

The System Supplement

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“Creating a More Educated Georgia”

Regents Approve FY 2011 Budget Request, FY 2010 Reduction Plans *Request Includes New Dollars for New Students*

During the August meeting of the Board of Regents, the board approved a Fiscal Year 2011 budget request for the University System of Georgia (USG) that includes dollars to support new students as well as the regents’ strategic thrust to expand medical education.

The budget request totals \$2.2 billion, a 6.8 percent increase, or \$140.7 million, over the original FY 2010 base budget of \$2.08 billion.

Separately from the request for new dollars, the board also took action to approve measures to meet ongoing budget reductions, including employee furloughs and changes to employee health-benefit plans.

The regents also approved a FY 2011 capital budget request of \$275.6 million, which includes \$19.7 million for equipment, \$6.5 million to meet infrastructure needs, \$157.9 million in new construction or renovation funds, \$68.9 million in both design and construction funds, and \$22.6 million to fund design work only. The capital request also includes \$75 million in funds for



major repair and rehabilitation of existing System facilities.

“We are working to serve a significant and ongoing increase in student enrollment with a financial resource base that is certainly not keeping up with the growth in our student population,” said **Chancellor Erroll B. Davis Jr.** “Our challenge is premised on the fact that Georgia will need all of the college graduates we can produce – and more. Georgia will need everyone it can find with the education to move this state forward and continue its economic vitality and growth.”

The board’s approval of changes in employee health-benefit programs

and mandatory employee furloughs were necessary, according to USG officials, to help meet a five percent withholding by the Governor’s Office of Planning and Budget (OPB) of the System’s FY 2010 state cash allotments, which totals \$115 million.

Along with all other state agencies, the USG was instructed by OPB to include with its budget request three reduction plans of four, six and eight percent. The three reduction plans, which include the three mandatory furlough days, total \$94 million at the four percent

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BOR Gains Three New Members

Gov. Sonny Perdue appointed three new members to the Board of Regents in August as Regents **Hugh Carter Jr.**, **William Cleveland** and **Elridge McMillan** ended their service to the board.

Replacing McMillan as the board’s Fifth Congressional District representative is **Frederick E. Cooper** of Atlanta. Replacing Cleveland is **Gen. Larry Ellis** of Atlanta, while taking Carter’s place is **Larry Walker** of Perry. Both Ellis and Walker are serving in at-large positions.

Here is some background on the three new board appointees:

Frederick E. Cooper

Cooper is chairman of Cooper Capital, LLC, a private investment firm he founded in 1998. Prior to forming Cooper Capital, he served as vice chairman and president of Flowers Industries Inc., a Fortune 500 baked-foods company, and as chairman, chief executive officer and the majority shareholder of CooperSmith, Inc., an Atlanta based company which produced and distributed a variety of baked foods, primarily under the trademark Sunbeam.

Cooper is a member of the boards of trustees of the Georgia Research Alliance, Washington and Lee University, and the University of

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Gov. Sonny Perdue (far right) poses with Regents Cooper, Walker and Ellis following the Aug. 19 swearing-in ceremony.

Budget

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level, \$134 million at the six percent level and \$176 million at the eight percent level.

The FY 2011 Budget Request

Looking in detail at the FY 2011 budget request, the regents approved a request for \$140.7 million in new dollars. This includes \$107.8 million for student enrollment increases in fall 2008, \$5.7 million in funds for the operation of new building space in the system, \$21.3 million for increases in the employer share of health insurance premiums, \$4.4 million in benefit costs for USG retirees, \$900,000 to continue

“These are difficult reductions for all. We are spreading the pain among our employees and withholding the direct financial pain to our students as an absolute last resort. But we are committed to serving our students – all of our students – with continued high academic quality.”
– Chancellor Erroll B. Davis Jr.

the regents’ two-year-old effort to expand medical education, and \$625,000 in new dollars for the Georgia Public Library Service.

Vice Chancellor for Fiscal Affairs **Usha Ramachandran** said that the increase of \$107.8 million in the request is a function of the System’s funding formula, a mathematical formula that factors in student credit hours to arrive at needed state funding to support student instruction. “For the new budget request, the formula increase is based upon an enrollment increase of 5.6 percent, which generated an increase of 398,000 in the number of credit hours students took,” she said.

The new dollars, if recommended by the Governor and approved by the General Assembly, would provide critical state support for these new students. However the new funds are based on Fall 2008 enrollment, not the students enrolled in Fall 2010, when the funds will be available.

“We appreciate the support of the Governor and the General Assembly for the formula funding, and recognize how important it is for us as stewards to be extremely efficient

in the use of these dollars,” Ramachandran said.

Budget Reduction Strategies

The System-level reduction plans approved by the regents spell out how reductions will be accomplished at each of the percentage levels requested by the Governor. While these three plans were approved in concept, the reality of the current five percent withholding of state funds required the board to approve actions that will take place in the coming months to meet what is a new \$115 million reduction in the USG’s FY 2010 state appropriation.

Therefore, the board approved six mandatory furlough days for faculty and staff. This will affect all 40,000 USG employees, except the lowest paid (annual salary of \$23,660 or lower), and is the equivalent of up to a three percent pay cut.

These six furlough days will be implemented over the remainder of the FY 2010 fiscal year, but will, according to Davis, not affect classes or employee retirement plans.

The board also approved changes in health-insurance programs affecting almost 5,000 employees enrolled in the USG’s indemnity plan, which will be eliminated. Other changes will encourage retirees to move to Medicare Plan B, seed the high-deductible PPO plan to encourage more employees to switch to this plan and make other structural changes in the System’s health-insurance plans, beginning this year.

The furloughs and health care plans will generate \$43.5 million of the \$115 million currently being withheld from the budget and are part of the four, six and eight percent reduction plans that will be submitted to OPB. The remaining \$71 million of the current \$115 million being withheld from the USG will be generated at the institutional level and could include layoffs and new employee furloughs, internal reorganizations, an increased focus on energy conservation and the elimination of low-enrollment programs.



These actions at the system and institutional level will meet the \$94 million four percent reduction plan amount.

To reach a six percent reduction level (\$134 million) the System will look to institutions to impose additional furloughs, new layoffs of employees, the elimination of positions and other actions institutions can identify to generate savings.

To reach the eight percent reduction level (\$175 million) the System would, if necessary:

- ◆ In the spring semester of 2010, increase the institutional mandatory fee first implemented in January 2009 by \$150 at the four research universities and some comprehensive institutions; by \$100 at all other comprehensive four-year institutions; and by \$75 at the state and two-year colleges. The changes to the mandatory fees will result in a cumulative total of \$250, \$175, and \$125;
- ◆ Place a moratorium on other institutional mandatory student fee increases with the exception of public-private venture projects for FY11.

“These are difficult reductions for all,” said Davis. “We are spreading the pain among our employees and withholding the direct financial pain to our students as an absolute, last resort. But we are committed to serving our students – all of our students – with continued high academic quality.”

The board’s actions on the FY 2011 operating and capital-budget requests now go to OPB for incorporation into the overall state budget recommendations the Governor will present to the General Assembly in January 2010.

Any action regarding reductions at the four, six and eight percent levels will depend upon the final decisions by the Governor and General Assembly. 🏠

New Regents

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Georgia Arch Foundation. He chaired the G8 Summit Host Committee for the G8 Summit held in Sea Island, Ga., and has served on the boards of the Georgia State Chamber of Commerce and the Metropolitan Atlanta Chamber.

Cooper earned a bachelor's degree from Washington and Lee University and a law degree from the *University of Georgia*.

Gen. Larry R. Ellis

Ellis is chief executive officer of Ellis Services and Solutions Enterprises (ESSE), a total-facilities-management company serving the federal government and other public-sector organizations.

He served in the United States Army for more than 35 years before retiring as a 4-star general. He served as commander of the United States Army Forces Command from 2001 until 2004, following his assignment as the deputy chief of staff for operations. Ellis was awarded the Defense Distinguished Service Medal, the Army Distinguished Service Medal, the Combat Infantryman Badge and the Bronze Star Medal.

He serves as a director on the boards of SRA International, the Armed Forces Benefit Association and the Board of Visitors for the National Defense University.

Ellis earned a bachelor's degree from Morgan State University and a master's degree from Indiana University.

Larry Walker

Walker is an attorney with Walker, Hulbert, Gray & Byrd. He was a member of the Georgia General Assembly for more than 30 years, where he served as administration floor leader for **Gov. Joe Frank Harris** and as majority leader of the Georgia House of Representatives from 1986-2002.

Walker also served as chairman of the State Legislative Leaders Foundation for four years and was



Board, Governor Bid Farewell to McMillan

Gov. Sonny Perdue (left) made a special appearance at the Board of Regents' August meeting to present a proclamation honoring Regent Elridge McMillan (right) as he retired from the board after 34 years of service.

McMillan is the longest-serving regent in the board's history and was the first African-American to chair the board in 1986-87. The Governor's proclamation noted that McMillan has "devoted his energies to the proposition that all citizens of the state of Georgia deserve an opportunity to learn and succeed," both as a staff member and president at the Southern Education Foundation for over 30 years and as a member of the Board of Regents.

"Through his eloquent style in both the written and spoken word, he has often served as a voice and conscience of the Board of Regents," the proclamation noted. 🏛️

named one of "The 100 Most Powerful and Influential People in Georgia" by Georgia Trend for 12 consecutive years. Most recently, he served on the Georgia Department of Transportation Board, representing the Eighth Congressional District.

Walker earned a bachelor's degree and a law degree from the *University of Georgia*.

The Governor announced the appointments of the three new regents on Aug. 7 and swore them into office on Aug. 19. 🏛️

GOSA Releases First-of-a-kind Study:

Two-Thirds of Georgia High-School Graduates Enrolling in College

The Governor's Office of Student Achievement (GOSA) released a report in August that tracks how many of Georgia's public high-school graduates go to college and where they enroll. The study is the first of its kind and presents details on students' out-of-state and private college enrollment that cannot currently be found anywhere else.

"This analysis provides much needed information to education stakeholders across Georgia", said GOSA Executive Director, Kathleen Mathers. "For the first time, we know not only how many students went to a technical college or university system institution in Georgia, but we also know how many students went to schools like

Auburn, Emory, Notre Dame and Benedict College."

Key findings are detailed by school system and by school in the comprehensive report, which shows that 64.7 percent of Georgia's 2008 high-school graduates enrolled in a postsecondary institution. While 77 percent of them enrolled in a public college or university in Georgia, nearly a quarter of the state's 2008 graduates opted to attend a private postsecondary institution in Georgia or to leave the state for their postsecondary experience.

Additional findings for high-school graduates from 2000-08 suggest that Georgia's research institutions remain popular for many students across the state. The

University of Georgia, Georgia Tech and Georgia State University were among the 10 most popular institutions for Georgia's high-school graduates.

As for students who travel outside of Georgia for postsecondary education, a considerable number choose neighboring states. From 2000-07, Alabama proved to be the most popular out-of-state postsecondary choice, followed by Florida, South Carolina, Tennessee and North Carolina respectively. For the high-school class of 2008, the top five most popular out-of-state institutions were all in Alabama, and they collectively enrolled 1,452 of Georgia's high school graduates.

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ICAPP, USG Institutions Played Key Role in NCR Announcement



The University System of Georgia (USG) played a key role in this summer's decision by Fortune 500 corporation NCR to relocate its worldwide headquarters from Ohio to Georgia and to build a new manufacturing facility here as well. This huge coup for the state's economic developers – expected to create 2,100 new jobs in Georgia – could not have been achieved without the resources and strong support of USG institutions such as *Georgia Institute of Technology*, *Georgia State University* and the *University of Georgia*.

Best known for automated teller machines (ATMs), self-service check-outs and other assisted- and self-service solutions, NCR's move and expansion will consolidate its corporate offices and save the company millions of dollars. The corporation had already announced plans last October to establish a Global Center of Excellence in Peachtree City, Ga. that will create more than 900 additional jobs over the next two years, bringing the grand total to 3,000 new jobs for the state.

At a news conference in early June, NCR CEO Bill Nuti identified for the news media the following factors that led the company to move its base of operations to Georgia:

- ◆ the availability of an educated workforce (in which the USG plays no small role);
- ◆ the proximity of Hartsfield-Jackson Atlanta International Airport;

- ◆ the state tax structure; and
- ◆ the opportunity to partner with top-tier academic institutions such as Georgia Tech.

"The relationship with Georgia Tech is going to be critical for us going forward," Nuti said. "We are a technology company."

The USG's Office of Economic Development and Intellectual Capital Partnership Program (ICAPP) are coordinating with career-services offices throughout the University System to connect USG students and alumni with positions at NCR, expanding not only the number of opportunities for students but the number of schools the company will recruit from as well.

But the partnership between NCR and the University System of Georgia extends beyond recruiting an educated workforce and developing innovations from campus research.

Senior Leadership Program

As part of NCR's transformation of its existing retail headquarters in Duluth, Ga., into what it calls a "global self-service innovation headquarters" – which will create 1,250 new jobs for metropolitan Atlanta – the company will take advantage of an aggressive, senior-level education program delivered by ICAPP.

ICAPP will coordinate the resources of the business schools at Georgia Tech, Georgia State and UGA in working with NCR to craft an education program focusing on leadership and innovation for senior executives and their direct reports.

"The USG has faculty expertise that is in line with the strategic direction of NCR and its leadership," said **Terry Durden**, the USG's assistant vice chancellor for Economic Development.

In addition, Durden said, "Over the past year or so, ICAPP has worked closely with NCR to understand and support their research, development and innovation direction." Durden said NCR has identified key areas of interest and is working with the Georgia Research Alliance (GRA) and Georgia Tech's College of Computing, Health Systems Institute, Industrial and Systems Engineering School and College of Management to keep its manage-

ment, products and services on the leading edge of innovation.

Tech Faculty Consulting

NCR also is in the process of converting the 350,000-square-foot former Panasonic building in Columbus, Ga., into a manufacturing facility for the company's next-generation SelfServ™ ATM family. The project has Georgia Tech faculty and staff working with the company in the areas of production design and manufacturing process improvement. "In support of NCR's commitment to energy and environmental design the company has had some discussions in these areas with Tech's College of Architecture," Durden noted.

Greg King, a member of Georgia Tech's Strategic Partners Office and also an ICAPP program director, noted that Tech's relationship with NCR goes back more than 20 years to the launch of a new product-development group through the Advanced Technology Development Center's incubator.

"The company is interested in both ensuring access to a highly educated workforce and in linking to the innovation in Georgia Tech's research-and-development network," King said. "There are many advanced-technology areas in which Georgia Tech and NCR have interests in common."

Companies continue to value the resources of higher education for top student and graduate talent as well as the cutting-edge expertise of university faculty and researchers, according to Durden. "The USG's Office of Economic Development provides state agencies, business and industry improved insight, awareness and access to the resources of Georgia's 35 public colleges and universities," she noted.

"Georgia is truly a one-stop shop as a headquarters location for a worldwide leader such as NCR," said **Gov. Sonny Perdue** at the June news conference announcing the company's selection of Georgia. "We look forward to helping the company thrive thanks to our global business environment, outstanding education and workforce development initiatives and a quality of life that is second to none." 🏡

National Awards for GPC

In the space of two months, Georgia Perimeter College (GPC) has received two significant national awards, one for outstanding academic advising and the other for excellence in interpreter education.

"This has been a good summer for the USG and for GPC," said the college's President, Dr. Anthony Tricoli.

Georgia Perimeter's Sign Language Interpreting Program received the Sorenson Award for excellence in interpreter education, sponsored by Sorenson Communication, a national provider of video-relay interpreting services.

For winning the award, the college will receive \$10,000 to reinvest in its interpreter-education program and several thousand dollars in credits towards teaching supplies on American Sign Language and deaf studies.

The National Academic Advising Association (NACADA) awarded GPC's former dean of advising and retention, Sallie Paschal, the Gail Rola Memorial Award, denoting her as an outstanding advising administrator. Paschal had previously received an Outstanding Advising Award in another recent nationwide competition and has taught at all four GPC campuses and held numerous administrative positions during her 21 years at the college.

NACADA promotes quality academic advising and the professional development of its membership in order to enhance the educational development of students. The organization is considered the premiere advising advocate for student advising.

"In 2007-2008, Georgia Perimeter College was the only institution of higher learning selected by the Governor's Office of Customer Service to participate in a Rapid Process Improvement (RPI) Initiative, a project-based program that uses the concepts and practices of Lean Six Sigma management to improve organizational processes," said Tricoli. "Georgia Perimeter has utilized the RPI program to define, improve and standardize academic advising at the college. It is an honor that a national organization recognizes the hard work that our outstanding faculty and administrators have put into giving our students superior, consistent advising." 📌

The
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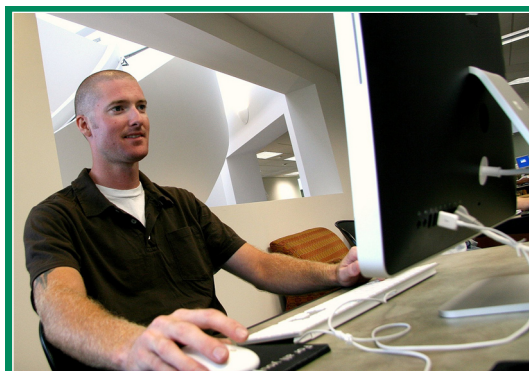
SACS Accreditation for Georgia Gwinnett College

The University System of Georgia's newest institution, **Georgia Gwinnett College** (GGC), began the summer of 2009 by celebrating having achieved accreditation by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS) in record time and graduating its first students. By the start of fall classes in late August, the fledgling Gwinnett County institution had reached another milestone, unofficially enrolling its 3,000th student and nearly doubling its enrollment since last fall.

"We planned for 2,500 students this fall, growing to 3,000 by the end of the academic year," GGC President **Daniel J. Kaufman** said. "We have exceeded our expectations, so we are thrilled with the result."

Kaufman credits the SACS accreditation for the enrollment increase, along with the significant expansion of GGC's academic programs that has added majors in early-childhood education, political science, English, history, mathematics, special education and exercise science.

SACS accreditation is intended to assure constituents and the public of the quality and integrity of higher-education institutions and programs, and to help those institutions and programs improve. These outcomes are verified through rigorous internal and external review processes during which



Nick Falkenhagen, 27, a police officer with the Gwinnett County Police Department, was the 3,000th student to register for classes at GGC this fall. The college expects to enroll about 3,050 students.

the institution is evaluated against a common set of standards.

The accreditation process is a three-step progression, typically spaced over four to six years. The process includes application, candidacy and accreditation. GGC opened its doors to students in the fall of 2006, submitted its application for SACS candidacy in October of 2007, and was awarded accreditation in June of 2009.

"What we have achieved is unheard of," **Dr. Stas Preczewski**, vice president of academic and student affairs told the faculty and staff following the SACS accreditation announcement. "We are light years ahead of where others thought we would be at this juncture." 📌

Georgia Tech Makes Top 20 Rankings List Again

Georgia Tech retained its No. 7 ranking among public national universities (35th among both public and private) in *U.S. News & World Report's* latest college rankings, released in late August. The *University of Georgia* ranked 21st among public national universities and 58th overall.

Georgia College & State University ranked 11th on the magazine's list of top public master's universities in the South. *North Georgia College & State University* ranked 23rd on the same list.

Georgia Tech's undergraduate mechanical engineering program tied with Stanford University for No. 4, while Tech's chemical engineering program ranked No. 9.

The annual rankings report of colleges and universities considers numerous factors, including reputation, class

size, retention and graduation rates. Though many students and their parents pay close attention to rankings as they decide where to enroll, some high-school and college officials argue that these statistics do not necessarily define an institution's overall quality.

Being able to demonstrate that one's students come from a variety of household-income levels is a plus these days. *U.S. News* identifies the percentage of undergraduate students who receive federal Pell grants, which are most often given to students with family incomes under \$20,000. The more students receiving Pell grants, the more "economically diverse" a school is.

Among national universities, *Georgia State University* landed in the top third of the institutions listed with 35 percent of its undergraduates receiving

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USG Employees Give Generously to SCCP Despite Tough Times



*People Sharing,
People Caring.*

The University System of Georgia (USG) made another strong showing during a recent awards ceremony honoring the state agencies that made the most notable contributions to the success of the 2008-2009 State Charitable Contributions Program (SCCP). The USG contributed more than \$1.3 million of the \$2.7 million contributed by all state employees to designated charities during the campaign.

“In tough times, USG staff and faculty still opened their hearts and wallets to those less fortunate,” said Chancellor Erroll B. Davis Jr. “I can’t think of a better example of what motivated individuals can do – how they can rise to the occasion, even in the most difficult of times.”

The University System Office (USO) in Atlanta won the Governor’s Cup award given to state agencies with 101-500 employees. This award honors agencies that made the highest campaign contribution per employee, and the

USO’s contribution rate – \$206 per employee – was the highest in the campaign.

Georgia Tech and the *University of Georgia* also collected Governor’s Cup awards in their respective categories of 1,001-9,000 employees and 9,001-and-up employees.

Two USG institutions won Commissioner’s Awards as runners-up for the Governor’s Cup – *Georgia College & State University* in the 501-1000 employees category and *Georgia State University* in the 1,001-9,000 employees category.

Georgia State University also earned a Governor’s Award for achieving the largest increase in contributions from the previous year – \$25,821.

And, for the third time in recent years, *Atlanta Metropolitan College* won a Governor’s Award for the highest level of employee participation in the SCCP campaign – 83 percent.

The State Charitable Contributions Program provides state employees with a convenient way to annually help thousands of Georgia families and non-profit organizations. Employees may make contributions via payroll deductions or lump-sum payments to more than 1,200 charitable organizations.”

GOSA Study

Continued from Page 3...

“This is the first of several related studies that GOSA will undertake,” said Dr. Eric Wearne, deputy director of GOSA. “Subsequent analyses will identify how many of these students stayed in college and earned degrees, which will be linked to how successful they were as high school students.”

GOSA is able to gather this information through its contract with the National Student Clearinghouse (NSC) to study postsecondary enrollment and other outcomes of Georgia’s public high-school graduates. GOSA’s contract allows every school system in Georgia to work independently with the NSC to do its own analyses, at no cost to the system.

For a full copy of GOSA’s report, please visit www.gaosa.org.”

Rankings

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Pell grants. Among master’s universities in the South, *Albany State University* was No. 5 on the list with 72 percent, and *Savannah State University* was No. 9 with 64 percent. *Georgia Southwestern State University* was No. 18 with 47 percent of its undergraduates on Pell grants.

U.S. News created a diversity index of 0.0 to 1.0 in order to rank racial

diversity. The closer a school’s number is to 1.0, the more diverse the student population. The most racially diverse national institution achieved a 0.74 on the index. Georgia State achieved a 0.60. The most racially diverse master’s university in the South scored 0.66, while *Columbus State University* tied for seventh place with 0.52. Among baccalaureate colleges in the South, *Clayton State University* tied for first place with a diversity index of 0.54.



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