

**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 8 and 9, 2006**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, August 8, and Wednesday, August 9, 2006, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent Allan Vigil, called the meeting to order at 1:00 p.m. on Tuesday, August 8, 2006. Present on Tuesday, in addition to Chair Shelnut, were Vice Chair William H. Cleveland and Regents Hugh A. Carter, Jr., Michael J. Coles, Robert F. Hatcher, Julie Ewing Hunt, Felton Jenkins, James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Jr., J. Timothy Shelnut, Benjamin J. Tarbutton III, and Richard L. Tucker.

SAFETY BRIEFING

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

CHANCELLOR'S REMARKS

Chancellor Davis welcomed the Regents back from their vacation. He noted the University System Office had not been idle since the June Board meeting. He had announced its reorganization in early July. This reorganization sets up structure that will allow the University System Office to maximize its use of resources and streamline its overall activities. The key to the reorganization is putting excellent people in place. There are some novel aspects of this reorganization, he said, and if it does not work, he will change it.

At this meeting, the Board will bring to a conclusion its discussions on two presidential searches: Waycross College and Georgia Perimeter College. The focus of this meeting would be the fiscal year 2008 budget request. Staff had a very positive preliminary meeting with the Governor and the Office of Planning and Budget on July 26 regarding the staff's general philosophy and broad outline for the budget. So, the Board is off to a good start with its funding partners, and the Chancellor said it is always reassuring when the post-meeting feedback is positive. A key part of the budget request will be the capital budget. He stressed that the capital budget request the staff would propose at this meeting is not the outcome of a brand new capital process. Rather, the existing major capital outlay list remains intact with some adjustments based upon immediate capital needs. This is merely a

transition from the old process to another. At the September Board meeting, there will be a robust discussion of the new capital process.

Also at this meeting, the Chancellor would ask the Regents to consider revising the Board meeting schedule as well as the makeup of the presidential search committees. Chancellor Davis noted that this meeting represents the beginning of the chairmanship of Regent Vigil. He asked the Regents to join him in expressing their appreciation for his willingness to serve and that the Regents work to support his Board leadership.

ATTENDANCE REPORT

The attendance report was read on Tuesday, August 8, 2006, by Secretary Gail S. Weber, who announced that Regents W. Mansfield Jennings, Jr. and Wanda Yancey Rodwell had asked for and been given permission to be absent on that day.

APPROVAL OF MINUTES

Motion properly made and duly seconded, the minutes of the Board of Regents meeting held on June 6 and 7, 2006, were unanimously approved as distributed.

INTRODUCTION OF SENATOR JOHN WILES

Chair Vigil called upon the Chancellor to introduce a Cobb County friend of the University System of Georgia.

Chancellor Davis said it was his pleasure to formally introduce an honored guest and good friend of the University System, Senator John J. Wiles, who had just been named the chair of the Senate Appropriations Subcommittee on Higher Education. The Regents are very pleased with this well-deserved appointment to this important post, he said, and they look forward to working closely with the Senator and his colleagues on the subcommittee in the upcoming session.

Senator Wiles is from Cobb County, which includes two of the System's great institutions: Kennesaw State University and Southern Polytechnic State University. The Chancellor said that Senator Wiles can expect many calls from Presidents Daniel S. Papp and Lisa A. Rossbacher. Senator Wiles has served on the Senate Higher Education Committee and has chaired the State and local Government Operations Committee. Prior to his election to the senate, he served in the Georgia House of Representatives. Senator Wiles sponsored and passed the Georgia HERO (Helping Educate Reservists and their Offspring) Scholarship legislation, which provides college scholarships for reservists and National Guard members and their children. Chancellor Davis said that this is an important piece of legislation that has been under-publicized, and the University System Office is looking at ways to publicize this opportunity for those members of the armed services who are

eligible for this scholarship.

Senator Wiles and his wife, Janel, have been married for more than 20 years and have five children, so he has a vested and personal interest in the health and success of the University System. In fact, the couple's oldest son, John, Jr. is a HOPE scholar at the University of Georgia. He has retained that HOPE Scholarship with a 3.9 grade point average. Another son, Drew, will be a senior in high school, so the System hopes to recruit yet another member of the Wiles household at one of its 35 institutions.

Chancellor Davis said it truly was a pleasure to have the Senator visit and to know his intelligence, drive, and dedication will be focused on higher education. He welcomed Senator Wiles and his partnership. He asked Senator Wiles to approach the podium, and he recognized and welcomed Ms. Amanda Seals, who serves as chief of staff of Senator Eric Johnson's office and was also present at this meeting.

Senator Wiles thanked the Chancellor and the Regents and said that it was an honor to be chosen by the senate leadership to this position. He stated that he looks forward to working with the Board.

INTRODUCTION OF NEW PRESIDENT OF SOUTH GEORGIA COLLEGE

Chair Vigil asked the Chancellor to introduce the new president of South Georgia College ("SGC") in Douglas.

Chancellor Davis said that since the June Board meeting, Dr. Torri Lilly has taken up her new responsibilities as President of SGC. President Lilly comes to SGC from her previous position as Provost and Vice President of the Citrus County Campus of Central Florida Community College in Lecanto, Florida. She joins a college that is in very good shape thanks to the work of Dr. John P. McElveen, who served since July 1, 2005, as the Interim President while the search was conducted.

The Chancellor thanked Regent Jennings, who served as Chair of the Special Regents' Committee for the South Georgia College Presidential Search. Regents Hunt and Poitevint also served on that Committee. Chancellor Davis also recognized Dr. Lori Seward, Associate Professor of Humanities at SGC, who so ably chaired the campus-based presidential search and advisory committee. He said he appreciated everyone's hard work and was delighted with the result. He noted that President Lilly is his first hire.

President Lilly is an excellent choice for SGC, said the Chancellor. She has 15 years of senior administrative experience in community colleges that will serve the institution extremely well. She understands the importance of the access mission of SGC. The search committee members and Chancellor Davis also were impressed with her demonstrated ability to build partnerships and to engage an institution in the community it serves. President Lilly's husband, Bill, joined her at this

meeting. The Chancellor asked the Regents to join him in welcoming President Lilly and her husband to the University System of Georgia.

President Lilly said that she had been working toward the position of President of a community college for almost 30 years, so she was very grateful for this opportunity. She said that SGC has a reputation for excellent teaching and learning, which is a solid foundation on which to build. She said she is planning to increase enrollments in both credit and noncredit programs, so SGC will be conducting a needs assessment in its eight-county service area. SGC will also be building some online courses and programs. President Lilly said she also hopes the college will build a new residence hall to help it recruit and retain students. Another goal is to increase revenue through grants, noncredit income, and consulting services. She hopes to improve retention and graduation rates and to develop partnerships through some of these grants. Another goal is to expand partnerships with public and private colleges and universities, technical colleges, governmental agencies, K-12 school, and business and industry. SGC hopes to help improve graduation rates from local K-12 systems and has started a new program called Plant Their Feet that brings fifth-graders to the campus two or three times a semester to ensure that they will consider college a place where they want to be. SGC also hopes to improve its own graduation rates. Finally, SGC intends to improve its instructional space by ensuring it has state-of-the-art technology in all of its classrooms. In closing, President Lilly again thanked the Board for the opportunity to lead SGC.

CHAIRMAN'S REMARKS

Chair Vigil next gave his remarks to the Board, which were as follows:

The “summer break” is over for the Regents, and we are back at work with a full agenda this month. Let me thank each of you formally for your support and your confidence in electing me as your Chair for this fiscal year. I will work very hard to continue to earn your support, and I appreciate having Regent Cleveland as Vice Chair.

You have heard the adage, “The more things change, the more they stay the same.” This Board and the University System are always in the middle of change, sometimes more than others. Our job as a Board is to make sure change keeps us on the right track. Change should help the System improve its programs, service, and operations. But “the same” part also is important; that reflects the traditions and the continuity that help keep us focused. So, in the coming year, my goal is to use our history and traditions to help keep us on track as we continue to make the changes needed here at the Board and throughout the System. This is a particularly significant year to look at change and continuity, since it marks the seventy-fifth anniversary of the creation of the Board of Regents and the University System of Georgia. As I outline the areas on which I’d like us to focus in the coming year, please reflect on our 75 years and our role in setting up the System for success in the next 75 years.

Looking forward just one year, I want our focus and work to underscore and support the directions we have set along with the Chancellor. Our first and most immediate priority is to conduct an assessment of our existing strategic plan and then update it. The Chancellor has set a timeline of four to six months to accomplish this. I fully support this priority. The strategic plan is important to another goal, that of helping the System operate more as a true system. As the Chancellor has noted, there exists a tendency to act more as a confederation than as a unified System. A strategic plan that closely aligns institutional goals with System goals and creates strong incentives to operate as a system will be an important tool to change our culture in this respect.

A third area of focus is related to accountability. There is no question that the fundamental measure of our performance is the number of students who graduate from our institutions. So, we will continue our high-priority attention on retention, progression, and graduation (“RPG”) rates. The Chancellor made a strategic allocation of resources to RPG programs in the current budget, and we must work to sustain that commitment and focus. Our funding partners support our efforts toward improving RPG rates, and they also will be holding us accountable for results.

Our RPG efforts also are an example of another area of focus for the year, and that is to continue to align our resources with the state’s strategic priorities. We must work to ensure that limited resources truly are targeted to key areas of state need and its top priorities. For example, in June, we heard President Daniel W. Rahn deliver the final report on Georgia’s health professionals education initiative. Under the Chancellor’s reorganization, President Rahn now holds the position of Senior Vice Chancellor for Health and Medical Programs in addition to his duties as the Medical College of Georgia President. This certainly will help us as we examine how we can use our resources to address the issues and recommendations put forward in this report.

As you know, resources continue to be an area of concern. Despite a healthy state tax digest, demands on these tax dollars continue to grow. The Chancellor has sent strong signals that we must double and triple our efforts to maximize our revenue from sources other than just state appropriations and tuition. So, another area of focus for the year will be to look at how we, and our institutions, can increase revenue in the areas of private support, entrepreneurial enterprises, operating efficiencies, and research funding.

Finally, I want to continue former Chairman Shelnut’s focus on spreading the word about the University System and what we do for the state and our fellow citizens. This is an important story, particularly in our seventy-fifth year. The better we tell our story, the stronger support we can build for our goals and the programs we create to reach those goals.

We have a great deal to do and to accomplish. Some of it is new; some reflects ongoing

efforts. And many of the changes you are seeing are designed to help us improve our ability to accomplish these and other goals. Finally, like our predecessors on this Board and throughout its 75-year history, we share a goal of “Creating a More Educated Georgia.” Again, thank you for your continued work toward this end and on behalf of the University System and the students and citizens we serve.

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

Chair Vigil 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 Hatcher, the Chair of the Committee.

Chair Hatcher said that at this meeting, the Board would be considering approval of the fiscal year 2008 operating budget request for all System institutions and agencies as well as the fiscal year 2008 capital budget request for System institutions and the Georgia Public Library System (“GPLS”). He asked Chancellor Davis and his staff to present the budget recommendations.

Chancellor Davis reiterated that one of his key messages has been the importance of assigning responsibility and accountability. He said he was excited about and happy to be accountable for the System’s fiscal year 2008 budget request and that he plans to be the point person responsible and accountable for guiding the System’s efforts to ensure the budget request’s successful reception by the Governor and ultimately the General Assembly. This budget request would reflect the key themes and directions that he had been outlining with the Regents and presidents these past months. As he had mentioned in his opening remarks, the annual budget process was already underway with the July 26 discussion with the Governor on the System’s budget priorities for fiscal year 2008. He said it is clear that the Governor supports the Board’s underlying theme that a budget must be a policy-driven tool to implement the System’s key strategic priorities. In addition, with the Board’s upcoming strategic planning exercise, it has sent a strong message that we are moving forward to gain a clearer and agreed-upon understanding of these priorities. With the Board’s fiscal year 2007 incremental investments and its early fiscal year 2008 capital recommendations, it has already sent a strong signal to the System’s funding partners that the Board is going to align its resources with its strategic priorities. Given a 6% increase in the current fiscal year budget and a requested 5.7% increase for fiscal year 2008, the Board should be able to carve out the resources for its needed and stated priorities.

Finally, the Board is pointing out what it is going to do in order to maximize revenue from other sources than just state support and tuition. While state funds are critically important in helping the System meet its core mission, it will continue its efforts to maximize revenues from other sources before turning to state support and tuition. If the Board has determined something to be a priority, then it will fund it without necessarily requesting or receiving new state dollars. To illustrate these

large budget themes and policy issues in their meeting with the Governor, staff utilized a wheel as a reference point for discussion. Staff discussed their efforts to increase revenue through greater efficiencies, such as their work with the Commission for a New Georgia and their planned Six Sigma efforts. They talked about setting benchmarks and goals for private fund-raising. This is more aspirational at the moment, but staff will get to it during the coming year. They looked at the opportunities present in their entrepreneurial activities, and they talked about the need to increase the System's share of federal research dollars. Only then did they discuss state appropriations and specifically the \$80 million in new formula funds. They rounded out the dollars section of their discussion with a look at tuition and some additional concepts for tuition support, such as targeted workforce development.

Another key component of the budget request is capital, explained the Chancellor. As he had noted in his opening remarks, at this meeting, the Regents would be seeing only the fiscal year 2008 capital recommendations. This is a hybrid request, he explained. It is not the result of a new capital process, but rather a blend of the existing capital priorities list as well as some strategic capital priorities. This fall, however, the Regents can expect a robust discussion on the new capital priorities process. These were the big picture policy issues driving the specific fiscal year 2008 budget request. The Chancellor asked the Regents to keep these in mind as the Vice Chancellor for Fiscal Affairs, William R. Bowes, and the Vice Chancellor for Facilities, Linda M. Daniels, briefed them on the request. As the Regents heard this budget presentation, the Chancellor asked them to ask themselves the question: "How does this fit into these larger policy issues and directions?" He then turned the presentation over to Mr. Bowes.

Mr. Bowes began by reminding the Regents that at this meeting, they were being asked to approve the fiscal year 2008 operating and capital budget requests. He would be discussing the operating budget request, and Ms. Daniels would be discussing the capital budget request. Then, Mr. Bowes would discuss the GPLS budget request. The State of Georgia continues to enjoy modest economic growth. Tax revenues for fiscal year 2006 were up 9.3% from the previous year. For the first month of fiscal year 2007, revenues are up 13.5% over last year, representing a very positive outlook for the state. However, the state also faces some continuing cost pressures for Medicaid, employee health benefits, K-12 and other areas, which are outpacing growth in revenues. The Governor's priorities in fiscal year 2008 are education and to replenish the "rainy day fund" that was depleted during the recent recession. Given these circumstances, the Governor's guidelines for fiscal year budget requests are very conservative. The Board may request all funds that the budget formula generates. In other words, the Board must make a "flat request" for fiscal year 2008. Similarly, the fiscal year 2007 amended budget request is only allowable as a redistribution of funds. So, this year, the staff were not presenting a fiscal year 2007 amended budget request. The budget development process for fiscal year 2008 started in summer 2006 by soliciting input from all presidents of the University System of Georgia. The proposed budget, therefore, reflects the institutions' most critical needs. The Governor's budget request guidelines were presented in May 2006. On July 26, 2006, staff had a preliminary meeting with the Governor and the Office of Planning and Budget ("OPB").

Mr. Bowes said that budget discussions with the Governor and OPB will be ongoing over the next several months. The budget request is due to OPB on September 1, 2006.

Mr. Bowes said that state appropriations for fiscal year 2007 totaled \$1.932 billion. The first addition to that is the annualizer for the fiscal year 2007 salary increase, which was 4%, or \$30.8 million. That was funded beginning January 1, 2006, and covers all institutions and separately funded agencies. So, the University System of Georgia is actually beginning fiscal year 2008 with a base budget of \$1.963 billion. The first major item in the formula was enrollment-based funding. Mr. Bowes explained that there is a two-year lag based upon the credit hour growth in academic year 2005-2006. That generates an increase of almost \$38.9 million for fiscal year 2008. He noted that over the last few years, enrollment has grown at a slower pace. The enrollment growth in 2005-2006 was approximately 1.6%, which was similar to the previous year.

The budget request for health insurance reflects actual and projected increases in health insurance premiums for the System, explained Mr. Bowes. The Board did not request, and therefore did not receive, funding for the health insurance premium for fiscal year 2007 that went into effect January 1, 2006. Staff project that there will be another health insurance premium increase effective January 1, 2007, but they do not yet know that amount. He noted that the University System continues to see increases in claims costs attributable to the growth in healthcare costs. Since 2001, System healthcare costs have increased by about 40%, or approximately 6% per year. He said that nationally, the trend in healthcare costs has been closer to 10% per year. The real issue is that the System has not received funding for the health insurance premium increases that it has put into effect. So, institutions have had to take these costs out of other areas of their operations. Therefore, the System must put health insurance costs back into the budget so institutions are not diverting funding from other areas. The budget request for health insurance premiums is approximately \$16.8 million.

There has also been a dramatic increase in utility rates, said Mr. Bowes. From fiscal years 2005 to 2007, electricity costs increased 36% and natural gas costs have increased 53%. Despite these increases, the University System has been taking major steps to reduce energy consumption. Ms. Daniels would discuss in more detail the efforts of the institutions and the University System Office in this regard. The budget request for utilities is \$14.5 million. Also in the budget request are maintenance and operations funds in the amount of approximately \$5.6 million. That is generated by the formula based upon change in square footage. There is also new retiree fringe benefit cost, which are funds set aside to cover the full premium cost in health and life insurance for retirees. The budget request for this is \$4.3 million.

In total, the formula budget request for fiscal year 2008 is just over \$80 million. Mr. Bowes noted that GPLS also operates under a formula based upon population increases. The GPLS share of the budget increase is just under \$300,000. So, the total fiscal year 2008 operating budget request is just over \$2 billion, or approximately 5.7% increase over fiscal year 2007. Mr. Bowes then turned the

floor over to Ms. Daniels.

Before briefing the Regents on the fiscal year 2008 capital budget request, Ms. Daniels discussed the System's efforts to conserve energy and manage spiraling utility costs. She said there were several efforts underway that are worth mentioning. The University System is active in Governor Purdue's State Facilities Energy Council ("SFEC"). In fact, System employees chair two of the major subcommittees. Program Manager Sandra Neuse chairs the Pricing Subcommittee and has been leading the charge for energy management and conservation at the System level. The System has applied for an Environmental Protection Agency ("EPA") grant to conduct energy audits of select System facilities and assess the overall potential for energy savings. In response to the Governor's executive order last fall, System institutions formed energy committees to evaluate energy usage and make recommendations. The University of West Georgia recommended adopting the federal government standards for building temperature set-points, reviewing summer and weekend building operation schedules, and developing a campuswide education program for staff, students, and faculty. The University of Georgia ("UGA") formed a permanent executive energy committee to evaluate, prioritize, and implement the recommendations of its original energy committee's work. A demo energy audit of UGA's Ecology Building identified \$48,560 in implementation costs for energy conservation measures that would generate an estimated energy operating cost saving of \$25,230 per year, a payback period of less than two years. Also, aging, inefficient building systems negatively impact the System's overall energy usage. However, the System is committing funds to improve and upgrade such systems on its campuses. Approximately one-third of major repair and renovation ("MRR") projects upgrade or replace HVAC systems, energy control systems, steam plants, and chillers.

The System has a legacy and an ongoing commitment to improving and upgrading its utility infrastructure to reduce overall energy consumption, said Ms. Daniels. The System is working with the Georgia Environmental Facilities Authority ("GEFA") on the development of a statewide database to track energy consumption. It is expected to be up and running with training for state agency utilization this fall. This is a much needed tool to compare energy consumption data across state entities and building types. Ms. Daniels stated that the System must expeditiously establish performance benchmarks for energy consumption in the System. The Chancellor has identified energy management as a functional area where he would like to see presidential leadership to further enhance Systemwide efforts. Ms. Daniels and Ms. Neuse will be bringing more information and recommendations to the Committee on Real Estate and Facilities on this topic early next year.

Ms. Daniels next discussed the fiscal year 2008 capital budget request. She emphasized that this is a transition year, as the new capital allocation process is not yet in place. In the months ahead, as staff work with the Chancellor and the Board on the overall strategic plan, they will integrate in an iterative and systemic manner, the strategic capital model for funding. However, in the interim, the Board must take a strong slate of capital projects forward this coming session as part of the System's annual budget request.

As always, the proposed budget requests full funding of the System's MRR needs at \$70 million. A difference is that this year, the staff are requesting that half of the total be appropriated in cash rather than General Obligation ("G.O.") bonds. Not only is cash both the historic and most appropriate funding method for MRR investments, but also it will create extra bandwidth in the G.O. bond package to allow the staff to meet more long-term capital investment needs for the System. The priority considerations for MRR projects are life safety compliance issues, structural and building envelope stabilization, utility systems replacement and upgrade, general renovation and rehabilitation, and other regulatory projects.

The budget request includes funding equipment for three projects that were previously funded for construction (without loose equipment) in the 2006 session. This is in accordance with the traditional three-part major project funding cycle of 1) design, 2) construction, and 3) equipment. A total of \$6 million is needed. Next, the budget request includes construction funding for the first four projects on the legacy major capital priority list. These projects are all currently in design, funded by the investment of nearly \$5 million in G.O. bond funds from the previous session. The total construction cost of these projects is \$88.9 million, which includes construction cost escalation reflecting the rapid rise in the cost of construction materials and labor since these projects were originally programmed and estimated for construction. Ms. Daniels noted that this amount does not include the equipment cost for these projects, which the System will request in the following legislative cycle.

Ms. Daniels explained that the budget request then diverges from the traditional capital list to focus on projects meeting critical strategic needs. Each project is different but has maximum consistency with the Regents' new principles for capital allocation and represents a critical solution to a System or statewide strategic need. First is the School of Dentistry at the Medical College of Georgia ("MCG"). The need for this facility is documented and has been presented to the Board. Partial design funds will provide a foundation for MCG to build upon as it seeks the external funding to leverage this costly and significant project. Second is the Health Sciences Building at Kennesaw State University ("KSU"). This facility will help alleviate KSU's massive space shortages and will allow the University System to "move the needle" rapidly to meet the demand for nurses in Georgia. Ms. Daniels noted that during the 2004-2005 academic year, KSU could accept only 224 of the 1,425 qualified applicants for its Bachelor of Science in Nursing program. In any given semester, KSU only accepts about one of every six qualified applicants. KSU has the program resources and access to clinical space to quickly ramp up its nursing capacity and output with this new facility. The third strategic priority is a new library for Georgia Gwinnett College ("GGC"), recently approved as the System's thirty-fifth institution. Two years ago, the Regents placed an academic facility on the capital priority list to address space shortages at the former Gwinnett University Center, now GGC. However, the System has an additional responsibility to establish a full-service library to meet Southern Association of Colleges and Schools ("SACS") accreditation requirements. The challenge to accomplish accreditation in a timely manner must be met to avoid negative ramifications for students who are reliant on financial aid.

Finally, Ms. Daniels discussed the minor capital projects, which totaled \$44,300,000. In total, the capital budget request is \$250 million worth of capital investment funded by G.O. bonds, along with an additional \$35 million of MRR funded with cash, for a total state capital outlay of \$285 million. She reiterated that this is only one of the funding mechanisms that will support the System's strategic capital model going forward. The \$250 million G.O. bond total should look familiar, she said, because \$250 million is the annual target amount in G.O. bonds that the staff have modeled, and presented to the Board in recent months to meet the System's long-term needs. The amount is aggressive, she said, but it is achievable based upon estimated state G.O. bond capacity. She noted that at this Board meeting, the Committee on Real Estate and Facilities would be talking about the System's complementary public-private ventures projects for the coming year to meet overall facilities needs as outlined in the strategic capital model. She further noted that the total capital budget request is for University System of Georgia institution-related capital investments only. Items typically included in the System package such as GPLA, Georgia Research Alliance equipment, traditional industries programs, and other pass-through items are not included.

In closing, Ms. Daniels said that staff need to complete their briefings with the Regents related to the new strategic capital allocation model. Staff continue to share greater detail about the strategic capital model for consideration and endorsement by the institutions. In June and July, staff engaged the institutions in group discussions of the details of the strategic capital model and how it must be ultimately integrated with the System's strategic planning efforts. They are continuing to inform the campuses, and they would soon roll out a website designed to allow communication and file sharing to facilitate the review of information in the new model. There were still a number of Regents who need to be briefed about the basis and details of the strategic capital model, but staff would make sure they had all of their questions answered and were fully up to speed before they were asked for a vote to endorse the new process in the future.

Mr. Bowes next discussed the fiscal year 2008 budget request for GPLS. He explained that the Board of Regents has direct responsibility for the budget of GPLS. Additionally, GPLS has a formula based upon workload. The GPLS budget request for fiscal year 2008 totals approximately \$38.7 million, an increase of approximately \$300,000, or 1.9% over fiscal year 2007. In addition, GPLS has a capital outlay budget request. Last year, the System received funding for six GPLS projects. This year, the System will request funding for eight projects totaling approximately \$10.9 million. Mr. Bowes noted that these projects have already been approved by the Board and have local funding support.

In closing, Mr. Bowes reiterated that the staff were seeking Board approval of the fiscal year 2008 operating and capital budget requests at this meeting and asked whether the Regents had any questions or comments.

Regent Shelnut noted that the budget request for health insurance premium increases is \$16 million and that claims and expenses are \$259 million. He asked Mr. Bowes how much the System collects in health insurance premiums.

Mr. Bowes said that the System collects approximately \$259 million in premiums. He noted that a few years ago, the Board of Regents purposely dropped the System's health insurance reserves to cover a mid-year budget cut. However, the System is covering its insurance premiums. The gap is that part of the health insurance premium increases was not previously included in the budget and had to come out of other operations.

Regent Pittard asked whether the health insurance reserves are being replenished.

Mr. Bowes responded that the intent is to bring the reserves back up by revising the total premium structure.

Regent Pittard remarked that the enrollment projections a few years ago were much more robust than actual enrollment growth. While part of that phenomenon can be explained by the improved economy, he wondered whether there were other reasons for that. He asked whether the System needs to reconsider its enrollment projections going forward.

Mr. Bowes asked the Associate Vice Chancellor for Strategic Research and Analysis, Cathie Mayes Hudson, to comment on this.

Dr. Hudson said staff are currently in the process of revising enrollment projections as they do every few years. Enrollments are growing at a slightly lower rate than a few years ago. However, staff still project fairly significant growth in the numbers of high school graduates.

Chair Hatcher noted that the current operating budget request is based on the actual enrollments of fiscal year 2006, so it is a known figure rather than a projection.

Chancellor Davis said the Board will discuss projections when it comes to capital project needs to meet anticipated enrollment growth. He noted that the high school graduation rate has been declining. If that is arrested and turned around, it will have significant implications for System enrollments.

Regent Carter asked whether \$70 million for MRR is enough to maintain the System's facilities.

Mr. Bowes responded that it is not. Last year, the System received only \$60 million in MRR funding. He asked Ms. Daniels to comment on this.

Ms. Daniels noted that the industry standard is 3% of replacement value, and the System receives approximately 1%. This speaks to the issue of why the System has both minor and major capital projects that are renovations. MRR is not the only way the System deals with its existing facilities. As long as the System has the opportunity to complement MRR funding this way, it will continue to make progress.

Chair Hatcher noted that the MRR request is formula driven.

Regent Carter said he understood that, but that MRR is clearly not enough. He then asked whether the four projects from the existing major capital projects list that were being recommended for funding would be the end of these projects.

Ms. Daniels stated that it was not the end of the legacy project list. Those needs still exist and will be addressed as part of the new strategic allocations process. She noted that the legacy project list has a total of 22 projects. She explained that the new process represents a strategic proposal based upon evolving conditions. With the length of the legacy list, the System was unable to address its most pressing needs and make the biggest impact.

Regent Carter asked who selected the projects for the fiscal year 2008 budget proposal.

Ms. Daniels responded that the staff selected them.

Chancellor Davis explained that the projects on the legacy capital projects list are all valid and will go through a selection process. He vetted the projects proposed for the fiscal year 2008 capital budget in accordance with strategic priorities. He noted that the few projects selected include health sciences facilities and a library necessary for accreditation of GGC. The Chancellor also vetted the proposed minor projects.

Regent Jenkins expressed concern that it might appear that the Board is limiting itself to state G.O. bond funding in the amount of \$250 million going forward. He said that he hoped the Board would be able to increase this request as necessary.

Ms. Daniels responded that this will be further explained in the more detailed rollout of the strategic capital outlay process she will present in September 2006. For simplicity's sake, staff considered the history of state bond funding and a reasonable share of funding to expect. The new process is based upon an allocation accord with the state. She assured Regent Jenkins, the staff do not intent to limit the System. The state's bonding capacity will increase based upon receipts. The model that the staff are discussing with OPB assumes that as the state's receipts increase, G.O. Bond funding will also increase.

Regent Jenkins said that the state is indebted at roughly \$1 billion per year for G.O. Bonds. He suggested that this is substantially below what is legally allowed.

Ms. Daniels agreed that the state indeed has taken a very conservative approach historically.

Regent Jenkins said that he did not see the \$35 million operating portion of the MRR budget in the figures.

Mr. Bowes said that this will be included as part of the total budget package presented to the Governor and OPB.

Regent Jenkins noted that last year, the System received a total of \$310 million in bond funding.

Ms. Daniels noted that figure included all of the System's pass-through programs. Compared to this year's \$250 million request, it was \$230 million.

Regent Jenkins noted that the formula budget is based upon the enrollment figures of two prior years. This fiscal year 2008 budget is based upon fiscal year 2006 enrollment data. He asked whether there is any way to base it instead on one year. He asked whether staff have the actual fiscal year 2006 data.

Mr. Bowes responded that moving to a current year system would require approval to revise the budget formula.

Chancellor Davis said that he had read a paper on the history of attempted formula changes that he would share with the Regents. He said it discusses enrollments and risks of formulas going forward. He noted that a formula revision was proposed and rejected in the early 1990s.

Regent Jenkins noted that the House of Representatives last year established the Higher Education Finance and Formula Study Committee, which is chaired by Representative Bob Smith. He asked for an update on this.

The Senior Vice Chancellor for External Affairs, Thomas E. Daniel, said that Mr. Bowes is representing the Board of Regents on that committee and attempts are being made to begin the work of this committee.

Regent Jenkins asked when this committee would conclude its work, and Mr. Daniel responded that Representative Smith would like some conclusions by the end of this calendar year, but he also understands that any attempt to revise the formula would have to be implemented in fiscal year 2009, since the fiscal year 2008 budget request is due September 1, 2006.

Regent Jenkins noted that all of the projects on the minor capital projects list are academic except the Rock Eagle dining hall for UGA and asked whether this was an appropriate request.

Ms. Daniels responded that the dining hall is in desperate need of renovation.

Regent Potts asked how long it will take to construct the major capital projects proposed in this budget.

Ms. Daniels responded that the legislature will vote on the budget in spring 2007, and it will only take two to three years to design and construct the facilities. However, bond sales are lagging 6 to 12 months after legislative action. So, it is a timing issue, but using a fast-track process, the staff will expedite them on more of a private sector schedule.

Chancellor Davis noted that things are improving. If the bonds can be sold expeditiously, projects can be built in timeframes that resemble the private sector.

Seeing that there were no further questions, Chair Hatcher asked for a motion to approve the fiscal year 2008 operating and capital budgets. The motion was variously seconded and unanimously approved. There being no further business to come before the Committee on Finance and Business Operations as a Committee of the Whole, he adjourned the Committee and turned the chairmanship of the meeting back over to Regent Vigil.

Chair Vigil then asked the full Board to take action on the fiscal year 2008 operating and capital budgets. The motion was properly made, seconded, and unanimously approved.

At approximately 2:30 p.m., Chair Vigil 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 9, 2006, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent Allan Vigil, called the meeting to order at 9:00 a.m. Present on Wednesday, in addition to Chair Shelnut, were Vice Chair William H. Cleveland and Regents Hugh A. Carter, Jr., Michael J. Coles, Robert F. Hatcher, Julie Ewing Hunt, Felton Jenkins, James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Jr., Wanda Yancey Rodwell, J. Timothy Shelnut Benjamin J. Tarbutton III, and Richard L. Tucker.

SAFETY BRIEFING

The Director of Administration and Compliance Policy, Mark Demyanek, gave the Regents and

audience a briefing of basic safety information in the event of an emergency.

INVOCATION

The invocation was given on Wednesday, August 9, 2006, by Regent Felton Jenkins.

ATTENDANCE REPORT

The attendance report was read on Wednesday, August 9, 2006, by Secretary Gail S. Weber, who announced that Regent W. Mansfield Jennings, Jr. had asked for and been given permission to be absent on that day.

PRESENTATION: INTERNATIONAL EDUCATION AND ACADEMIC ACHIEVEMENT

Chair Vigil called upon the Interim Chief Academic Officer and Executive Vice Chancellor for Academic Affairs, Beheruz N. Sethna, to introduce the first presentation of the day.

Dr. Sethna noted that Thomas L. Friedman's book, *The World Is Flat: A Brief History of the Twenty-First Century*, illustrates the importance of international education. He noted that even before Friedman published this book, the Board of Regents set an ambitious goal for University System of Georgia students to have overseas educational experiences. The Board set as its goal that 25% of System graduates would have international educational experiences. At this meeting, the Senior Advisor for Academic Affairs and Director of International Education, Richard C. Sutton, would update the Regents on international education in the University System. This presentation is particularly timely, as the University System of Georgia has just received a three-year grant from the U.S. Department of Education to examine the academic impact of study abroad on Georgia college students. This is the fourth external grant that Dr. Sutton has obtained. He has been the Director of International Education since November 1998.

Dr. Sutton said that he would discuss the Board's strategic planning initiative in study abroad and the new federal grant the System recently received to determine the value that overseas study adds to a college education. He noted that Board has had a long-standing commitment to international education. In 1995, the Board first focused on sending more Georgia students overseas. In 2002, the Board set a new target to send more than 6,000 students abroad, which was, and remains, the most ambitious international goal of any higher education system in the country. Dr. Sutton said that he hopes by next year, the System will have crossed that threshold and the number of Georgia students going overseas will equal 25% of those who earn undergraduate degrees. This will constitute the enrollment headcount equivalent of an Armstrong Atlantic, Augusta, or Clayton State University.

There are many reasons to support international education, Dr. Sutton said. The world and its economy are changing at an unprecedented pace and scope. Locally, in just the past five years,

Georgia's exports grew 41% to more than \$20 billion in 2005. If college students do not graduate with global knowledge and skills, the System would be failing in its responsibility to prepare them well for their future. The University System's growth in study abroad participation has been dramatic. The System has enjoyed an average annual increase of 15% sustained through a decade of good times and bad. The System's enrollment growth during the same period averaged just over 2%. The most recent numbers put the System at about 80% of the Board's target, and by the end of next summer, the System will have reached or exceeded that goal. Dr. Sutton noted that he had distributed two tables of institutional data to the Regents to provide additional detail on these trends. This remarkably strong growth has been driven by the Board's strategic plan. Institutions would naturally have made some progress, he said, but the force of the Regents' interest has kept this on the front burner.

The Regents have supported initiatives that have made study abroad more affordable and more diverse for a broader range of students. In the early years we raised private scholarship dollars from The Coca-Cola Foundation and the American Institute for Foreign Study Foundation. When those grants ran out, the Regents endorsed the innovative Student Abroad with Regents' Support ("STARS") program, which helps students earn money toward the cost of study abroad. The System expanded its program offerings to more countries around the world, particularly in locations outside of Western Europe. Dr. Sutton said that international education is one of those areas where the 35 institutions truly work well as a system. They open programs to each other's students, share best practices, and help each other work toward a common goal. He said this is a good example of the priority Chair Vigil announced yesterday to function as a unified system, not just a confederation.

Five years ago, the System began a major research project to study what students really learn from study abroad experiences. Dr. Sutton stated that going to another part of the world is a challenging and often life-changing experience. Research confirms the personal growth and intercultural sensitivity that come from residence abroad. What has not yet been documented are the academic benefits that are attributable to studying abroad, not just being there. The Georgia Learning Outcomes of Students Studying Abroad Research Initiative ("GLOSSARI") takes advantage of the database that staff are building from these thousands of Georgia students going abroad, tracking their academic progress, conducting surveys, analyzing the types of programs that have the greatest impact on learning, and so forth. This is the most exhaustive examination of study abroad learning outcomes going on anywhere in the country, he said. GLOSSARI so far has revealed three things. Students who study abroad obtain skills and knowledge that help them navigate through life; their academic performance improves; and they stay in school to finish their degrees. GLOSSARI research shows that students who have studied abroad are better able to function and navigate in complex environments. In other words, they can find their way in lots of different and difficult situations. They have roughly one-third again the knowledge and skills to do these kinds of things than people who do not study abroad. Another thing GLOSSARI is finding is that students who have studied abroad return to Georgia with a much clearer focus on finishing their degrees. Staff did a pilot test

of three state universities with institutional graduation rates of about 22%, among the lowest in the System, but looking at students from those same schools who went abroad in the corresponding year, 92% of them either graduated or were still in school two years later.

Researchers in Minnesota also got interested in this idea, and they have just released data that found much the same thing. Their graduation rates for students who went abroad were dramatically better than those for students who did not. More intriguing was their discovery that this pattern was true as much or more so for those students who entered college with less than sterling records. There is a plausible hypothesis that study abroad programs attract more talented students, so one would naturally expect better results from a self-selecting elite. However, Minnesota researchers looked just at those freshmen who came in with minimal ACT scores and low high school grade point averages, and they found that students in that cohort who studied abroad were almost twice as likely to graduate as those who did not. They also discovered that this advantage held true for black, Hispanic, Asian, and other students of color in even better proportions. Dr. Sutton said that this might suggest ways to improve retention and graduation rates particularly for high-risk populations. The U.S. Department of Education agreed earlier this summer when it awarded the System a three-year \$500,000 grant to accelerate the GLOSSARI project. It is not a lot of money, he said, but external funding makes a huge difference in pushing this effort forward at full speed. Staff want the GLOSSARI project to produce the most rigorous, comprehensive, and statistically valid assessment of study abroad learning outcomes ever published, this grant will help achieve that goal.

“Why is that important?” asked Dr. Sutton. Things are happening at both national and state levels that will put intense scrutiny on the entire study abroad enterprise at all American universities, he explained, and Georgia can be at the center of that conversation. Legislation has recently been introduced in the U.S. Senate to create a new national study abroad fellowship program and double the number of American students overseas. Earlier this year, President Bush held an international education summit for 100 university presidents, including President G. Wayne Clough of the Georgia Institute of Technology. President Bush unveiled his new program to increase the nation’s foreign language capacity, particularly in areas critical to national security. This fall, a new index of internationalization will be released for 14 Southern states, charting their progress in meeting the challenges of a global economy. International education in the University System needs to be in a central position to help direct and benefit from these developments.

Dr. Sutton said that all of these things raise some key policy questions for this Board. First of all, if study abroad has its apparent value in dramatically improving graduation rates, how should the University System take maximum advantage of its potential to achieve our core mission? What if the System uses study abroad as a basic part of managing anticipated enrollment increases in the next decade? If the System currently sends 6,000 students off-campus every year, that opens those spaces to new students. That may save the System classroom and dormitory space. Perhaps the System could outsource a sophomore semester or junior year to Australia, Brazil, or China. The System would require a more sophisticated, data-driven model to use that capacity effectively, but

it could be done. The System would need effective policies and procedures in place to manage a distributed student population around the globe. Financial, security, and academic safeguards would have to be adequate for operations in 55 countries. Dr. Sutton asked whether the Regents would be satisfied to run their global company this way. Should the System reward its institutions for making qualitative enhancements that improve learning outcomes? For the past decade, the Board has put a premium on volume. Going forward, can it do something comparable for quality? Should staff be measuring other international products besides study abroad? Has the one-dimensional focus limited our vision of other opportunities and issues? In the next few months, as the Board starts to develop its new strategic plan, should it have a global focus with appropriate funding strategies to reach a series of measurable international benchmarks?

Dr. Sutton suggested three basic reasons the Regents should consider these issues. First, national priorities (for economic and geo-political purposes) are going to create new opportunities for external funding. Staff were successful in getting this most recent grant because of the System's leadership position in the field, and they want that to continue. Second, a few other states are already mobilizing their international resources in creative, integrated ways that align each government agency's international agenda toward a coherent state foreign policy. The Regents can help make that happen here. Finally, the Board needs to recognize that the competition for knowledge workers with global experience and skills will be transnational. The Regents want those "best and brightest" to be coming from Georgia and to Georgia if the state hopes to prosper in the years ahead. All of this, in turn, will create not just a more educated Georgia, but as Dr. Sutton likes to say, a more globally educated Georgia. In closing, he said he would be happy to answer any questions.

Vice Chair Cleveland asked Dr. Sutton how long a student should study abroad for the experience to be most effective.

Dr. Sutton said one of the issues the GLOSSARI project is examining is the length of the program and the impact of the length of the program. He said there is mixed evidence about the value of short-term programs.

Regent Leebern said that the State of Georgia must compete for global presence. He noted that the University System of Georgia has a presence in Europe and Costa Rica that is the envy of other systems. He commended Dr. Sutton for his hard work.

Regent Carter said that his daughter had such a positive experience studying in Rome, Italy, that she now wants to work in London, England. He wondered whether study abroad resulted in students leaving the country to work.

Dr. Sutton responded that some students realize that they can compete for jobs not just in Georgia, but anywhere in the world. He stressed that Georgia's economy is becoming more global, and Georgia businesses need people with these skills to work here.

Regent Carter asked how the System controls the quality of its programs abroad.

Dr. Sutton said that the programs are developed at the institutional level and the authority to approve those programs is delegated to the presidents under Board policy. However, he would like to develop some standards at the System level that every program agrees to uphold. He noted that this is an issue that affects study abroad programs across the nation, so this is another area in which the University System of Georgia can be a leader.

Regent Tarbutton asked what the average out-of-pocket expenses are for students studying abroad.

Dr. Sutton said that it is very difficult to compare the costs of various study abroad programs, but programs can cost anywhere from \$1,700 for a two-week program to \$10,000 for a year-long program.

Regent Tarbutton said that the cost of international programs limits the students who can attend.

Dr. Sutton responded that cost is certainly a huge factor in students considering study abroad. The System has done what it can within its funding structures to make it as affordable as possible. Cost-containment of study abroad programs is an issue the staff consider carefully.

Chancellor Davis noted that supporting international studies is one of the main focal points of the University System of Georgia Foundation, Inc. annual fund-raising celebration.

Regent Shelnut asked whether the System institutions are doing enough to promote international study.

Dr. Sutton replied that the Regents should certainly consider study abroad guidelines and benchmarks in its upcoming strategic planning process. He said at too many institutions, study abroad is an auxiliary enterprise rather than a core funded activity.

Regent Hatcher asked what types of courses students take in study abroad programs.

Dr. Sutton responded that the staff annually produce an international briefing book with lots of statistical data about study abroad programs, international curricula, international students, etc. It has a table of the majors of students who study abroad, and it is surprisingly diverse. Business and communications are the largest areas of study, followed by social sciences, which is followed by arts and humanities. Foreign languages surprisingly account for a smaller percentage of students going abroad than one would expect. He suggested that more teacher education majors ought to be studying abroad so that they can pass on global knowledge to students at younger ages.

Regent Pittard asked whether it is more economical for the System to have its own programs overseas versus using the programs of other institutions overseas.

Dr. Sutton responded that the vast majority of System students going abroad are participating in collaborative arrangements, rather than programs “owned” by System institutions with facilities overseas. There are only a small number of System programs overseas, such as the ones at Cortona, Italy, and Costa Rica. They can be cost-effective if they are appropriately managed and used to their full potential. The University of Georgia program in Cortona is exceptionally well-used.

Regent Leebern noted that fluency in foreign languages is a great asset in international business today.

Dr. Sutton noted that the University System approved its first program in Cantonese in the last year, so it does have a way to go in the area of foreign language studies.

Chair Vigil thanked Dr. Sutton for this informative presentation. He then called for Committee reports.

EXECUTIVE AND COMPENSATION COMMITTEE

The Executive and Compensation Committee met on Tuesday, August 8, 2006, at approximately 11:00 a.m. in room 7019. Committee members in attendance were Chair Allan Vigil, Vice Chair William H. Cleveland, and Regents Robert F. Hatcher, James R. Jolly, Donald M. Leebern, Jr., Doreen Stiles Poitevint, and Richard L. Tucker. Chair Vigil reported to the Board on Wednesday that the Committee had discussed and were recommending the following items. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Future Issues

Approved: The Board endorsed the Chancellor’s recommendation of changes in the Board meeting schedule to a minimum of eight meetings per year. The new schedule will become effective in January 2007.

Abstract: Chancellor Davis explained to the full Board on Wednesday that under the new meeting schedule, he envisioned that six meetings would be traditional Board meetings. One meeting would be an abbreviated meeting, followed by a day or two at the Capitol meeting with legislators. The eighth meeting would be an abbreviated meeting, followed by a strategic planning session.

Discussion: After the motion was made, Regent Jenkins expressed his reservations about the proposed meeting schedule, and the Regents and Chancellor had a robust discussion of the proposal and his concerns. Having not convinced the Chancellor of his position, Regent Jenkins seconded the motion, which was unanimously approved.

Approved: The Board endorsed the Chancellor's recommendation to change the method of appointing Regents to Special Regents' Committees for presidential searches. There will be 6 three-member Committees, and the Board Chair and local Regent, if not on the Committee assigned to a particular search, will be ex-officio members of the Committee.

Abstract: The Chancellor explained that the purposes of the new structure of presidential search Committees are to ensure that Regents are selecting presidents based on the System and not just the region and to balance the workload across the Board.

Discussion: Regent Pittard expressed concern that, because the Regents do represent their congressional districts, they should be invited to participate in their local presidential searches. Chancellor Davis assured him that local Regents would be included in the process by virtue of the presidential search procedures.

Approved: The Board approved the Chancellor's recommendation that The Board of Regents Bylaws and Policy Manual be revised to reflect these changes at the September 2006 meeting.

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

At approximately 11:30 a.m. on Tuesday, August 8, 2006, Chair Allan Vigil 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 Vigil, Vice Chair William H. Cleveland, and Regents Robert F. Hatcher, James R. Jolly, Donald M. Leebern, Jr., Doreen Stiles Poitevint, and Richard L. Tucker. Also in attendance were Chancellor Erroll B. Davis, Jr. and the Secretary to the Board, Gail S. Weber. In accordance with O.C.G.A. § 50-14-4, an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 12:15 p.m., Chair Vigil reconvened the Committee meeting in its regular session and announced that no actions were taken in the Executive Session but that the issues discussed would be taken up by the full Board in Executive Session on Wednesday, August 9, 2006. (See page 87.)

COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs met on Tuesday, August 8, 2006, at approximately 2:45 p.m. in the Seventh Floor Training Room, room 7059. Committee members in attendance were Chair Doreen Stiles Poitevint, Vice Chair Elridge W. McMillan, and Regents James R. Jolly, Patrick S. Pittard, Willis J. Potts, Jr., and J. Timothy Shelnut. Board Vice Chair William H. Cleveland was also in attendance. Chair Poitevint reported to the Board that the Committee had reviewed 26 items, 24

of which required action. Additionally, 885 regular faculty appointments and 89 personnel issues were reviewed and recommended for approval. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Establishment of a Master of Health Administration Degree, Clayton State University

Approved: The Board approved the request of President Thomas K. Harden that Clayton State University (“CLSU”) be authorized to establish a Master of Health Administration degree, effective August 9, 2006.

Abstract: CLSU sought approval to offer a Master of Health Administration degree. The Master of Health Administration degree will provide graduate level education to individuals living in the southern crescent area of the state who are interested in advancing their knowledge of and careers in the profession of healthcare administration. The Master of Health Administration degree will offer graduates access to opportunities to build upon undergraduate coursework and experiences in various fields such as healthcare management, nursing, and dental hygiene.

Need: Healthcare delivery represents one of the major industries with a need for persons to occupy mid- and upper-level management positions. The Master of Health Administration degree has increasingly become the required degree nationwide for those who seek high levels of administrative responsibility in healthcare organizations.

Objectives: The Master of Health Administration objectives are to prepare students for positions of increased responsibility within the healthcare delivery system, further career choices beyond the entry level, and improve the quality of care and resource use in healthcare organizations.

Curriculum: The program will require a waiver to degree credit hour length. The curriculum will consist of 39 to 45 credits with the variation in credits relating to residency and elective course requirements. Depending upon the amount of healthcare experience, students will take zero to six credits of residency. The degree focuses on generalist healthcare administration education. The curriculum includes, but is not limited to, the following courses: Health Systems Administration, Healthcare Marketing, Health Economics and Financial Management, Information Management in Healthcare, Long-Term Care Administration, and Strategic Planning in Healthcare Organizations.

Projected Enrollment: The institution anticipates enrollments of 20, 45, and 55 during the first three years of the program.

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

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

2. Establishment of a Major in International Economics and Modern Languages Under the Existing Bachelor of Arts, Georgia State University

Approved: The Board approved the request of President Carl V. Patton that Georgia State University (“GSU”) be authorized to establish a major in International Economics and Modern Languages under the existing Bachelor of Arts degree, effective August 9, 2006.

Abstract: GSU requested approval to offer a major in International Economics and Modern Languages under the existing Bachelor of Arts degree. The program promotes the goals of the Departments of Economics and Modern and Classical Languages in the following ways: 1) It promotes greater interdisciplinary collaboration; 2) It promotes greater internationalization of the curriculum; 3) It provides a new educational option for students interested in some type of international economics or business career; and 4) It increases student enrollments without using additional resource costs.

Need: As markets internationalize, the volume of trade, employment, and new capital investment becomes sensitive to world economic conditions and policies, creating several opportunities and challenges for U.S. and Georgia firms and governments. The International Economics and Modern Languages major combines coursework from both the Departments of Economics and Modern and Classical Languages, thereby creating an interdisciplinary major that gives students the analytical tools needed to complete economic research, consulting, and policy analysis on global economic issues. Likewise, the program provides students with the oral and written language skills needed to work in the native language of several U.S. major trading partners.

Objectives: The program was created to prepare individuals with expertise in international economics and a strong communication base, both orally and in writing, with native speakers of other countries.

Curriculum: The composition of the 120-semester-hour curriculum immerses students in economics courses with a specialization in such areas as international trade, international finance, and economic development. Students will take intermediate and advanced language courses in one of the following areas: French, German, or Spanish. As the major matures, the program will include study of the Japanese language.

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

Funding: GSU states that the program can be provided with existing faculty, staff, and physical plant resources. President Patton has provided reverification that funding for the program is available at the institution.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

3. Establishment of a Major in Honors Interdisciplinary Studies Under the Existing Bachelor of Science in Family and Consumer Sciences, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to establish a major in Honors Interdisciplinary Studies under the existing Bachelor of Science in Family and Consumer Sciences, effective August 9, 2006.

Abstract: UGA requested approval to offer a major in Honors Interdisciplinary Studies under the existing Bachelor of Science in Family and Consumer Sciences. Honors Interdisciplinary Studies has expanded to include colleges outside the Franklin College of Arts and Sciences. Students who complete their program with a major emphasis in areas covered in the College of Family and Consumer Sciences will be eligible to receive a Bachelor of Science in Family and Consumer Sciences degree in the college with a major in Honors Interdisciplinary Studies. Honors Interdisciplinary Study programs are also available for majors offered under the Bachelor of Arts, Bachelor of Science, and Bachelor of Science in Agriculture degrees.

Need: Several students whose programs are offered within the Department of Family and Consumer Sciences have inquired about access to an honors program. The Honors Interdisciplinary Studies major offers academically talented students opportunities for enhanced intellectual experiences and cultural and social exchanges. The program challenges students to work at high standards of excellence and supports interdisciplinary and collaborative learning.

Objectives: The major is designed to allow “honors” students to create an integrated program out of a coherently defined interdisciplinary combination of courses. Such courses may not be used to create a vocational program of study. The courses will be selected in consultation with the student’s major advisor. The area of study may be chronological, geographical, substantive, or based upon another cohesive principle of organization.

Curriculum: Only courses not used to satisfy the core curriculum may be used toward the major. At least eight courses must be at the 3000 level or higher. Of these, the four primary courses must

be in one department and in the college or school awarding the degree. The individual program, listing a description and/or subject along with specific courses, must be approved by the Honors Faculty Council upon approval by the student's major advisor. The Dean's Office will then ascertain that all degree requirements not preempted by the major program are met for graduation. A capstone thesis or project is required in order to integrate all coursework taken for this major.

Projected Enrollment: The institution anticipates enrollments of 5, 7, and 10 during the first three years of the program.

Funding: The major has been developed with existing courses. President Adams has provided reverification that establishing the program can be accommodated within funds presently anticipated and available.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

4. Establishment of a Doctor of Public Health, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ("UGA") be authorized to establish a Doctor of Public Health degree, effective August 9, 2006.

Abstract: UGA's College of Public Health proposed the establishment of a Doctor of Public Health degree program. The Doctor of Public Health, an extension of the existing Master of Public Health, is a professional degree designed to train leaders in public health at the local, state, and national levels. The curriculum will prepare students to be interdisciplinary leaders in public health. Students in the program can specialize in Health Promotion and Behavior, Environmental Health, Health Policy, or Gerontology. The program is intended to develop leaders with the comprehensive vision and philosophy needed to address a broad spectrum of public health needs, solutions, and programs in Georgia and nationally. The program is targeted toward administrators and practitioners with three or more years of professional experience beyond the Master of Public Health degree.

Need: At present, no other University System institution offers a Doctor of Public Health degree. The program will help fulfill UGA's mission as the state's flagship land grant university to train future leaders responsible for the public health and wellbeing of Georgians. The population over 60 years of age is growing rapidly, and accompanying health-related issues will also increase. UGA currently offers programs in gerontology, social work, and the behavioral sciences. The Master of Public Health degree is fully engaged in providing the tools to address the public health problems of Georgians. The proposed Doctor of Public Health represents a logistical extension of the Master of Public Health program and UGA's land grant mission. The Health Resources and Services

Administration issued a report, “Public Health Workforce Enumeration 2000,” that detailed gaps in public health workforce education and prospective capacity to achieve Healthy People initiative objectives. According to the report, the public health workforce comprises 8,020 persons. However, recruitment and retention of public health workers remain adversely impacted by the unmet need for professional education.

Objectives: The primary objectives of the program include the following: 1) to create an interdisciplinary Doctor of Public Health degree designed to spearhead public health practices, programs, and leadership; and 2) to provide an interface between the state’s public health services and systems and the University System of Georgia. The program targets the public health practice settings of the state. Graduates are expected to fill administrative and leadership positions within government agencies, private organizations, and industries across the state.

Curriculum: The minimum 57-semester-hour requirement inculcates students with knowledge of advanced public healthcare to include courses with an emphasis on health methodology, epidemiology, biostatistics, health policy, gerontology, health promotion, and environmental health. Internships will be used to synthesize and apply skills and knowledge to ongoing public health programs and efforts in policy development.

Projected Enrollment: The institution anticipates enrollments of 3, 6, and 10 during the first three years of the program.

Funding: A significant portion of the resources needed to implement the Doctor of Public Health program are in place. President Adams has provided reverification that establishing the program can be accommodated within funds presently anticipated and available.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

5. Establishment of a Doctor of Philosophy in School Psychology, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to establish a Doctor of Philosophy (“Ph.D.”) in School Psychology, effective August 9, 2006.

Abstract: Currently UGA offers students an opportunity to receive training as doctoral-level school psychologists through the current Ph.D. with a major in Educational Psychology with a specialization in School Psychology. Since 1983, the American Psychological Association has accredited the School Psychology specialization as a training program for psychological professionals who work in schools. At this meeting, UGA sought to offer a new major in School Psychology under

the Ph.D. degree. Thus, students receiving specialized instruction in the field of School Psychology will earn a Ph.D. with a major in School Psychology instead of a Ph.D. with a major in Educational Psychology.

Need: A shortage of school psychologists exists in Georgia and the nation. Faculty members in School Psychology seek a new major for graduates of the training program for three reasons: 1) A change is sought in the name of the degree in order to accurately reflect the relationship of the program to licensure and certification areas; 2) The current major designation does not allow the training program, department, or college to obtain funds from tuition revenues that can be earmarked for clinical training; and 3) Students unanimously support this new degree application.

Objectives: The objective of the program is to train a cadre of leaders in the application of psychological principles to the school enterprise, as well as to train leaders who apply psychological knowledge toward fostering the optimal development of children in other settings. These leaders are prepared to work in public and private schools, clinics, hospitals, and other agencies that work with children with behavioral and learning problems.

Curriculum: The 108-semester-hour program includes, but is not limited to, the following courses: Diagnosis of Social-Emotional Behavior in Education, Individual Psycho-Educational Intervention, Individual Assessment of Development, Foundations of Cognition for Education, Consultation Processes in Educational Settings, and Advanced Internships in School Psychology.

Projected Enrollment: The institution anticipates constant enrollments of 40 students for each of the first three years of the program.

Funding: Funding for the program is available at the institution. Due to the fact that the program has been developed from an existing specialization, budget impacts will be minimal to the Department of Educational Psychology. President Adams has provided reverification that establishing the program can be accommodated within funds presently anticipated and available.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

6. Establishment of a Specialist in Education in Leadership for Learning, Kennesaw State University

Approved: The Board approved the request of President Daniel S. Papp that Kennesaw State University (“KSU”) be authorized to establish a Specialist in Education (“Ed.S.”) in Leadership for Learning, effective, August 9, 2006.

Abstract: At the May 2006 meeting of the Board of Regents, the Doctor of Education (“Ed.D.”) in Leadership for Learning was approved for KSU with five areas of concentration, as follows:

- Adolescent Education/Mathematics
- Elementary and Early Childhood Education
- Instructional Technology
- Inclusive Education
- Educational Leadership and Policy

The curriculum in each area of concentration is segmented into the following two parts:

1. Students may complete part 1 and earn the Ed.S. degree.
2. Students may complete parts 1 and 2, including dissertation research, and earn the Ed.D. degree.

The intent was for the Board of Regents to approve both the Ed.S. and the Ed.D. degrees at the May 2006 meeting. Because this intent was not clear, only the Ed.D. was approved. KSU now seeks approval to offer the Ed.S. degree in Leadership for Learning in the same areas of concentration that have already been approved for the Ed.D. degree.

As with the Ed.D. degree, the first four areas of concentration in the Ed.S. degree are for classroom teachers who wish to remain in the classroom and also assume a leadership role in their school as a member of a distributed leadership team. The fifth area of concentration is for those aspiring to become school administrators. The implementation of the fifth area of concentration will be delayed until after the adoption of new leadership certification standards that are under development by the Georgia Professional Standards Commission (“PSC”).

The program will be housed in the Bagwell College of Education. In addition, the College of Science and Mathematics will play a major role in the area of concentration in Adolescent Education/Mathematics.

Need: The northwest quadrant of Georgia is a rapidly growing section of the state. KSU has active waiting lists for each area of concentration within the proposed Ed.S. degree.

Objectives: The overall objective is to prepare school teachers and administrators in leadership for learning to enable them to participate in distributed leadership roles while remaining teachers or while serving in school or school system administrative positions. Individuals aspiring to renewable certification as school administrators soon will be required by the PSC to earn the Ed.S. degree.

Curriculum: The program of study is based upon two principles: 1) Leadership must be shared by teachers and administrators to resolve complex issues of teaching, learning, and accountability; and

2) Leaders must deepen and broaden their expertise in content areas. All five areas of concentration in the Ed.S. degree program share the first 18 hours of the 27-hour common core in distributed leadership required for the Ed.D. degree. In the common core, cohorts of candidates from all concentrations will utilize case study and problem-based learning embedded within the context of schools.

Beyond the common core, each area of concentration in the Ed.S. degree will include 15 hours in the content field and an applied research capstone experience.

Projected Enrollment: The first cohort will be limited to 25 students across the areas of concentration. Once enrollment stabilizes, it is anticipated that annually 100 students will earn the Education Specialist degree.

Funding: President Papp has provided reverification that funding for the program is available at the institution.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

7. **Ratification of the Establishment of the Existing Associate of Science in Nursing as an External Degree to Be Offered on the Campus of East Georgia College, Darton College**

Approved: The Board ratified Chancellor Erroll B. Davis's approval of Darton College's ("DC") request to establish its existing Associate of Science in Nursing ("A.S.N.") as an external degree on the campus of East Georgia College ("EGC"). At its June 2006 meeting, the Board of Regents authorized Chancellor Davis to take any actions necessary on behalf of the Board between the June meeting and the August 2006 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 July 7, 2006.

Abstract: DC requested approval to offer its existing A.S.N. as an external degree to be offered on the campus of EGC. Students would be provided opportunities to complete the degree program in its entirety on their home campus in Swainsboro, Georgia. College admission requirements would be the same for all students. EGC would act in the role of host institution and DC would be the degree-granting agent. EGC was awarded an Intellectual Capital Partnership Program ("ICAPP[®]") grant to attract and fund an A.S.N. program on its campus. The administration of EGC contacted DC colleagues to request a satellite offering for a nursing program.

Need: The A.S.N. degree offering in the Swainsboro area was developed in response to public interest and a request for more registered nurses in the metropolitan statistical area. A previous

collaborative agreement with EGC expired and thus a need existed to offer an A.S.N. program.

Objectives: A.S.N. graduates are prepared to work as nurses in first-level staff positions in hospitals and comparable agencies. Technical skills that nursing graduates exhibit include treating patients, recording patients' medical histories and symptoms, helping to perform diagnostic tests, and administering treatment and medications.

Curriculum: Students will be provided opportunities to complete the degree program in its entirety on the campus of EGC located in Swainsboro, Georgia. Program delivery will be made available via distance education technologies to include two-way audio and video-streamed offerings. Programmatic offerings will parallel those already in place that are offered via face-to-face instruction. Full-time faculty members will be on-site in Swainsboro during all classroom presentations. Students will complete requirements associated with supervised clinical hours.

Projected Enrollment: The institution anticipates steady enrollments of 30 students during each of the first three years of the program.

Funding: EGC will fund this program with money awarded to them through the ICAPP® program. A contractual agreement signed by President Peter J. Sireno of DC and President John Bryant Black of EGC has been established.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

8. Establishment of an Associate of Applied Science in Veterinary Technology, Darton College

Approved: The Board approved the request of President Peter J. Sireno that Darton College ("DC") be authorized to establish an Associate of Applied Science ("A.A.S.") in Veterinary Technology, effective August 9, 2006.

Abstract: DC sought approval to offer an A.A.S. in Veterinary Technology degree. The educational requirements have increased to sit for the licensing exam in Veterinary Technology. All examinees must now hold a minimum of a two-year degree from an accredited program of the American Veterinary Medical Association. To support changes in state requirements and provide qualified technicians in Southwest Georgia, DC stands ready to provide an associate's level Veterinary Technology program.

Need: According to Department of Labor statistics, the need for veterinary technicians will increase "much faster than average," with an anticipated increase greater than 27% by year 2014. Veterinary

technicians typically conduct clinical work in private practice under the supervision of a veterinarian, often performing various medical tests along with treating and diagnosing medical conditions and diseases in animals.

Objectives: The overall objective of the Veterinary Technology major is to provide scientific theory, laboratory training, and clinical-setting experiences that will prepare graduates for state licensing exams and facilitate employment in the veterinary technology field. Technical skills will be acquired in several areas, including necropsy techniques, animal husbandry, and humane animal care and management.

Curriculum: The program's individual curricular objectives are designed to facilitate student learning in each of the curricular areas listed in the accreditation standards of the American Veterinary Medical Association's Committee on Veterinary Technician Education and Activities. The 72-semester-hour program will include, but not be limited to, such courses as Medical Office Management, Anatomy and Physiology for Veterinary Technologists, Disease and Preventive Medicine, Pharmacology, Microbiology, and Veterinary Nursing.

Projected Enrollment: The institution anticipates enrollments of 10, 20, and 28 during the first three years of the program.

Funding: President Sireno has provided reverification that funding for the program is available at the institution.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

9. Establishment of the Existing Master of Science with a Major in Pharmacy as an External Degree Offered Online, 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, Master of Science ("M.S.") with a major in Pharmacy degree offered predominantly online, effective, August 9, 2006.

Abstract: UGA requested approval to offer its existing M.S. with a major in Pharmacy as an external degree offered online. Distance education delivery is proposed for eligible students pursuing the graduate Pharmacy degree with an emphasis in Pharmaceutical and Biomedical Regulatory Affairs. The program is designed to provide graduate level education for individuals who are currently employed in the pharmaceutical and biomedical industries. The Master of Science with a major in Pharmacy program is quite different from the Doctor of Pharmacy degree in that master's students are not trained to dispense or compound medications, advise medical staff on the selection and effect

of drugs, or monitor drug therapies and prepare infusions.

Need: Due to the expanding biotechnology industry, a need exists for highly trained professionals. Pharmaceutical and biomedical regulatory affairs professionals are employed in industry and government positions and provide a range of support services related to the product development, manufacturing, and marketing of pharmaceuticals, medical devices, in vitro diagnostics, biologics, biotechnology, nutritional products, cosmetics, and veterinary products. The alternative delivery program expects to enroll students from within Georgia and surrounding states who are currently employed in the pharmaceutical and biomedical industries.

Objectives: Upon completion of the program, students will have the experimental and theoretical expertise to develop programs and products needed for a variety of positions in industrial and government agencies. Students will have the knowledge to perform a variety of specialized tasks including preformulation evaluation, dosage form design, stability testing, and pilot plant scale-up and production.

Curriculum: In general, the curriculum will cover comprehensive U.S. Food and Drug Administration regulations of pharmaceutical, biotechnology, and device industries, food and drug laws, current good manufacturing practices, and bioethics. Coursework will follow the traditional academic pace but will use extensive and technologically demanding Internet-based means to produce streaming video and audio presentations as well as video conferencing with slide and manuscript presentations, online discussions, projects, and exams. The primary delivery mode will be computer-based Internet instruction using a WebCT™ course management platform. The delivery mechanisms are intended to facilitate the needs of working adult students. It is anticipated that these working students will participate on a part-time basis while they maintain their current positions.

Projected Enrollment: The institution anticipates enrollments of 8 to 12 students during the first three years of the program.

Funding: Initially, the College of Pharmacy received funding from the Intellectual Capital Partnership Program (“ICAPP®”) program to support the development of regulatory affairs curricula to help fill a workforce need for specialized professionals in Georgia biomedical companies. UGA projects that the program will become self-sustaining after initial development, and funding for the program is available at the institution. President Adams has provided reverification that establishing the program can be accommodated within funds presently anticipated and available.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

10. Establishment of a Major in Latin American and Caribbean Studies Under the Existing Bachelor of Arts, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to establish a major in Latin American and Caribbean Studies under the existing Bachelor of Arts (“B.A.”), effective August 9, 2006.

Abstract: In recognition of growing challenges and opportunities presented by the expanding Latino and Brazilian populations in Georgia and the increased social, political, and economic significance of Latin America and the Caribbean for the United States, UGA proposed the development of an interdisciplinary major leading to a B.A. degree with a major in Latin American and Caribbean Studies. The major is a component of UGA’s strategic plan to internationalize its undergraduate curriculum.

Need: Bicultural students with proficiency in Spanish and Portuguese and in-depth knowledge of Latin America and the Caribbean’s social, political, and cultural practices are needed as teachers in the K-12 grades of Georgia’s public schools. Social workers with Latin American and Caribbean study-abroad experience are in great demand. Georgia has experienced a growth rate of 18.6% in its Latino population. In 2004, four of the ten U.S. counties experiencing the greatest increase in new Latino residents were in Georgia. The state’s Brazilian population has grown, and as many as 50,000 Brazilians may currently live in the Atlanta area.

Objectives: Students majoring in the program will be required to show high-level proficiency in one of the major languages of Latin America and the Caribbean and speaking comprehension of one other regional language. It is projected that graduates of the program will demonstrate language competence and an in-depth, substantive understanding of the societies, cultures, politics, and economies of the people of Latin America and the Caribbean.

Curriculum: The 120-semester-hour program will be administered by UGA’s Center for Latin American and Caribbean Studies. Major requirements include advanced language training in Spanish, Portuguese, or French and upper-division courses focused specifically on Latin America and the Caribbean. To complete the degree, students must choose elective coursework in one of three primary academic tracks: Social Science; Humanities, Arts, and Music; and Environmental Science, Policy, and Historical Preservation. Students will be encouraged to develop joint programs of study across the schools and colleges of the University. In addition, students will spend a full semester in a study-abroad program. The study-abroad experience will provide students with opportunities for language learning and cultural understanding that cannot be achieved solely through formal coursework.

Projected Enrollment: The institution anticipates enrollments of 20, 40, and 60 during the first three years of the programs.

Funding: UGA states that the major can be accommodated within funds presently anticipated and available. No additional requests for funding are anticipated in the next three years. President Adams has provided reverification that establishing the program can be accommodated within funds presently anticipated and available.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

11. Establishment of a Major in Creative Writing Under the Existing Master of Fine Arts, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to establish a major in Creative Writing under the Master of Fine Arts (“M.F.A.”), effective August 9, 2006.

Abstract: UGA requested approval to establish a major in Creative Writing under the existing M.F.A. degree. The new major will give the Department of English, the Franklin College of Arts and Sciences, and UGA the ability to recruit and retain exemplary students and faculty in creative writing. The program will emphasize both studio work and traditional literary study. The program is designed to attract a diverse and talented student body and to produce graduates who will write and publish books of poetry and prose with national and international publishers.

Need: The program will offer apprenticing writers the opportunity to pursue a terminal degree in their field. Through offering the major in Creative Writing under the M.F.A. degree, the department will increase its ability to recruit and retain students and faculty and foster the study of literature at the graduate level in theory and practice.

Objectives: The objectives of the program include the following program goals: 1) to foster a study of literature at the graduate level that merges theory and practice, aesthetics and scholarship, and literary conservation and innovation; 2) to support and advance the development of contemporary letters at UGA; and 3) to prepare graduates for careers as writers. In addition, the program complements a component of the institution’s strategic plan to become a regional and national center for research in fine arts and humanistic studies.

Curriculum: The 36-semester-hour program will be offered by the Department of English in the Franklin College of Arts and Sciences. The studio/academic writing program places emphasis in the curriculum on both writing and literature coursework and is founded on the belief that the study of literature is an important part of a writer’s development. A collaborative arrangement exists between the Creative Writing program and the Lamar Dodd School of Art to include courses in creative writing in the study-abroad program located in Cortona, Italy.

Projected Enrollment: The institution anticipates enrollments of 6, 12, and 12 during the first three years of the program.

Funding: The budget for the Creative Writing program will not change as a result of offering the curriculum of study under the M.F.A. degree. President Adams has provided reverification that establishing the program can be accommodated within funds presently anticipated and available.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

12. Establishment of a Dual Degree Offering of the Existing Juris Doctor and Master of Social Work Degrees, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to establish the dual degree offering of existing programs to award the Juris Doctor (“J.D.”) and Master of Social Work (“M.S.W.”) degrees effective August 9, 2006.

Abstract: The Graduate School of UGA proposed a dual degree program between the School of Social Work and the School of Law. The proposal to combine the J.D. and M.S.W. degrees was designed to promote the integration of legal as well as social work knowledge and skills at full, professional levels. The dual awarding of the degree will account for the professional requirements of a master’s level social worker and the professional requirements of a law school graduate. Graduates of this dual degree program will be able to account for the legal interventions required by individuals or organizations as clients while simultaneously accounting for the social work services needed by the same individuals or organizations.

Need: The social work and legal professions both service a variety of client subjects: individuals, groups, nonprofit organizations, social agencies, businesses, communities, and legislatures. There are instances when it would be advantageous if one person has the combined knowledge and practice expertise of both a social worker and a lawyer.

Objectives: The primary objective of this dual degree program is to supplement the professional education of social work students with an additional specialization and training in law. Social work and law are, by design, professions that have principles that are founded on providing services to enhance the wellbeing of the general public. Moreover, circumstances arise in which members of the public need and require both legal and social work advice and expertise.

Curriculum: The dual degree offering of the J.D. and M.S.W. degrees enables graduates to complete both degree programs with an overlap of specific bridge courses. Students will be required to apply

to the School of Law and School of Social Work separately for admittance to each program. As such, applicants must meet all of the requirements for admission to each program. The proposed dual degree would be awarded following the completion of a four-year integrated program of study. The integrated curriculum will consist of courses in both social work and law. In addition, integrated internships will provide students with the opportunity to practice both social work and law in a practicum setting.

Projected Enrollment: The institution anticipates conservative enrollments of five to ten students during the first three years of the program.

Funding: Additional fiscal impacts are not anticipated as a result of the establishment of this dual degree program. Additional faculty and staff resources will not be required for the administration of the program. President Adams has provided reverification that establishing the program can be accommodated within funds presently anticipated and available.

Assessment: This program will be reviewed after three years using the existing comprehensive program review process. An external review will take place at the end of the fifth year of implementation.

13. Revised Mission Statement, Kennesaw State University

Approved: The Board approved the request of President Daniel S. Papp that Kennesaw State University (“KSU”) be authorized to revise its institutional mission statement, effective August 9, 2006.

Abstract: President Papp requested that KSU be authorized to clarify its mission statement in order to be congruent with the strategic goals of the University System of Georgia, reflect KSU’s strategic plan, and strengthen the language describing graduate education and emergent doctoral programs to be offered by the institution.

Previous Mission Statement

Kennesaw State University is a proud public university in the University System of Georgia, located in the densely populated and rapidly developing northwest region of Greater Metropolitan Atlanta. Chartered in 1963, KSU serves as a highly valued resource for this region’s educational, economic, social, and cultural advancement.

This institution shares with all other units in the University System of Georgia the following characteristics:

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

This institution shares with other senior universities in the University System of Georgia the following characteristics:

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

Kennesaw State University's distinctive characteristics are described as follows:

Kennesaw State serves a diverse student body in the northern suburbs of Atlanta and extending into Northwest Georgia. It includes young adults who enroll as freshmen or undergraduate transfers and an equally large number of older adults who return or transfer to the college at different stages in their lives for undergraduate or graduate study. Students reside off campus and commute to classes. A majority pursue their academic goals on a part-time basis because of job, family, and civic responsibilities. Significant numbers of international and minority students enroll. Many students pursue professionally oriented degrees, especially at the graduate level. Evening and weekend programs accommodate experienced professionals seeking academic advancement. A broad range of programs, services, and activities are offered outside the classroom to enrich campus life and enhance student success and personal development.

Effective teaching and learning are central institutional priorities. Service and research that strengthen teaching and address the public's interests are important supportive priorities. Faculty, staff, and administrators are committed to providing a challenging and facilitative collegiate environment that fosters high-quality academic preparation, critical thinking, global and multicultural perspectives, effective communication and interpersonal skills, leadership development, social responsibility, and lifelong learning. Programs that prepare students well for the advancement of professional pursuits are especially attractive and are offered in all schools of the university.

The foundation for all undergraduate majors is a comprehensive and coherent general education program that promotes internationalized and connected learning in the liberal arts tradition. A wide array of baccalaureate degree programs is offered, including majors in the arts, humanities, social sciences, mathematics, natural sciences, accounting, business fields, teacher education specialties, computing and information systems, and nursing. An expanding array of professional master's degrees exists in education specialties, accounting, business fields, public administration, professional writing, and nursing.

KSU's commitment to public service is reflected through an extensive array of continuing education programs, service institutes and centers, nationally recognized lecturers and conferences, collaboratives with the public schools, partnerships with business and governmental agencies, and international initiatives. The university plays a vital role in promoting and supporting regional interests in the visual, performing, and cultural arts.

Research, scholarship, and creative activity are broadly defined and predominantly applied. The university honors action research on the improvement of teaching and learning; survey research for community and economic development; interdisciplinary studies in support of environmental, governmental, business, or health interests; creative contributions in the arts and humanities; intellectual contributions; discovery research and academic publication; and the interpretation or application of academic research.

Kennesaw State University aspires to be a progressive and exemplary educational institution,

respected for its excellence and leadership in its teaching, service, and research. The university is committed to continuous improvement in an increasingly diverse and constantly changing learning community.

Revised Mission Statement

Kennesaw State University is a proud public university in the University System of Georgia, located in the densely populated and rapidly developing northwest region of Greater Metropolitan Atlanta. Chartered in 1963, KSU serves as a highly valued resource for this region's educational, economic, social, and cultural advancement.

This Institution shares with all other units in the University System of Georgia the following characteristics:

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

This institution shares with other senior universities in the University System of Georgia the following characteristics:

- a commitment to excellence and responsiveness within a scope of influence defined by the needs of an area of the state and by particularly outstanding programs or distinctive characteristics that have a magnet effect throughout the region or state;
- a commitment to teaching/learning environment, both inside and outside the classroom, that sustains instructional excellence, serves a diverse and college-prepared student body, promotes high levels of student achievement, offers academic assistance, and provides developmental studies programs for a limited student cohort;

- a high-quality general education program supporting a variety of disciplinary, interdisciplinary, and professional academic programming at the baccalaureate level, with selected master's and educational specialist degrees, and selected associate degree programs based upon area need and/or interinstitutional collaborations;
- a commitment to public service, continuing education, technical assistance, and economic development activities that address the needs, improve the quality of life, and raise the educational level within the university's scope of influence;
- a commitment to scholarly and creative work to enhance instructional effectiveness and to encourage faculty scholarly pursuits, and a commitment to applied research in selected areas of institutional strength and area need.

Kennesaw State University's distinctive characteristics are described as follows:

Kennesaw State serves a diverse student body in the northern suburbs of Atlanta and extending into Northwest Georgia. It includes young adults who enroll as freshmen or undergraduate transfers and an equally large number of older adults who return or transfer to the college at different stages in their lives for undergraduate or graduate study. Students reside off campus and commute to classes.

A majority pursue their academic goals on a part-time basis because of job, family, and civic responsibilities. Significant numbers of international and minority students enroll. Many students pursue professionally oriented degrees, especially at the graduate level. Evening and weekend programs accommodate experienced professionals seeking academic advancement. A broad range of programs, services, and activities are offered outside the classroom to enrich campus life and enhance student success and personal development.

Effective teaching and learning are central institutional priorities. Service and research that strengthen teaching and address the public's interests are important supportive priorities. Faculty, staff, and administrators are committed to providing a challenging and facilitative collegiate environment that fosters high-quality academic preparation, critical thinking, global and multicultural perspectives, effective communication and interpersonal skills, leadership development, social responsibility, and lifelong learning. Programs, up to and including a professional doctoral degree, that prepare students well for the advancement of professional pursuits are especially attractive and are offered at Kennesaw.

The foundation for all undergraduate majors is a comprehensive and coherent general education program that promotes internationalized and connected learning in the liberal arts tradition. A wide array of baccalaureate degree programs is offered, including majors in the arts, humanities, social sciences, mathematics, natural sciences, accounting, business fields, teacher education specialties, computing and information systems, and nursing. An expanding array of professional master's

degrees exists in education specialties, accounting, business fields, public administration, professional writing, and nursing.

KSU's commitment to public service is reflected through an extensive array of continuing education programs, service institutes and centers, nationally recognized lecturers and conferences, collaboratives with the public schools, partnerships with business and governmental agencies, and international initiatives. The university plays a vital role in promoting and supporting regional interests in the visual, performing, and cultural arts.

Research, scholarship, and creative activity are broadly defined and predominantly applied. The university honors action research on the improvement of teaching and learning; survey research for community and economic development; interdisciplinary studies in support of environmental, governmental, business, or health interests; creative contributions in the arts and humanities; intellectual contributions; discovery research and academic publication; and the interpretation or application of academic research.

Kennesaw State University aspires to be a progressive and exemplary educational institution, respected for its excellence and leadership in its teaching, service, and research. The university is committed to continuous improvement in an increasingly diverse and constantly changing learning community.

14. Revision of the Vice President for Academic Affairs Position, Kennesaw State University

Approved: The Board approved the request of President Daniel S. Papp that Kennesaw State University ("KSU") be authorized to alter the structure and responsibilities of one position, Vice President for Academic Affairs, which reports to the Office of the President, effective August 9, 2006.

Abstract: President Papp requested that KSU be authorized to change the title and responsibilities of one administrative position that reports directly to the Office of the President. KSU sought a change in title of the position of Vice President for Academic Affairs to Provost and Vice President for Academic Affairs. Although this request did not encompass forthcoming changes to be requested concerning the administrative structure of the institution, KSU sought approval for this specific change at the August meeting of the Board of Regents due to the criticality of the position.

A brief description of the revised scope of responsibilities is provided below:

The Provost and Vice President for Academic Affairs reports directly to the President. Under the direction of the President, the Provost and Vice President for Academic Affairs coordinates the activities of KSU's other Vice Presidents and Special Assistants to the President, represents the

President when called upon, and performs other duties as assigned by the President.

In the absence of the President, the Provost and Vice President for Academic Affairs acts as Chief Executive Officer of the university.

As the university's Chief Academic Officer, the Provost and Vice President for Academic Affairs:

- Provides campuswide leadership in achieving the academic goals and objectives of KSU;
- Leads integrated strategic planning and institutional effectiveness initiatives for the university;
- Supervises the deans and directors of the colleges, institutes, centers, and additional units which report to the Provost;
- Oversees the strategic directions, personnel, curricula, and budgets for the entities that report to the Provost;
- Supervises other senior level administrators as assigned by the President; and
- Generates the work of the university in line with the directives of the President.

15. 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.

16. Ratification of the Reorganization of Institutional Units, Albany State University

Approved: The Board ratified Chancellor Erroll B. Davis's approval of Albany State University's ("ALSU") reorganization of institutional units. At its June 2006 meeting, the Board of Regents authorized Chancellor Davis to take any actions necessary on behalf of the Board between the June meeting and the August 2006 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 12, 2006.

Abstract: ALSU sought approval to enact several organizational and personnel changes in order to streamline and strengthen the effectiveness of the institution. ALSU plans to reconstitute the office of the Associate Vice President for Academic Affairs and Graduate School Dean such that it would join the other colleges as the Graduate School, Continuing Education, and International Studies unit. As a result, Continuing Education was transferred from Institutional Advancement to Academic Affairs.

The College of Health Professions consisted of the undergraduate and graduate nursing programs. ALSU moved the Department of Mathematics and Computer Science, the Department of Natural

Sciences, and the Department of Criminal Justice and Forensic Science from the College of Arts and Sciences to the College of Health Professions. In addition, the College of Health Professions was renamed as the College of Sciences and Health Professions.

The College of Arts and Sciences was reconfigured to a College of Arts and Humanities. Such changes were made in order to strengthen the science-related disciplines and the liberal arts and humanities by providing an interconnected umbrella of academic units. The reconfiguration enabled the Department of English and Modern Languages to be placed in the College of Arts and Humanities rather than report directly to the Office of the Vice President for Academic Affairs.

The reorganization, in effect, reduces the number of direct assistants reporting to the Office of the President from four to three. Simultaneously, the number of academic units reporting to the Office of the Vice President for Academic Affairs increased from four to five. Those units are the College of Arts and Humanities, College of Sciences and Health Professions, College of Business, College of Education, and Office of the Graduate School, Continuing Education, and International Studies.

17. Ratification of the Reorganization of Institutional Units, South Georgia College

Approved: The Board ratified Chancellor Erroll B. Davis's approval of South Georgia College's ("SGC") reorganization of institutional units. At its June 2006 meeting, the Board of Regents authorized Chancellor Davis to take any actions necessary on behalf of the Board between the June meeting and the August 2006 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 July 7, 2006.

Abstract: SGC sought approval to revise its institutional structure to increase efficiency and enhance effectiveness. Changes were proposed for three administrative offices and one academic unit. Each change is described below:

Office of the Vice President for Academic Affairs

To enable the Vice President for Academic Affairs to focus on improving and increasing academic offerings and to emphasize a more student-friendly approach, the Admissions Office, Registrar's Office, and Financial Aid Office will be moved to the Student Affairs Division. Because the college's goal is to increase enrollment and improve retention, the Admissions Office will add a new position, Director of Admissions, to focus on enrollment management, recruitment, and retention.

Office of the Chief Information Officer

To address the System's and the college's focus on staying current with state-of-the-art technology, the Computer Center has been reconfigured into the Instructional and Information Technology Division under the direction of the Chief Information Officer, who will report directly to the President and sit on the President's cabinet.

Office of College Relations and Continuing Education

The College Relations and Advancement position has been changed to Executive Director of College Relations and Continuing Education and will focus on public relations, marketing, advancement, and all noncredit programs and courses. This position will report directly to the President.

Division of Natural Sciences, Mathematics and Physical Education

The Division of Health, Physical Education, and Recreation, formerly consisting of a division chair and one faculty member, will become part of the Division of Natural Sciences, Mathematics, and Physical Education.

18. Revised Institutional Statutes, South Georgia College

Approved: The Board approved the request of President Torri Lilly that South Georgia College (“SGC”) be authorized to establish its revised institutional statutes, effective August 9, 2006.

Abstract: SGC engaged in a process to review and revise its institutional statutes. The revision follows the institutional governance structure, organization, and committees and councils of the institution. Revised sections of the statutes were approved by the faculty and staff of SGC.

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

19. Reorganization of Institutional Units, University of West Georgia

Approved: The Board approved the request of Interim President Thomas J. Hynes that the University of West Georgia (“UWG”) be authorized to reorganize institutional units, effective August 9, 2006.

Abstract: UWG sought approval to create two positions that will report directly to the President.

UWG sought to create the position of University Technology Officer. The University Technology Officer will coordinate the activities of and facilitate communication among the information technology groups and committees on campus and will provide a conduit of information between them and university administration. Reporting directly to the President, the University Technology Officer will become a member of the Dean’s Council and will report regularly to the President’s Advisory Council.

UWG sought authorization to create the position of Special Associate for Minority Affairs. The holder of the position will report directly to the President. In addition to other responsibilities, the associate will coordinate all existing multicultural/minority affairs on campus, help study whether

others are needed or changes are called for, and serve as the focal point for such activities.

20. Redesignation of Specific Majors, Augusta State University

Approved: The Board approved the request of President William A. Bloodworth, Jr. that Augusta State University (“AUSU”) be authorized to redesignate specific majors, effective August 9, 2006.

Abstract: AUSU requested approval to reconfigure existing Specialist in Education majors to form two majors under the degree. Majors listed below under the Specialist in Education degree will be deactivated for a period of two years before termination of the programs is recommended for approval. It is understood that the following majors will be collapsed in a revised curricular structure:

<u>Current Majors</u>	<u>Revised Majors</u>
<i>Specialist in Education with majors in:</i>	<i>Specialist in Education with majors in:</i>
Educational Leadership	Teaching and Learning
Elementary Education and Teaching	Educational Leadership
Middle Grades Education	
English Education	
Mathematics Education	
Health and Physical Education	
Teaching Field – Social Studies	

21. Termination of Select Associate of Applied Science Programs Offered in Cooperation with Moultrie Technical College, Abraham Baldwin Agricultural College

Approved: The Board approved the request of President David C. Bridges that Abraham Baldwin Agricultural College (“ABAC”) be authorized to terminate select Associate of Applied Science (“A.A.S.”) programs offered in cooperation with Moultrie Technical College, effective August 9, 2006.

Abstract: ABAC requested approval to terminate the following specific degree programs offered in cooperation with Moultrie Technical College:

- A.A.S. in Business with an option in Computer Information Systems
- A.A.S. in Business with an option in Computer Programming
- A.A.S. in Technology with an option in Commercial Carpentry
- A.A.S. in Technology with an option in Residential Carpentry
- A.A.S. in Technology with an option in Heavy Equipment Mechanic

ABAC requested approval to terminate the aforementioned programs due to low enrollments and follow-up assessments of programs following a two-year deactivation period. Because the programs were deactivated, no new students have been allowed to enroll in the programs and existing matriculants were provided an opportunity to complete all prescribed degree requirements. No students or faculty will be adversely impacted by the requested terminations.

22. Termination of Select Associate of Applied Science Programs Offered in Cooperation with East Central Technical College and Stand-Alone Degrees, Abraham Baldwin Agricultural College

Approved: The Board approved the request of President David C. Bridges that Abraham Baldwin Agricultural College (“ABAC”) be authorized to terminate select Associate of Applied Science (“A.A.S.”) programs offered in cooperation with East Central Technical College and stand-alone degrees, effective August 9, 2006.

Abstract: ABAC requested approval to terminate the following specific degree programs offered in cooperation with East Central Technical College:

Programs Offered in Cooperation with East Central Technical College

- A.A.S. in Business with an option in Management Supervision
- A.A.S. in Services with an option in Culinary Art
- A.A.S. in Technology with an option in Machine Tool Technology
- A.A.S. in Technology with an option in Welding

Stand-alone Degrees

- A.A.S. in Agricultural Management
- A.A.S. in Agricultural Marketing

ABAC requests approval to terminate the aforementioned programs due to low enrollments and follow-up assessments of programs following a two-year deactivation period. Because the programs were deactivated, no new students have been allowed to enroll in the programs and existing matriculants were provided an opportunity to complete all prescribed degree requirements. No students or faculty will be adversely impacted by the requested terminations.

23. Establishment of the E. Louise Grant Chair in Nursing, 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 the E. Louise Grant Chair in Nursing, effective August 9, 2006.

Abstract: MCG sought approval to establish the E. Louise Grant Chair in Nursing. The Medical College of Georgia Foundation, Inc. has on deposit \$500,163 in an endowment for this chair. The endowment will be used to support a distinguished faculty member in the current School of Nursing.

In January 1956, the Department of Nursing transferred from the University of Georgia to the MCG and became the School of Nursing, with E. Louise Grant serving as its first dean. A native of Hebbing, Minnesota, Ms. Grant earned a bachelor’s degree in nursing from the University of Minnesota and a master’s degree from Teachers College in Columbia, New York. Before coming to MCG, Ms. Grant served as Dean of the Medical College of Virginia for eight years.

During her 20- year tenure as Dean, Ms. Grant oversaw many program enhancements and other achievements within the School of Nursing. The Student Nurses Association of Georgia chapter was organized in 1955, and the School of Nursing Alumni Association was formed in 1958. Also in 1958, the first undergraduate nursing students graduated from MCG. In 1963, the Bachelor of Science in Nursing program was granted initial accreditation by the National League for Nursing and a common curriculum was adopted with registered nurses required to take validation exams and all senior courses. The Master of Science in Nursing program began at MCG in 1968. Ms. Grant took statutory retirement in July 1971, and she died in 1993 at the age of 87.

24. Establishment of the Betty B. Wray Chair in Pediatrics, 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 the Betty B. Wray Chair in Pediatrics, effective August 9, 2006.

Abstract: MCG sought approval to establish the Betty B. Wray Chair in Pediatrics. The Medical College of Georgia Foundation, Inc. has on deposit \$502,641 in an endowment for this chair. The endowment will be used to support a distinguished faculty member in the Department of Pediatrics, School of Medicine.

Dr. Betty B. Wray, Vice Chair Emeritus for the Department of Pediatrics and Hahn Chair in Pediatrics Emeritus, has served on the MCG faculty since 1965. A 1960 graduate of the MCG School of Medicine, Dr. Wray completed her pediatrics residency at MCG in 1965 and a clinical fellowship in 1968 before joining the faculty. Among her numerous accolades is the Distinguished Alumnus Award for Professional Achievement from the Alumni Association of the School of

Medicine in 2000. She has served as Chief of the Section of Allergy and Immunology and Vice Chairman of the Department of Pediatrics. Dr Wray served as Interim Dean of the School of Medicine from July 2001 to April 2002. Dr. Wray is a nationally known allergist and dedicated physician and administrator at the MCG.

25. 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

Department of Transportation Identify fuel price adjustment procedures and policies used by other states through a qualitative assessment; evaluate applicability of fuel price adjustment procedures used by southeastern regional states; determine risks and downsides to current practices; evaluate alternatives to current procedures based upon pay items, price triggers, and published oil prices; and report findings to the department	5/12/06 – 2/11/07	\$70,662
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Georgia Southern University

Department of Education Teach school nutrition managers “Improving Customer Service” as it relates to food quality and producing menus and foods that meet the federal Healthy School Meal Initiative requirements	3/27/06 – 3/26/07	\$55,625
Georgia Historical Records Historical Records Advisory Board Continue historical project: Preserving Our Past	6/1/06 – 5/31/07	\$1,979

TOTAL AMOUNT – AUGUST	\$ 128,266
TOTAL AMOUNT FY 2007 TO DATE	\$ 128,266
TOTAL AMOUNT FY 2006 TO AUGUST	\$ 748,858
TOTAL AMOUNT FY 2006	\$ 33,452,938

26. Information Item: Regents’ Test Discussion

The Vice Chancellor for Academic, Student, and Faculty Affairs, Frank A. Butler, gave a report on the status of the Regents’ Test review. Dr. Butler discussed the advantages and disadvantages of four possible alternatives, succinctly delineated as follows:

1. Eliminate the requirement altogether.
2. Continue the existing approach.
3. Special Committee Report – Eliminate passing the Regents’ Test as a requirement to pass the Regents’ Skills courses; add institutional grades in English 1101 and 1102 as a way to exempt the Regents’ Skills courses (A report on this alternative was presented by Provost Arnett C. Mace, Jr. of the University of Georgia to the Committee of the Board at the June 2006 meeting).
4. Regents’ Staff Report – Continue the existing Regents’ Test requirement but allow for an institutional appeal for a limited number of students.

There was a lively debate on these options. The Committee has asked the staff to come back with a modified version of the fourth option. The majority seemed to support a very small number of exceptions. So, the current plan is to use 0.1% of the number of test takers from the previous year as the basis for a new recommended Regents’ reading/writing policy and to add a Systemwide review committee to act on the resulting appeals. The Committee is willing to review about three truly exceptional cases a year. No action was taken.

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, August 8, 2006, at approximately 4:35 p.m. in room 7019, the Chancellor’s Conference Room. Committee members in attendance were Chair James R. Jolly, Vice Chair J. Timothy Shelnut, and Regents Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Jr. Board Vice Chair William H. Cleveland was also in attendance. Chair Jolly reported to the Board on Wednesday that the Committee had 12 applications for review; 7 were denied, and 5 were continued. The Committee also reaffirmed its policy of not considering grade appeals from students. 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

At approximately 4:35 p.m. on Tuesday, August 8, 2006, Chair James R. Jolly called for an Executive Session for the purpose of discussing personnel matters and academic records of students. With motion properly made and variously seconded, the Committee members who were present voted unanimously to go into Executive Session. Chair James R. Jolly, Vice Chair J. Timothy Shelnut, and Regents Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J.

Potts, Jr. Also in attendance were Board Vice Chair William H. Cleveland; the Chief Operating Officer and Executive Vice Chancellor for Administrative and Fiscal Affairs, Corlis P. Cummings; the Associate Vice Chancellor for Legal Affairs, Elizabeth E. Neely; the Assistant Vice Chancellor for Legal Affairs (Prevention), J. Burns Newsome; and the Senior Associate for Academic Affairs, Dorothy D. Zinsmeister. In accordance with O.C.G.A. § 50-14-4, an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 5:35 p.m., Chair Jolly reconvened the Committee meeting in its regular session and announced that the following actions were taken in Executive Session:

- a. In the matter of Robert G. Bryant at the University of Georgia concerning his termination, the application for review was denied.
- b. In the matter of file no. 1849 at Georgia College & State University concerning the alleged failure to meet the requirements for a Bachelor of Science in Nursing degree, the application for review was continued.
- c. In the matter of Michael Todd Brandenburg at the Medical College of Georgia concerning his termination, the application for review was continued.
- d. In the matter of file no. 1847 at the University of Georgia concerning denial of readmission into the College of Pharmacy, the application for review was denied.
- e. In the matter of file no. 1850 at Georgia State University concerning denial of admission to Georgia State University, the application for review was denied.
- f. In the matter of file no. 1851 at the University of Georgia concerning suspension, the application for review was continued.
- g. In the matter of file no. 1852 at the University of West Georgia concerning suspension, the application for review was denied.
- h. In the matter of file no. 1853 at the University of West Georgia concerning academic and disability matters, the application for review was denied.
- i. In the matter of Gerald A. McIntosh at Fort Valley State University, concerning his termination, the application for review was continued.
- j. In the matter of Robin Cabbage at the Georgia Institute of Technology concerning her termination, the application for review was continued.

- k. In the matter of Dr. Claude G. Perkins at Albany State University concerning his position reassignment and salary reduction, the application for review was denied.
- l. In the matter of file no. 1806 at Savannah State University concerning suspension, the application for review was referred for an Administrative Hearing in January 2006. The opinion was rendered on April 12, 2006. The application for review was denied.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

The Committee on Finance and Business Operations met as a Committee of the Whole during the full Board meeting on Tuesday, August 8, 2006, to consider and approve the fiscal year 2008 operating and capital budget requests. (See pages 7 to 16.) The Committee met again at approximately 2:45 p.m. in the Board Room. Committee members in attendance were Chair Robert F. Hatcher, Vice Chair Hugh A. Carter, Jr., and Regents Michael J. Coles, Julie Ewing Hunt, Felton Jenkins, Donald M. Leebern, Jr., Benjamin J. Tarbutton III, and Richard L. Tucker. Board Chair Allan Vigil was also in attendance. Chair Hatcher reported to the Board on Wednesday that the Committee had reviewed two items, one of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Approval of Fiscal Year 2008 Operating and Capital Budget Requests (To Be Addressed by Committee of the Whole)

Approved: The Board approved the fiscal year 2008 operating and capital budget requests. This item was considered by the Committee of the Whole and approved by the full Board on Tuesday, August 8, 2006. (See pages 7 to 16.)

Modified: The fiscal year 2008 capital budget request was modified prior to the Board meeting. (See page 64.)

Background: In fiscal year 2007, state appropriations for the University System of Georgia increased by 6.6%, continuing the turnaround in funding that started in the previous fiscal year. Current state funding for the System is now at \$1.93 billion, the highest level ever, and the University System of Georgia's share of state funding has reached 11.5%, up from 11% a year ago. Additionally, the University System of Georgia received \$310 million in bond funding for capital facilities, about 27.5% of all bond funding recommended for state government, a high watermark in capital funding in comparison to recent years.

With the increase in funding, the Board of Regents last year adopted allocation strategies to focus the use of funds to achieve policy goals and objectives. Therefore, \$2.2 million was allocated to five of the larger System institutions for programs designed to improve student retention and graduation rates. Because these institutions have had low graduation rates and account for the largest

enrollments within the University System of Georgia, it is expected that success in these programs will have the greatest effect on raising graduation rates in the System as a whole. The adoption of the “Fixed for Four” guaranteed tuition policy, whereby tuition for the entering classes (starting in fall 2006) will remain unchanged for four years, supports these objectives by providing financial incentives for earlier graduation.

The Board also approved a major new strategy with initial funding at \$2.3 million to increase the number of nursing graduates in the System by expanding current program offerings, increasing the System’s capability to teach nurse educators, and supporting the use of technology to expand clinical opportunities for students. The Board further recommended an allocation of funding in the amount of \$500,000 to aid in the startup of Georgia Gwinnett College as the state’s newest four-year institution. These funds, coupled with \$1 million in funds separately appropriated for this purpose, will help the institution hire faculty and staff and invest in resources needed to welcome its first upper-division students in fall 2006.

The Board approved the use of \$1.5 million in funds to implement new self-service software applications in human resources, consolidate hosting of the BANNER student administration system, and develop the capabilities of the data warehouse to streamline operations within the University System of Georgia and produce information to support the management needs of Board as well as the State of Georgia.

Continued funding of all of these initiatives will be predicated on achieving successful outcomes that will move the System forward in meeting its goals and objectives. To assist in the evaluation of institutional performance, Chancellor Davis has launched several new initiatives. They include more intensive monitoring of institutional budgets and performance factors during the year with a requirement that institutions forecast their revenues and expenditures on a quarterly basis; the implementation, beginning this fall, of a zero-based budget approach to institutional requests for budget allocations from formula funds; and a more critical review of academic program requests that will require institutions to give greater consideration to eliminating underperforming academic programs. Additionally, System presidents will assist the Chancellor in achieving greater efficiency and cost-effectiveness throughout the University System of Georgia by assuming leadership roles in the redesign of processes in key functional areas.

Although state revenues are up significantly this year, they are being outpaced by the increasing demands placed upon them by Medicaid, state employee health insurance, and other costs. As a result, the Governor has adopted conservative guidelines in regard to the fiscal year 2007 amended budget and the fiscal year 2008 budget. Agencies have been advised that funding under the fiscal year 2007 amended budget will be limited to emergency needs and that budget enhancements in fiscal year 2008 can only be funded if there is a corresponding reduction in other agency programs. Requests for increased funding based upon workload considerations through increased enrollments (i.e., formulas) are permitted under the guidelines.

In keeping with the Governor's guidelines, no request for supplemental funding in the fiscal year 2007 amended budget is presented for approval. The fiscal year 2008 operating and capital budget request is limited to the budget formula, while funding for capital projects will be consistent with the new process outlined to the Board in June 2006, where fiscal year 2008 will represent a transitional year.

The overall fiscal year 2008 operating budget request is \$2.04 billion, an increase of \$80.1 million, or 5.6% over fiscal year 2007. The fiscal year 2008 capital budget request is \$250 million, for 4 major capital projects and 13 minor capital projects. The request for funding of the major repair and rehabilitation ("MRR") fund is \$70 million, which is up by 16.6% from last year's amount of \$60 million.

Additionally, the request calls for funding one-half the MRR fund amount – \$35 million – in the form of a general fund appropriation to facilitate the expenditure of those funds for critical institutional infrastructure and renovation needs.

Significant components of this request are as follows:

Full Funding of System Enrollment Growth/Maintenance and Operations (\$80.1 million) Full funding for System enrollment growth and maintenance and operations remains the most important facet of the annual budget request. These funds will help the System continue to meet growing enrollment demand, provide for maintenance on new facilities, and keep tuition costs for students affordable, and will allow the Board to pursue key strategic initiatives.

Of the total amount, \$38.9 million is requested based upon enrollment (of two years prior) of 1.6%, \$5.6 million for new square footage of approximately 1.1 million square feet, \$4.3 million to meet the benefit costs for new retirees, \$16.8 million for increases in health insurance premiums, and \$14.5 million to meet rising energy costs. Further explanation of the latter two requests is provided below.

Health Insurance Premiums

The Board of Regents operates two major healthcare insurance programs: the self-insured indemnity program, which has been in place for many years and the preferred provider option ("PPO") program, which was implemented more recently. In addition, System employees can choose health insurance coverage with a limited number of health maintenance organizations that contract with the University System and offer service in selected geographic areas of the state.

The Board has been an effective steward of these programs. Several actions taken in recent years have helped control or greatly reduce costs. In the last five years, the Board approved a new pharmaceutical program that helped the System stem the growth of costs associated with pharmaceutical claims. The Board also approved the creation of a national provider network for the

indemnity program to greatly reduce the cost of insurance for persons traveling out of state and for its many retirees living outside the State of Georgia. Additionally, retiree premiums were adjusted recently to better reflect the claims experience of the retiree population, and a four-tier premium schedule was adopted to more closely align costs based upon the employee's choice of coverage.

Despite these efforts, medical and pharmaceutical costs continue to rise. In January 2006, a 5% overall premium increase approved by the Board of Regents went into effect with additional rate increases anticipated for January 2007 in order to keep pace with rising medical costs. Under the Board's current plans, employees electing coverage under the indemnity or PPO programs pay 25% of the premium cost; the remaining 75% is funded by System institutions. This is similar, on an overall basis, to the levels of state versus employee funding provided under the State of Georgia's employee health insurance program.

Last year, the Governor and General Assembly appropriated \$8 million to fund the premium increase approved in January 2005. The \$16.8 million requested this year is essential in keeping pace with costs and ensuring that premium expenses do not supplant funds needed for instruction.

Energy Costs

The recent rise in costs for natural gas and electricity have greatly affected operational costs at System institutions despite the fact that significant efforts are being made across the University System to control consumption.

After the Governor's executive order last fall, most System institutions formed energy committees to evaluate energy usage and make recommendations for energy conservation. Three examples of the work of these committees include the following:

- The University of West Georgia's ad hoc energy committee recommended adopting the federal government's standards for building temperature set-points, reviewing summer and weekend building operation schedules, and developing a campuswide education program for staff, students, and faculty. The committee estimated that these and other recommendations could result in a 10% to 15% cost avoidance.
- The University of Georgia ("UGA") has formed a permanent executive energy committee to evaluate, prioritize, and implement the recommendations of the original energy committee's work in fall 2005, oversee the campus energy awareness campaign, and develop additional recommendations for reducing energy consumption of campus building facilities. A demonstration energy audit of UGA's Ecology Building conducted for this committee in May 2006 identified \$48,560 in implementation costs for energy conservation measures would generate an estimated energy cost savings of \$25,230 per year, a payback period of 1.9 years.

- The Georgia Institute of Technology (“GIT”) has had an energy and utilities conservation team in place since October 2004. As one example of this team’s successes, over 4,000 incandescent lamps on the campus were identified and replaced in 2005, resulting in a documented energy savings of over \$53,000 annually (based upon a campus electric rate of five cents per kilowatt hour.) In addition, GIT’s minimum design standards (“Architectural and Engineering Design Standards for Building Technology”) require the use of variable frequency pumps and air handlers, 100% airside economizers, thermostat management/direct digital controls, CO² demand-based ventilation, high-efficiency lighting and motors, and other energy efficiency measures for renovations and capital projects.

Aging, inefficient building systems negatively impact the University System’s overall energy usage, and System institutions are committing funds to improve and upgrade such systems at their campuses. Approximately one-third (\$16 million) of the \$48 million dedicated to nonregulatory MRR projects for fiscal year 2007 will be directed toward projects to upgrade or replace HVAC systems, energy control systems, steam plants, boilers, and chillers. This clearly demonstrates an ongoing commitment to improving and upgrading Systemwide utility infrastructure and reducing overall energy consumption.

From a broader energy management perspective, there are several efforts underway that are worthy of mention:

- The System is a very active member of the State Facilities Energy Council (“SFEC”), which was established by Governor Perdue in February 2006 and tasked with developing energy management strategies for all state agencies and entities. System representatives chair the pricing and energy consumption subcommittees of the SFEC.
- The Board is working with the Georgia Environmental Facilities Authority (“GEFA”) on the development of a statewide database to track energy consumption. The database is expected to be up in August 2006, and training on the use of the database will be provided to state agencies/entities in the fall. The database will be an important tool to begin to compare energy consumption data across state entities and building types and develop performance benchmarks for energy consumption.
- Last month, the System worked with the Pollution Prevention Assistance Division (“P²AD”) to submit a \$52,000 grant from the Environmental Protection Agency to conduct energy audits of select System facilities and assess the overall potential for energy reductions. This project would involve a partnership between P²AD, GEFA, the Board of Regents, GIT’s Economic Development Institute (“EDI”), and UGA’s Department of Biological and Agricultural Engineering, and would leverage the extensive professional energy management expertise of the latter two System institutions.

- The energy consumption subcommittee of the SFEC is developing a position paper on possible funding mechanisms to help implement energy conservation projects for state entities. Performance contracting is one possible approach, and the subcommittee is also exploring the recent experiences of the Georgia Building Authority and Department of Corrections, as well as the Attorney General's position on the issue. Another option the subcommittee is researching is the establishment of a revolving loan fund to help finance energy improvements. This approach, while significantly more complicated to implement, could enable energy savings to be retained within the state and preferably by the agency/entity, rather than routed to a third-party vendor.

The request for \$14.5 million reflects current increases that are now drawing funds away from the support of academic programs.

Major Repair and Rehabilitation and Capital Outlay (\$70 million for MRR, with \$35 million requested from operating appropriations and \$215 million for capital outlay other than MRR) In anticipation of future enrollment growth and a recent study showing limited classroom capacity at many of the System institutions, continued support for the Board's capital program is essential. Maintaining a reasonable schedule for completion of priority facilities projects is critical to meeting enrollment demand. The State of Georgia has played a leadership role in providing annual funding for repair and renovation of its facilities. MRR funding ensures that repairs and renovations are made to guarantee the safety, security, and continuing value of the state's physical assets.

Georgia Public Library Service

Fiscal Year 2008 Operating Budget Request

As is required under the Governor's budget guidelines for all state agencies, the Georgia Public Library Service ("GPLS") budget request contains no enhancement request for fiscal year 2008 other than for workload- (or formula-) related increases. The regional and local libraries receive state funds through GPLS under a workload formula that reflects population changes. Based upon changes in population, the formula generates an increase of \$297,294 for GPLS in fiscal year 2008. This increases the base budget from \$37,968,698 to \$38,265,992. With the salary annualizer for fiscal year 2007 salary increases, the total budget request for GPLS for fiscal year 2008 is \$38,706,842

Fiscal Year 2008 Capital Budget Request

Fourteen capital projects, which were approved by the Board of Regents last year but did not receive funding from the Governor or General Assembly, are recommended for approval this year. These projects have a commitment of local funds as required under state policy in order to be eligible for state funding. The total cost of the **14 8** projects is **\$36.9 \$21.9** million, of which **\$18.8 \$10.8** million

will come from local funds. The recommended state share of funds is ~~\$18.1~~ \$10.9 million.

As with all capital facilities projects approved by the Board of Regents, the process for developing capital facilities for Georgia's public libraries will be modified next year to mirror the type of process for college and university facilities now under consideration by the Board of Regents.

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

Approved: The Board approved revision of The Policy Manual, Section 704, Tuition and Fees, as provided below to implement the Guaranteed Tuition Plan concerning transfer students, effective spring semester 2007.

Background: At the June 2006 meeting, the Board of Regents approved a policy to implement the University System of Georgia's Guaranteed Tuition Plan. Unresolved at the time was the question of how transfer students would be treated under the new policy. The proposed language below establishes a guaranteed tuition rate policy that treats transfer students equally with nontransfer students, is neutral with respect to influencing student behavior regarding transfer, and meets the intent of the "Fixed for Four" concept adopted in April 2006.

Under this policy, a student entering the University System in fall 2006 (or beyond) locks in the guaranteed tuition rates in effect at all System institutions at that time. If the student transfers during that four years, he/she will be able to gain the advantage of paying the guaranteed rate at the new institution effective in his/her year of entry into the System for however many years the student has left to reach four years. (Note: This policy would not apply to students transferring from non-System institutions. The Board of Regents adopted a transfer policy for non-System students in June which allows non-System transfers to get two years of a guaranteed rate in effect in their year of transfer.)

This policy will require that University System institutions establish means to track students when they enter the System, which can most easily be accomplished by noting year of entry into the University System of Georgia on the student's transcript. Students are required to provide a transcript in order to transfer.

This policy also may have a cost impact on institutions that are net recipients of transfer students. Instead of entering the institution and paying tuition at the current rate, transfer students would be able to pay rates from prior years resulting in some revenue loss to the institution. However, this loss can be addressed through adjustments in the annual recommended tuition rates or through budget allocations or both. To the extent that the pattern of transfers remains fairly constant year to year at any institution, future adjustments needed to accommodate this policy may be far less significant.

Please note that the strike-through text represents deletions from the current version and the

highlighted texts represent additions.

704 TUITION AND FEES

704.01 TUITION

704.011 DEFINITIONS

- A. Tuition shall be defined as payment required for credit-based instruction and related services and shall be charged to all students. Tuition rates for all University System of Georgia institutions and programs shall be approved annually no later than the May meeting by the Board of Regents to become effective the following fall semester. Exceptions to this requirement may be granted upon recommendation of the Chancellor and approval by the Board of Regents. Tuition for both undergraduate and graduate students enrolled at an institution within the University System of Georgia shall be charged at the full rate for students enrolled for 12 credit hours or more and at a per credit hour rate for students enrolled for less than 12 credit hours. Distance education courses and programs as defined in Section 704.016 may be exempted from this policy and charged on a per credit hour basis.
- B. In-state tuition shall be defined as the rate paid by students who meet the residency status requirements as provided in Section 403 of The Policy Manual.
- C. Out-of-state tuition shall be defined as the rate paid by students who do not meet the residency status requirements as provided in Section 403 of The Policy Manual. Out-of-state tuition at all University System institutions shall be established at a rate that is at least four times the tuition rate charged to Georgia residents. University System of Georgia research universities may request increases in out-of-state tuition rates based upon the tuition levels of peer or comparable institutions.
- D. The Guaranteed Tuition Rate shall be defined as the rate paid by students enrolled in a University System of Georgia undergraduate program who entered the System for the first time as new students or as transfer students in fall 2006 or later. The guaranteed tuition rate shall be held constant for each new student or transfer student (except those that may be classified as current and continuing students under Section 704.011 paragraph H) for a period of time as described in Section 704.012.
- E. The Nonguaranteed Tuition Rate shall be defined as the rate paid by students enrolled in a University System of Georgia undergraduate program who entered the System for the first time as new students or as transfer students prior to fall 2006. The nonguaranteed tuition rate shall be established at a rate no greater than the guaranteed tuition rate and may increase annually as approved by the Board of Regents.

- F. New Students shall be defined for the purposes of this section as students enrolled in an undergraduate program at a University System of Georgia institution for the first time in fall 2006 or later, and who have not previously earned academic credits at a postsecondary institution except as students jointly (or dually) enrolled in a Georgia high school and a University System of Georgia institution or through advanced placement credit.
- G. Transfer students shall be defined for the purposes of this section as students enrolled in an undergraduate program at a University System of Georgia institution who were previously enrolled at another postsecondary education institution and have earned academic credits.
- H. Current and Continuing Students shall be defined for the purposes of this section as students who entered the University System of Georgia for the first time as new students or as transfer students prior to fall 2006.
- I. Semester shall be defined for the purposes of this section as the standard term of instruction for each institution in the University System of Georgia for fall, spring, and summer. The summer semester shall be defined as the combined terms of instruction provided by University System of Georgia institutions which begin after the completion of the spring semester and end prior to the start of the fall semester (BR Minutes, June 2006).

704.012 THE GUARANTEED TUITION PLAN

- A. Pursuant to Section 704.011, the Board of Regents shall annually approve guaranteed tuition rates for each of the institutions comprising the University System of Georgia.
- B. New students enrolled in an undergraduate program at a University System of Georgia research, regional or state university shall be charged the approved guaranteed tuition rates for these institutions, which shall be fixed for new students for a period of four years (12 consecutive semesters, including fall, spring, and summer).
- C. New students enrolled in an undergraduate program at a University System of Georgia two-year college shall be charged the approved guaranteed tuition rates for these institutions, which shall be fixed for new students for a period of three years (nine consecutive semesters, including fall, spring, and summer).
- D. New students enrolled in an undergraduate program at a University System of Georgia state college shall be charged the approved guaranteed tuition rates for these institutions as follows:

1. For new students enrolled in lower-division programs, the lower-division guaranteed tuition rate shall be charged and fixed for these new students for a period of three years (nine consecutive semesters including fall, spring, and summer).
 2. For new students enrolled in upper-division programs, the upper-division guaranteed tuition rate shall be charged and fixed for these new students for a period of two years (six consecutive semesters including fall, spring, and summer).
- E. New students enrolled initially in the university college programs at Augusta State University, Columbus State University, and Savannah State University who progress to the regular undergraduate programs offered by these institutions shall be charged the approved guaranteed tuition rates which shall be fixed for a period of five years (15 consecutive semesters) including fall, spring, and summer. New students who enter the regular undergraduate program at these institutions shall be charged the guaranteed tuition rate for four years (12 consecutive semesters) as provided for under Section 704.012 paragraph B.
- F. New students enrolling in the summer semester.
1. New students enrolling in an undergraduate program at a University System of Georgia institution in summer 2006 may be charged either the nonguaranteed tuition rate approved by the Board of Regents effective fall 2005, or the guaranteed tuition rate approved by the Board of Regents effective fall 2006 pursuant to the policy established by each University System of Georgia institution and subject to:
 - a. If charged the nonguaranteed tuition rate for summer 2006, new students shall be charged the guaranteed tuition rate beginning fall 2006, which shall be fixed as provided under Section 704.012 paragraphs B through E.
 - b. If charged the guaranteed tuition rate for summer 2006, new students shall continue to be charged the same guaranteed tuition rate beginning fall 2006, which shall be fixed at that rate beginning with fall 2006 as provided under Section 704.012 paragraphs B through E.
 2. New students enrolling in an undergraduate program at a University System of Georgia institution for the first time in summer 2007 and any summer thereafter shall be charged the guaranteed tuition rate approved by the Board of Regents for the year in which that summer occurs and be charged the new fall guaranteed tuition rate as provided under Section 704.012 paragraphs B through E.
- G. ~~Transfer students (excluding those categorized as current and continuing students under Section 704.011 paragraph H).~~

1. Transfer students from non-University System of Georgia institutions shall be charged the guaranteed tuition rate effective the year in which they transferred, which shall be fixed for two years (six consecutive semesters). This policy shall become effective for such students beginning with spring semester 2007.
 2. Transfer students from University System of Georgia institutions who first entered the System in fall 2006 or thereafter shall be charged allowed only one transfer to remain eligible for the guaranteed tuition rate at their new institution that was approved for the year in which they first entered the University System, if that year does not precede the year of transfer by more than four years. Students will retain that guaranteed tuition rate for the balance of four years. For any subsequent transfers, students shall be charged the guaranteed tuition rates in effect at the new institution in the year they transfer and shall thereafter be charged the new guaranteed tuition rates established by the Board of Regents for the duration of their enrollment at that institution or any other institution within the University System of Georgia.
 3. Transfer students who enroll during summer shall be subject to the same rules as apply to new students (paragraph F subparagraphs i and ii) except that the guaranteed tuition rate will be fixed only for two years (six consecutive semesters).
 4. Students who are entering the University System of Georgia for the first time but choose to attend one System institution during the summer and enter a second System institution in the fall shall be treated as a new student at the second institution pursuant to Section 704.011 paragraph F if the number of academic credits earned during the summer is 12 credits or less. If the number of credits earned is greater than 12, the student shall be treated as a transfer student.
- H. Students enrolled in programs requiring more than four years to complete. University System of Georgia research, regional, and state universities may, under limited circumstances, extend the guaranteed tuition rate up to two additional consecutive semesters for certain selected programs that require more than four years to complete. A list of these programs must be provided to the Board of Regents annually.
- I. Students jointly enrolled in high school and a University System institution. Students who graduate from a Georgia high school with college credit are eligible for the guaranteed tuition rate as new students.
- J. Students called to active military duty. A student eligible to received the guaranteed tuition rate as provide under sections 704.011 and 704.012 who is called to active duty will receive an extended guarantee for the period of service up to two years (six consecutive semesters).

- K. Transient and nondegree-seeking students. Transient and nondegree-seeking students shall be charged the guaranteed tuition rate at the institution they attend as approved by the Board of Regents for that year.
- L. Expiration of the guaranteed tuition rate. The guaranteed tuition rate for new and transfer students will expire at the end of the periods described under this section. Students shall be charged the guaranteed tuition rates established for the next semester in which they enroll at the same institution and be charged the new guaranteed tuition rates established each year by the Board of Regents.
- M. Appeal process. Each University System of Georgia institution shall establish a process to allow students to appeal their eligibility for the guaranteed tuition rate based upon extenuating circumstances. Each institution shall have the final decision on any appeal.

704.013 NONGUARANTEED TUITION

The nonguaranteed tuition rates as defined in Section 704.011 paragraph E shall be charged to all students classified as current and continuing students.

704.014 GRADUATE TUITION

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

704.015 PROFESSIONAL PROGRAM TUITION

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

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

- A. Classified as a graduate assistant under section 704.014, or
- B. Eligible for an out-of-state tuition waiver under section 704.041,

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

704.016 TUITION FOR DISTANCE LEARNING COURSES AND PROGRAMS

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

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

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

The amount institutions may charge for the course/program delivery shall be agreed upon between the institution and the customer, such that the total cost shall represent the reasonable and fair market value of the instruction and provided that the charges are not less than the total direct and indirect costs to the institution for the delivery of instruction and related services. Such costs may include, but are not necessarily limited to, course development, direct instruction, textbooks, consumables, noninstructional services, hardware, software, and indirect costs such as administrative overhead, maintenance, and security. Institutions shall be required to report annually to the Chancellor regarding these agreements.

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

3. Information Item: Fiscal Year 2008 Budget Process

The Vice Chancellor for Fiscal Affairs, William R. Bowes, provided an overview of the fiscal year 2008 budget process. He reported that the budget allocation process in recent years has focused almost exclusively upon new funds. There has been little detailed analysis of current allocations as

part of the process except for high-level adjustments that have been made to bring institutions closer together in terms of total funding per full-time equivalent student. The budget process has not to date focused on how institutions use current funds to support the goals and priorities of the Board of Regents, nor has the process addressed tuition and other revenues that support educational and general expenditures.

The fiscal year 2008 budget allocations will be based upon an analysis of institutional budgets, focusing on both current base-level funding and requests for additional funds under the formula. It will also consider how tuition and other non-state funds contribute to institutional resources to support the institutional missions. Separate recommendations will be developed for each institution based upon University System priorities, demonstrated needs, levels of efficiency in key program areas, and other factors. Staff will be developing “shadow budgets,” eventually leading to the creation of zero-based budgets for each institution. The recommendations may lead to the identification of a “normative” level of funding for institutions based upon peer institution analysis.

The budget review process will begin with instructions disseminated to institutions in September 2006. A budget workshop will be held during that month to explain the process and respond to questions. Following submission of requests in November, University System Office budget staff will interact with institutional staff on the requests and begin to develop preliminary recommendations. The discussions will focus not only on state allocations, but also on tuition levels and fee requests. Preliminary recommendations will then be forwarded to the Chancellor. During January through March 2007, the Chancellor may choose to meet individually with institutional presidents where there are differences between the request and University System Office staff recommendations or where there are significant budget issues to be addressed. Final recommendations will be prepared in April 2007 and presented to the Board of Regents for action at the April Board meeting. System institutions will be asked to submit budgets containing the following information: a detailed current budget for fiscal year 2007 by organization and program, detailed requested increase for fiscal year 2008 by organization and program position, and detail by organization by faculty and staff narrative explanation of request. In addition, the budget evaluation will focus upon a number of indicators or measures of institutional performance and activity. These are yet to be determined.

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, August 8, 2006, at approximately 3:00 p.m. in the Board Room. Committee members in attendance were Chair Richard L. Tucker, Vice Chair Julie Ewing Hunt, and Regents Hugh A. Carter, Jr., Michael J. Coles, Robert F. Hatcher, Felton Jenkins, Donald M. Leeborn, Jr., and Benjamin J. Tarbutton III. Board Chair Allan Vigil was also in attendance. Chair Tucker reported to the Board on Wednesday that the Committee had reviewed ten items, eight of which required action. Item 8 was withdrawn. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Naming of the Anne Wells Branscomb Rose Garden, Old Governor’s Mansion, Milledgeville, Georgia College & State University

Approved: The Board approved the naming of the recently restored rose garden adjacent to the historic Old Governor’s Mansion at Georgia College & State University (“GCSU”) the “Anne Wells Branscomb Rose Garden” in honor of Mrs. Anne Wells Branscomb.

Understandings: The recently restored rose garden adjacent to the Old Governor’s Mansion, a National Historic Landmark site, serves as a small gathering space and focal point on the historic landscaped grounds of the mansion property.

Mrs. Anne Wells Branscomb was the daughter of former GCSU President Guy Herbert Wells and was a distinguished alumna of GCSU. Mrs. Branscomb came to Milledgeville in 1934 with her family and lived in the Old Governor’s Mansion during her father’s presidency. Mrs. Branscomb graduated from GCSU (formerly Georgia State College for Women) in 1949. She also received degrees from the University of North Carolina, Harvard University, and the George Washington Law School. Mrs. Branscomb served as an adjunct professor of international law at the Fletcher School of Law and Diplomacy and was a professor of telecommunications, law, and public policy at Polytechnic University in New York. Her publications discussed cable television, the impact of computers on society, and the legal challenges and questions of public and private ownership of information in cyberspace.

Mrs. Branscomb was both a donor and fundraiser in establishing the Guy Wells Endowed Fund at GCSU. Prior to her death in 1997, she was active with friends and former classmates in establishing a fund for the restoration of the rose garden at the Old Governor’s Mansion. She visited Milledgeville frequently through the years and maintained many friendships in the community. Considering the significant role Mrs. Branscomb had as both a resident and a benefactor at the Old Governor’s Mansion, it is highly fitting that the rose garden, a unique space on the historic grounds of the newly restored Old Governor’s Mansion, be named the “Anne Wells Branscomb Rose Garden.”

2. Demolition of the Physical Education Annex Building, Kennesaw, Kennesaw State University

Approved: The Board declared the Physical Education Annex Building located on the campus of Kennesaw State University (“KSU”), Kennesaw, Georgia, to be no longer advantageously useful to KSU or any units of the University System of Georgia and authorized demolition and removal of this building.

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

Understandings: The building is an approximately 5,760-square-foot one-story modular building that was originally constructed in 1989 and used as offices by the coaches and trainers in the Athletic Department. The building is in poor condition and has been vacant since September 2005.

The site is to be used for future expansion of the KSU student recreation center in accordance with the campus master plan.

A Georgia Environmental Policy Act evaluation and environmental site assessment report have been completed and indicate no adverse environmental conditions associated with this demolition.

3. Amendment to Rental Agreement, 34 Peachtree Building, Atlanta, Georgia State University

Approved: The Board authorized the execution of an amendment to the rental agreement between Peachtree Financial Associates, LLC, Landlord, and the Board of Regents, Tenant, for an additional 11,042 square feet, increasing the total to approximately 44,168 square feet at 34 Peachtree Street, Atlanta, Georgia, for the period September 1, 2006, through March 31, 2007, at a monthly total rent of \$63,773.33 (\$765,279.96 per year annualized/\$17.33 per square foot per year) with an option to renew on a year-to-year basis for two consecutive one-year periods with rent increasing 4% per year and then two additional consecutive one-year option periods on a year-to-year basis for 11,042 square feet \$17,593.59 per month (\$211,123.08 per year annualized/\$19.12 per square foot per year) with rent increasing 4% for the final option period, for the use of Georgia State University (“GSU”).

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

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

Understandings: In November 2002, the Board approved renting 22,084 square feet in this facility. In March 2005, the Board approved renting an additional 11,042 square feet in this facility. This amendment will provide an additional 11,042 square feet of office space.

This space will be used by The Best Practices training project, which has outgrown the current location in Alumni Hall. The project is a sponsored program and has received funding for ten years. In the past two years, the number of training programs contracted has doubled necessitating additional space to accommodate new staff and work space. Funding for the rent will be from the project.

The rent rate for this additional space is \$17.00 per square foot, allowing for an overall blended rent

rate lower than that approved in November 2002 and amended in March 2005. All operating expenses are included in the rent rate.

If this agreement is terminated anytime prior to exercising the last option period, an additional premature termination payment will be due to the Landlord. This payment would be \$305,416.10 during the initial term, decreasing each year to \$53,831.24 if the last option period is not exercised.

All other terms of the rental agreement approved by the Board in November 2002 and amended by the Board in March 2005 remain the same.

4. Gift of Real Property, 201 North Clark Street, Milledgeville, Georgia College & State University

Approved: The Board accepted a gift of approximately 0.21 acre of improved real property located at 201 North Clarke Street, Milledgeville, from the Georgia College & State University Foundation, Inc. (the “Foundation”) for the 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 an approximately 4,032-square-foot two-story wood frame house in average condition.

This real property was acquired by the Foundation in December 2005 for \$225,000. This real property was appraised for \$335,000 by Elaine Sheppard in June 2005.

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

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

This real property will be used to house various academic functions.

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

5. Gift of Real Property, 102 South Columbia Street, Milledgeville, Georgia College & State University

Approved: The Board accepted a gift of approximately 0.19 acre of improved real property located at 102 South Columbia Street, Milledgeville, from the Georgia College & State University

Foundation, Inc. (the “Foundation”) for the 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 an approximately 3,127-square-foot two-story wood frame house with basement in average condition.

This real property was acquired by the Foundation in January 2006 for \$225,000. This real property was appraised for \$245,000 by Mike Cobb in December 2005.

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

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

This real property will be used to house various academic functions.

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

6. Authorization of Project, Flower Garden, State Botanical Garden, Athens, University of Georgia

Approved: The Board authorized project “Flower Garden, State Botanical Garden of Georgia,” University of Georgia (“UGA”), with a total project budget of approximately \$1,359,645 to be funded from University of Georgia Foundation, Inc. (the “Foundation”) funds.

Understandings: The State Botanical Garden of Georgia (the “Garden”) is a 313-acre preserve set aside by UGA to foster appreciation, understanding, and stewardship of plants and nature through collections and displays, horticultural gardens, educational programs, and research. The Garden is a “living laboratory,” a vital resource for the teaching, research, and public service missions of the university.

The Flower Garden is the next major component of the Garden’s 1990 master plan. It will be both aesthetically beautiful and a major contributor in the support of the Garden’s “living laboratory” mission. The construction consists of extensive landscaping – terraces, retaining walls, and flowerbeds – along with walking paths and viewing pavilions.

The estimated construction cost is \$1,172,000, and the total project budget is \$1,359,645. Funding

for the project will be from Foundation funds set aside for this project.

If authorized by the Board, UGA will proceed to select a contractor in accordance with Board of Regents procedures.

7. Authorization of Project, Athletic Facilities for Panthersville Location, DeKalb County, Georgia State University

Approved: The Board authorized Project No. BR-50-0602, “Athletic Facilities for Panthersville Location,” Georgia State University (“GSU”), with a total project budget of approximately \$6,500,000.

Understandings: The athletic facilities at Panthersville are part of the GSU master plan update that was presented to the Committee at the February 2006 Board meeting. GSU competes in the NCAA Division I Colonial Athletic Association Conference. The existing Panthersville site located in DeKalb County is the home for GSU baseball and softball fields. Due to the lack of facilities, GSU leases venues for its other Division I athletic programs. These venues are often unavailable due to other commitments. The Panthersville site will be further developed to accommodate GSU’s soccer, tennis, and track teams, as well as a locker room facility.

The project will be accomplished in three phases, as follows:

- Phase 1: Soccer practice field (in progress)
- Phase 2: Eight outdoor tennis courts, an 8-lane track with natural turf soccer field inside, 500-seat capacity bleachers, sports lighting, press box, locker room/public restroom facility. There will be 2 locker rooms each for men and women with 30 lockers in each room. There will also be a synthetic turf soccer practice field, a parking lot for 200 cars, and an access road.
- Phase 3: Indoor tennis courts

The project is consistent with the GSU master plan.

University System Office staff and GSU will proceed with the selection of design professionals in accordance with Board of Regents procedures.

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

Withdrawn: This item was withdrawn prior to the Committee meeting.

9. Executive Session, Potential Real Estate Acquisition

At approximately 3:55 p.m. on Tuesday, August 8, 2006, Chair Richard L. Tucker called for an Executive Session for the purpose of discussing the potential acquisition of real property. With motion properly made and variously seconded, the Regents who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair Tucker, Vice Chair Julie Ewing Hunt, and Regents Hugh A. Carter, Jr., Michael J. Coles, Robert F. Hatcher, Felton Jenkins, Donald M. Leebern, Jr., and Benjamin J. Tarbutton III. Also in attendance were the Chair of the Board of Regents, Alan Vigil; the Chief Operating Officer and Executive Vice Chancellor for Administration and Fiscal Affairs, Corlis P. Cummings; the Vice Chancellor for Facilities, Linda M. Daniels; the Assistant Vice Chancellor for Development and Administration, Peter J. Hickey; the Assistant Vice Chancellor for Legal Affairs, Daryl Griswold; the Director of Compliance and Administration, Mark Demyanek; the Executive Director of Real Estate Ventures, Marty Nance; Special Assistant Attorney General Kenneth L. Levy; and Assistant Attorney General Denise E. Whiting-Pack. In accordance with O.C.G.A. § 50-14-4, an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 4:20 p.m., Chair Tucker reconvened the Committee meeting in its regular session and announced that a real estate acquisition was approved by the Committee in the Executive Session. The legal details involved with the acquisition will be handled by the Office of the Attorney General.

10. Information Item: Public-Private Ventures Program Update

The Assistant Vice Chancellor for Development and Administration, Peter J. Hickey, presented an update on the status of the privatization efforts, outlined public-private ventures ("PPV") goals for fiscal year 2007, and recommended some key policy proposals for the Board's consideration. PPV has become a major source of funds for the construction of facilities for the University System of Georgia. The Board's strategic plan for capital facilities is for the ventures program to average \$230 annually over the next three years.

Since the beginning of the PPV program, the System has entered into ventures for 71 projects. These ventures have produced 20,038 new beds of student housing on 19 campuses, 11,209 parking spaces located in parking decks, and approximately 3.2 million square feet of building space used for student centers, recreation centers, and research, office, and retail space. To date, the total amount of financing is well over \$1.78 billion.

Mr. Hickey stated that staff were actively involved in the planning, deal structure, due diligence review, and closing of 15 PPV projects in fiscal year 2006. These projects represent total funding of over \$480 million for new facilities. Half of the facilities are for new student housing. There were

six “campus life” projects financed, such as student centers, recreation centers, and parking facilities.

Mr. Hickey then discussed the accomplishments made toward the PPV business plan. He described some of the uses of the funding generated from the Board of Regents’ fee assessed to PPV projects. In the first year of the PPV program, an executive director and a real estate research analyst were hired. In the second year, plans call for two program managers to be hired. Staff engaged the Office of the Attorney General in the PPB program and established a revolving fund for environmental assessments, surveys, appraisals, programming, and design. Staff outsourced comprehensive housing plans, and market and feasibility studies. Going forward, staff will create guidelines for various project types (e.g., residential facilities, parking decks, etc.), develop quality standards for student housing, and develop schedule guidelines for projects.

The Executive Director of Real Estate Ventures, Marty Nance, then discussed the PPV business plan, annual services, and other goals and objectives. The business plan calls for review and reporting on the financial viability of projects. To this end, staff are working with the Chief Audit Officer to ensure PPV projects are incorporated into the annual audit. One of the new PPV program managers will further assist in this effort.

Mr. Nance then discussed the expansion of financing options. Staff worked closely with the Governor’s Office and the legislature to structure and obtain passage of the GHEFA enabling legislation. Regent Tarbutton has been appointed as the Board of Regents member to the new authority. Staff will assist in the setup and startup of the authority. GHEFA will expand the Board of Regents’ ability to meet the facilities needs on System campuses.

Staff will continue to work to build relationships with the finance community. This has led to enhanced relationships with Moody’s Investor Services and Standard & Poor’s rating agencies, which have resulted in 15 projects receiving AAA bond ratings and underlying ratings of A3 or better. Staff have worked directly with the rating agencies on site visits, due diligence, financial, and annual reviews. Staff have also encouraged the participation of more bond insurers. The competition for bond insurance was increased with four active insurers, which has resulted in reduction in premiums as much as 50%. As a result of obtaining AAA bond ratings and bond insurance, major bond buyers have actively participated in buying bonds for System projects. The bond issues have been over-subscribed.

Mr. Nance discussed recommendations that the Board of Regents should consider adopting with regard to the PPV program. Since student housing has been the largest number and dollar amount of PPV projects, the System should further provide ways to enhance and ensure the viability and success of these ventures. To this end, it is recommended that the comprehensive housing plan be updated annually. The annual updates will focus on financial performance, budgets, operations, and marketing, and will address future demand for housing.

Mr. Nance also recommended that the Board of Regents create a housing council for the PPV program. The housing council would consist of representatives from every institution with housing. The council's role will be to develop a system for providing Systemwide information, consultation, and guidance to the institutions engaged in housing management and operations.

Finally, Mr. Nance recommended that the Board of Regents require the LLCs to execute cooperative agreements with System institutions. This would include the LLCs' providing annual audits of their projects.

11. Information Item: Proposed Public Private Venture Projects

The Vice Chancellor for Facilities, Linda M. Daniels, presented an update to the Committee on a number of proposed public-private venture projects currently in the planning stages. These projects include the following:

- a. Abraham Baldwin Agricultural College Student Housing, Phase II
- b. Gordon College Student Housing, Phase II
- c. University of Georgia Student Housing, Phase II
- d. South Georgia College Student Housing
- e. North Georgia College & State University Parking Deck and Recreation Center
- f. Georgia Perimeter College Parking Decks and Student Support Facilities
- g. Georgia Gwinnett College Parking Deck

AUDIT COMMITTEE

The Audit Committee met on Tuesday, August 8, 2006, at approximately 4:10 p.m. in the Board Room, room 7007. Committee members in attendance were Chair Donald M. Leebern, Jr., Vice Chair Felton Jenkins, and Regents Hugh A. Carter, Jr., Michael J. Coles, Robert F. Hatcher, Julie Ewing Hunt, Benjamin J. Tarbutton III, and Richard L. Tucker. Chair Leebern reported to the full Board on Wednesday that the Committee had reviewed two items, neither of which required action. Those items were as follows:

1. Information Item: Summary of Fiscal 2006 Internal Audits

The Chief Audit Officer and Associate Vice Chancellor, Ronald B. Stark, presented to the Committee a summary of audits completed by University System Office and campus-based auditors. Each institution ranks its audit findings and rates its individual audit. Mr. Stark then reviews the institutional audit reports and ratings to ensure consistency among the ratings and to evaluate the risk on each campus.

In fiscal year 2006, institutions completed 130 audits, 4 of which were rated poor and 1 was rated

fair. The 130 audits yielded 516 audit findings, representing a reduction of 117 from fiscal year 2005. There was only one major audit finding pertaining to the State Botanical Garden of Georgia audit performed by the University of Georgia (“UGA”) audit staff.

Regent Hatcher asked whether money stolen from the University of Georgia bookstore had been returned. Mr. Stark responded that he would investigate the matter and get an answer back to him.

2. Information Item: Status of Implementation of Audit Findings

The Chief Audit Officer and Associate Vice Chancellor, Ronald B. Stark, receives quarterly reports from all institutions regarding the status of all audit findings (state, Board of Regents, and campus-based). This information is recorded and evaluated quarterly. These data have been used to determine the implementation of all audit findings. Mr. Stark explained that the audit findings are tracked in a database. Each quarter the Internal Audit Department sends each institution a report listing the current status of each finding. The institutions are asked to update the report with the current status of each finding and return it to the University System Office. The database is then updated with the most recent information.

The number of open audit findings at fiscal year-end has decreased every year since implementing the quarterly follow-up process. The number was 1,036 in fiscal year 2003, 268 in fiscal year 2004, 256 in fiscal year 2005, and 229 in fiscal year 2006.

Regent Hatcher suggested that a category be added to the report to identify repeat findings. He stated that would provide increased accountability. The Committee agreed, and Mr. Stark stated that he would implement this in future audit reports.

CHANCELLOR’S REPORT TO THE BOARD

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

We started our new fiscal year on July 1, and a new academic year is about to begin as well. This month marks my sixth month on the job. Although a lot is still new to me, I realize that every meeting and every action of this Board and this System is part of a continually renewing cycle. The first six months have been exciting, and the excitement continues.

Yesterday, you approved what will be my first budget in my first full budget cycle. I am very excited about seeing it grow into a full state appropriation next spring. I am accountable for this budget and look forward to spending time with the appropriate legislators to ensure that our aspirations and goals are in fact met. But looking forward, there will be additional procedural changes to our own internal procedures. This year, for the first time, we will be

assigning analysts to each institution, and they will be working with institutional representatives to develop “shadow budgets.” We will compare our “shadow budgets” with those developed at the institutions in an effort to challenge thinking and assumptions made at the campus level. Ultimately, this will become a proxy for a zero-based budget approach where every dollar – not just the incremental ones – must be justified. This will be an ongoing process. I expect that our capabilities as well as the capabilities of those defending budgets will in fact improve over time. I am looking forward to the first year of this, and hopefully, we will get some meaningful dialog with the campuses. It will help us understand their needs a little bit better. While on the surface, it will give us an opportunity to challenge, it will also give us an opportunity to learn. We will all be better as a result of this process.

Instead of talking about what has happened over the last six months, let me talk a little bit about what you should expect over the next six months. First, we will continue to evaluate our processes and determine where we can drive improvements. At the presidents’ meeting in July, I announced a number of actions related to this effort. The most visible of these actions was the reorganization of my staff and my reporting relationships. I now have a more manageable number of people reporting directly to me. This is a work-in-process, and we will continue to test its effectiveness and will not hesitate to make changes. We also shared with the presidents for the very first time a list of Systemwide responsibilities, and I indicated that I wanted to assign one or more of those to each president and have them pursue that responsibility and maximize its effectiveness across the System. The presidents were given the list to review, and we asked whether there were topics they believed should be added to the list. Surprisingly, we got over 27 additional topics to consider. So, that was a very robust exchange between my staff and the presidents. The next step is to set specific expectations and make specific assignments. Then, we’ll start the true hard work of maximizing these functional responsibilities.

Under the leadership of the Chief Audit Officer and Associate Vice Chancellor for Internal Audit, Ronald B. Stark, we have identified a number of key approval processes that can be moved from the System to the institutional level. While I thought initially this would be a small number, it has turned out to be a quite voluminous number. This was discussed with the presidents for the first time at the July meeting. We have divided these processes into a number of categories, such as academic and financial. We will assign to the presidents for review and then suggest appropriate changes to The Bylaws. The point is to push decision-making as low as we can, as close to the problems and issues and hold people accountable for the decisions they make at that level.

We also introduced to the presidents a new behavioral evaluation model, essentially a 360 degree approach where we will begin to get a more holistic view of presidential performance, which hopefully will lead to more intelligent discussions between the presidents and their supervisors. We will be able to define a bit more crisply what behavioral modifications we

might be seeking going forward. So, that was a quick summary of what we discussed at the presidents meeting.

At the end of July, the System joined Governor Perdue and other state agencies in the launch of the new Customer Service Initiative. It is the Governor's goal to make this the best managed state, and the tag line for the program is to do things "faster, friendlier, and easier." We have already launched programs on every campus. We are taking this effort by the Governor very seriously, not just because it is a mandate or directive from the Governor, but also because it will serve our interests, as well. I believe very strongly that customer service is a powerful tool that will help us become a continuous improvement or continuous learning organization, both at the campus level and at the University System Office. This initiative is critical in turning our culture from introspection to one that is much more customer-focused and customer-driven. I am very excited about this initiative, and you will receive reports on a number of projects that are exciting.

We are starting to launch a strategic planning process. We have made a number of tactical decisions or changes that ultimately depend upon the existence of a strategic plan. I have mentioned that budgets should be strategy-driven documents. Absent a strategy, we cannot fulfill that mandate. This is also true of our capital allocations. These processes are dependent upon a robust strategic plan being put in place. It is important as we enter into this planning to look toward the future to try and define what we hope to get as outcomes from this planning process. I mentioned earlier that one of the outcomes will be that we will align our resources with our strategic priorities. Thus, it will be critical that you help define and fully accept those priorities. Our planning will focus on these strategic priorities for the System and for the state, and then, we will look at the resources needed to address these priorities. This will be a collaborative process. Campus-level involvement is critical for buy-in, and many institutions will be involved in this process. We are sensitive to the needs of institutions, and we will try to balance the need for pace versus the number of people involved in the process. There are other outcomes we hope to get from the process. We hope to improve responsiveness and accountability. We hope to create a stronger sense of System with a corresponding strengthening of our individual institutions, as well as a better understanding by us all of the missions of the particular institutions.

Let me talk a little bit about the quality of teaching in our System. Our planning efforts will build upon a strong base, particularly in the key area of our mission of academics and instruction. One of the key impressions from my campus tour was a high and consistent level of teaching. The latest affirmation of that impression comes from President Bruce Grube of Georgia Southern University ("GSOU"). He pointed out that for the third year running, Georgia's K-12 "Teacher of the Year" is a GSOU graduate and a product of this System. Dr. Pam Walker is this year's honoree. President Dorothy Leland was also quick to point out that Dr. Walker also holds degrees from Georgia College & State University. So,

I want to take this opportunity to compliment the institutions on their teaching excellence and congratulate Dr. Walker for winning this award. This is a good reminder of our goal to strengthen and sustain the excellence within our System.

In conclusion, we have embarked upon a number of major changes in the way we operate. The University System is a very large and complex organization. So, by definition, the changes are often going to be big. One of my favorite management gurus is Dr. Sheila Sheinberg, who once said you do not leap cultural chasms in three baby steps. So, we will make big changes. I am sure my next six months will be as exciting, if not more, than the last six. I look forward to working with Chairman Vigil and each of you in this process.

Thank you, Mr. Chairman. That completes my remarks.

UNFINISHED BUSINESS

Chair Vigil asked Vice Chair Cleveland to report unfinished business to the Board.

Vice Chair Cleveland said there were two ratification items to present. First, he noted that the Regents had received a biographical sketch of Dr. Dwight R. Lee, the University System's new representative to the Teachers Retirement System. Chancellor Davis had approved this appointment on behalf of the Board of Regents because Dr. Lee needed to begin his duties in this capacity, but the appointment needed to be ratified by the Board. The Board also needed to ratify the routine academic and administrative appointments that the Chancellor approved since the June 2006 Board meeting. The Committee on Academic Affairs had already approved this ratification. With motion properly made, seconded, and unanimously adopted, the motion to ratify these approvals was passed.

NEW BUSINESS

There was no new business at this meeting.

PETITIONS AND COMMUNICATIONS

Secretary Gail S. Weber announced that the next Board meeting would take place on Tuesday, September 12, and Wednesday, September 13, 2006, in the Board Room in Atlanta, Georgia. The inauguration of Chancellor Davis and inauguration events would be taking place on those days as well.

Ms. Weber noted that the Regents had received an invitation for an event on October 29, 2006, at the Skidaway Institute of Oceanography. She asked the Regents to let her know whether they would be attending this event.

Ms. Weber also noted that Representative Bob Smith had given each of the Regents a basket of Georgia peaches. The baskets were in the Chancellor's Office.

Finally, Ms. Weber reminded the Regents to fill out their meeting feedback forms for the benefit of the Chancellor and the University System Office staff.

EXECUTIVE SESSION

At approximately 10:45 a.m. on Wednesday, August 9, 2006, Chair Vigil 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 Vigil, Vice Chair William H. Cleveland, and Regents Hugh A. Carter, Jr., Michael J. Coles, Robert F. Hatcher, Julie Ewing Hunt, Felton Jenkins, James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Jr., Wanda Yancey Rodwell, J. Timothy Shelnut Benjamin J. Tarbutton III, and Richard L. Tucker. Also in attendance were Chancellor Erroll B. Davis, Jr.; the Chief of Staff, Robert E. Watts; and the Secretary to the Board, Gail S. Weber. In accordance with O.C.G.A. § 50-14-4, an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 11:30 a.m., Chair Vigil reconvened the Board meeting in its regular session and announced that in the Executive Session the Board had voted unanimously to approve the appointments of Dr. David Palmer as President of Waycross College, effective August 16, 2006, and Dr. Anthony S. Tricoli as President of Georgia Perimeter College, effective October 1, 2006.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 11:35 a.m. on August 9, 2006.

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

s/ _____
Allan Vigil
Chair, Board of Regents
University System of Georgia