and Publications, Arlethia Perry-Johnson, will staff this important project. You all are aware of the many different public issues we have faced over the past couple of years, and we have addressed those issues head on. The goal for this new effort is to expand our proactive public relations activities, including the publication of a new periodical for the Board, as well as other strategies that will emphasize the System's strengths and achievements. System institutions also will be asked to engage in these efforts.

The third opportunity we have identified enables us to launch a comprehensive assessment of the total impact of the University System on the State of Georgia. We will begin the first phase of this work this year by focusing on the research university sector. This will be followed by an assessment of the total impact of the other 30 – soon to be 31 – System institutions. President G. Wayne Clough of the Georgia Institute of Technology has agreed to chair this task force, and the Executive Director of our Office of Economic Development, Joy Hymel, will staff it. Through the Intellectual Capital Partnership Program (“ICAPP[®]”), related work has been conducted in this arena since 2000, assessing the economic impact on the System's 34 institutions on a biennial basis. Studies were conducted in 2000, 2002, and 2004 that measured the System's and each institution's spending and job creation in their local service areas. We look forward to building on those successful ICAPP[®] studies with this new initiative as we assess the total impact of System institutions across a wide variety of impact measurements.

Our final opportunity focuses on the need to accelerate the construction of new facilities for the University System. Regent Alan Vigil will chair the task force that will tackle this issue very aggressively. He will work directly with the Vice Chancellor for Facilities, Linda M. Daniels, as the University System Office staff member. It also will be important for us to have representation from the Georgia State Finance and Investment Commission (“GSFIC”) on this task force as well as a representative from the Governor's office, since we will need to collaborate regarding the financing aspects of this initiative. This task force will have several goals. It should identify recommendations to address the current need and backlog for University System capital projects, assess the effectiveness of the Board of Regents' current capital priority selection process, identify ways to get ahead of the future demand for facilities, and balance the need for additional facilities against the priority of effectively maintaining existing facilities. The group will be asked to identify potential strategies that might include a special capital needs bond package, increased privatization, and other fast-track measures. We want the leadership of our campuses to know that we recognize the critical nature of their ever-increasing facilities demands and that we will do everything in

our power as a governing body to ensure that these needs are being addressed.

So, to summarize, during this “Year of Creating Opportunities,” we are going to place strong emphasis on four critical areas of operation. One, student success – in particular, the retention, progression, and graduation of our students. Two, expanded communications activities so that we can broaden how well we tell our story. Three, an assessment of the total impact of the University System of Georgia on the state from the number of jobs we create to our cultural impact to our economic ramifications, among other factors. And four, the development of an accelerated facilities financing module that will allow us to aggressively address the capital needs of our campuses as they accommodate student growth. I think we all would agree that we have a very aggressive and ambitious agenda for the year ahead, but this is work that is essential, and it’s doable.

These initiatives will require many people rolling up their sleeves, working together. We will leverage and build upon existing activities and existing resources – as well as engage and secure new resources and additional expertise – to shape solutions to some of our most pressing priorities. We will make sure that the work of the various task forces will intersect with our official standing Committees of the Board, as protocol dictates. Keeping with my commitment that this work will be measurable, it is our intention to bring back reports to the board as early as November. These reports will reflect the progress we have made in fleshing out, launching, and/or implementing these initiatives, with future reports to come as additional progress is made. I look forward to our combined teamwork in the coming year, and thank you in advance for the hard work I know you each will do. I will be happy to answer any questions you might have about this agenda and/or any of the individual priorities.

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After giving his formal remarks, Chair Shelnut recognized two special guests who had joined the meeting: Representative Ben L. Harbin, Chair of the Appropriations Committee of the Georgia House of Representatives, and Representative Bob Smith, Vice Chair of Appropriations for the Higher Education Subcommittee. Chair Shelnut thanked the legislators for attending this meeting of the Board of Regents.

INTRODUCTION OF NEW STAFF, GOVERNOR'S OFFICE OF PLANNING AND BUDGET

Chair Shelnut asked the Chancellor to make a special introduction to the Board.

Chancellor Meredith said that he wanted to welcome someone who is very familiar to the University System Office and the Board of Regents. Ms. Shelley Clark Nickel is the new Director of the Governor's Office of Planning and Budget ("OPB"). Ms. Nickel came to work for the University System Office from OPB to serve as the University System's Budget Director and then the Special Assistant to the Chancellor. She was selected by Governor Sonny Perdue to first serve as the President of the Georgia Student Finance Commission ("GSFC") and now as Director of OPB. The Chancellor remarked that the Regents are very proud of Ms. Nickel's accomplishments. He asked her to approach the Board.

Ms. Nickel said that she was honored to be at the meeting and was also honored that Governor Perdue appointed her to serve as Director of OPB. She said that 20 years ago under the administration of Governor Joe Frank Harris, she was hired to be an analyst at OPB. Several years later, she was hired to be the Board of Regents budget analyst at OPB. A few years later, she came to work as Budget Director for the Board of Regents under Chancellor Emeritus Stephen R. Portch, who later offered her the extraordinary experience of serving as his Special Assistant. Ms. Nickel stayed in that position under Chancellor Meredith until Governor Purdue asked her to lead GSFC. The opportunity to serve as Director of OPB has taken her full circle in state government in Georgia, and she looks at it as a very fulfilling experience. She remarked that she believes in higher education and its power to change lives, and she knows firsthand that the work of the Board of Regents is very important. Ms. Nickel said that her new position at OPB presents an excellent opportunity for her to work with the Board of Regents for the future of the State of Georgia.

In closing, Ms. Nickel said she looked forward to working with the Regents and introduced some of the OPB staff members who would be working on the Governor's budget recommendations and issues that pertain to higher education in Georgia. Those staff members were as follows:

- Teresa MacCartney, Education Division Director
- Erin Schwartz, Associate Policy Analyst
- Allison Bell, Policy Analyst
- Christine Smith, Policy Coordinator
- Andrew Dollar, Associate Policy Analyst
- David Lipthrott, Intern with the Governor's Intern Program
- David Tanner, Special Assistant to the Director

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS, “COMMITTEE OF THE WHOLE”

Chair Shelnut 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 Jennings, the Chair of the Committee.

Before beginning the budget presentation, Chair Jennings asked for a motion to withdraw consideration of the fiscal year 2006 amended budget request. He explained that this was the recommendation of staff and would be explained during the course of the budget presentation. With motion properly made, seconded, and unanimously adopted, the Board moved to withdraw consideration of the fiscal year 2006 amended budget. Chair Jennings said that in light of this, the Committee on Finance and Business Operations as a Committee of the Whole would be asked to approve only the fiscal year 2007 operating and capital budget request at this meeting. He then asked the Chancellor to begin the budget presentation.

Chancellor Meredith said that as businessmen and women, civic leaders, and members of this Board, the Regents help balance the urgency of the immediate with the long-range vision for the future of the University System of Georgia, which is no small task. The System’s fiscal year 2006 budget grew by 8.5%, the largest increase for the System since 1996. The previous week when Chair Shelnut and Chancellor Meredith met with the Governor and his staff, they thanked him for his support of the University System of Georgia. These funds have positioned the System well for the future. The goal in dealing with the budget cuts of the last three years was to position the System and its institutions to be ready to accelerate in a more efficient way once the economy turned. The economy has turned, and the System is ready. At the same time, the System is striving to be even more efficient and to redirect more funds than ever toward teaching. In the meeting with the Governor, staff presented many ideas, big and small, that could help the System save money. A copy of some of the proposed efficiencies was included in the Regents’ notebook at this meeting.

The Chancellor stated that the fiscal year 2007 budget request is firmly grounded in the Board’s strategic vision of creating a more educated Georgia and Chair Shelnut’s goal of creating opportunities. With regard to the goal of student success, the staff were recommending funding for an initiative aimed at increasing graduation rates and finding ways to graduate students in four year. Another recommended initiative pertains to meeting statewide needs for teachers and health professionals, both of which are important for the future of the state. The staff were also recommending funding for the soon-to-be-established thirty-fifth institution of the University System of Georgia in Gwinnett County. The staff were also recommending a robust capital budget. Chancellor Meredith called upon the Vice Chancellor for Fiscal Affairs, William R. Bowes, to explain the budget proposal in greater detail.

Mr. Bowes noted that the draft budget request had been distributed to the Regents. He reiterated that the 8.5% increase in the fiscal year 2006 budget was indicative of a turnaround in the state’s economy, a modest recovery after years of flat or declining budgets. Revenues for the state increased by 8% in fiscal year 2005, and similar growth is predicted in the next fiscal year. At the same time,

there continue to be great funding pressures due to Medicaid costs as well as the cost of the state health insurance program and similar programs. So, the staff are optimistic about the proposed budget, but they are also cautious about these funding issues. In May 2005, the University System Office received the Governor's instructions for preparation of the fiscal year 2007 budget request. Basically, the System can request all funds that the budget formula generates. There would be no limits or reductions placed on the formula. However, the budget request has to show a 2% reduction in other areas of the budget, coupled by a 4% enhancement request. The fiscal year 2007 formula budget base is \$1.558 billion.

Mr. Bowes noted that the budget development process is a bit different this year. Traditionally, the staff have brought forward the budget request at the September meeting. This year, the schedule is a month earlier based upon the Governor's budget request guidelines. Because of the abbreviated schedule, the staff did not form the usual presidential advisory committee this year as they customarily do, but they did ask the presidents to provide feedback and input on the budget process. The staff also sought input from the Regents. From the feedback, the staff identified budget priorities for the University System of Georgia. The budget request recommendations presented at this meeting are due to the Governor's Office of Planning and Budget ("OPB") by September 1, 2005.

Formula funds are those funds appropriated to the University System in a lump sum, explained Mr. Bowes. The Board of Regents then determines how those monies are allocated to the institutions in April. There are also a number of line-item entities in the System, which means that funds are appropriated by the legislature directly to those units. They are not part of the overall funding, and they are fixed by final action of the legislature. Line-item entities include cooperative extension services, agricultural experiment stations, and the Georgia Public Library Service ("GPLS"). Finally, there are pass-through budgets, which are funds included in the System budget that the Board does not have direct control over. These include the Georgia Military College and the Georgia Public Telecommunications Commission. These entities request their own funds from the General Assembly, and the Board of Regents is not directly involved in that process.

The formula has not been comprehensively revised since the mid 1980s. It is basically a mathematical method by which the annual request for general state operating funds is developed. It generates funds for core functions using credit hour enrollments. It generates funds for plant operations, maintenance, utilities, and major repair and renovation ("MRR") using square footage. It generates for continuing education programs using continuing education units ("CEUs") and for fringe benefits using actual costs and projected costs. There is a two-year lag between enrollment change and funding. The formula generates about 29% of the total System funding of \$5.0 billion.

Mr. Bowes noted that from 2000 to 2003, enrollment increases were fairly robust and the System saw large increases in formula funds generated. From fall 2003 to fall 2004, the System enrollment increase leveled out somewhat. For fiscal year 2006, the formula funds base is \$1.558 billion. The enrollment to credit hour increase generates funding of \$31.4 million, while last year, this number was approximately \$90 million. Staff are also recommending this year a request of funding for the System's health insurance premium increases of 5%, which went into effect July 1, 2005. Staff are recommending a request of \$8.3 million to address this increase. Mr. Bowes noted that the System

has not received funding for premium increases in the last two and a half years. The Board of Regents did not request an increase last year. The System has seen its health insurance reserve drop from about \$60 million to \$30 million. Part of that drop is due to the fact that the Board of Regents did not request premium increases at the full level that the consultant recommended, but the System is at a point where it can no longer absorb those premium increases. Absorbing approximately \$30 million is in effect a budget cut for the institutions, he said. The staff were also recommending a budget request for retirement funding of \$3.8 million for new retirees' fringe benefits. They were also requesting a fairly significant increase for electricity costs of \$5.4 million. That is based upon the approval given to the Georgia Power Company for its fuel cost recovery rate, which greatly increased electricity rates. The new formula funds that the staff were recommending in the budget request total \$55.2 million. In addition, the System received for fiscal year 2006 a salary increase of 2%, which becomes effective January 1, 2006. So, in effect, the System only received half the funding for that salary increase. The fiscal year 2007 budget request would include the other half of that funding, approximately \$15 million. So, the total formula funds request for fiscal year 2007 totals just over \$1.628 billion.

Next, Mr. Bowes discussed salary increases. He noted that in terms of salaries, the University System of Georgia has ranked fourth among its peer Southern Regional Education Board ("SREB") states in average faculty salaries at the two- and four-year institutions for the last five years. However, those salaries remain below the national average. At some four-year institutions, salaries are 11% below the national average. In the last two years, Virginia, North Carolina, and Florida, states that are highly competitive with Georgia for faculty, have had higher average salary increases. Mr. Bowes said that this creates a concern that Georgia must maintain its competitive position not only in the SREB states, but also nationally as well as with private institutions. Many institutions, including the Georgia Institute of Technology ("GIT") and the University of Georgia ("UGA"), are losing faculty to more competitive offers within the SREB region. The staff are not recommending a specific percentage increase in the budget proposal, but they are asserting that maintaining competitive position is critical to faculty recruitment and retention. Mr. Bowes then asked Dr. Papp to discuss some budget enhancements.

Dr. Papp said that for fiscal year 2007, the staff were recommending five different categories of enhancement requests. The first category of enhancement requests was something already discussed by the Chair and the Chancellor at this meeting: efforts to enhance retention, progression, and graduation rates. The staff were recommending a budget request of \$3.5 million of enhancement funds to be targeted toward a variety of different programs, such as pre-freshman orientation, learning communities, advising, mentoring, progression tracking, mid-semester intervention, general education review, benchmarking, assessment, etc. He noted that he would be presenting more information on these issues the following day during the meeting of the Strategic Planning Committee as a Committee of the Whole.

The second recommended enhancement request totals \$7 million to address critical needs of the state. This request would primarily address two critical needs. The first is healthcare professions, for which \$3.5 million would be divided between and among the very successful Intellectual Capital Partnership Program ("ICAPP[®]") Health Professionals Initiative and an expansion of allied health

science programs at System institutions. The second critical need is teacher education. The State of Georgia is in dire need of more and better teachers. The other \$3.5 million would be directed to the Double the Numbers, Double the Diversity initiative and Georgia's Leadership Institute for School Improvement, which is administered by the System and focuses on school principals, superintendents, and master teachers.

The third recommended enhancement request totals \$3.5 million for mission-related initiatives. Dr. Papp said that this request pertains to three System institutions. Each year for the past several years, the federal government has increased the requirement for state commitments to the 1890 land grant match, so part of the request is to help meet the matching funding needs of Fort Valley State University ("FVSU"). The second institution is Georgia College & State University ("GCSU"). Several years ago, the Board of Regents gave to GCSU the mission of being the public liberal arts institution of the University System of Georgia. At that time, the Board of Regents made an effort to increase the funding provided to GCSU and this is a continuation of that effort. The third institution is the newly created state college in Gwinnett County. The development of this state college is moving very rapidly, and there are start-up costs associated with this effort.

The fourth recommended enhancement request totals \$2 million for accountability. Dr. Papp said that several years ago, the Board of Regents began to develop a data warehouse. The warehouse has moved forward slowly, but it is time to accelerate. The data warehouse will enhance decision making and provide additional information for the Board, University System Office staff, institutional leadership, the Governor, and the General Assembly.

The final recommended enhancement request totals \$3 million for research university equipment matching programs. Dr. Papp explained that this program would be similar to the former Equipment, Technology and Construction Trust and would require a match of external funding from the research institutions. The intention is that the funds would be equally distributed once the external matching funds are obtained. Dr. Papp reported that the total recommended enhancements budget request totals just over \$19 million. He then turned the floor back to Mr. Bowes.

Mr. Bowes noted that there are a number of special funding initiatives that continue in the fiscal year 2007 budget request totaling approximately \$30 million. These are very important initiatives, he said. Summarizing the total operating budget request, Mr. Bowes stated that the fiscal year 2007 formula budget request is \$1.628 billion with enhancements of approximately \$19 million and special funding initiatives of approximately 4%, bringing the total proposed operating budget to just over \$1.9 billion. He said this represents a total increase of about a 4.6% increase over fiscal year 2006. Mr. Bowes then introduced the Vice Chancellor for Facilities, Linda M. Daniels, who would discuss the proposed capital budget request.

Ms. Daniels noted that she had previously briefed the Regents on three key issues related to the capital budget request: the Systemwide capacity study and enrollment growth impact on facilities needs, the responsibility of stewardship of existing facilities and the need for high-performance facilities around the System to address escalating operating costs, and the importance of developing the public-private ventures program to complement the traditional state capital funding the System

receives. At this meeting, she would focus specifically on the traditional state funding request. General Obligation (“G.O.”) Bond funds are paramount in meeting the System’s core academic facilities needs. The proposed capital budget request includes approximately \$221 million for major capital projects. These major projects are the heart of the facilities funding program in the state, said Ms. Daniels. Major capital projects are defined as those projects requiring over \$5 million of state funding. They are on a rolling prioritized list. The Board of Regents adds new projects to the bottom of the list each June, and the Board counts on the legislature to fund projects off the top of the list each year. She showed the Regents the top eight projects on the majors list and stressed that all eight projects received design funding in the fiscal year 2006 capital budget. The staff are recommending that the Board request the remaining funding for these eight projects so that staff can accelerate their construction and begin to meet the System’s facilities demands. Of these top eight projects, the first two have already been designed and are prepared to be bid in the traditional design-bid-build method. The next four projects on the list are well into the design phase of “fast-track” construction using construction management. Construction managers are already on board and ready to begin those projects. Preliminary work is complete for the seventh and eighth projects on the majors list, and they are ready to move into the design stage. The top eight projects on the major capital outlay list are as follows:

Institution and Project	Cost
1. Georgia College & State University, Parks Nursing/Health Science Renovation	\$10,275,186
2. University of West Georgia, Health, Wellness & Lifelong Learning Center	28,522,102
3. North Georgia College & State University, Library/Technology Center	21,606,151
4. Savannah State University, Academic Classroom Building	13,143,046
5. Macon State College, Professional Sciences Building	22,954,703
6. Fort Valley State University, Academic Classroom Building	17,216,308
7. Georgia State University, Teaching Laboratory Building	49,368,860
8. University of Georgia, College of Pharmacy	38,875,780
TOTAL	\$201,962,136

Ms. Daniels said that the staff were also proposing a request for design funding of approximately \$19.1 million for the next nine projects on the major capital outlay list, bringing the total proposed request for major capital projects to just over \$221 million. She explained that this aggressive push for capital funding is reflective of the simple fact that the staff are trying to catch up on a backlog of major capital projects funding. Recent funding has lagged while the State of Georgia has suffered an economic downturn. She commended the legislature and Governor on their management of G.O. Bond funding.

Next on the capital budget request is minor capital outlay projects. Ms. Daniels stated that this group of projects is limited to projects requiring less than \$5 million in state funding. These projects are divided into three categories based upon project type: infrastructure, renovation, and new construction, which are sometimes referred to as “opportunity projects” because they occasionally include acquisitions. This year, the staff were asked to rank the System’s minor capital projects and they have provided their recommendations within those existing categories. The recommended

budget request for minors projects approximates \$128 million. The proposed capital budget request also includes funding of \$38 million for a special economic initiative project known as the Georgia Tech Nanotechnology Project, as well as funding of approximately \$30.5 million in matching state funds for a prioritized list of capital projects for the Georgia Public Library System (“GPLS”).

Board Chair Shelnut asked Ms. Daniels whether full funding of the approximately \$221 million major capital budget request would bring the System up to date on its rolling major capital outlay list.

Ms. Daniels responded that it would greatly help the System make up for the lack of construction funds in the fiscal year 2006 budget, which is usually about \$100 million per year.

The final piece of the proposed capital budget was MRR funding. Ms. Daniels said that just as major capital projects are the heart of the capital budget, MRR is the life blood. She said that MRR funds are historically formula dollars provided in cash rather than bonds. However, during the recent economic downturn, the System has resorted to using bonds to fund MRR projects. Last year, GPLS received approximately \$1 million in cash funding for some of its MRR needs, and the proposed capital budget continues this request. The staff were recommending a total MRR request of approximately \$68 million per the formula based upon current square footage. In closing, Ms. Daniels emphasized the stewardship responsibility that the Board of Regents shoulders in maintaining over half of the state’s facilities. She also stressed the importance of fully funding the MRR request. This state is a leader in its commitment to regularly funding MRR, she said, and she truly appreciates the Regents’ strong support in championing this sometimes less glamorous aspect of facilities funding.

Mr. Bowes stated that this concluded the presentation of the proposed fiscal year 2007 operating and capital budget request. He asked whether the Regents had any questions.

Regent Jolly noted that the minor capital projects were categorized and ranked within the budget information provided to the Regents. He asked how the Regents were to determine the order of priority among the three categories.

Ms. Daniels responded that historically, when the minor capital projects were separated out of the capital budget, infrastructure was requested as the top priority. Typically, infrastructure projects have campuswide significance. So, historically, these have been of the highest priority and have been requested for funding prior to renovations, and renovations prior to new construction. Ms. Daniels stated that is how she would prioritize the minority capital projects still.

Regent Jolly noted that the minors projects were then already ranked in priority in the information.

Ms. Daniels said that they were but that the staff are always open to Regents’ direction. She said that within the categories, the staff considered the same metrics and measures that are considered in narrowing the major capital projects proposed to the Board; that is, previous state funding, square footage per full-time equivalent student, quality of space, etc.

Seeing that there were no further questions, Chair Jennings called for a vote on the motion. With motion properly made and seconded, the Board voted unanimously to approve the fiscal year 2007 operating and capital budget request. There being no further business to come before the Committee, he then adjourned the meeting of the Committee on Finance and Business Operations as a Committee of the Whole.

At approximately 1:55 p.m., Chair Shelnut adjourned the Regents into their regular Committee meetings.

CALL TO ORDER

The Board of Regents of the University System of Georgia met again on Wednesday, August 3, 2005, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent J. Timothy Shelnut, called the meeting to order at 9:00 a.m. Present on Wednesday, in addition to Chair Wooten, were Vice Chair Patrick S. Pittard and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Joe Frank Harris, Julie Ewing Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Doreen Stiles Poitevint, Wanda Yancey Rodwell, Richard L. Tucker, Allan Vigil, and Joel O. Wooten, Jr.

INVOCATION

After a moment of silence in memory of former Regent and Chair Edgar L. Rhodes, the invocation was given on Wednesday, August 3, 2005, by Regent William H. Cleveland.

ATTENDANCE REPORT

The attendance report was read on Wednesday, August 3, 2005, by Secretary Gail S. Weber, who announced that Regents Michael J. Coles and Martin W. NeSmith had asked for and been given permission to be absent on that day.

INTRODUCTION OF NEW ACTING PRESIDENTS

Chair Shelnut called upon the Chancellor to introduce to the Board three new acting presidents.

Chancellor Meredith stated that the Board was currently engaged in the presidential search process for a number of institutions around the University System. The Regents were fortunate to secure the talents of some extraordinarily experienced leaders to manage three of these institutions. He first introduced Dr. Julius Scott, who would be serving as Interim President at Albany State University (“ALSU”). Dr. Scott has previously served as Interim President at ALSU and at the Medical College of Georgia (“MCG”). He previously served on the board of MCG Health, Inc. He is a four-time former college or university president, including two presidencies at Payne College. Dr. Scott has retired to Hilton Head, South Carolina, but he is coming out of retirement to serve the Board of Regents again. Chancellor Meredith thanked him for his good work.

The Chancellor next introduced Dr. William Harris, Interim President at Fort Valley State University (“FVSU”). Dr. Harris has previously served as President of Payne College, Texas Southern University, and Alabama State University, where he first met Chancellor Meredith. Dr. Harris has taught and served in many administrative posts at Indiana University, where he earned his master’s and doctorate degrees. He is a Georgia native who was also pulled out of retirement at Hilton Head. The Chancellor noted that Dr. Harris is doing an excellent job straightening out issues at FVSU.

Finally, Chancellor Meredith introduced Dr. John McElveen, Vice President for Student Development at Middle Georgia College (“MGC”) and now Interim President at South Georgia College (“SGC”). Dr. McElveen has an unusual background. He was an architect, but he made a career change and now works in higher education administration. The Chancellor remarked that Dr. McElveen is doing a superb job in both of his administrative roles in the University System.

Chair Shelnut thanked the interim presidents for their hard work and service to the University System of Georgia. He then called for the Committee reports.

EXECUTIVE AND COMPENSATION COMMITTEE

The Executive and Compensation Committee met on Tuesday, August 2, 2005, at approximately 11:00 a.m. in the room 7019, the Chancellor’s Conference Room. Committee members in attendance were Chair J. Timothy Shelnut, Vice Chair Patrick S. Pittard, and Regents William H. Cleveland, Donald M. Leebern, Jr., Elridge W. McMillan, and Richard L. Tucker. Chair Shelnut reported to the Board on Wednesday that the Committee had met in Executive Session to discuss personnel and compensation issues and two actions were taken. Chair Shelnut further stated with regard to the naming of an Interim Chancellor, the Committee had not yet completed some administrative steps regarding the responsibilities and the job description. He said that the Board of Regents would name the Interim Chancellor as soon as it can complete these important details. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Executive Session: Personnel and Compensation Issues

At approximately 11:00 a.m. on Tuesday, August 2, 2005, Chair J. Timothy Shelnut called for an Executive Session for the purpose of discussing personnel and compensation issues. With motion properly made and variously seconded, the Regents who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair Shelnut, Vice Chair Patrick S. Pittard, and Regents William H. Cleveland, Donald M. Leebern, Jr., Elridge W. McMillan, and Richard L. Tucker. Secretary Gail S. Weber was also in attendance. 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 12:00 p.m., Chair Shelnut reconvened the Committee meeting in its regular session and announced that the Committee had approved two actions. With motion properly made, seconded, and unanimously adopted, the Committee recommended the adjustment of the

supplements of seven presidents who receive supplements in accordance with the salary increases. With motion properly made, seconded, and unanimously adopted, the Committee also recommended, at the Chancellor's suggestion, having two University System Office job descriptions and salaries evaluated against their peer groups.

COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs met on Tuesday, August 2, 2005, at approximately 2:10 p.m. in the Sixth Floor Training Room, room 6041. Committee members in attendance were Chair William H. Cleveland, Vice Chair Doreen Stiles Poitevint, and Regents Connie Cater and James R. Jolly. Chair Cleveland reported to the Board that the Committee had reviewed 11 items, 9 of which required action. Additionally, 722 regular faculty appointments were reviewed and recommended for approval. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Establishment of an Associate of Applied Science in Respiratory Therapy, Dalton State College

Approved: The Board approved the request of President James A. Burran that Dalton State College ("DSC") be authorized to establish an Associate of Applied Science in Respiratory Therapy, effective August 3, 2005.

Abstract: DSC proposed the establishment of an Associate of Applied Science in Respiratory Therapy. Support for the program has been garnered from a local needs assessment and a program planning committee. Respiratory therapists care for patients with breathing disorders and provide respiratory care treatments. A wide range of caregiving tasks provided by respiratory therapists in concert with a team focused on the therapeutic condition of the individual include treating victims of stroke, drowning, and heart attack, evaluating a patient's lung capacity, and providing chest physiotherapy.

Need: According to Georgia Department of Labor projections, a statewide need of 54,001 new jobs exists for healthcare practitioners and technical occupations. The U.S. Bureau of Labor Statistics projects that job opportunities are expected to be very good, especially for respiratory therapists with cardiopulmonary care skills or experience working with infants. Employment of respiratory therapists is expected to increase faster than the average for all occupations through the year 2012. Because of substantial population growth in the middle-aged and elderly population in the counties surrounding DSC, it is anticipated that program graduates will be needed to address the incidence of diseases such as cardiopulmonary disease, asthma, and emphysema, as well as conditions exacerbated by shock or postoperative conditions. A needs survey of 16 area ambulatory surgery centers and private facilities indicates that all 12 responding agencies and institutions were supportive of DSC's proposed program.

Objectives: Objectives of the program include, but are not limited to, the following: 1) to prepare all program graduates to be qualified registered respiratory therapists with the skill sets mandated by

the Committee on Accreditation for Respiratory Care and the Commission on Accreditation of Allied Health Education programs and 2) to prepare all program graduates to attain the knowledge, skills, and attitude to be qualified, caring, and competent professionals who can enhance the quality of healthcare.

Curriculum: The 88-semester-hour program includes courses in the fundamentals of respiratory care, patient assessment and protocols, cardiopulmonary pharmacology, cardiopulmonary anatomy and physiology, mechanical ventilation and critical care, neonatal and pediatric respiratory care, cardiopulmonary disease and treatment, and clinical practicum. The program requires a waiver to degree length for stand-alone associate of applied science degrees.

Projected Enrollment: The institution anticipates enrollments of 17, 28, 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 Burran 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.

2. Establishment of an Associate of Applied Science in Library and Information Science Technology, Georgia Perimeter College

Approved: The Board approved the request of former President Jacqueline M. Belcher and now Interim President Robert E. Watts that Georgia Perimeter College ("GPC") be authorized to establish an Associate of Applied Science in Library and Information Science Technology, effective August 3, 2005.

Abstract: The Associate of Applied Science in Library and Information Science Technology has the primary objective of providing an educated workforce for the libraries and information centers of metropolitan and rural areas of the state. The program is intended to offer credit-bearing educational opportunities to persons already in the field as well as to those seeking an education as a library technician. The Associate of Applied Science in Library and Information Science Technology meets the goals of GPC's strategic plan toward strengthening academic programs and providing career opportunities with an associate's degree.

Need: The program meets demonstrated needs recognized by the Georgia Library Association's recent survey of paraprofessionals in libraries throughout the state. Employment trends for trained library paraprofessionals are strong throughout Georgia. Leaders from the Georgia Library Association developed a task force on paraprofessional issues in an effort to identify issues of concern and to solve the need for skilled library assistants, who have often accumulated job knowledge through in-house training sessions or through attendance at occasional workshops. Based

upon information gathered by the task force, library workers seek advanced training and certification to improve their skills and to qualify for advancement in rank. The U.S. Bureau of Labor Statistics estimates that there were 86,000 library technicians employed in 1998 and projects that the field will grow to 96,000 by 2008.

Objectives: Objectives of the program include, but are not limited, to the following: 1) ability to analyze information needs of individuals and organizations and design service models to meet those needs; 2) acquisition of subject knowledge in a specialty related to library and information science; 3) ability to use selection tools to build library/media collections and to develop selection policies; 4) knowledge of various genre literature for children, young adults, and adults; 5) ability to develop and maintain information storage and delivery systems; and 6) knowledge of general reference sources and the ability to use print, nonprint, and online tools to locate and retrieve information.

Curriculum: The curriculum conforms to the Committee on Education of the American Library Association's Criteria for Programs to Prepare Library Technical Assistants. Special characteristics of the curriculum include internships with local libraries.

The 64-semester-hour program will include courses in collection management, acquisitions and technical processing, public services in libraries and information centers, computers in libraries, records management and archives, principles of cataloging and indexing, and college and university libraries.

Projected Enrollment: The institution anticipates enrollments of 20, 45, and 100 during the first three years of the program.

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

3. Establishment of a Major in Law and Society Under the Bachelor of Arts, Armstrong Atlantic State University

Approved: The Board approved the request of President Thomas Z. Jones that Armstrong Atlantic State University ("AASU") be authorized to establish a major in Law and Society under the Bachelor of Arts degree, effective August 3, 2005.

Abstract: The major in Law and Society is an interdisciplinary program that studies law as an academic discipline in close relationship with critical issues in society but separate from the professional study of law. The program will reside within the Department of Criminal Justice, Social, and Political Science. The program of study is intended for students interested in public

service at some level of government, employment with nonprofit or public assistance organizations, or graduate studies in the social sciences or liberal arts. While the major may attract some students who aspire to attend law school, the program is not intended to be construed as a pre-law major. The major will emphasize the interaction of governmental and legal institutions with social organizations to form a society.

Need: AASU surveyed students taking courses that will be part of the core curriculum for the major and found that 15% would be “very likely” to major in Law and Society if available and another 25% would be “somewhat likely” to do so. The major is consistent with AASU’s existing mission and strategic plan. The major supports AASU’s leadership role in community affairs and will assist in fulfilling the institution’s leadership initiative. The major permits AASU to augment current degree offerings while relying on existing faculty at minimal costs.

Objectives: Students will demonstrate knowledge and comprehension of the following: 1) important social issues and the complex relationships that exist among citizens, government agencies, and social institutions in the management or resolution of those social issues; 2) the role that law plays in guiding the actions of governmental, quasi-governmental, and nonprofit agencies in developing and overseeing mechanisms that benefit society in general as well as citizens individually; and 3) the structure of government and the political processes that shape the policies affecting societal problems.

Curriculum: The 123-semester-hour program will consist of a series of core courses followed by specialization in one of three tracks: government and judicial studies, human behavior and law, and social theory and philosophy. To achieve the interdisciplinary curriculum, courses offered in the Department of Criminal Justice, Social and Political Science will be integrated with courses offered within the College of Arts and Sciences. The courses will be offered through traditional on-campus instruction supplemented when necessary by distance education technologies that will make the major available to students at such off-campus sites as the Liberty Center.

Projected Enrollment: The institution anticipates enrollments of 20, 30, and 40 during the first three years of the program.

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

4. Establishment of a Major in Chemistry Under the Bachelor of Arts, Armstrong Atlantic State University

Approved: The Board approved the request of President Thomas Z. Jones that Armstrong Atlantic

State University (“AASU”) be authorized to establish a major in Chemistry under the Bachelor of Arts (“B.A.”) degree, effective August 3, 2005.

Abstract: The Department of Chemistry and Physics in the College of Arts and Sciences at AASU proposed the development of a B.A. with a major in Chemistry to supplement the existing major in Chemistry currently offered under the Bachelor of Science (“B.S.”) degree. The purpose of the major under the B.A. is to expand the availability of education in chemistry to a wider range of students than can be currently accommodated, particularly students in pre-professional programs and science-related professions in education, management, or other majors that require more outside electives than the B.S. degree permits. The existing major offered under the B.S. degree is certified by the American Chemical Society.

Need: AASU states that a major in Chemistry is an established part of the basic arts and sciences offerings of the College of Arts and Sciences. Such a major serves several needs because applied knowledge of chemistry is fundamental to such areas as medicine, pharmacy, the health professions, and education. In addition, the major is directly applicable to several employment fields. According to the 2003 National Science Foundation Report, Science and Engineering Workforce Realizing America’s Potential, the demand for science and engineering workers is projected to rise significantly, both in the United States and throughout the global economy. The current B.S. with a major in Chemistry enrolls 79 majors. The proposed B.A. will attract students who must take several courses outside of major chemistry courses.

Curriculum and Objectives: The 123-semester-hour program will consist of required and elective courses intended to provide a sufficient theoretical background and foundation for the major. The program will include an organic chemistry sequence; principles of chemical analysis; electives such as biochemistry, chemical research, and advanced inorganic chemistry; and a special topics series complemented by an internship. The proposed major offered under the B.A. degree is recommended for students needing flexibility in terms of upper-division electives and for students interested in allied health areas or students planning to teach at the secondary level.

Projected Enrollment: The institution anticipates enrollments of 15, 20, and 25 during the first three years of the program.

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

5. Establishment of a Master of Physician Assistant Degree, 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 establish a Master of Physician Assistant degree, effective August 3, 2005.

Abstract: MCG’s School of Allied Health Sciences offers the only state-supported Physician Assistant program in the State of Georgia. The mission of the institution is to improve health and reduce the burden of illness in society by discovering, disseminating, and applying knowledge of human health and disease. The School of Allied Health Science’s major function is to provide competent graduates for current and future healthcare delivery systems. A shortage exists for many allied health professions, including physician assistants. Physician assistants are healthcare professionals licensed to practice medicine with physician supervision. These allied health professionals conduct physical examinations, diagnose and treat illnesses, order and interpret tests, counsel on preventive healthcare, assist in surgery, and write prescriptions. In order to practice in Georgia, physician assistants must graduate from an accredited physician assistant program and pass the national certifying exam.

Need: The Georgia Area Health Education Centers have identified a need for physician assistants in many areas of the state. The U.S. Bureau of Labor Statistics identified the physician assistant profession as one of the fastest growing careers and stated that “employment of physician assistants is expected to grow much faster than the average for all occupations through the year 2012” due to an anticipated expansion of the health services industry and an emphasis on cost containment, resulting in increased utilization of physician assistants by physicians and healthcare institutions. Current requirements that restrict medical resident hours have increased utilization of physician assistants in tertiary care centers.

All accredited physician assistant programs must achieve the Accreditation Review Commission on Education for Physician Assistant, Inc. curriculum standards that establish minimum competency-based requirements for physician assistant education. These standards include competencies in the basic sciences, such as anatomy, physiology, pathophysiology, pharmacology, behavioral and social sciences, clinical preparatory sciences, health policy, and professional practice issues. MCG proposes the establishment of a graduate level degree in this field because of the following changes occurring in the profession: 1) the master’s degree more adequately matches the role and level of responsibility assumed by graduates of physician assistant programs; 2) the master’s degree will provide professional recognition and promote confidence and acceptance of program graduates by patients, employers, and coworkers on the healthcare team; and 3) demanding healthcare environments are forcing new graduates to practice in more independent settings, thereby creating expanded responsibilities and leadership roles.

Objectives: Under the direct supervision of a physician and/or physician assistant, students use the knowledge and skills gained in didactic coursework to examine, evaluate, diagnose, and develop a prognosis, develop expected outcomes and intervention plans, and implement those plans for patients. Students document their work using proper format, research information about problems with which they are unfamiliar, and perform other duties pertinent to functioning as a member of the healthcare team.

Curriculum: The 121-semester-hour program requires professional courses, evidence-based courses, and expanded treatment courses in addition to research courses and a preceptorship. Courses applying to each of these categories include, but are not limited to, the following subjects: systemic anatomy, principles of pharmacology, history and physical assessment, clinical medicine series, critical care practicum, pharmacotherapeutics series, surgery/acute care, and rotations in surgery, emergency room, pediatrics, mental health, obstetrics and gynecology, orthopedics, and internal medicine, and behavioral medicine. The program requires a waiver to degree length for master's level programs.

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

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

6. Establishment of an External Bachelor of Science in Education with a Major in Special Education Offered Predominantly at a Distance via Multiple Technologies, 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 Education with a major in Special Education offered predominantly at a distance via multiple technologies, effective August 3, 2005.

Abstract: UGA sought to offer the existing Bachelor of Science in Education with a major in Special Education through distance education. In September 2004, the Department of Special Education received a \$2.4 million Transition to Teach grant from the United States Department of Education's Office of Innovation and Improvement. The grant project referred to as SPECTRUM (Special Education Training on the Web: Undergraduate Degree, Certification, and Mentoring) will use the infrastructure of the existing on-campus program to offer an online bachelor's degree in Special Education to paraprofessionals teaching in high-need schools throughout the State of Georgia. The grant will provide financial support to 80 students over the course of the next five years.

Need: The online program will provide provisionally certified special education teachers and special education paraprofessionals with an opportunity to become certified special education professionals. Shortages of special education personnel have been documented on national, regional, and state levels through a variety of sources. The Council on Exceptional Children reports that nationally, institutions of higher education prepare only half as many teachers as are needed in any

given year. According to the American Association for Employment in Education, the southeastern United States has a considerable shortage of teachers across all areas of special education. Furthermore, the United States Department of Education indicates that of employed special education teachers in Georgia, approximately one-quarter are not fully certified. The Georgia Professional Standards Commission reports that the state will need 12,781 special education teachers by fall 2007 and 15,828 by fall 2012. Meanwhile, according to the Georgia Professional Standards Commission, Georgia student teacher production has declined 59.8% in recent years from 5,415 in 1998 to 3,388 in 2002.

Objectives: The objectives of the program include the delivery of an academic program that prepares students to obtain initial state certification in special education – interrelated. Students develop skills to work with individuals who have mild intellectual and behavior disabilities. Supervised field experiences will enable students to develop skills in working with the preschool through high school age range.

Curriculum: The online bachelor’s degree program will be identical to the program of study required for UGA’s on-campus degree. Course work will be offered online, and practica will be supervised via distance using webcam technology. Additional onsite supervision of practica will be available through local school district mentors or administrators, and grant staff will be available to provide onsite supervision if warranted by student progress. All courses in the external program meet the same accreditation requirements as those of the on-campus degree program.

Delivery: The primary delivery mode for the program will be Internet-based instruction via UGA’s Web course tools platform. Course content and activities will be delivered through both synchronous and asynchronous methods. Additional face-to-face interactions will occur each semester.

Projected Enrollment: The institution anticipates enrollments of 16, 16, and 16 during the first three years of the program. UGA expects that five grant-funded cohorts (a total of 80 students) will complete the program.

Funding: The program will be supported through a combination of institutional reallocated resources and federal grant funds. 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.

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

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

8. Reorganization of Institutional Units, Kennesaw State University

Approved: The Board approved the request of President Betty L. Siegel that Kennesaw State University (“KSU”) be authorized to reorganize and modify specific positions at the vice presidential level, effective August 3, 2005.

Abstract: KSU requested approval to elevate the Chief Information Officer position to vice presidential status and to transfer functional responsibility for the Division of Human Resources and informs the Board of actions taken to modify the existing title of the Vice President for Diversity, Equity, and Legal Affairs to reflect a realignment of responsibilities.

Elevation of the Chief Information Officer Position

KSU requested authorization to establish the position of Vice President and Chief Information Officer through the renaming and elevation of the university’s existing position of Chief Information Officer. The Chief Information Officer previously reported directly to the president, as will the renamed position of Vice President and Chief Information Officer. Concomitant with this request, the Office of the Chief Information Officer will be changed to the Division for Technology and Human Resources.

KSU sought the establishment of this administrative position in order to 1) reflect the vital and increasing role of information technology in the university’s pursuit of its higher education mission; 2) to recognize the enhanced responsibilities and duties arising from the pivotal and ever-evolving importance of information technology in course design and content, classroom instruction, campus and external communications, and academic, financial, and administrative services; 3) to acknowledge the increased significance and scope of responsibility of this position within the university arising from the recent transfer to this position of leadership and responsibility for the university’s vital human resources mission, to include employee hiring, retention, and training; staff morale; performance review; compensation; benefits; and employment policies, practices, and procedures; and 4) to permit the university to recruit and retain individuals with the credentials, experience, technical competency, and academic background required for this position.

Transfer of Functional Responsibility for the Division of Human Resources

KSU sought approval for the official transfer of the human resources function from the Office of the President to the created division entitled Division for Technology and Human Resources in order to establish the reporting relationship of the human resources function to the Vice President and Chief Information Officer.

In the past, the human resources function reported to the vice president for business and finance. Upon the departure of the university’s director of human resources in November 1999, the vacancy was filled by a contract employee and later on an interim basis by the special assistant to the vice president for business and finance.

Due to additional organizational shifts at KSU, the human resources function was assigned to the

special assistant to the president, who worked in concert with the vice president for diversity, equity, and legal affairs. During this time period, the position of Director of Human Resources remained unfilled. Upon the retirement of the special assistant to the president, the human resources function was assigned to the university's chief information officer.

KSU sought a change in the title of its current Division for Diversity, Equity, and Legal Affairs to the Division for Diversity, Legal, and Community Affairs. Subsequently, the renaming of the division is aligned with a modification of the existing title of the Vice President for Diversity Equity & Legal Affairs to the position of Vice President for Diversity, Legal & Community Affairs. Such changes are being made to reflect expansion of the division and position in their roles to enhance and intensify the institutional focus on community engagement and public affairs initiatives. Responsibility for community engagement and public affairs initiatives was added to the duties of the vice presidential position in April 2005.

9. Ratification of the George W. Weiss Research Professorship, Medical College of Georgia

Approved: The Board ratified Chancellor Thomas C. Meredith's approval of the Medical College of Georgia's ("MCG") establishment of the George W. Weiss Research Professorship. At its June 2005 meeting, the Board of Regents authorized Chancellor Meredith to take any actions necessary on behalf of the Board between the June meeting and the August 2005 meeting with such actions to be ratified by the Board at the August meeting. This ratification supports action taken by the Chancellor in a letter dated June 23, 2005.

Abstract: MCG requested ratification from the Board to establish the George W. Weiss Research Professorship. Endowment funds to establish the professorship in the amount of \$200,000 came from the Weiss estate. The endowment funds will be used to recruit and retain top basic researchers and support on-campus research.

Mr. Weiss was an important member of the Augusta community for nearly half a century, and his gift to MCG is a philanthropic expression of his commitment to the community and citizens of Georgia. Mr. Weiss' gift will add immeasurably to MCG's ability to further its goals, one of which is the institution's research mission.

10. 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 Education Provide access to Reading Recovery training for children in the State of Georgia by training additional Reading Recovery	1/20/05 – 6/30/05	\$212,500
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teachers and teacher leaders		
Georgia Department of Human Resources Improve health outcomes of Georgians who suffer from asthma	4/1/05 – 6/20/05	\$8,529
Georgia Department of Human Resources Analyze Child Care Market Survey data including data cleaning and entry, and conduct reliability analysis	2/1/05 – 9/30/05	\$120,000
Georgia Department of Corrections Divert individuals with mental health problems from criminal justice system to local community-based mental health treatment resources	11/1/04 – 6/30/05	\$17,500
Georgia Department of Human Resources Track child support payment history from program participants and from a control group	3/1/05 – 2/28/06	\$43,100
Georgia Department of Human Resources Deliver monthly and quarterly forecasts of welfare caseloads in Georgia	2/16/05 – 12/31/05	\$16,058

Georgia Department of Early Care and Learning Determine effectiveness of resource coordinator grant program, especially in terms of its effectiveness in transitioning category one prekindergarten children from high-poverty families into kindergarten	3/1/05 – 12/31/05	\$167,987
Children and Youth Coordinating Council Conduct Project Healthy Grandparent and Youth Leadership programs	6/1/05 – 5/31/06	\$104,050

Georgia Southern University

Southwest Georgia Area Health Education Center Conduct study on colon cancer screening	1/24/05 – 7/31/05	\$4,000
Georgia Department of Education Support research entitled “Implementing Middle Grades Georgia Performance Standard in Heart of Georgia Regional Educational Service Agency School Districts”	7/1/04 – 6/30/05	\$55,134

TOTAL AMOUNT - AUGUST	\$ 748,858
TOTAL AMOUNT FY 2005 TO DATE	\$ 748,858
TOTAL AMOUNT FY 2005 TO AUGUST	\$ 970,962
TOTAL AMOUNT FY 2005	\$ 24,771,582

11. Information Item: A Vision for Successful Student Progression in Public Education

Abstract: The Vice Chancellor for Academic, Student, and Faculty Affairs, Frank A. Butler, discussed a proposed vision for seamless education between the Department of Education (“DOE”),

the Department of Technical and Adult Education (“DTAE”), and the Board of Regents. He explained that more than a year ago, the Board of Regents, the Board of Technical and Adult Education, and the Board of Education established a joint committee for the purpose of identifying issues mutually affecting the three educational entities in Georgia. This committee has been meeting regularly. Until recently, much of the effort has been directed toward reaching a common understanding of the mission and scope of each agency and identifying areas where the committee will be most effective. Regent Doreen Stiles Poitevint chairs the Board of Regents subcommittee of the committee, which also includes Regents William H. Cleveland and Elridge W. McMillan.

Dr. Butler stated that a major focus of the committee, and one that is congruent to the emphasis of the Board of Regents as articulated by Chairman Shelnut at this meeting, is student success. The ease with which students succeed in moving among and between educational systems is clearly directly related to whether or not students will meet their educational objectives and the state will have a more educated Georgia. Two meetings ago, the committee decided that a vision reflecting this should be developed and discussed by each of the boards and, if adopted or endorsed, should guide the actions of each board and serve as a cornerstone of future cooperation.

The statement presented below is the result of the deliberations of the committee with help from staff. The University System Office staff who participated in this effort were Dr. Butler and the Senior Policy Advisor, Robert E. Watts. Dr. Butler presented this statement to the Committee on Academic Affairs with the intention that they review it and consider it as a possible resolution for the full Board to adopt. DTAE has already adopted the statement, which is also under consideration by the DOE. He said that he anticipates some possible minor language changes; however, these will not be such as to change the intent.

A VISION FOR SUCCESSFUL STUDENT PROGRESSION IN PUBLIC EDUCATION

The Board of Regents recognizes the importance of seamless educational progression opportunities for students and, along with the State Board of Technical and Adult Education and the Georgia Department of Education, has adopted the following vision statement to guide decisions of the Board and the institutions it governs.

The vision of seamless education of the three educational boards of the State of Georgia is a system of education in which students can effectively move among schools as they advance their education from elementary school through higher education. The system envisioned will ensure that students in each sector are prepared for their future educational and career goals, have an excellent and uniform education advising process, and do not have to repeat work that they have mastered.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

The Committee on Finance and Business Operations met on Tuesday, August 2, 2005, at approximately 2:10 p.m. in the Board Room. Committee members in attendance were Chair W.

Mansfield Jennings, Jr., Vice Chair Patrick S. Pittard, and Regents Julie Ewing Hunt and Wanda Yancey Rodwell. Chair Jennings reported to the Board on Wednesday that the Committee had reviewed six items, four of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. **Fiscal Year 2007 Operating and Capital Budget (To Be Addressed by the Committee of the Whole)**

Approved: The Board approved the fiscal year 2007 operating and capital budget request.

Withdrawn: The proposal that the Board approve the fiscal year 2006 amended budget was withdrawn prior to the Board meeting.

This item was addressed by the Committee on Finance and Business Operations as a Committee of the Whole on Tuesday, September 2, 2005. (See pages 6 to 12.)

2. **Revision of The Policy Manual, Section 802.1005, Disabled Employees Insurance**

Approved: The Board approved the revision of The Policy Manual, Section 802.1005, Disabled Employees Insurance, effective September 1, 2005.

Background: The Board of Regents has been supportive of the efforts of the University System of Georgia Human Resources Policy Advisory Committee to update and align Board Policy with current federal and state statutes and with the constantly changing needs and requirements of University System institutions. These decisions have helped the institutions function in a more efficient and fiscally responsible business manner.

The previous Section 802.1005 was adopted prior to the implementation of the federal Consolidated Omnibus Budget Reconciliation Act of 1986 (“COBRA”). COBRA mandates that an employee must be permitted the opportunity to migrate from an employer group healthcare plan to individual plan coverage under specific conditions. If COBRA coverage is elected by an employee, he/she must pay the employee premium contribution, the employer premium contribution, and a 2% administrative fee.

As it was previously written, Section 802.1005 was driven by the criteria of the Teachers Retirement System. Many University System employees are members of the Optional Retirement Plan, a defined contribution pension plan that was created and implemented after Section 802.1005 was initially approved by the Board of Regents. In summary, the approved revision to Section 802.1005 will reduce the employer contribution for the cost of group health and life insurance for disabled employees from 29 months to 12 months. This reduction in the amount of time that the employer would contribute to the cost of health and life insurance will not eliminate an individual’s access to such coverage. It will reduce the financial liability that would be borne by the University System of Georgia in future years.

It is critically important to convey that those employees who are currently receiving benefits under the existing 29-month Disabled Employees Insurance policy will not be adversely affected. The University System of Georgia will continue to honor its existing commitment to any such covered employee for the remainder of his/her approved coverage period.

The revised Section 802.1005 addresses those instances in which an employee becomes permanently and totally disabled with less than 9.5 years of continuous benefited service to the University System of Georgia. Section 802.0902 A.4 addresses the instance in which a permanently and totally disabled employee has 9.5 or more years of continuous benefited service to the University System of Georgia. It states that such an individual is deemed to be a retiree and that he/she will be eligible for benefits continuation with the System contributing the employer portion of the premium cost.

The revision to Section 802.1005 is but one strategic measure that should be used to attempt to stabilize the University System's depleting healthcare reserves while balancing constituent service with fiscal responsibility. Proposed revisions are as follows. Please note that the strike-through texts represent deletions from the previous version and the highlighted texts represent additions.

Previous Policy

802.1005 DISABLED EMPLOYEES INSURANCE

Employees who become permanently and totally disabled under the criteria established by the Teachers Retirement System of Georgia and also have at least ten years of service with the University System, even though they may not be members of the Teachers Retirement System, shall remain eligible for employee and dependent group health and life insurance benefits. The University System shall continue to pay its portion of the cost of group insurance for disabled career employees.

Other employees who are disabled based on the same criteria may remain in the group health and life insurance program for a period of 29 months with full University System participation in the cost. The inclusion in the group may continue after the 29 month period, but University System participation in the cost shall cease (BR Minutes, 1986-87, pp. 264-265).

Revised Policy

802.1005 DISABLED EMPLOYEES INSURANCE

Employees who become permanently and totally disabled **and who have less than 9.5 years of continuous benefited service with the University System** ~~under the criteria established by the Teachers Retirement System of Georgia and also have at least ten years of service with the University System, even though they may not be members of the Teachers Retirement System,~~ shall remain eligible for ~~employee and dependent~~ group health and life insurance benefits **for a maximum of 12 consecutive months following the receipt of the required documentation of a disability.** The University System shall continue to pay ~~its~~ **the employer** portion of the cost of group insurance for

disabled ~~career~~ employees for this 12-month period.

Participation in the group healthcare plan may continue after the 12-month period under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (“COBRA”). University System participation in the cost shall cease. The terms and conditions of COBRA participation that are described in the University System of Georgia’s healthcare summary plan documents shall apply.

Continued participation in the group life insurance program is not covered by the provisions of COBRA. Participation in the group life insurance program may continue after the 12-month period; however, University System participation in the cost shall cease.

Employees who are deemed to be permanently and totally disabled following 9.5 years of continuous benefited service with the University System shall remain eligible for group health and life insurance benefits. The University System shall continue to pay the employer portion of the cost of group insurance for these retirees (Section 802.0902 A.4).

Eligibility in the group plans will cease for reasons including, but not limited to, the following:

- Failure to remit premiums in a timely manner;
- A dependent child no longer meets the definition of a “qualified dependent” under the plan’s provisions;
- The dependent becomes covered by another group health plan; and/or
- The plans cease to be offered to employees.

~~Other employees who are disabled based on the same criteria may remain in the group health and life insurance program for a period of 29 months with full University System participation in the cost. The inclusion in the group may continue after the 29 month period, but University System participation in the cost shall cease (BR Minutes, 1986-87, pp. 264-265).~~

3. Revision of The Policy Manual, Section 802.1006, Dependents of Deceased Employees, Retirees, or Disabled Employees

Approved: The Board approved the revision of The Policy Manual, Section 802.1006, Dependents of Deceased Employees, Retirees, or Disabled Employees, effective September 1, 2005.

Background: Section 802.1006 is in many respects a companion or complementary policy to Section 802.1005, Disabled Employee Insurance. As it was previously written, Section 802.1006 made no distinctions between benefits eligibility, benefits access, or benefits continuation, for dependents of deceased employees, for dependents of disabled employees, or for retirees. The failure to properly delineate the differences among the benefits to which a specific category of dependent(s) is entitled/eligible created inconsistencies across University System institutions.

With regard to the dependent(s) of a deceased employee, the amount and the duration of the

employer contribution for dependent health and/or life insurance coverage was determined by whether or not the deceased employee had 10 years of continuous benefited service with the University System of Georgia.

With regard to the dependent(s) of a deceased disabled employee, the amount and the duration of the employer contribution for dependent health and/or life insurance coverage was determined by whether or not the permanently disabled employee had 9.5 years of continuous benefited service with the University System of Georgia. If a permanently and totally disabled employee had 9.5 or more years of continuous benefited service to the University System of Georgia at the time of his/her death, the employee would be deemed to have been a retiree (Section 802.0902 A.4) of the University System of Georgia. In this instance, the dependent(s) of the deceased retiree would be eligible for benefits continuation with the System contributing the employer portion of the premium cost.

Among the approved revisions to Section 802.1006 is one that would reduce the employer contribution for the cost of group health and life insurance from 24 months to 12 months. This reduction in the amount of time that an employer would contribute to the cost of health and life insurance will not eliminate a dependent's access to such coverage. It will reduce the financial liability that would be borne by the University System of Georgia in future years.

It is critically important to convey that those persons who are currently receiving benefits under the existing 24-month Dependents of Deceased Employees, Retirees, or Disabled Employees policy will not be adversely affected. The University System of Georgia will continue to honor its existing commitment to any such covered dependent for the remainder of his/her approved coverage period.

The Board of Regents has received no State of Georgia appropriations for the employer portion of healthcare premiums since fiscal year 2002. During the past two fiscal years, the healthcare plan reserves have been severely diminished to offset the budget shortfalls of the State of Georgia.

The approved revision to Section 802.1006 is but one strategic measure that should be used to attempt to stabilize the University System's depleting healthcare reserves while balancing constituent service with fiscal responsibility. Approved revisions are as follows. Please note that the strike-through texts represent deletions from the current version and the highlighted texts represent additions.

Previous Policy

802.1006 DEPENDENTS OF DECEASED EMPLOYEES, RETIREES, OR DISABLED EMPLOYEES

The dependents of an employee who dies while in active service or the dependents of a retired employee (either of whom is eligible for retirement under the criteria established by the Teachers Retirement System and has at least 10 years of service with the University System, even though he or she may not be a member of the Teachers Retirement System) may remain in the group for life and health insurance purposes with University System participation in the cost.

The dependents of other active, retired, or disabled employees who are in the group for life and health insurance purposes may remain in the group for a period of no more than 24 consecutive months after the death of the employee, with full University System participation in the cost. The inclusion in the group may continue after the 24 month period, but University System participation in the cost shall cease.

In no event shall the spouse of the deceased continue in the group after remarriage. Dependent children may remain in the group until they reach the legal age of majority or until they become eligible for another group benefits plan. The definition of dependent children shall be published in the Board of Regents' benefits brochure (BR Minutes, 1959-60, pp. 190-191; 1979-80, pp. 22-23; 1984-85, p. 79; 1986-87, pp.264-265).

Revised Policy

802.1006 DEPENDENTS OF DECEASED EMPLOYEES, DISABLED EMPLOYEES, OR RETIREES

The dependents of an **deceased** employee, **a disabled employee, or a retiree** ~~who dies while in active service or the dependents of a retired employee (either of whom is eligible for retirement under the criteria established by the Teachers Retirement System and has at least 10 years of service with the University System, even though he or she may not be a member of the Teachers Retirement System)~~ may remain in the group **health and life insurance programs of the** ~~for life and health insurance purposes with University System~~ **of Georgia consistent with the following provisions:** ~~participation in the cost.~~

(A) Dependents of Deceased Employees With Less Than 10 Years of Continuous Benefited Service

If an employee with less than 10 years of continuous benefited service dies while in active service with the University System, his/her dependents shall remain eligible to participate in the group health insurance program for a period of 12 consecutive months following the death of the employee. The University System shall continue to pay the employer portion for the cost of the group health insurance for the surviving dependents for this period of 12 consecutive months.

Participation in the group healthcare plan may continue after the 12-month period under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA"). University System participation in the cost shall cease. The terms and conditions of COBRA participation that are described in the University System of Georgia's healthcare plan summary documents shall apply.

If a deceased employee with less than 10 years of continuous benefited service had elected to participate in the dependent life insurance program prior to his/her death, his/her dependents shall remain eligible to continue to participate in this program for a period of 12 consecutive

months following the death of the employee. The surviving dependent(s) will be responsible for the entire cost of the dependent life insurance. At the conclusion of this 12-month period, a dependent will have individual policy conversion privileges.

(B) Dependents of Deceased Disabled Employees With Less Than 9.5 Years of Continuous Benefited Service

Those employees who become permanently and totally disabled and who have less than 9.5 years of continuous benefited service with the University System shall remain in the group health insurance program for a maximum of 12 consecutive months following the receipt of the required documentation of a disability (Section 802.1005). If a disabled employee dies during this 12-month period, his/her dependents shall remain eligible to participate in the group health insurance program for the remainder of the 12-month period. The University System shall continue to pay the employer portion for the cost of group health insurance for the surviving dependents for the remainder of the 12-month period.

Participation in the group healthcare plan may continue after the 12-month period under the provisions of COBRA. University System participation in the cost shall cease. The terms and conditions of COBRA participation that are described in the University System of Georgia's healthcare plan summary documents shall apply.

If a permanently and totally disabled employee with less than 9.5 years of continuous benefited service had elected to participate in the group life and/or dependent life insurance programs prior to becoming disabled, plan coverage will be permitted for a maximum of 12 consecutive months following the receipt of the required documentation of a disability. If a disabled employee dies during this 12-month period, his/her dependents shall remain eligible to participate in the dependent life insurance program for the remainder of the 12-month period. The surviving dependents will be responsible for the entire cost of the dependent life insurance. At the conclusion of this 12-month period, a dependent will have individual policy conversion privileges.

(C) Dependents of Deceased Employees With At Least 10 Years of Continuous Benefited Service

If an employee with at least 10 years of continuous benefited service dies while in active service with the University System of Georgia, his/her dependents shall remain eligible to continue participating in the group health insurance program. The University System shall continue to pay the employer portion of the cost of group health insurance for the surviving dependents.

If a deceased employee with at least 10 years of continuous benefited service had elected to participate in the dependent life insurance program prior to his/her death, his/her dependents shall remain eligible to continue participating in this program. The surviving dependents will be responsible for the entire cost of the dependent life insurance.

(D) Dependents of Deceased Retirees

Upon the death of a retiree (Section 802.0902), his/her dependents shall remain eligible to continue participating in the group health insurance program. The University System shall continue to pay the employer portion of the cost of group health insurance for the surviving dependents.

If a deceased retiree had elected to participate in the dependent life insurance program while in active service, his/her dependents shall remain eligible to continue participating in this program. The surviving dependents will be responsible for the entire cost of the dependent life insurance.

~~The dependents of other active, retired or disabled employees who are in the group for life and health insurance purposes may remain in the group for a period of no more than 24 consecutive months after the death of the employee, with full University System participation in the cost. The inclusion in the group may continue after the 24 month period, but University System participation in the cost shall cease.~~

In no event shall the spouse of the deceased continue in the group after remarriage. Dependent children may remain in the group until they reach the legal age of majority or until they become eligible for another group benefits plan. The definition of dependent children shall be as published in the Board of Regents' benefits brochure (BR Minutes, 1959-60, pp. 190-191; 1979-80, pp. 22-23; 1984-85, p. 79; 1986-87, pp. 264-265). as defined in the University System of Georgia's healthcare summary plan documents shall apply.

Eligibility in the group plans will cease for reasons including, but not limited to, the following:

- Failure to remit premiums in a timely manner;
- Remarriage of the spouse;
- A dependent child no longer meets the definition of a "qualified dependent" under the plan's provisions;
- The dependent becomes covered by another group health plan; and/or
- The plans are no longer offered to any employees.

4. Acceptance of Gift for the Georgia Institute of Technology

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

<u>Company</u>	<u>Value</u>	<u>Items</u>	<u>Department</u>
Ansoft Corporation	\$460,000	Ansoft Software	School of Electrical and Computer

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

5. Information Item: Third Quarter Revenue and Expenditure Report, Fiscal Year 2005

The Vice Chancellor for Fiscal Affairs, William R. Bowes, presented to the Committee the third quarter financial report for the University System of Georgia for the period ending March 30, 2005, which is on file with the Office of Fiscal Affairs. The report includes tables that compare actual and budgeted revenues and expenditures through March 30, 2005, for educational and general funds, auxiliary enterprise funds, and student activity funds.

6. Information Item: Efficiencies and Effectiveness Actions Relating to University System of Georgia Finance and Business Operations

The Vice Chancellor for Fiscal Affairs, William R. Bowes, reported to the Committee on actions taken during recent months by the Office of Fiscal Affairs, working in concert with other divisions within the University System Office and University System institutions, which respond to the sixth goal of the Board of Regents reformulated 2002-2007 strategic plan: “To seek the most efficient, effective, and technologically sound business and service best practices and regularly compare ourselves to national peers.”

The report focused on payroll and procurement operations, including changes in procedures to mandate direct deposit of employee pay and expenses and direct debit of retiree accounts, changes in procurement legislation and procedures, and specific initiatives relating to collaborative procurement and business processes.

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, August 2, 2005, at approximately 2:10 p.m. in the Seventh Floor Training Room, room 7059. Committee members in attendance were Chair Allan Vigil, Vice Chair Hugh A. Carter, Jr., and Regents Donald M. Leebern, Jr. and Elridge W. McMillan. Board Chair J. Timothy Shelnut and Regent Richard L. Tucker were also in attendance, and Regent Patrick S. Pittard attended part of the meeting. Chair Vigil reported to the Board on Wednesday that the Committee had reviewed 17 items, 15 of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Naming of the “Schuster Student Success and Leadership Center,” Columbus, Columbus State University

Approved: The Board approved the naming of the student success and leadership center currently

under construction at Columbus State University (“CSU”) the “Schuster Student Success and Leadership Center” to honor Mr. Marvin Schuster.

Understandings: Mr. Schuster is a longtime friend of CSU and the community. His service to CSU, his generosity, his time, his guidance, and his support have played a pivotal role in the growth of the university and its impact on the community. He has supported CSU’s annual fund, baseball facility, Patrons of Music Society, the D. Abbott Turner College of Business and the ongoing Investment in People capital campaign, where he serves as chair of the nucleus division, the division responsible for securing gifts of \$1 million or more. Mr. Schuster is a longtime member of the Columbus State University Foundation, Inc. board of trustees, serving as chairman in 1997-1998. CSU awarded him an Honorary Doctorate of Humane Letters in 1999, and the City of Columbus honored him with the Judge Aaron Cohn Community Award, Columbus’s highest honor for community service.

The family of Mr. Marvin Schuster has pledged a total of \$2,000,000 toward the construction of the student success and leadership center. The state legislature has approved funding for the project in the amount of \$4,000,000.

2. Naming of the “James D. Yancey Center at One Arsenal,” Columbus, Columbus State University

Approved: The Board approved the naming of the building known as One Arsenal Place at Columbus State University (“CSU”) the “James D. Yancey Center at One Arsenal” to honor James D. Yancey.

Understandings: Mr. Yancey was among the first students to enroll in Columbus College in 1958, completing an associate’s degree in 1964, five years after he first began working for Columbus Bank and Trust Company (“CB&T”). He was promoted to president of CB&T in 1983 and was elected president of Synovus Financial Corp. (“Synovus”) in 1990. He was elected chairman of the board of Synovus in 2003. Throughout his distinguished career, he has been a tireless supporter and advocate for CSU, serving vital leadership positions and helping the university develop a systematic annual fund-raising program. He is currently chairman of the CSU Investment in People capital campaign. In 1987, he received the Thomas Y. Whitley Distinguished Alumnus Award, the highest honor bestowed by the CSU Alumni Association, and in 1997, CSU awarded him the university’s first honorary doctorate. He is one of six individuals to be selected for the inaugural University System of Georgia Board of Regents “Hall of Fame Awards.”

Mr. and Mrs. Yancey have pledged \$1,000,000 to apply toward the renovation of CSU’s One Arsenal Place, one of the buildings to comprise the uptown fine and performing arts campus. Additional funding is being provided through CSU’s current capital campaign.

3. Naming of the “Corn Center for Visual Arts,” Columbus, Columbus State University

Approved: The Board approved the naming of the visual arts facility at the uptown arts complex, currently in design at Columbus State University (“CSU”), the “Corn Center for the Visual Arts” to

honor Lovick P. and Elizabeth T. Corn.

Understandings: Lifelong residents of Columbus, the Corns have played a pivotal role in the development of CSU and the community. In their roles as trustees of the Bradley-Turner Foundation, they were influential in the decision to make the lead gift (\$25 million) to CSU's Investment in People capital campaign. Mr. Corn is the retired Vice Chairman of W. C. Bradley Company and has served as director for Synovus Financial Corp., Columbus Bank and Trust Company, Georgia Public Telecommunications Commission, Total Systems Services, Inc., Brookstone School, and the Community Foundation of the Chattahoochee Valley, Inc. Mrs. Corn has served on the board of directors of the Columbus Museum and has been a generous supporter of CSU's Coca-Cola Space Science Center and other philanthropic causes in the community.

Mr. and Mrs. Corn and members of their family have pledged in excess of \$3,000,000 toward the construction of CSU's center for the visual arts. Additional funding is being provided through CSU's current capital campaign.

4. Gift of Real Property, 341 North Wayne Street, Milledgeville, Georgia College & State University

Approved: The Board accepted a gift of approximately 0.5068 acre of improved real property located at 341 North Wayne Street, Milledgeville, from the Georgia College & State University Foundation, Inc. (the "Foundation") for use and benefit of Georgia College & State University ("GCSU").

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

Understandings: The property contains a one-story masonry building of approximately 3,867 square feet and a one-story metal building of approximately 1,280 square feet in generally good condition. If acquired, roof repair and interior renovation of approximately \$65,000 will be required.

This real property was acquired by the Foundation in September 2003 as a gift from Atlanta Gas Light Company. This real property was appraised for \$140,000 by Jeane H. Easom, MAI in November 2004.

Acquisition of this real property is consistent with the GCSU master plan. This real property will be used for the physical plant, which is located on adjacent property.

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.

5. Acquisition of Real Property, 251-287 West Broad Street, Athens, University of Georgia

Approved: The Board authorized the purchase of approximately 1.588 acres of real property located at 251-287 West Broad Street, Athens, from the UGAREF Broad Street, LLC (the “LLC”) for \$3,871,153 for the use and benefit of the University of Georgia (“UGA”).

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

Understandings: This real property was acquired by the LLC in 2001 for \$2,479,576. The LLC has invested \$1,464,929 to renovate the real property, including new systems, finishes, and restrooms. The buildings are currently in good condition.

In March 2001, the Board authorized the rental of this real property for use of the School of Environmental Design and the Lamar Dodd School of Art. This property is ideally located and configured for these uses, which are critical components of the academic mission of the university.

The acquisition of property in this area is in accordance with the UGA campus master plan.

Three independent appraisals of the real property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
J. L. Lee, MAI, Alpharetta	\$4,500,000	
Robert A. Jaeger, MAI, Gainesville	\$4,600,000	\$4,493,333.33
James T. Boswell, CCIM, Athens	\$4,380,000	

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

Funding for the purchase is from UGA general operating funds.

6. Nonexclusive Easement, Electrical Substation Project, Atlanta, Georgia Institute of Technology

Approved: The Board declared approximately 0.3599 acre of real property on the campus of the Georgia Institute of Technology (“GIT”), Atlanta, Georgia, no longer advantageously useful to GIT or other units of the University System of Georgia but only to the extent and for the purpose of granting a nonexclusive easement to Georgia Power Company (“Georgia Power”) for the purpose of constructing and operating a high-voltage transmission line.

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

The terms of this easement are subject to review and legal approval of the Office of the Attorney

General.

Understandings: In August 2004, the Board authorized easements to Georgia Power to align transmission lines on the boundary of the high-side and low-side substation property.

In September 2004, the Board granted an exclusive easement to Georgia Power for the high side of a main campus electrical substation to support GIT. The Board also authorized the execution of a ground lease with Georgia Tech Facilities, Inc. (“GTFAC”) for the low side of a main campus electrical substation to support GIT. The Board also authorized a ground lease, or other appropriate agreements, with GTFAC for the electrical distribution system on the campus of GIT. The Board also authorized the execution of a rental agreement, or other appropriate agreements, from GTFAC for the low side of a main electrical substation and the electrical distribution system.

In March 2005, the Board authorized easements from the State of Georgia, Norfolk Southern Railway Company, and Carriage House Associates, LP to installation, operation, and maintenance of underground conduits for electrical transmission and telecommunication lines and for storm and sanitary sewer between the site of the planned main campus electrical substation and the campus of GIT.

This easement will permit Georgia Power to connect the transmission line to the high side of the main campus electrical substation.

The high side and low side of a main campus electrical substation and the electrical distribution system will modernize obsolete equipment, convert the campus to a single point of service from Georgia Power, and increase electrical services capacity and reliability.

The total anticipated cost is approximately \$34.0 million. If approved, construction is expected to commence in late 2004 and be substantially completed by early 2007. Once construction is completed, the agreements will be revised to include contractor-certified surveys of the route of the electrical distribution system and list of equipment assets in place.

7. Nonexclusive Easement, Georgia Power Company, South Lumpkin Street, Athens, University of Georgia

Approved: The Board declared an approximately 10’ x 350’ strip of real property on South Lumpkin Street on the campus of the University of Georgia (“UGA”) to be no longer advantageously useful to UGA or other units of the University System of Georgia but only to the extent and for the purpose of granting a nonexclusive easement to Georgia Power Company (“Georgia Power”) for the installation, operation, and maintenance of an underground electrical distribution line.

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

That the terms of this easement are subject to review and legal approval of the Office of the Attorney General.

Understandings: Georgia Power has requested this easement to install an underground electrical three-phase service line to serve property adjacent to the Board of Regents that is owned by the Kappa Deuteron Chapter of the Phi Gamma Delta Fraternity.

There is already a nonexclusive easement for this real property to Athens-Clarke County for a water line.

Consideration for this easement is \$500.

8. Rental Agreement, 110 E. Clayton Street, Athens, University of Georgia

Approved: The Board authorized the execution of a rental agreement between Humanism Investments, Inc., Landlord, and the Board of Regents, Tenant, for approximately 24,088 square feet of office space located at 110 East Clayton Street, Athens, for the period July 1, 2005, through June 30, 2006, at an annual rent of \$325,188 (\$13.50 per square foot per year) with options to renew on a year-to-year basis for four consecutive one-year periods with rent increasing 3% for each option exercised for the use of the University of Georgia (“UGA”).

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

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

Understandings: In September 2000 the Board approved renting 4,975 square feet for use by the New Media Institute. In October 2000 the Board approved renting 4,975 square feet for use by the Terry College of Business Simon S. Selig, Jr. Center for Economic Growth. All option periods have been exercised.

In addition to the New Media Institute and the Terry College of Business Simon S. Selig, Jr. Center for Economic Growth, the administrative offices of the vice president for research will be located in this space.

By combining these uses into a single rental agreement, a more favorable rent rate has been achieved.

Operating costs, including janitorial services and utilities, are estimated to be \$61,000.

9. Rental Agreement, 1095 College Station Road, Athens, University of Georgia

Approved: The Board authorized the execution of a rental agreement between the Ogeechee River Corporation, Landlord, and the Board of Regents, Tenant, for approximately 10,900 square feet of

office space located at 1095 College Station Road, Athens, for the period July 1, 2005, through June 30, 2006, at a monthly rent of \$14,847.40 (\$178,168.80 per year/ \$16.35 per square foot per year) with options to renew on a year-to-year basis for four consecutive one-year periods with rent increasing 3% for each option exercised for the use of the University of Georgia (“UGA”).

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

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

Understandings: In October 2000, the Board approved renting this space for the Institute of Behavioral Research Center for Family Research and the Survey Research Center. All option periods have been exercised, and continued occupancy for these uses is necessary.

Operating costs, including janitorial services and utilities, are estimated to be \$36,863.

10. Amendment to Rental Agreement, 394 South Milledge Avenue, Athens, University of Georgia

Approved: The Board authorized the execution of an amendment to the rental agreement between M.O.I.S., LLC, Landlord, and the Board of Regents, Tenant, increasing office space located at 394 South Milledge Avenue, Athens, from approximately 18,108 square feet to 20,308 square feet for the period July 1, 2005, through June 30, 2006, at a monthly rent of \$27,077.33 (\$324,928 per year/\$16.00 per square foot per year) with options to renew on a year-to-year basis for three consecutive one-year periods with rent increasing in years two and three by 3% for each option exercised for the use of the University of Georgia (“UGA”).

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

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

Understandings: In August 2003, the Board authorized a rental agreement for 18,108 square feet of space in this facility for the use by the UGA Division of External Affairs. New programs necessitate the addition of 2,200 square feet of space.

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

All other terms of the rental agreement as approved by the Board in August 2003 remain in effect.

11. Authorization of Project, Golf Practice Facility – Golf House, Augusta, Augusta State University

Approved: The Board authorized the project Golf Practice Facility – Golf House (the “Facility”), Augusta State University, with a total project budget of approximately \$810,000 to be funded by private donations.

The Board granted a site license to ASU Jaguar Ventures, LLC for the construction of this project.

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

Understandings: The Facility will be located on the Forest Hills site and will be approximately 5,200 square feet. The Facility will be used by both the golf team and the Department of Kinesiology and Health Science for the teaching of golf.

University System Office facilities staff will continue to work collaboratively with the institution and ASU Jaguar Ventures, LLC on the design and construction of the Facility to address Board of Regents’ policies and procedures.

Upon completion, the Facility will be gifted to the Board of Regents.

12. Authorization of Project, Arthur H. Armstrong Residence Hall Renovation, Atlanta, Georgia Institute of Technology

Approved: The Board authorized Project No. BR-30-0601, Arthur H. Armstrong Residence Hall Renovation, Georgia Institute of Technology (“GIT”), with a total project budget of approximately \$3,700,000 to be funded by GIT auxiliary housing funds.

Understandings: As part of its proposed revised Student Housing Comprehensive Plan – 1998, GIT includes the incorporation of a larger west campus housing renovation program that will renovate eight residence halls between 2002 and 2014. Under the current plan, GIT has already renovated five residence halls (Harrison - fiscal year 1998, Howell - fiscal year 1999, Fulmer - fiscal year 2000, Caldwell - fiscal year 2002, and Folk - fiscal year 2004). Arthur H. Armstrong Residence Hall (“Armstrong”) is the next planned renovation project.

Armstrong was constructed in 1972. The facility currently houses male students and is 3.5 stories with a brick veneer cast-in-place concrete structure with aluminum windows. The project will involve the renovation of approximately 22,300 gross square feet. The facility has a total capacity of 128 beds. The scope of work includes mechanical, plumbing, and electrical system replacement, refurbishment of water-damaged areas, roof replacement, as well as interior finishes and furniture upgrades. The renovation also includes the installation of a new sprinkler system. The existing room style and ancillary area configuration will remain the same. The estimated construction cost is approximately \$2,700,000.

If authorized by the Board, the University System Office staff and GIT will proceed with the selection of appropriate professional consultants in accordance with the Board of Regents Building

Project Procedure Manual.

13. Authorization of Project No. BR-40-0602, Electrophysiology Laboratory Renovations, MCG Health, Inc., Augusta, Medical College of Georgia

Approved: The Board authorized Project No. BR-40-0602, Electrophysiology Laboratory Renovations, MCG Health, Inc. (“MCGHI”), with a total project budget of approximately \$1,471,600, to be funded from institutional funds.

Understandings: In January 2000, the Board approved a Master Affiliation Agreement between the Board of Regents and MCGHI for the operation and management of the Medical College of Georgia hospital and clinical facilities. This agreement has been renewed each subsequent fiscal year.

The project will be a renovation in the existing hospital and clinics building, the Sydenstricker Building, which was constructed in 1976. A portion of the eighth floor will be renovated to accommodate the electrophysiology (“EP”) laboratory suite. The proposed renovation will modernize approximately 3,700 gross square feet of laboratory space, including a procedure room, a control room, equipment rooms, a prep/recovery area, and support spaces.

MCGHI’s proposal to establish a dedicated EP lab will increase the availability of diagnostic procedures for patients that require EP procedures and/or cardiac catheterization procedures. Currently, access to EP procedures is limited to one day a week because cardiac catheterization procedures take priority. When urgent catheterization lab cases arise, the shortage of access for EP and catheterization space creates a source of overtime for staff and increased length of stay for patients. A dedicated EP lab with state-of-the-art equipment will be a major improvement at MCGHI’s Center of Excellence for Cardiovascular Diseases.

The construction cost will be approximately \$1,160,000 (\$313 per gross square foot). A portion of this cost is for the removal of asbestos-containing flooring material.

Upon approval of the project, appropriate professional consultants will be selected.

14. Demolition of Former McWhorter Hall and Storage Building, Athens, University of Georgia

Approved: The Board declared the former McWhorter Hall (Building 1280) and an associated storage building (Building 1281) on the campus of the University of Georgia (“UGA”) to be no longer advantageously useful to UGA or other units of the University System of Georgia and authorize the demolition and removal of these buildings.

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

Understandings: In April 2005, the Board approved the transfer of the McWhorter Hall name to a

new building in the East Campus Village and housing complex. At that time, UGA indicated that it planned to submit a follow-up request to demolish the former McWhorter Hall.

This building was constructed in 1967 as a dormitory and dining hall facility for male athletes at UGA. The structure is concrete frame with masonry block veneer and a flat, gravel surface built-up roof. The building consists of a central two-story building for lounge and dining hall/kitchen connected via exterior concrete walkways to a U-shaped two-story dormitory. The building contains approximately 82,000 square feet. A storage facility of 288 square feet is also part of the complex.

The demolition is consistent with the UGA physical master plan.

Each dorm room opens to the exterior, which is not a functional configuration due to lack of security and inefficient heating and cooling. NCAA rules no longer allow athlete-only housing or dining facilities. The building is in fair condition; however, it has outlasted its usefulness. The residential portion of the facility has been unoccupied for almost a year.

Pursuant to Section 906.01 of The Policy Manual of the Board of Regents, the facilities are not cost-effective candidates for repair and are obsolete and no longer necessary to provide support for which they were constructed. In addition, they are no longer needed to support academic programs.

A Georgia Environmental Policy Act review and an environmental site assessment have been completed indicating no adverse environmental effects or conditions, other than asbestos, which will be properly removed prior to demolition.

The cost of the demolition is \$388,355, which will be funded from auxiliary reserves.

15. Resolutions, 2005A and 2005B General Obligation Bond Issues, Georgia State Financing and Investment Commission, University System of Georgia

Approved: The Board adopted the Resolutions prepared by the Revenue Division of the Office of the Attorney General covering the issuance of 2005A and 2005B General Obligation Bonds (“G. O. Bonds”) by the State of Georgia through the Georgia State Financing and Investment Commission for use in funding projects for the University System of Georgia. These Resolutions are on file with the Office of Facilities in the University System Office.

The Revenue Division of the Office of the Attorney General prepared on behalf of the Board of Regents a Resolution to cover the sale of 2005A G. O. Bonds for the following projects:

J-28	Social Sciences Building Kennesaw State University	\$ 1,575,000
J-34	Performing and Visual Arts Center University of Georgia	\$ 1,520,000

Georgia Research Alliance	\$19,700,000
Digital Tower Conversion	<u>\$32,120,000</u>
Georgia Public Telecommunications Commission	
Total	\$54,915,000

The Revenue Division of the Office of the Attorney General prepared on behalf of the Board of Regents a Resolution to cover the sale of 2005B G. O. Bonds for the following projects:

BR-10-0505	Renovate Existing Structures at Rock Eagle 4-H Campus University of Georgia	\$ 1,015,000
J-34	Performing and Visual Arts Center University of Georgia	\$ 20,000,000
J-39	Parks Nursing/Health Services Georgia College & State University	\$ 1,012,000
J-40	Health, Wellness, and Lifelong Learning Center University of West Georgia	\$ 2,696,000
J-41	Library/Technology Center North Georgia College & State University	\$ 2,049,000
J-42	New Academic Building Savannah State University	\$ 1,266,000
J-43	Professional Sciences Center Macon State College	\$ 1,060,000
J-44	Academic Classroom Building Fort Valley State University	\$ 795,000
J-46	College of Pharmacy Facility University of Georgia	\$ 1,630,000
J-65	Fine Arts Bldg , Phase III Georgia Southern University	\$ 5,000,000
J-77	Advanced Clean Room Facility Georgia Institute of Technology	\$ 5,000,000
J-88	Student Center Expansion and Renovation East Georgia College	\$ 4,850,000

J-94	Renovate Classroom Space and Physical Ed Bldg Coastal Georgia Community College	\$ 4,790,000
J-97	Academic Instruction Facility Gwinnett Center	\$ 5,000,000
	Teaching Laboratory Building Georgia State University	\$ 2,710,000
	MRR Projects Various University System Facilities	<u>\$ 50,630,000</u>
	Total	\$109,503,000

16. Information Item: Update on the University System of Georgia Public-Private Ventures Program

The Assistant Vice Chancellor for Facilities (Real Estate and Administration), Peter J. Hickey, stated that at the January 2005 Board meeting, the Vice Chancellor for Facilities, Linda M. Daniels had updated the Committee on the goals and objectives of the public-private ventures program. He reminded the Regents of the seventh goal of the Board's strategic plan, which emphasizes the importance of innovative funding mechanisms in the building of new facilities. The public-private ventures program is one such innovative mechanism that will provide some of the facilities necessary to meet projected enrollment growth with an estimated \$300 million to \$400 million of privatized facilities on an annual basis.

Mr. Hickey reported that to date, 65 public-private ventures have been formed. The total dollar value of bonds sold to date is in excess of \$1.4 billion and with transactions recently approved by the Board will be in excess of \$1.6 billion. Positive feedback from constituencies and commendation for hard work are testimonials that expectations and needs are being met.

Mr. Hickey further reported that the University System Office has hired two staff members to assist in this effort. The Executive Director of Real Estate Ventures, Marty Nance, joined the University System Office in April 2005 and has since visited 14 campuses, seeing over half (36) of the existing public-private ventures. Ms. Robby Pinder, a long-time valued employee of the University System Office of Facilities, has accepted the position of Real Estate Research Analyst and has already contributed greatly to the ventures program. These two individuals are making significant progress in the implementation of the business plan discussed with the Board in January.

The Office of the Attorney General has been engaged to retain special assistant attorneys general as appropriate and to retain specialty counsel as needed; for example, an environmental attorney has been retained to assist with the Georgia State University ("GSU") Piedmont Ellis housing site.

The staff have examined how the System conducts preliminary feasibility studies, such as housing marketing studies, and have determined that feasibility studies can sometimes be more objectively commissioned from the University System Office. University System Office staff have commissioned housing feasibility studies for Abraham Baldwin Agricultural College (“ABAC”) and Fort Valley State University (“FVSU”). Staff are also developing guidelines for various metrics for different types of projects based upon existing transactions and national data, starting with student housing and parking. Mr. Hickey stated that some of this information will be available on the public-private ventures Web site (http://www.usg.edu/ref/real_ventures/) shortly.

The staff are developing a mechanism to be able to establish a revolving fund. Once established, staff anticipate that economies in both cost of services and time will be achieved and a better product obtained, since the professionals retained will no longer be performing services in anticipation of closing of bond sales.

Mr. Hickey recognized the Director of the Georgia State Financing and Investment Commission (“GSFIC”), Weyman D. Smith, and GSFIC Compliance Officer, Anne Dennis, and thanked them and the rest of their team at GSFIC for their collaboration to establish a more comprehensive database of all Board of Regents public-private ventures. The database will not only be responsive to the needs of the Board of Regents for comprehensive information concerning each transaction, but will also be responsive to the needs of other state entities for information. Reports from this database are available on the ventures Web site.

Collaborative efforts with the Office of the Attorney General have resulted in improved standard form agreements that are more responsive and will further facilitate transactions and ensure that interests of the Board of Regents are maintained in an optimal manner.

Additionally, involvement by the University System Office with the institutions at earlier stages of transaction development is beginning to provide benefits of better managed, more timely delivery and transactions that meet constituency needs more effectively. Examples of this early involvement are transactions at FVSU and the Gwinnett University Center (“GUC”).

Although there is a certain common thread to all the public-private transactions, Mr. Hickey noted that each is very unique. This uniqueness offers opportunities for a better product and opportunities for cost savings. By becoming more intimately involved with the deal structure, the University System Office is realizing some positive results. The Newton Campus of Georgia Perimeter College (“GPC”) has benefited by periodic meetings held on a monthly basis and more often, as necessary, to discuss particular issues.

Staff are conducting an annual review of all public-private transactions. The initial review is of annual financial audits already conducted by the foundations on these transactions. Staff are identifying additional metrics that will be included in the annual review and developing methodologies to effectively conduct these reviews.

Mr. Hickey concluded his remarks by noting the progress that has been made while emphasizing that

there are additional opportunities to provide improvements. He then introduced Mr. Nance, who discussed the public-private ventures business plan for fiscal year 2006 and the potential opportunities that will be considered during the year.

Mr. Nance reported that he will explore Systemwide savings opportunities. This would include looking at pool insurance, which could lower the cost of property and general liability coverage. He will also evaluate the potential of implementing a financing trust structure similar to one being used by the University of California System. Such a program creates a pooled sub-account for participating projects that is pledged to bond holders as security. He also discussed the pooling of debt service reserve funds and capitalized interest funds in the form of Common bond reserve fund and pool capitalized interest fund as additional potential savings opportunities to be considered.

Mr. Nance stated that expanding financing options are needed to continue to address all of the system institution needs. One option, in addition to methods already used to finance projects, would be the creation of a state-sponsored financing vehicle to bundle projects. This would allow financing of smaller projects and meet the needs of smaller institutions. He will also examine the role of affiliated foundations with the intent of determining ways to leverage their resources and assist in capacity building of the organizations. Additionally, he will review Board of Regents policy for potential revisions that may enhance financing options.

Mr. Nance noted that the quality of relationships with the finance community is critical in accomplishing these objectives. One aspect is to enhance relationships with the three major rating agencies: Moody's Investors Service, Standard & Poor's, and Fitch, Inc.. Additionally, bond insurers play a critical role in the financing process by providing credit enhancement. Encouraging the participation of more bond insurers will hopefully improve credit enhancement profiles. Expanding participation of major bond buyers is another objective.

Finally, Mr. Nance reviewed the public-private ventures projects the staff is actively involved in implementing in calendar year 2005. He stated that \$107 million in transactions have closed in 2005 to date, including student housing at Albany State University, the Aquatic and Recreation Center at Armstrong Atlantic State University ("AASU"), a student center at Augusta State University, and a recreation center at Georgia Southern University. Projects totaling \$290 million are anticipated to close by year-end. These include a parking deck at Columbus State University, GPC's Newton Campus; an electric substation at the Georgia Institute of Technology, and student housing at AASU, Georgia Southwestern State University, GSU (Piedmont Ellis), and Middle Georgia College. Staff are working on a number of other projects that are projected to close in early 2006, including student housing and a student center at ABAC, student housing at FVSU, a parking deck at GUC, and the Tate Student Center and parking deck at the University of Georgia.

17. Information Item: Proposed Basketball and Gymnastics Practice Facility, University of Georgia

The Vice Chancellor for Facilities, Linda M. Daniels, presented to the Committee a brief history of the Board's relationship with the University of Georgia Athletic Association (the "UGA AA"). The

UGA AA was incorporated in February 1928. In January 1949, the General Assembly passed legislation establishing the University of Georgia (“UGA”) and Georgia Institute of Technology (“GIT”) athletic associations as corporations and not agencies of the state and directed the Board of Regents to enter into necessary agreements for the use by the athletic associations of any property, equipment, or facilities belonging to the state or the Board of Regents and to fix the amount of compensation to be charged for their use (OCGA § 20-3-78 through 80). In June 1949, the Board of Regents and the UGA AA entered into an agreement (for \$1.00), which has been renewed periodically as necessary, most recently by the Board in May 1999.

In February 1999, UGA presented its facilities master plan to the Board of Regents. That plan identified the need for the coordination and incorporation of UGA AA development into the overall plan. In December 2002, the Board of Regents and UGA concurred that the agreement between the Board of Regents and the UGA AA would be redrafted to incorporate surveys of the real property subject to the agreement and to update the terms of the agreement, including the process to initiate capital construction. On July 1, 2005, the Office of Facilities received a letter from President Michael F. Adams requesting project authorization for a \$30 million basketball and gymnastics practice facility to be constructed adjacent to Stegeman Coliseum and to be paid for by the UGA AA.

A project authorization and amendment to the UGA AA lease agreement to accommodate this project will be brought to the Board for action.

Regent Vigil expressed his desire to have UGA consult with Board of Regents’ staff early and often regarding UGA AA projects.

Regent Leebern expressed his concern that the long-range vision, overall plan, and projected costs (such as bond counsel) should be established well in advance and communicated to the Board and staff.

UGA’s Director of Athletics, Damon Evans, emphasized the UGA AA’s intent to follow established Board procedures for UGA AA projects and expressed his desire to present the long-range vision for the UGA AA.

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, August 2, 2005, at approximately 2:30 p.m. in room 7019, the Chancellor’s Conference Room. Committee members in attendance were Chair James R. Jolly, Vice Chair Joel O. Wooten, Jr., and Regents Connie Cater and Elridge W. McMillan. Chair Jolly reported to the Board on Wednesday that the Committee had 17 applications for review; 14 were denied, and 3 were continued for further consideration. 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 Jeff Crowell at the University of Georgia concerning alleged unwarranted employment actions taken against him, the application for review was denied.
- b. In the matter of file no. 1770 at the University of Georgia concerning expulsion from the university for alleged violation of the university's honesty policy, the application for review was denied.
- c. In the matter of file no. 1771 at Macon State College concerning suspension for the summer semester of 2005, the application for review was denied.
- d. In the matter of Linda Cliett at South Georgia College concerning termination of employment, the application for review was denied.
- e. In the matter of Dr. Willie Ashley at Albany State University concerning nonrenewal of employee contract, the application was continued for more information.
- f. In the matter of James Edmonds at Georgia College & State University concerning alleged trespassing on the campus of the university, the application for review was continued at appellant's request.
- g. In the matter of file no. 1775 at the Georgia Institute of Technology concerning disciplinary sanctions imposed by the university for alleged violation of the Student Honor Code, the application for review was denied.
- h. In the matter of Dr. Modibo Kadalie at Savannah State University concerning denial of approved leave of absence to attend a fellowship program in South Africa, the application for review was denied.
- i. In the matter of Dr. Braden K. Frieder at Georgia Southern University concerning nonrenewal of employee contract, the application for review was denied.
- j. In the matter of Dr. Braden K. Frieder at Georgia Southern University concerning allegations that the Office of Institutional Compliance at the university neglected to formally investigate a discrimination complaint, the application for review was denied.
- k. In the matter of Abram S. Sinclair at Albany State University concerning nonrenewal of employee contract, the application for review was denied.
- l. In the matter of Mary Black at Georgia Southern University concerning termination of employment, the application for review was denied.

- m. In the matter of Ronnie Hall at Albany State University concerning termination of employment, the application for review was denied.
- n. In the matter of Sharon “Nyota” Tucker at Albany State University concerning denial of application for promotion from Assistant Professor to Associate Professor, the application for review was continued for further investigation.
- o. In the matter of file no. 1781 at Southern Polytechnic State University concerning the university’s repayment demand, the application for review was denied.
- p. In the matter of file no. 1782 at the University of Georgia concerning denial of readmission, the application for review was denied.
- q. In the matter of Norma Givens at Fort Valley State University concerning administrative reassignment, the application for review was denied.

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. I just want to cover a couple of quick items. First, I want to bring you up to date on the searches that are underway. President Betty L. Siegel at Kennesaw State University has announced her retirement, effective January 2, 2006. We expect to have a new president in place by that time. The campus search committee has been formed, and will be charged tomorrow afternoon. The Special Regents’ Committee for the Kennesaw State University Presidential Search has also been named. Baker-Parker and Associates, Inc. (“Baker-Parker”) has been selected as the search firm to work with both committees to replace President Siegel. This will be an impossible task because she has been such an extraordinary president.

The Special Regents’ Committee for the Gwinnett State College Presidential Search is working hard under the leadership of Regent Tucker. Baker-Parker has also been selected to help us with that search. The Regents will be interviewing candidates for this presidency before too long and are expected to bring a recommendation to the Board at its September 2005 meeting.

Interviews for the Albany State University (“ALSU”) presidency will begin in the very near future, and I am hopeful that we will also make an announcement at the September meeting on the ALSU search as well. Greenwood & Associates, Inc. is the firm helping with the ALSU search.

Ayers & Associates, Inc. is the search firm selected to work with the Special Regents’ Committee for the Fort Valley State University Presidential Search, and this search is well

underway. The campus committee is in the process of filtering candidates' applications and nominations as they come in. So, we hope that this search will also be concluded by the end of the year and a new president will be ready to take over at the first of the year.

The search at South Georgia College has not yet been initiated but will be initiated sometime in the near future. Tom Call is doing an excellent job as Interim President of Abraham Baldwin Agricultural College, and that search should be started early next year. Robert E. Watts is serving as Interim President at Georgia Perimeter College, and that search should also get underway early next year. So, there is a lot of activity underway in the System. Many of you are chairing or serving on these Special Regents' Committees, and we appreciate your good work.

There is a second thing I want to mention to you briefly. Back a few months ago at this podium, I talked to you about what I hoped would be sort of a shift in our System working toward the success of every student and just making it a goal that every student would be successful. About three weeks ago, I visited with all of the vice presidents for student affairs and all of the vice presidents for academic affairs in the System at their annual retreat. We spent time at that particular time talking about a question that I posed to them, which was, "Whose responsibility is it?" The responsibility that I'm talking about is for getting students graduated within the time period that we would like to see them all graduate. We'll meet with all the presidents next week in our annual retreat, and I will talk to them about this as well.

The question revolves around whether it is the student's responsibility to take what we offer and get out on time, or do we have a responsibility to make sure that they follow the guidelines that we put out, the courses that we follow in a right period of time and so forth. And they would graduate in four years. Most of you graduated in four years. When I went through, it was expected. It was a little bit of a cloud over you if you didn't get out in four years that maybe you weren't good enough to do this work. So, we all got out in four years. The trend now, as you well know, and you are going to hear some more in a report in a little bit from the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, about how that has moved more toward six years now. It's awful hard to imagine, but it's true. My position is that we need them out. Some people think we like to hold onto them so that we will have more tuition and all those kinds of things. Not true. We need their seats. We can't build buildings fast enough. We need their slots in these classrooms, and we need them out there being tax-paying citizens and contributing back to the economy, which makes state revenues go up, which means we get more money in the System. So, it's a little self-serving, but it's a major question to be asked.

I would say to you that traditionally, we have put that responsibility more on students to make sure they get through on time. We tell them we've put out courses, and in four years, you'll take the courses in the right order that you can get your degree. The fact of the matter is that times have changed. As we have become a broader access sort of higher education system across the country and in this state, more and more students of varying abilities are

coming our way and more and more students now need more guidance as they come to us.

As all of you know, I came from a home where my father didn't finish high school and my mother didn't get a chance to go to college. I didn't know a thing about college, and there was no one in my household to tell me about college. And so, I didn't know how you registered. I didn't know how you did any of those things. We have an awful lot of kids still coming today in that very same situation. They don't know what to do. They don't know what college is like. As a president, I used to ask at graduation each year all the students in that graduating class – and there would be about 2,500 of them sitting out front – “If you are the first one in your immediate family to get a college degree, I want you to stand now.” Always more than half stood. Even in these times, more than half will stand at most of our institutions.

I'm saying all that to say we must now take a greater responsibility in making sure students get a good start in college, that they progress nicely through college, they stay on track, and we can help them. You're going to hear some things this morning related to some of the things we're talking about that need to be done on these campuses more so. We have some campuses ahead of other campuses already – freshman experience programs, stronger advising, and so forth. Three-fourths of the adults in America do not have a college degree. That means an awful lot of students are coming our way without that guidance from home to tell them what college is like and how hard you have to study and what do you do between classes and how do you manage your time.

So we have a much greater responsibility, I believe, than we have fulfilled in the past in today's world to make sure every child finishes who comes to us and they finish within some reasonable period of time. We'd like to see them out in four years. There are a lot of incentives that can be put in place. That's going to be talked about as time moves forward. But I wanted to mention this to you again. It fits in with Chairman Shelnut's comments yesterday very well, and we are going to appreciate his leadership in this area, because I know how passionately he feels about it as well. So, that's on the agenda. It's something we talked to the Governor about the other day briefly in our remarks, and it's something that our presidents and our vice presidents are already working on on our campuses.

Mr. Chairman, that concludes my report. Thank you.

STRATEGIC PLANNING COMMITTEE, “COMMITTEE OF THE WHOLE”

Chair Shelnut next convened the Strategic Planning Committee as a Committee of the Whole and turned the Chairmanship of the meeting over to Regent Leebern, the Chair of the Committee.

Chair Leebern noted that, in his remarks the previous day, Board Chair Shelnut has identified four opportunities on which the Board of Regents will concentrate this year. The first opportunity is to improve the retention, progression, and graduation (“RPG”) rates across the University System of Georgia. Chair Leebern said that this important opportunity is reflected also in the fiscal year 2007

operating and capital budget request, which had been approved the previous day. At this meeting, the Strategic Planning Committee would lay the groundwork for an extensive initiative to improve RPG rates. Chair Leebern called upon the Chancellor to begin this presentation.

Chancellor Meredith said that his report to the Board was a sufficient introduction to this topic and introduced the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, who began the presentation.

Dr. Papp said that student success is arguably the single most important issue in the University System of Georgia. There are many ways to define and measure student success, but this effort would focus on RPG rates. The name of the game for students is graduation, he said. There are many reasons to focus on student success at this time. First, there is widespread growing state and national concern about graduation rates in this country, which hover just above 50%. Every institution can do better, said Dr. Papp. There are also large differences by gender and race, and Dr. Butler would be presenting some information on this as it pertains specifically to the State of Georgia. In order to improve RPG rates, it is important to understand the causes of low RPG rates. Dr. Papp would detail how the University System of Georgia measures up in the national picture. Then, the Vice Chancellor for Academic, Student, and Faculty Affairs, Frank A. Butler, would discuss some of the System's previous and more recent efforts to improve RPG rates. Finally, the Vice President for Student Services at the University of West Georgia, Melanie McClellan, would discuss the American Association of State Colleges and Universities ("AASCU") graduation rates study, in which she and five other System representatives participated. This study looked specifically at graduation rates at 12 AASCU institutions across the country that are performing far above the national average to see what lessons they may teach.

Dr. Papp next discussed fiscal year 2003 six-year graduation rates; that is, graduation rates of first-time full-time freshmen who entered college in fall 1997 and graduated by spring 2003. He reported that the national average institution-specific graduation rate for that period was 54.3%. The University System of Georgia average institution-specific graduation rate for the same period was 43.6%, while the rate for the entire state, including both public and private institutions, was 43.7%, ranking Georgia forty-second in the country. The Systemwide rate was 50.3%. Dr. Papp explained that this represents students who transferred among System institutions but still graduated within six years. So, the System does significantly better in this regard. However, the national data of comparison is institution specific; that is, enrolling in and graduating from the same institution. In that regard, the System lags well behind the national average.

Regent Hunt asked Dr. Papp to clarify the difference between institution-specific and Systemwide RPG rates.

Dr. Papp explained that the institution-specific rate applies to students who enrolled in an institution in fall 1997 and graduated from that same institution by spring 2003. The Systemwide rate applies to students who enrolled in any University System of Georgia institution in fall 1997 and graduated from that or any other System institution by spring 2003.

In good news, Dr. Papp reported that the System's RPG rates have been increasing significantly. He noted that the System has been trending upward since the early 1990s, but it can still improve, particularly with regard to RPG rates of minorities. The six-year institution-specific graduation rate of freshmen who entered the System in fall 1998 was 46.7%; however, there is an over 30% disparity between the highest graduation rate and the lowest when broken down by race and gender. African-American men have the lowest institution-specific graduation rate of that period at 29.8%. The African-American Male Initiative ("AAMI") is one effort the Board has undertaken to improve in this specific area. The Systemwide graduation rate is somewhat better at 53.8%, but again, the disparity among races and genders is over 30% with black men graduating at a rate of 33.2%.

"Why aren't we doing better?," asked Dr. Papp. He said there are a host of possible reasons that RPG rates are not better. It may be because of inadequate support beyond the freshman year. Many institutions have in place learning support programs, learning communities, and freshman experience programs in the freshman year, but what happens beyond the freshman year? It might also be because of inadequate advising and mentoring. As a result of budget cuts over the past several years, there has been an increase in the proportion of part-time faculty members. Dr. Papp said it can be very difficult to get part-time faculty members to spend the same time advising and mentoring as the full-time faculty. So, the System needs to increase its proportion of full-time faculty members and its emphasis on quality mentoring and advising. The quality of teaching may also play a role in lower RPG rates. There may be some institutions in the System where quality teaching needs to be emphasized more. Economics may also be at work. Many students lose their HOPE Scholarships ("HOPE") after their freshman year. Student motivation and cultural factors may also play a role in the problem. Other issues that could influence RPG rates include insufficient high school preparation, changes of major, difficulty of the curricula, lack of curricular relevance or rigor, etc.

Dr. Papp next discussed various efforts underway in the University System of Georgia to address the problem of low RPG rates. He said there are pre-freshman orientation programs so that high school students have realistic expectations of college. There are freshman experience programs, learning communities, and advising and mentoring programs, which have been discussed at previous Board meetings. There is also student progression tracking to follow students' progression through college, as well as mid-semester tracking and intervention for at-risk students. Benchmarking and assessment and accountability measures help institutions and the System know how they are doing comparatively.

The goals of this initiative are to understand why the System's graduation rate is not better than it is, to expand and initiate programs that will increase the System's graduation rate, to bring the System's institution-specific graduation rate to at least the national average by 2010, and for the System to become a national leader in graduation rates in the long-term future. With that, Dr. Papp turned the floor over to Dr. Butler to continue this presentation.

Board Chair Shelnut interjected that he had a question. He said that he is opposed to looking at six-year graduation rates. One of the problems with extending graduation to six years instead of four is that it sends a message to all students that a full course load is 12 semester hours, when in fact, it takes 15 semester hours per semester in order to graduate in four years. He said that he was

concerned that looking at six-year graduation rates instead of four-year graduation rates may send the wrong message.

Dr. Papp agreed that the institutions must emphasize that students must take 15 credit hours per semester to graduate within four years. Most baccalaureate degrees, over 90%, require 120 semester hours of course credit. In order to earn this many credit hours in eight semesters, a student must take exactly 15 credit hours per semester. He agreed that the institutions must return to this expectation.

Regent McMillan asked how nontraditional and working students are factored into the graduation rates. He noted that those students cannot take 15 credit hours per semester, and so, their enrollments will thwart RPG rate efforts. He asked whether there is some way to separate out those students.

Dr. Papp clarified that all of the data he had presented pertained specifically to first-time full-time freshmen. So, part-time students are factored out of the data he presented. The data also concentrated on baccalaureate degree students. There are separate sets of data for first-time full-time students who begin their college experiences at two-year (associate degree) institutions. For those students, data reflect three-year graduation rates as well as transfer rates. Dr. Papp noted that transfer to a four-year institution is considered a success.

Chancellor Meredith added that students on the HOPE Scholarship have figured out that they only have to take 12 hours per semester to be eligible for HOPE, but in order to keep HOPE, they have to maintain a B average. So, many students take only 12 credit hours so that it is easier for them to maintain a B average and keep HOPE.

Regent Jolly asked how typical the System's student demographics are of the national average. For example, does the System have the same percentage of Asian students as the rest of the nation?

Dr. Papp responded that Georgia does not have the same percentage of students as the rest of the nation, nor does it have the same percentage of Hispanic students. However, the proportion of African-American students in the System is very close to the proportion of African-American citizens in the State of Georgia. So, the System is reflective of the demographics of this state.

Chancellor Meredith added that six years is the national benchmark, not just the System's benchmark. Very few states even look at four-year graduation rates anymore.

Dr. Butler said that much of the national information is data poor. Part of this initiative will require institutions to identify their peers and see how much data they can find on their peers. So, gathering data will be part of this effort. He began his part of the presentation by saying that the University System has a rich history of promoting student success through initiatives that focus on successful student persistence. In the mid 1980s, the System required institutions to develop and submit plans to retain students. During the mid 1990s, admission requirements were elevated in order to challenge students and to improve RPG rates. During that period, institutions were also to focus their missions and to put student success high on their agendas. By the early 2000s, the Regents asked institutions to establish retention targets that were to be updated regularly with an eye toward continuously

improving them.

In February 2004, Chancellor Meredith appointed a task force to study graduation rates and ways to improve them. In August 2004, the task force submitted its report, and after careful review by the staff, Chancellor Meredith at the September 2004 meeting sought and received the approval of the Board to endorse the report and its recommendations. In October 2004, an implementation committee began its work to establish the parameters for the institutional plans that would be requested. Key committees played a role in shaping this planning request. In December 2004, the System rolled out an expanded and more user-friendly version of its data Web site in order to help institutions and others access and analyze institutional data on student progression. In March 2005, the Academic Coordinator for Program Review and Coordinator for the Minority Advising Program/Minority Recruitment Office (“MAP/MRO”), Marci M. Middleton, led a MAP/MRO annual spring workshop to develop strategies for improving retention, progression, and graduation rates in the University System of Georgia. In June 2005, a robust informational document was sent to institutions requesting them to develop plans to improve student RPG rates and to set graduation targets. This year’s joint summer workshop of student affairs and academic affairs vice presidents was dedicated to improving RPG rates.

Then, Dr. Butler turned to the future. He reiterated that Chairman Shelnut had identified student success as one of the four cornerstones of this year’s Board of Regents strategic focus. At the end of August, the staff would attend a retreat on general education and its effects on RPG rates. In October, there will be a Systemwide faculty and staff symposium on improving RPG rates. In November, the Office of Academic Affairs will receive institutional improvement plans, which staff will review during the following three months. During that same period, as institutions begin to receive feedback, they will begin full implementations of their plans. In April, assuming the General Assembly funds this initiative, institutions will be invited to apply for competitive grants for enhancement of their efforts. In May, staff will review these proposals and notify winners. Dr. Butler said that by June 2006, the RPG initiative should be moving ahead on all campuses and a regular oversight and reporting process should be in place at the System level.

Chair Shelnut asked whether there are examples of System institutions that have higher than average RPG rates.

Dr. Butler responded that there are a couple of institutions that are doing better than their peers. However, that is not the case at most System institutions.

Chair Shelnut asked whether there are any institutions in the System that have graduation rates above 70%.

Dr. Butler replied that institutions with high admissions standards have higher graduation rates.

Chair Shelnut asked whether those institutions are doing anything different from the other institutions.

Dr. Butler responded that staff have already identified some successful RPG programs in the System. Dr. McClellan would be discussing the AASCU report and the six System institutions that participated in the program and are willing to serve as consultants to the other institutions. Dr. Butler noted that one institution has instituted learning communities for nontraditional students that are not just for one semester. He said that he anticipates the program will be very successful, but it is hard to get nontraditional students into learning communities. He then introduced Dr. McClellan.

Dr. McClellan said that she did a similar presentation two weeks prior to the chief academic and student affairs officers in the System. She said that there were six people from the University System of Georgia who participated in this study. The other five System participants were as follows: Assistant Professor of English Elizabeth Howells, Armstrong Atlantic State University; the Associate Vice President for Enrollment Services, Paul Jones, Georgia College & State University; Chief Planning Officer, Marsha Krotseng, Valdosta State University; Associate Professor of Public Administration Michael E. Orok, Albany State University; and the Associate Vice President for Academic Affairs and Professor of Biology, Ralph J. Rascati, Kennesaw State University.

AASCU had three primary reasons for conducting this study: to find ways to improve student success across the nation, to help institutions move from reaction to management on this very important issue, and to dissuade the U.S. Congress from enacting reporting requirements and institutional punishment. For this study AASCU selected 12 public institutions that had higher than average graduation rates historically or that have made higher than average improvements in graduation rates in a six-year period compared to their peers. These were institutions that were willing to subject themselves to a study. The institutions each completed in-depth self-studies. AASCU invited presidents from across the nation to nominate study team members. Out of a few hundred, 96 were selected to serve on 12 different study teams of 8 people each. Each team included academic affairs professionals, student affairs professionals, faculty, and institutional research professionals. Each team was assigned an institution, reviewed its self-study, and went to visit the campus to perform intensive interviews. The teams then wrote and submitted their reports. Those reports were combined into a single report that is in the final review stages at this time. The 12 study institutions were as follows:

- California State University-Stanislaus, California (4,836 students)
- Clemson University, South Carolina (13,176)
- CUNY John Jay College of Criminal Justice , New York (9,476)
- Elizabeth City State University, North Carolina (2,039)
- *Louisiana Tech University, Louisiana (8,541)*
- *Montclair State University, New Jersey (9,780)*
- *Murray State University, Kentucky (7,393)*
- Northwest Missouri State University, Missouri (5,043)
- *Truman State University, Missouri (5,385)*
- University of Northern Iowa, Iowa (10,959)
- University Of Wisconsin-La Crosse, Wisconsin (7,774)
- *Virginia State University, Virginia (3,816)*

Dr. McClellan noted that these institutions represented a broad range of institutions. They ranged from small to large enrollments and in various parts of the country, urban, suburban, and rural. There were two historically black institutions. Some institutions had more homogenous or heterogenous populations. They also represented different types of institutions – research extensive, research intensive, liberal arts, specialized, etc. Moreover, these institutions have a very wide range of selectivity. The institutions in italics are the ones that System participants visited. Dr. McClellan said that some institutions were not surprised to be included in the study because they had made increased graduation rates an institutional goal. Others were surprised to be included because graduation rates were not a high priority but were rather a byproduct of other good things they were doing. All institutions were of course excited to be invited so that they could learn more about themselves.

The study had three primary questions: 1) What policies, practices, circumstances, leadership, or campus cultural features lead to much higher than average rates?; 2) What makes a significant contribution?; and 3) What does not seem to matter? Dr. McClellan shared some of the observations the System participants had of their study institutions. Common themes among all of the study institutions were strong presidential leadership and a commitment to continuous improvement.

The study identified four overarching themes that set these institutions apart: campus culture, institutional leadership, specific program characteristics, and advantages of policy and place. Dr. McClellan said there were three aspects of campus culture that affected RPG rates. First, there was a pervasive attitude that all students can succeed reinforced by a wider culture that is not content to rest on half success. That included both high expectations for students and high support for them.

She noted that these are not institutions that lowered their standards but that supported students in meeting high expectations. These institutions also had high expectations of faculty and staff to help students succeed. The second aspect of campus culture was a sense of inclusiveness on the part of all members of the campus community, frequently characterized as family. She noted that for those institutions with a long history of success, there was unusually low faculty and staff turnover. Finally, these institutions all had a strongly held sense of institutional mission that characterized the institution as distinctive or special.

The second overarching theme was institutional leadership. Of course, this leadership was demonstrated by the president. The term “servant leader” was often referenced to describe a president who set the vision but empowered people at all levels to help implement the vision. These are presidents who have found ways to dedicate the necessary resources to see the job got done, and they actively role-model their institutions’ commitment to students on a daily basis. However, there was more than just presidential leadership at work. There was a recognition that leadership was a shared responsibility that occurred at all levels and was deeply embedded in day-to-day work. There was also a shared responsibility between academic and student affairs that was almost a natural part of the institutional culture.

The third overarching theme was specific program characteristics. Dr. McClellan said that these institutions certainly had some programs that were largely responsible for student success, such as first-year experience programs, intensive advising, integrated services, and curricular features, including learning communities, flexible and streamlined curricula, undergraduate research, residential colleges, and internships and field experiences. These are all very important, she said, but many other institutions that have these programs remain less successful with regard to student success. So, the question is how these programs make a difference. The AASCU study concludes that what are most important are the program characteristics. The study identified four different characteristics that make these programs work. First, the programs are very intentional. Their creation was very thoughtful, and they are very proactive in getting students into the program. Second, the programs are well integrated. The study reported that student success programs at most of the participating institutions are very well aligned with each other. Third, the programs are collaborative and were often team-based across divisions or departments or run by broadly representative committees across the institution. Finally, the programs were academic. Dr. McClellan stressed that this does not imply the nonacademic factors are not important. Most of the institutions had very rich student life programs. However, the student success programs in particular clearly had academic interests at their core. They were services designed to directly support the academic curriculum. She noted that these programs did not just happen overnight. Rather, they were a wide array of programs that had been developed over a long period.

The fourth overarching theme was advantages of policy and place. In other words, there were certain characteristics that were unique about these institutions that made a difference in their student success rate. For example, some institutions had increased their admissions standards, which led to improvements in RPG rates. Some institutions had homogeneous student bodies; that is, students from similar backgrounds with similar interests and majors. Size was important at some institutions, particularly the smaller institutions. Physical location or isolation was also important at some institutions. However, there were also study institutions that had not raised admissions standards, had very heterogeneous student bodies, were large, and were not physically isolated. So, the AASCU study concluded, “None of these natural advantages can be seen as decisive. Indeed, many study group campuses that lack them did just as well.”

Dr. McClellan then read some conclusions from the AASCU study. The experiences of study institutions illustrate the enormous diversity of institutions that have achieved unusual success in retaining and graduating students. This very variety makes two points, which she quoted from the study. The first, she said was the good news: “First, success in this arena can happen anywhere. It is not just the province of small, academically selective institutions where students are likely to graduate anyway. There is no reason why, with the proper combination of leadership, strategic programming, and persistent consistency in decision-making, such success cannot be achieved at any AASCU campus.” The bad news was the second point: “Second, there is no one ‘magic bullet’ that guarantees success. Simply finding what appears to be a ‘best practice’ combination of programming and ‘plugging it in’ is unlikely to work. Success instead means carefully reading the current campus culture, aligning people and programs, and making a collective commitment to be in it for the long haul.”

The final conclusion Dr. McClellan read from the study was as follows: “University leaders thus have a fundamental choice to make if they want to increase graduation rates. On the one hand, they can take the traditional path of increasing selectivity – an option that will likely lead automatically to higher graduation rates. Taking this path will admittedly enhance the institution’s prestige and reputation on the outside, just as it will likely sell well with faculty on the inside. But it does not embody exemplary leadership for an AASCU institution. On the contrary, it represents an abrogation of the fundamental social responsibility these institutions were created to meet.... We will not succeed as a nation by ramping up the competition that decides which institutions the top third of our high school graduates get to attend. We can only raise overall attainment levels by building a higher education system in which far greater proportions of average students will earn degrees. The more courageous and difficult choice, which study institutions illustrate... is to succeed with the students we have.” Dr. McClellan said that this does not mean there is not a place for increasing admissions standards. The University System of Georgia is fortunate, she said, to have a wide range of institutions serving a wide range of students, but this statement does ask the System to consider its commitment to student success.

Finally, Dr. McClellan reported the study’s five recommendations for presidents, which may also be applicable at the System level. First, presidents cannot dictate behavior, but they can raise a topic like building a student-success-centered culture and keep people talking about it long enough for a shared sense of ownership and understanding to evolve. It is important to make the process as collective and concrete as possible. Second, presidents should take stock, which may include conducting a formal audit of the institution, appointing a study team to map out all the institution’s current programs aimed at student success, and appointing a team to “walk the process” by taking every step a student would take. Third, presidents should act strategically. In other words, don’t just add new initiatives on top of old ones. Be careful about adapting a program without thinking how it fits into the institution. Carefully map existing programs and how new ones fit. Presidents should ask two questions when considering student success initiatives: 1) How does the initiative build upon or reinforce the wider culture of student success? and 2) How will this initiative position the institution to take the next step? This encourages presidents to build an information infrastructure capable of monitoring progress and providing detailed feedback about what initiative is working for which students. Several of the study institutions had very comprehensive, detailed, well-funded assessment processes. This was truer at bigger schools than at smaller ones. Fourth, presidents should invest in the institutional culture. Presidents and educational leaders should nurture and reinforce the culture. That may include the faculty and staff recruitment processes, socializing new faculty and staff as members of a student-centered community, developing a robust organizational infrastructure, and identifying symbols and rituals that celebrate success and expectations. Finally, presidents should “walk the talk.” In other words, they should look in the mirror and examine their own behavior. They should ask themselves how often they mention student success in formal and informal conversations, whether they visibly and publicly recognize people for contributing, whether they create structures of shared responsibility that cut across organizational lines, and whether people are listening to them. In closing, Dr. McClellan turned the floor back to Dr. Papp.

Dr. Papp thanked Dr. McClellan for her presentation. He said that Board Chair Shelnut had articulated a collective vision in his remarks to the Board the previous day. The System is in the

process of taking stock, assessing where it stands as a System and on the institutional level in terms of student success. The RPG initiative will put more emphasis on and resources into acting strategically and investing in institutional culture. Moreover, the student and academic affairs leaders at their recent meeting were asked to consider how their own actions were contributing to student success. He then asked whether the Regents had any questions or comments.

Regent Cleveland remarked that this was an excellent report. He asked how the United States compares internationally. He suggested this may be a critical issue to the nation's continued success.

Dr. Papp responded that unfortunately, the United States does not size up well when it comes to overall educational practices, even in higher education. At the graduate school level, the United States is still the leader. However, at the undergraduate level, other countries are moving ahead, particularly, but not exclusively, in science, mathematics, and engineering. He noted that a book entitled *The World Is Flat* by Thomas L. Friedman is on the *New York Times* bestsellers list. This book looks at the impact that information technology has had on overall global competitiveness. Education is a critical part of this picture, and the United States continues to fall behind.

Chancellor Meredith said that he had sent the Regents an email encouraging them to read this book. He stated that he had read the AASCU draft report and that he is a past chair of AASCU and current chair of the National Association of System Heads ("NASH"), which is heavily involved in RPG efforts. He commended the AASCU report and said it will be a great tool for helping institutions improve their RPG rates. He said that higher education is primarily concerned with producing contributing, productive citizens for society. Higher education helps people identify and fulfill their dreams. Presidents used to focus on the input, but now, they must focus on their output. The System has made progress, but there is still much room for improvement.

Chair Leebern asked Dr. Papp how the System can encourage students to graduate in four years. He suggested charging higher tuition after four years in college, since extended graduation times cost the taxpayers more in facilities and resources. He said that when high school students are not prepared for college, it puts an incredible burden on the System in terms of retaining and graduating those students.

Dr. Papp replied that the State of Georgia has a lower percentage of adults who have graduated from college than the national average, which means that a lower percentage of high school graduates have parents who have been to college. So, the high schools have all the more responsibility for preparing students for what college is all about. So, there are a host of issues that apply differently to different institutions.

Seeing that there were no further questions, Chair Leebern adjourned the meeting of the Strategic Planning Committee as a Committee of the Whole.

At approximately 10:30 a.m., Chair Shelnut called for a brief recess.

UNFINISHED BUSINESS

At approximately 10:45 a.m., Chair Shelnut reconvened the Board meeting and announced that the Board would now consider ratification of actions taken by Chancellor Thomas C. Meredith on behalf of the Board of Regents since the June 2005 meeting. Those items were as follows:

- 1) Granting a waiver of Section 802.03 of The Policy Manual, allowing Dr. Steve J. Schwab, Chair of the Department of Medicine at the Medical College of Georgia, to serve as Interim Dean of the School of Medicine as a temporary measure while his wife, Dr. Carol A. Schwab, continues to serve as Assistant Dean for Medical Legal and Community Outreach Education and Professor of Psychiatry on the condition that all decisions related to evaluation and salary increases are to be made by Provost Barry D. Goldstein.
- 2) Granting a waiver of Section 909.02a of The Policy Manual, allowing Interim President John McElveen of South Georgia College to reside in the presidential home vacated by former President Edward D. Jackson, Jr. This is a temporary measure until a new president is appointed, upon which the presidential home will become office space.
- 3) Granting a waiver of Section 802.03 of The Policy Manual, allowing Mr. Robert E. Watts to serve as Interim President of Georgia Perimeter College, where his wife, Dr. Tina Stern, continues as Professor of Psychology on the condition that all decisions related to evaluation and salary increases are made by the Vice Chancellor for Academic, Student, and Faculty Affairs, Frank A. Butler, and/or the Senior Vice Chancellor for Support Services, Corlis Cummings.
- 4) Three amendments to the agreements between MCG Health, Inc. (“MCGHI”) and the Physician’s Practice Group (the “PPG”), including modifications supported by Dr. Daniel W. Rahn, President of the Medical College of Georgia; Mr. Donald F. Snell, Chief Executive Officer of MCGHI; and Dr. Curt E. Steinhart, President and Chief Executive Officer of the PPG.

With motion properly made and seconded, the Board of Regents unanimously ratified each of these actions in turn.

NEW BUSINESS

Chair Shelnut called upon the Secretary to the Board, Gail S. Weber, to make an honorary degree recommendation to the Board.

Secretary Weber announced that President G. Wayne Clough of the Georgia Institute of Technology had nominated Dr. Alan Kay for an honorary degree to be awarded at the December 2005 graduation ceremony. On behalf of President Clough, Secretary Weber submitted this nomination for the Board’s approval. With motion properly made, seconded, and unanimously adopted, the Board approved this honorary degree.

Next, Chair Shelnut called for a motion to approve the appointment of Baker-Parker and Associates, Inc., an executive search firm, to handle the search for a new Chancellor of the University System of Georgia. With motion properly made and seconded, the Board unanimously approved this appointment.

PETITIONS AND COMMUNICATIONS

Secretary Gail S. Weber announced that the next Board meeting would take place on Tuesday, September 6, and Wednesday, September 7, 2005, in the Board Room in Atlanta, Georgia.

Chair Shelnut noted that the Board of Regents would be experimenting with a new meeting format for the next few months. Committees would meet later in the afternoon on Tuesdays so that the Regents would have an opportunity to have dinner together. Wednesday meetings may therefore be longer. He noted that there are so many new Regents that there has been little time for the Regents to get to know each other. So, this would be an effort to get to know each other better. If this schedule does not work, the Board will return to its traditional schedule.

STATEMENT ON SCHEDULE AND PROCESS FOR NEW CHANCELLOR SEARCH

Chair Shelnut said that Mr. Dan Parker of Baker-Parker and Associates, Inc. (“Baker-Parker”) would brief the Regents on the Chancellor search, the schedule, and the process. This task is the most important one the Board has. Mr. Parker is a passionate partisan of the University System of Georgia and is a cofounder of Baker-Parker. He has assisted the Board of Regents and the University System of Georgia on many presidential searches. Chair Shelnut stressed that choosing a new Chancellor is the responsibility of the whole Board. The Regents will most likely elect to establish an advisory committee from within the System to help them with their selection. Chair Shelnut then called upon Mr. Parker to discuss the Chancellor search.

Mr. Parker said that he and his partner, Jerry H. Baker, have been involved in the search business for a combined 50 years. They have been partners for approximately ten years, and together, they have executed over 1,000 executive searches, a large portion of those in higher education. Mr. Parker has led approximately 25 searches in the University System of Georgia, many of them presidential searches. Baker-Parker was the search firm that recruited Chancellor Emeritus Stephen R. Portch, and the firm conducted that search pro bono. At the time, late Regent Thomas F. Allgood, Sr. asked Mr. Parker why the firm would do that, and Mr. Parker said there were three reasons. First, he is a graduate of the University of Georgia (“UGA”) who wanted to give back to the University System. Second, he has three children he wanted to educate in the System, all of whom have since graduated from UGA. Finally, he said that if the firm did a good job, the Board of Regents would call them back to do other searches. The search practice is driven by process. He stressed that Baker-Parker is very inclusive in the search process. He would not come forward with a panel of candidates, but rather, would help the Regents identify their own candidates. He provided the Regents with a timeline for the search. He said that the firm would recruit, facilitate, and advise in the process, and he encouraged the Regents to call or email him with any questions throughout the process.

Mr. Parker said that Baker-Parker will begin immediately to work on behalf of the Board of Regents to identify potential candidates for the position of Chancellor. He had proposed to Chair Shelnut that he may wish to appoint a search advisory committee to help in the process. He had also proposed that advertisements be placed in *The Chronicle of Higher Education*, *Black Issues in Higher Education*, *Women in Higher Education*, *Hispanic Outlook*, as well as on the Baker-Parker and University System of Georgia Web sites. With approval of the proposed advertisement, which had also been distributed to the Regents, Baker-Parker will work with staff from the Office of Media and Publications to run the ad. Candidate identification will proceed through advertisement, correspondence, and nominations, which is the typical process. However, Baker-Parker will also be aggressively recruiting on behalf of the Board of Regents. Mr. Parker suggested that the search advisory committee prepare a white paper to sell this opportunity. He noted that this is an outstanding career opportunity. The biggest issue will be the quality and depth of the candidate pool. So, Baker-Parker will work with the search advisory committee to ensure an excellent pool of candidates.

Mr. Parker next discussed the proposed search timeline. He noted that the timeline was designed to correspond with the schedule of Board meetings so that the Regents will receive updates from the Chair. Mr. Parker said that he would be available to attend Board meetings as well. Baker-Parker has recommended release dates for public information through the press on the number of candidates and how the search is proceeding. Mr. Parker stressed that it is very important that the Regents maintain confidentiality during the search process. He said the surest way to have candidates withdraw is for matters to become public. Moving forward, Baker-Parker intends to recommend approximately 14 candidates for the position of Chancellor on October 17, 2005. Mr. Parker said that the firm would only recommend well-qualified candidates based upon the information provided to them by the Board of Regents and the search advisory committee. He noted that the committee and the Board would ultimately have total access to all candidates, meaning that they will know all of the names in the candidate pool, regardless of whether they are recommended in October. On October 25, 2005, the search advisory committee will narrow the list of recommended candidates to approximately ten candidates they would like to interview in person. Baker-Parker will take care of all arrangements pertaining to scheduling those interviews. Mr. Parker proposed interviewing potential candidates on November 4 and 5, 2005, as well as November 6, if necessary, with a recommendation to the full Board of finalists for the position possibly as early as November 7, 2005. In this timeline, the Board of Regents would interview the finalists at its regularly scheduled meeting in November 2005 with an announcement of the selection to follow shortly thereafter. Mr. Parker stated that this is an adequate timeline and that it is possible that the next Chancellor could take office in January 2006. However, if the selected candidate has a prior contract or commitment, it may be later in 2006. He noted that this information would also be made available to the search advisory committee and the Board of Regents. Baker-Parker's objective is to meet the Board's objective of naming someone by the end of 2005 in order to have the new Chancellor begin work in the new year. He asked whether the Regents had any questions about the search process or timeline.

Chair Shelnut noted that the Regents could ask general questions about the Chancellor search at this time but that they would go into Executive Session momentarily. He asked that they save any

specific questions about candidates and compensation for the Executive Session. He also reiterated that although the Board hopes to name a new Chancellor by the end of this year, that does not mean the selected person will necessarily be available to begin work at the first of the new year. He said that the Board will appoint a search advisory committee composed of Regents, University System Office employees, presidents, etc.

Regent Leebern commended Mr. Parker on the excellent presentation and the aggressive search timeline.

EXECUTIVE SESSION

At approximately 11:05 a.m. on Wednesday, August 3, 2005, Chair J. Timothy Shelnut called for an Executive Session for the purpose of discussing personnel and compensation issues. With motion properly made and variously seconded, the Regents who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair Shelnut, Vice Chair Patrick S. Pittard, and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Joe Frank Harris, Julie Ewing Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Doreen Stiles Poitevint, Wanda Yancey Rodwell, Richard L. Tucker, Allan Vigil, and Joel O. Wooten, Jr. The Secretary to the Board, Gail S. Weber, and the following representatives of Baker-Parker and Associates, Inc. were also in attendance: Mr. Dan Parker, Partner; Laurie Wilder, Vice President; and Katie Mangum, Associate. 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 12:10 p.m., Chair Shelnut reconvened the Board meeting in its regular session and announced that no actions were taken in Executive Session. He then asked for a motion to schedule a special meeting of the Board of Regents on August 11, 2005, by which date the Board's deliberations to appoint an Interim Chancellor will be complete and an administrative package for the Interim Chancellor will be ready. The special August 11, 2005, Board meeting will take place in the morning via teleconference, and the Board of Regents will be prepared to announce the Interim Chancellor that afternoon. Chair Shelnut said that this was the motion. With motion properly made and seconded, the Board of Regents unanimously approved this motion.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 12:20 p.m. on August 3, 2005.

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

s/

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