

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
Kennesaw State University
Kennesaw, Georgia
April 16 and 17, 2002**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, April 16 and Wednesday, April 17, 2002, in room 300 of the KSU Center of Kennesaw State University. The Chair of the Board, Regent Hilton H. Howell, Jr., called the meeting to order at 1:00 p.m. on Tuesday, April 16. Present on Tuesday, in addition to Chair Howell, were Vice Chair Joe Frank Harris and Regents Hugh A. Carter, Jr., William H. Cleveland, Michael J. Coles, George M. D. (John) Hunt III, Donald M. Leebern, Jr., Allene H. Magill, Elridge W. McMillan, Martin W. NeSmith, Wanda Yancey Rodwell, Glenn S. White, and Joel O. Wooten, Jr.

Chair Howell thanked Regent Coles for giving to the Regents limited edition Georgia All-American pins. He then welcomed new Regent Wanda Yancey Rodwell.

Regent Rodwell said that she is honored to be a member of the Board and to represent the Fourth District of Georgia.

Chair Howell announced that Regent Rodwell will serve on the Committees on Information and Instructional Technology, Organization and Law, and Education, Research, and Extension. He thanked her for her service to the citizens and the State of Georgia.

Chair Howell thanked President Betty L. Siegel of Kennesaw State University ("KSU") on behalf of the Regents for inviting the Board to meet on the KSU campus. He remarked that it was truly an eye-opener to see pictures of the campus in 1963, when it was established, compared to the master plans from 1970, 1993, and currently. It is remarkable to see the growth the university has experienced. He explained that the Board meets at System institutions twice a year and that these are truly important experiences for the Regents. He acknowledged the hard work the KSU community did in preparation of the meeting, and he thanked them.

ATTENDANCE REPORT

The attendance report was read on Tuesday, April 16 by Secretary Gail S. Weber, who announced that Regents Connie Cater, J. Timothy Shelnut, and James D. Yancey had asked for and been given permission to be absent on that day.

APPROVAL OF MINUTES

Motion properly made and duly seconded, the minutes of the Board of Regents meeting held on March 12 and 13, 2002, were unanimously approved as distributed.

SPECIAL PRESENTATION ON KENNESAW STATE UNIVERSITY

Chair Howell called upon President Betty L. Siegel to make a special presentation to the Board.

President Siegel's remarks were as follows.

It is an honor for all of us at Kennesaw State University ("KSU") to host the Board of Regents and Chancellor Meredith for their monthly meeting. This is the first time in 18 years we have had this particular honor. I would like to extend a special thanks to all of the Regents, to Chair Hilton Howell, to our own all-American Regent Michael Coles, and to Chancellor Meredith for their unflagging support and advocacy of KSU and, indeed, for education throughout the great State of Georgia. Thanks, too, to Gail Weber, Secretary to the Board, and the entire Board staff. What an outstanding team the Regents have, and how well Gail and the staff represent the University System with dedication and expertise. Finally, I would like to thank the members of my cabinet here at KSU as well as the deans of our academic units. And a very big thank you to my staff for all they have done in preparation for the Regents' visit. They have once again gone well above and beyond the call of duty.

Today, I would like to focus on KSU's movement from success to significance — our growth from a pasture to a major metropolitan university. This theme is captured perfectly in this issue of *Summit* magazine and its title article, "Once Upon a Pasture: The Vision That Transformed a Country Farm Into a Major University." *Summit* won the grand award at case last year; it was voted the top magazine in the region in style and substance. You might have noticed, too, the striking ad campaign we've been running here at KSU. Some examples are on display here this afternoon. For this campaign, we earned another grand award from *Case* for strategic marketing.

To move from success to significance — to transform a country farm into a major university — obviously involves collaborative work: the work of engagement, the interlocking of campus and community, engagement between the Board of Regents and our university. Last year, as we celebrated the "year of engagement" on our campus, one of our deans presented me with this sculpture from Ghana of three interlocking figures. The symbolism — that collaboration produces order and harmony — is enlightening, and the sculpture now has a permanent place in my office.

The last time we hosted the Board of Regents for its monthly meeting, KSU was only KC, Kennesaw College. Yes, in 1984, we had only recently appointed our first deans and department chairs. That was one year before we added our first graduate programs in business administration and education. (We now offer ten different graduate degrees.) In 1984, our fall enrollment had just topped 5,000. In the fall of 2001, we topped 14,000. We've grown 1,500% in 35 years! And then there's the campus itself, which has undergone a remarkable transformation, thanks in large measure to the vision and support of the Board of Regents. The beautiful new buildings, the attractive landscaping, the gorgeous campus green... it is a campus that truly matches in outward form the collective spirit of our community.

KSU has grown not only in size, but also in stature, in service, in sophistication (witness our award-winning honors program), in selectivity (our students now boast the second highest SAT average among Georgia's state universities). We've grown by adding areas of specialization. Always we grow through careful and strategic planning. Our positive growth has long been evident. We were featured in 1986 in the book *Searching for Academic Excellence* as a college "on the move." *U.S. News and World Report* recognized us as one of twelve "rising stars" in the region way back in 1989, then as one of three "rising stars" in 1990, and then, in 1991, as the top "rising star" in the South. Today, in 2002, the KSU star continues to rise, and we hope we have taken our place in the University System constellation as an education leader in Northwest Georgia. Certainly, we continue to be recognized nationally for our good work. Last summer, for instance, *Business Week* magazine in its online edition ranked KSU's Executive M.B.A. program in the top ten nationally in two subject areas: third in teamwork and tenth in e-business.

As I say, we have always grown through careful and strategic planning. In 1981-1982, for instance, we created our "view of the future": a reassessment of our overall mission. We will major in student success and faculty redirection. This was followed by the "new view of the future" (1996-2001), which focused on five main areas: diversity, student success, centrality of teaching, technology advancement, and development of human resources. We also focus on engagement and collaboration with the communities we serve.

To give you a better sense of how our new view of the future has been translated into action on our campus, we have prepared a top ten list. Granted, it's not David Letterman's top ten list, but we think it is exciting, nevertheless. So, here is this afternoon's top ten list of how we continue to meet the critical needs of the communities we serve:

1. In economic development, we contributed some 3,649 jobs to our service area in 2001 alone. We also contributed \$300 million to the Cobb County

economy in 2001. Also in the area of economic development, we will soon have four eminent scholars chairs. In all, we've raised in excess of \$2 million for these important positions. Certainly, these chairs mean a great deal to us, and we are grateful to the Board of Regents for encouraging us in this endeavor. Our Cox Family Enterprise Center, which sponsors the Georgia Family Business of the Year awards, is among the nation's leading family business programs. The Cobb Microenterprise Council was recognized last year by the U.S. Department of Commerce and the U.S. Chamber of Commerce with the National Business Development award.

2. In education, KSU contributed over 10% of all the new teachers Georgia produced last year. We have become the second largest education producer in Georgia. Our average passing rate on the Praxis exam last year was 91.3%, while the average national passing rate was 80.4%. This is good, but not good enough for KSU. We're aiming for 95% — or higher!
3. To help relieve the area's nursing shortage, we are implementing an accelerated bachelor's program so that those students who already have a baccalaureate degree can become registered nurses in as little as four semesters. We are the first nursing program in Georgia to add a human patient simulator as a state-of-the-art teaching tool to its curriculum. The passing rate among our students on the nursing exit exam averages between 93% and 97%, placing our nursing program very high indeed among the top rank of Georgia's colleges and universities.
4. In continuing education for today's professionals, since 1995, we have served approximately 190,000 students in continuing education. A total of 152,000 students received business and management skills training. In 2001 alone, 7,000 students took our continuing education technology classes.
5. In technology, we reorganized our technology division into the Office of Institutional Technology and became one of the first in the University System to appoint a chief information officer. Our College of Science and Mathematics piloted the Cybertech 2K1 program last summer. The first program of its kind in the nation, it is designed to prepare disadvantaged students for the technological demands of the future by giving them access to advanced computer equipment and advanced computer instruction. To help our communities face the very real security concerns surrounding technology, we have two important new centers: the Center for Information Security Education and Awareness and the Southeast Cybercrime Institute. In addition, we have created a new Master's in Applied Computer Science to

complement Georgia's groundbreaking Yamacraw initiative.

6. In the arts, we have developed a new course called "arts in society" to improve the appreciation of the arts among the population of Northwest Georgia. Enhancing education in the visual and performing arts is also the goal of the partnership between our School of the Arts and the Etowah Foundation. As the cultural hub of Northwest Georgia, KSU draws 34,000 people from the surrounding community to our campus each year for our arts events. The Summer Starlight concert series — held at our beautiful Legacy Gazebo — attracts from 1500 to 4000 patrons per concert.
7. In public service, the Greater Atlanta Data Center, housed at our Burruss Institute of Public Service, was recently awarded another \$1 million grant from the Department of Justice to help metro Atlanta police agencies track crime data and fight crime. Our Master's in Conflict Management program is the only one of its kind in the state.
8. In student success, our first-year experience program was highlighted by *Time* magazine as an outstanding national program for first-year students at regional universities. KSU will literally become a "living and learning" community next fall, when our first residential housing for students will open. We look forward to giving you a tour of this area after today's meeting. What a tremendous and welcome addition to our campus! Our fast-growing athletic program continues to exceed all expectations. Since joining the NCAA in 1994, the KSU Owls have won four national championships, 26 Peach Belt Conference championships, and 20 NCAA regional championships. Next fall, KSU's women's soccer team will make its debut on our brand new soccer field, which runs along Chastain Road! The future of women's sports is looking bright at KSU!
9. In diversity, KSU has experienced a 53% increase over the last five years among our Hispanic student population and a 37% increase over the last five years in our African-American student population. More than 1,000 strong, our international students represent nearly 120 countries. As we take an increasingly global perspective in education, we are also increasing our involvement with universities in other countries. Thanks to our ever-growing study abroad programs, our students can now live and study in 11 different foreign countries: China, Cuba, England, France, Ghana, India, Ireland, Italy, Mexico, Russia, and Spain. We are also forming impressive international partnerships. Our continuing education division is involved in an amazing project to introduce

university administrators in other countries to the concept of continuing education. Nine universities in five countries — Poland, Hungary, Slovakia, Russia, and Romania — have thus far established continuing education programs thanks to the good work of our continuing education administrators, faculty, and staff. It is no wonder that we have often been called “Georgia’s international university.” A wonderful affirmation.

10. In leadership, next year, we will take as our theme a phrase that signifies our overall mission as an institution: “The courage to lead.” We have been building toward this for some time, and many of our most exciting initiatives involve an intense focus on leadership. The Northwest Crescent initiative, whereby we have teamed with our sister institutions throughout the region — Berry College, Shorter College, Reinhardt College, Floyd College, and Dalton State College — to collaborate on academic, economic, and quality-of-life issues central to this area. KSU, for instance, has received a grant of \$30,000 to develop a year-long leadership program based on ethical leadership for students from throughout the region — five from each college in our northwestern collaboration — as we seek to encourage students to build upon their academic successes toward lives of leadership and significance. The students will meet monthly to develop a project on service learning for the northwest crescent. Leadership is also a major focus of the Cobb Education Consortium, founded by KSU ten years ago as a collaborative effort between KSU and our area partner schools — Southern Polytechnic State University, Chattahoochee Technical College, North Metro Technical College, Cobb County schools, and Marietta City schools. On our campus, we have created exciting leadership programs for all members of our community: Faculty and Staff Excel, Residential Fellows, and Leadership Academies. We are also calling for leadership in the classroom and in scholarship in what Lee Shulman calls the “scholarship of teaching.” We also have a Center for Excellence in Teaching and Learning. When we say we must have the “courage to lead,” we mean that we are making an explicit connection between teaching, learning, and living, that is, between our daily rounds and our deeper commitments, between our actions and our beliefs, and between our successes and their significance. Two years ago, we started the Center for Leadership, Ethics, and Character. This May, 30 faculty will participate in a Maymester focusing on ethics across the curriculum. Ten faculty will develop ethics modules for all of our leadership programs, and ten will work with public school teachers on character education.

It has been a remarkable 18 years since this prestigious group — the Board of Regents of the University System of Georgia — last held its monthly meeting on our campus. I hope

what I've said today gives some flavor of the kind of university we have become in those intervening years. I hope you've seen that we are much more than a collection of courses, more even than our best accomplishments and accolades. We are a university building on our past successes to reach a new level of significance as a true "university of character." It's an inspiring story, and it is a story with a group of heroes. The heroes are you, the Board of Regents. We strive always to be good stewards of your generosity, your vision, your wise counsel, and your support. How much do we owe you in gratitude? Well, since a picture is worth a thousand words, let us show you how much. (On the screen was a picture of the KSU campus in its first year alongside a picture of the campus today.) We want to thank you for your support as we've grown from this to this, from a few associate degrees to more than 55 undergraduate and graduate degrees, from a few acres in a cow pasture to more than 180 acres, from a campus of eight buildings to one with nearly thirty buildings, from a sweet little rural junior college with a bright future to a comprehensive metropolitan university of choice with an even brighter future ahead. We say with Shakespeare: "We can no other answer make but thanks and thanks again and ever thanks."

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

Chair Howell convened the Committee on Finance and Business Operations as a Committee of the Whole. He then turned the Chairmanship of the meeting over to Regent White.

Regent White explained that there were five action items that the Committee on Finance and Business Operations would consider as a Committee of the Whole at this meeting: fiscal year 2002 amended budget allocations (Item 1, page 16), fiscal year 2003 budget allocations (Item 2, page 17), fiscal year 2003 tuition (Item 3, pages 17 to 18), fiscal year 2003 mandatory student fees (Item 4, pages 18-19), and the salary and wage administration policy (Item 5, page 19). The bad news, he said, is that the State of Georgia has had a decline in revenues this year. Consequently, the fiscal year 2003 budget approved by the General Assembly was reduced by 5.6% in order to make up for part of the shortfall. Obviously, the shortfall is affecting all agencies in state government. The good news is that the Governor and General Assembly were still committed to address the recovery of semester conversion as well as support for salary increases for faculty to keep us competitive in the higher education marketplace. The other good news is that the staff worked very diligently through a difficult process in extremely tight turnaround time to create the recommendations before the Board. He thanked the staff and the Regents for their hard work in the budget process. He thanked the Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel, for his efforts on the legislative end of the process. Regent White then introduced the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, to present the five items to the Board.

Dr. Papp explained that he would be making the budget presentation with the Vice Chancellor for Fiscal Affairs, William R. Bowes. The first action item concerned the fiscal year 2002 amended budget, and Dr.

Papp explained there is some good news and some bad news in the amended budget. Part of the bad news is the 2.5% across-the-board reduction, which the institutions and the University System Office staff have been working through during the course of the fiscal year. This includes not only the institutions and the University System Office; it also includes special funding initiatives and the “B” budget as well. Major repair and renovation (“MRR”) funding for fiscal year 2002 was reduced by approximately \$12 million. However, some bonding has been moved back into fiscal year 2002 from fiscal year 2003. This add-back totals \$31 million; however, for the two years together, there remains a net loss of \$37 million in MRR funding. Lottery funds, including Equipment, Technology, and Construction Trust (“ETACT”) and other technology funds, total between \$22 million and \$23 million. New funding in the amended budget includes a couple of things the Governor promised, and he came through in fine fashion. The semester conversion adjustment of \$30 million is vitally needed, and the health insurance premium increase is also important. Through the efforts of the institutions, the System has approximately 20 additional eminent scholars. Six of these were funded, so the System is still a bit behind, but beginning to catch up. Additionally, \$450,000 has been earmarked to expand North Georgia College & State University’s leadership cohort in its Corps of Cadets to the full campus. Finally, the Intellectual Capital Partnership Program (“ICAPP®”) Advantage program has also been expanded by about \$415,000. These are the highlights of the fiscal year 2002 amended budget.

Dr. Papp said that the second item on the agenda was the fiscal year 2003 budget allocations. The overall fiscal year 2003 budget was \$1.73 billion. System institutions will receive \$1.5 billion, including some of the research consortium moneys that are essentially pass-through funds, such as the Georgia Research Alliance, Yamacraw, etc. There will be no lottery funds for technology in fiscal year 2003. For resident instruction, there was a base appropriation in fiscal year 2002 of \$1.456 billion, but it has been reduced this year. First of all, the institutions are prepared for a 5.6% budget cut. In addition, MRR has been reduced by another \$25 million. There have also been some additions to the funding. In accordance with the funding formula, increased credit hour production from fiscal year 2000 to fiscal year 2001 generated an increase of \$25 million. Also, there is approximately \$10 million in semester conversion funds for fiscal year 2003. There is also \$30 million for new square footage and fringe benefits. The total state appropriation was \$1.468 billion. Dr. Papp explained that “B” unit items and a small number of “A” budget units are for noninstructional elements of the University System, such as the University System Office, agricultural experiment stations, the Skidaway Institute of Oceanography, etc. The fiscal year 2003 “B” budget and noninstructional “A” budget total \$267 million. This has also been reduced, but add-ons counter some of the cuts so that the net reduction is less than 2%. This budget, including salary increases, comes to \$266 million.

Next, Dr. Papp discussed the allocation strategy. He explained that the 5.6% reduction will be distributed across all of the operational units of the University System with the exception of the Medical College of Georgia (“MCG”). MCG has received additional funding, so its reduction is only approximately 3%. In addition, \$9.7 million in semester conversion funds has been added to the budget for fiscal year 2003. Should the Board approve the staff’s allocation recommendations, these funds will be redistributed to the institutions in the same way the funds were taken from them, using a 50-50 method. In other words, 50% will be redistributed according to the institution’s share of the overall budget, and 50% will be distributed

according to actual enrollment losses. Of the approximate \$25 million in new enrollment funds generated by the increased credit hour production from fiscal year 2000 to fiscal year 2001, the staff were proposing that \$20 million be distributed to the institutions on the basis of the growth and credit hour production from the growth and credit hour production from fiscal year 2000 to fiscal year 2001, as those credit hours generated funds by the formula. Of the additional \$5 million plus generated by the formula as a result of credit hour production, part of that money will be used to offset credit hour production lost at nine institutions from fiscal year 2000 to fiscal year 2001 and for other System issues, such as the Gwinnett University Center and the contingency fund. Funds for new facilities accrued as a result of the increase in square footage will be given to the institutions on the basis of how those funds were generated in the formula. Similarly, the fringe benefit add-ons will go out to the institutions on the basis of the actual costs that will be generated during the upcoming year. With that, Dr. Papp called upon Mr. Bowes to discuss the other three items up for approval at this meeting.

Regent White interjected that he would like to first see if the Regents had any questions or comments.

Regent Coles noted that there were 14 eminent scholars approved last year and 6 more this year, but the University System is still at the same level and has not caught up on this funding at all. He stated that this is one of the best ways the institutions have to raise money and he would like to see this program become a Board priority. He said that the institutions will lose credibility with donors and this could become self-destructive. This program is too important, he said, to let this happen.

Regent White said this was a very good point, and seeing that there were no further comments, he asked Mr. Bowes to begin.

Mr. Bowes explained that he would be discussing the tuition strategy for fiscal year 2003. He noted that last year, the Board approved differential tuition rate increases among the institutions. They were proposing that this method continue this year with a 6% increase at the four research universities and a 4% increase at the remainder of the institutions. This increase will be sufficient to cover the amount necessary in terms of the formula and the salary annualization costs that accrue from last year's increase and will also help continue the momentum toward excellence, particularly at the research universities. These increases will generate approximately \$23.4 million in additional funds. In addition, the staff were recommending that the out-of-state tuition rates at the Georgia Institute of Technology ("GIT") and the University of Georgia ("UGA") be increased by \$500 per semester. Mr. Bowes reminded the Regents that last year, they adopted a policy that would allow the research universities to request increases in their out-of-state rates in order to bring their tuition rates closer to the level of their peer institutions. This began last year with a \$500 increase in the out-of-state rate at GIT, and this year, UGA has also requested an increase because its tuition is about \$1,240 below the tuition of its peers. There were also a number of tuition increases recommended for nationally competitive graduate and professional programs. There were 15 programs across the state for which the staff were recommending increases under the Board policy, and they were listed in detail in the Regents notebooks. The recommendations also maintain the policy-based differentials. That is, out-of-state tuition is at least four times the in-state tuition rate and graduate tuition rates are at least

20% higher than undergraduate rates. In total, the amount of tuition revenue projected to be raised in fiscal year 2003 is \$491.1 million, a \$23.4 million increase. Mr. Bowes stated that the tuition rate at the two-year institutions will increase from \$640 per semester to \$666. At the research universities, the tuition rate will increase from \$1,316 to \$1,395, a per semester increase of \$79. Despite the 4% and 6% tuition increases at the institutions, the University System of Georgia remains a relatively low-tuition system. It ranks between thirty-fourth and thirty-eight nationally in its tuition and required fees.

Mr. Bowes next discussed the salary increase for fiscal year 2003, which constitutes an average 3.35% merit-based increase, a total amount of \$47.5 million across the System. The increase will become effective for the fall semester 2002 for faculty and October 1, 2002, for staff. He noted that one of the items to be approved is the salary and wage administration policy. However, the budget was only approved by the legislature the week preceding this Board meeting, and there was a slight change in the recommendation on salary that included a \$2,600 cap on the salary increase for nonfaculty personnel. The University System Office budget staff had not yet had the opportunity to evaluate this stipulation in terms of how it will impact the salary and wage administration policy. Therefore, the recommendation includes the Board's authorizing the Chancellor to develop a policy subject to the principle of providing increases on the basis of merit at each institution and to include the condition that any increase over 7% would be justified to the Chancellor by the institution. The staff will be evaluating this change from last year's budget so they can instruct the institutional administrators on how to make salary increases.

The last action item Mr. Bowes presented had to do with fiscal year 2003 mandatory student fees. He explained that the staff initiated a process several years ago wherein there is a rigorous review of institutions' requests requiring that financial statements are submitted in support of the requested increases. The staff limited increases to very critical needs institutions have, making certain they can cover the costs of their programs. The staff were recommending a limit on new programs in order to minimize the strain on HOPE Scholarship funding since mandatory student fees are HOPE eligible. The staff reviewed and affirmed the policy requiring student participation in the mandatory student fees process such that every fee request submitted provided indication that it was reviewed by a committee comprised of at least 50% students. There were 55 mandatory student fee requests submitted to the University System Office budget staff. Of these, 14 were being recommended to the Board as they were submitted, 27 were being recommended at reduced levels, and 14 were not being recommended. Those mandatory student fee recommendations appeared as an appendix in the Regents' notebooks. In closing, Mr. Bowes recognized the University System Office budget staff: Usha Ramachandran, Budget Director; Gerald Vaughan, Assistant Budget Director; Josephine Pearson, Budget Specialist; Susan Wright, Budget Policy Analyst; and Angela Ogletree, Administrative Coordinator for Fiscal Affairs.

Regent White thanked Mr. Bowes and asked the Regents whether they had any questions or comments.

Chair Howell commented that the University System of Georgia institutions, particularly the research institutions, continue to be a truly remarkable bargain considering their high quality.

Regent Leebern made a motion to approve all five of the action items: fiscal year 2002 amended budget allocations (Item 1, page 16), fiscal year 2003 budget allocations (Item 2, page 17), fiscal year 2003 tuition (Item 3, pages 17 to 18), fiscal year 2003 mandatory student fees (Item 4, pages 18 to 19), and the salary and wage administration policy (Item 5, page 19). The motion was seconded and unanimously adopted.

Regent White then adjourned the Committee meeting, and returned the chairmanship of the meeting to Board Chair Howell.

Chair Howell thanked Regent White and explained that the Board would affirm the approval of this Committee as a Committee of the Whole at the following day's meeting of the full Board.

Regent Leebern interjected that he wanted to announce before the Board that April 21, 2002, Regent McMillan would receive a Distinguished Service Award at the Association of Governing Boards' National Conference on Trusteeship in Boston, Massachusetts. He remarked that this award was well deserved and long overdue, and he congratulated Regent McMillan. The Regents gave a round of applause.

Regent McMillan said that he would save his speech for the conference and thanked the Board.

At approximately 1:55 p.m., Chair Howell adjourned the Board into its regular Committee meetings. He noted that after the Committee meetings, at approximately 3:30 p.m., the Regents would take a tour of the campus of Kennesaw State University.

CALL TO ORDER

The Board of Regents of the University System of Georgia met again on Wednesday, April 17, 2002, in room 300 of the KSU Center of Kennesaw State University. The Chair of the Board, Regent Hilton H. Howell, Jr., called the meeting to order at 9:00 a.m. Present on Wednesday, in addition to Chair Howell, were Vice Chair Joe Frank Harris and Regents Hugh A. Carter, Jr., William H. Cleveland, Michael J. Coles, George M. D. (John) Hunt III, Donald M. Leebern, Jr., Allene H. Magill, Elridge W. McMillan, Martin W. NeSmith, Wanda Yancey Rodwell, Glenn S. White, Joel O. Wooten, Jr., and James D. Yancey.

INVOCATION

The invocation was given on Wednesday, April 17 by Jim Pennington, President of the Kennesaw State University Student Government Association.

ATTENDANCE REPORT

The attendance report was read on Wednesday, April 17 by Secretary Gail S. Weber, who announced that Regents Connie Cater and J. Timothy Shelnut had asked for and been given permission to be absent

on that day.

COMMITTEE ON INFORMATION AND INSTRUCTIONAL TECHNOLOGY

The Committee on Information and Instructional Technology met on Tuesday, April 16, 2002, at 11:00 a.m. in room 460 of the KSU Center of Kennesaw State University. Committee members in attendance were Chair Martin W. NeSmith, Vice Chair Michael J. Coles, and Regents Hugh A. Carter, Jr., Wanda Yancey Rodwell, and Glenn S. White. Chancellor Thomas C. Meredith was also in attendance at the meeting. Board Chair Hilton H. Howell, Jr. visited the Committee briefly to introduce new Regent Rodwell. Chair NeSmith reported to the full Board on Wednesday that the Committee had reviewed three items, one of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Adoption of “Learning Without Limits,” the University System’s Strategic Plan for Information and Instructional Technology

Approved: The Board adopted “Learning Without Limits,” the University System’s strategic plan for information and instructional technology (the “Strategic Plan”).

At its January 2001 meeting, the Committee approved the development of a Systemwide strategic plan for information and instructional technology. Following a lengthy process in which input was gathered from numerous sources both inside and outside the University System, a draft of the Strategic Plan was developed and presented for discussion at the Committee’s February 2002 meeting. The same draft of the Strategic Plan was also presented and discussed at the February 2002 meeting of the Information and Instructional Technology Advisory Committee. Input from both committees as well as others was used to produce a final draft of the Strategic Plan, which was distributed for consideration during the month of March. The Strategic Plan to be submitted for Board approval at this meeting is the culmination of these efforts.

The Vice Chancellor for Information and Instructional Technology and Chief Information Officer, Randall A. Thursby, presented the Strategic Plan to the Committee. In many ways, adoption of this Strategic Plan represents a beginning rather than an ending. For strategic planning to have real value, it must be frequently reviewed and updated, especially in the area of technology, and it must continue to be well-informed, aligned, and integrated with overall plans of the organization. This Strategic Plan recognizes these criteria and recommends ongoing processes to ensure its value to the University System of Georgia.

Chair NeSmith commended the Executive Director for Strategic Planning and Policy Development, Thomas L. Maier, and his staff for their hard work on the development of the Strategic Plan. Chancellor Meredith echoed the commendation.

Regent Coles requested that the staff develop a matrix for tracking implementation of the Strategic Plan and

that progress reports be provided to the Committee on a periodic basis.

2. Update on the Georgia Technology Authority's Converged Communications Outsourcing Project

The Vice Chancellor for Information and Instructional Technology and Chief Information Officer, Randall A. Thursby, provided to the Committee an update on recent changes in the Georgia Technology Authority's ("GTA") Converged Communications Outsourcing Project ("CCOP") process and time line. While the University System is a voluntary participant in this project, the delayed CCOP time line does have implications for services such as voice (telephone) and video (Georgia Statewide Academic and Medical System ["GSAMS"]) that the System is currently purchasing from GTA.

3. System Crisis Support for Institutions

The Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, and the Vice Chancellor for Information and Instructional Technology and Chief Information Officer, Randall A. Thursby, briefed the Committee on the role and actions of the Office of Information and Instructional Technology in assisting institutions in handling information technology crises.

Dr. Papp began by commending the Office of Information and Instructional Technology staff "SWAT Teams" for their hard work and dedication in dealing with campus technology crises. The problem is that these crises are becoming more frequent and much more serious due to the increased reliance on and ubiquitous nature of technology. The root causes for many of these crises are structural in nature, such as viability of operations and requisite staffing considering factors of size, scale, and location.

There is a pressing need, as indicated from the number of institutional examples, for better ways to prevent crises or to better manage the ones that do occur. Suggested solutions to this problem will be developed as a part of the operationalization of the University System's strategic plan for information and instructional technology, which was approved as Item 1 of this agenda. Potential solutions, such as better standardization of tools and processes, consolidation/regionalization of services, and training/mentoring of campus support staff, were mentioned.

At the conclusion of the Committee meeting, Chair NeSmith requested that two items be placed on the Committee's next meeting agenda. The first of these items would be an update on the status of information technology and PeopleSoft at the University of Georgia ("UGA"). The second item would be an update on the status of creating a larger space for the Athens location of the Office of Information and Instructional Technology, including the potential construction of a new building on the UGA campus as well as other alternatives.

Regent Coles also requested a future discussion item regarding innovative wireless technologies. Mr. Thursby noted that the staff recently completed a survey of System institutions regarding their use of

wireless technologies.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

The Committee on Finance and Business Operations met as a Committee of the Whole on Tuesday, April 16, 2002, at approximately 1:30 p.m. in room 300 of the KSU Center of Kennesaw State University. Chair Yancey reported to the Board on Wednesday that in his absence on Tuesday, Regent White had chaired the Committee on Finance and Business Operations as a Committee of the Whole. The Committee reviewed five items, all of which required action. Before calling for a motion, Chair Yancey called upon the Vice Chancellor for Fiscal Affairs, William R. Bowes, to clarify an item that appeared in that morning's *Atlanta Journal-Constitution*. Mr. Bowes explained that the article concerned tuition fees associated with the Gwinnett University Center's Executive Master of Business Administration ("M.B.A.") program offered by the University of Georgia ("UGA"). He explained that these are new fees for a new program. He then called upon President Michael F. Adams of UGA to elaborate. President Adams stressed that there is a significant difference between a traditional M.B.A. program and the Executive M.B.A. program, for which the tuition fees are consistent with the tuition of other Executive M.B.A. programs elsewhere in the University System. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Approval of Fiscal Year 2002 Amended Budget Allocations

Approved: The Board approved the allocation of state appropriations for the fiscal year 2002 amended budget among the institutions and operating units of the University System of Georgia.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 8 to 12.)

Background: In response to the downturn in the economy, the Governor recommended a 2.5% reduction in state appropriations in November. The state legislature approved the budget reductions in the amended budget. The total reductions for System institutions include \$34.9 million in state appropriations, \$866,067 in special funding initiatives, and \$12.18 million in major repair and renovation ("MRR") funds. Reductions were also made for reduction in the employer's share of Teachers' Retirement System of Georgia ("TRS") contributions from 11.29% to 9.24% beginning in fiscal year 2002.

In addition to the budget reductions, the amended budget includes funding for critical needs: \$30 million for semester conversion and \$17.7 million for health insurance premium increases. Special funding initiatives increased by \$4.4 million, including state matches for six eminent scholars at the following institutions: Kennesaw State University (two), Georgia Southern University (two), Columbus State University (one), and State University of West Georgia (one). The State also provided funding for the leadership mission at North Georgia College & State University and an increase of \$414,054 for the Intellectual Capital Partnership Program ("ICAPP®"). Lottery funds requested in the fiscal year 2003 budget were funded in the fiscal year 2002 amended budget.

The "B" unit budget had net adjustments of \$333,877, which includes budget reductions and TRS rate

reductions of \$8.38 million, increases for health insurance of \$1.62 million, and other legislative adjustments in the amount of \$7.1 million.

2. Approval of Fiscal Year 2003 Budget Allocations

Approved: That the Board approve the allocation of state appropriations for fiscal year 2003 among the institutions and operating units of the University System of Georgia.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 8 to 12.)

3. Approval of Fiscal Year 2003 Tuition

Approved: The Board approved the recommended tuition rates and policy adjustments for fiscal year 2003 to become effective in the fall semester 2002.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 8 to 12.)

Background:

Undergraduate and Graduate Tuition Rates

Staff proposed that tuition rates be increased 6% for research universities and 4% for all other University System of Georgia institutions. These adjustments provide the minimum amount of tuition revenue required to meet the 25% share of formula-related costs that are borne by students and provide for annualization of the increased salary costs of the 4.5% merit-based salary increase approved last year. The rates were also designed to provide funding to institutions to support recent enrollment increases and maintain program quality.

Finally, in accordance with the policy approved in April 2001 to allow research universities to request increases in out-of-state tuition rates to the levels of peer or benchmark institutions, staff proposed that the Georgia Institute of Technology be permitted to raise its out-of-state tuition by \$500 per semester, consistent with levels at its public benchmark institutions. Staff further proposed that the University of Georgia (“UGA”) be permitted to raise its out-of-state tuition by \$500 per semester. UGA had indicated that its rates were \$1,240 per semester below the average of its peer institutions. The increases in out-of-state tuition rates were proposed with the understanding that the proportion of out-of-state students will not be increased at these institutions.

Graduate tuition rates, excluding select graduate professional programs, are set by Board policy at a level 20% above undergraduate tuition rates. Out-of-state rates are established, also by Board policy, at a level

representing at least four times the in-state tuition rates.

Professional Program Tuition

Board policy authorizes institutions to request approval for separate tuition rate adjustments for select nationally competitive graduate and professional programs. The purpose of the policy is to provide additional funds for program enhancements while allowing programs to remain competitive with peer programs in colleges and universities in other states. This year, 13 requests were submitted for the programs listed below and recommended for approval by the Board. These changes were reflected in the tuition schedule shown distributed to the Regents. This schedule is on file with the Office of Fiscal Affairs.

Georgia State University

- Master of Business Administration (“M.B.A.”) and Executive M.B.A. programs
- Executive Master’s in International Business

Medical College of Georgia

- Medical School

University of Georgia

- Pharmacy
- Law
- Veterinary Medicine
- Gwinnett M.B.A.
- Social Work
- Landscape Architecture
- Master of Food Technology (offered at Gwinnett University Center)
- Education

4. Approval of Fiscal Year 2003 Mandatory Student Fees

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

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 8 to 12.)

Background: To support requests for fee increases, each University System of Georgia institution was required to submit financial statements and supporting justification documenting need. The fee review process carefully considers only those requests that meet minimum submission criteria, fully explain all costs and revenues, and comply with business plan objectives. Additionally, and in accordance with the policy adopted by the Board in February 2000, each institution must demonstrate that

fee increase requests were reviewed by a committee comprised of at least 50% of students appointed by the respective institution's student government association.

Fifty-five requests were submitted to adjust athletic fees, student activity fees, health service fees, and transportation or parking fees. Staff proposed that 14 of these requests be approved as submitted and 27 requests be approved at reduced levels. Fourteen requests were not recommended for approval.

5. Approval of Salary and Wage Administration Policy

Approved: The Board authorized the Chancellor to establish a policy regarding the administration of the 3.25% salary increase subject to the principles that increases will be awarded on the basis of merit and that any increase above a specified percentage be supported in writing by institutional presidents.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 8 to 12.)

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, April 16, 2002, at approximately 2:15 p.m. in the Board Room. Committee members in attendance were Chair George M. D. (John) Hunt III, Vice Chair Joel O. Wooten, Jr., and Regents Michael J. Coles, Donald M. Leebern, Jr., and Glenn S. White. Board Chair Hilton H. Howell, Jr. was also in attendance at the meeting. Chair Hunt reported to the Board on Wednesday that the Committee had reviewed 11 items, 10 of which required action. One item was withdrawn prior to the meeting, and one item was a walk-on item. Chair Howell remarked that the Board was very pleased to approve the naming of the Edgar L. Rhodes Animal and Dairy Science Complex and that it was an honor to have served on the Board during former Regent Rhodes' tenure. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Naming of Facility, Willingham Hall, Kennesaw State University

Approved: The Board approved the naming of the Public and International Affairs Building at Kennesaw State University ("KSU") to "Willingham Hall."

Understandings: Harold Willingham was an integral and valuable part of KSU from the very beginning of the institution. As a member of the original "College Committee," community members who charged themselves with the task of creating avenues for higher education in Cobb County, he was involved with the institution dating back to 1963. Mr. Willingham's involvement was not simply being a part of the committee. In fact, bringing his exceptional legal talents to the table, he played a pivotal role in helping coordinate the complex land and funding requirements for the college.

Although Mr. Willingham is well remembered for his leadership in countless roles in the formation of Kennesaw Junior College and for helping shape a progressive, cosmopolitan Cobb County, he is also appreciated for his quick wit, business acumen, and organizational skills. At his funeral service, Governor Roy Barnes stated in the eulogy of his friend and mentor, “Harold saw Cobb County for what it could be, rather than what it was... and what is more, he did something about it.” The Governor added, “We take for granted those who built this county — men like Harold Willingham.”

Mr. Willingham was an attorney and an accountant. He served in the Georgia House of Representatives from 1946 until 1964 and as Speaker Pro Tem under Governor Marvin Griffin. His influence was most evident when he persuaded Governor Griffin to provide \$2 million in funding to help establish both Kennesaw Junior College and Southern Technical Institute.

This facility is one of four small themed apartment-style housing units built during the 1996 Olympics that are dedicated for use by groups of students who are studying programs such as a foreign language.

2. Naming of Facility, Luck Flanders Gambrell Center, East Georgia College

Approved: The Board approved the naming of the Classroom/Learning Resource Center at East Georgia College (“EGC”) to “Luck Flanders Gambrell Center.”

Understandings: Mrs. Gambrell’s contributions to EGC are numerous. She contributed the more than 200 acres required to establish EGC. Additionally, she has quietly contributed well over \$1 million for many EGC projects. She has also supported faculty development, student scholarships, and the EGC library.

Additionally, Mrs. Gambrell is a noted supporter of Swainsboro and Emanuel County, helping to restore Settler’s Cemetery and donating land for the County’s first technology park.

3. Rental Agreement, South Georgia College

Approved: The Board declared approximately 37.47 acres of land located of South Georgia College (“SGC”) no longer advantageously useful to SGC or other units of the University System of Georgia but only to the extent and for the purpose to allow this land to be rented to the City of Douglas, Georgia, for the operation of a golf course for the benefit of SGC and the Douglas community.

The Board also authorized the execution of a rental agreement between the Board of Regents and the City of Douglas, Georgia, covering the above-referenced approximately 37.47 acres of land at SGC for use by the City of Douglas in the operation of a golf course with the right given to the City of Douglas to subrent the property for golf course purposes for the period beginning July 1, 2002, and ending June 30, 2003, with option to renew for four consecutive one-year periods at an annual rental of \$1 with either party having the right to cancel upon 90 days’ notice.

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

Understandings: The golf course property has been rented to the City of Douglas since March 1988. The original agreement was renewed by the Board in 1992 and again in 1997. This agreement will renew the rental for an additional five years.

The rental of the golf course has permitted its rehabilitation for use by the community and SGC. Its private operation has enabled proper operation and maintenance.

SGC uses this golf course as part of its Physical Education program. The use of this facility without charge is partial consideration for this rental agreement.

4. Conveyance of Property and Construction Easement, University of Georgia

This item was withdrawn prior to the Board meeting.

5. Rental Agreement, Research Facility, University of Georgia

Approved: The Board authorized the execution of a rental agreement between the UGA Real Estate Foundation, Inc. ("UGAREF"), Landlord, and the Board of Regents, Tenant, for approximately 117,385 rentable square feet in the Riverbend Research Village for a period commencing on the first day of the first month after UGAREF obtains a certificate of occupancy for the improvements and ending on June 20, 2004, at a monthly rental of \$253,258.17 (\$3,039,098 per calendar year/\$25.89 per square foot per year) with options to renew on a year-to-year basis for 29 consecutive one-year periods with rent increasing 3% each year.

Modified: The rental rates were modified from those on the original Committee agenda.

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

Understandings: At its November 2001 meeting, the Board approved a ground lease to UGAREF for 13.73 acres for the purpose of constructing and owning a research facility to be used by the Complex Carbohydrate Research Center (the "Center"), which has outgrown its current location on campus. The Board was informed that the rental agreement would be presented for consideration when construction of the building is complete.

Operating costs, including utilities, janitorial services, rubbish removal, pest control, and maintenance, are estimated to cost \$445,000.

Rental and operating expenses will be paid from the Center's operating budget as well as from grants and

University of Georgia Research Foundation, Inc. funds.

6. Resolution, 2002 A and 2002 B General Obligation Bond Issue, Georgia State Financing and Investment Commission, University System of Georgia

Approved: The Board adopted the Resolutions prepared by the Revenue Division of the Department of Law covering the issuance of 2002 A and 2002 B General Obligation Bonds (“G. O. Bonds”) by the State of Georgia through the Georgia State Financing and Investment Commission for use in funding projects for the University System of Georgia. These Resolutions are on file with the Office of Facilities.

The Revenue Division of the Office of the Attorney General prepared on behalf of the Board of Regents a Resolution to cover the sale of 2002 A G. O. Bonds for the following projects:

| | | |
|------|---|--------------------|
| J-30 | Henderson Library Renovation and Addition | |
| | Georgia Southern University | \$975,000 |
| J-28 | Social Science Building | |
| | Kennesaw State University | \$1,235,000 |
| J-29 | Student Center, Clarkston Campus | |
| | Georgia Perimeter College | \$300,000 |
| | Campus Loop | |
| | Middle Georgia College | \$170,000 |
| | Various Projects | |
| | Georgia Research Alliance | <u>\$8,840,000</u> |
| | TOTAL | \$11,520,000 |

The Revenue Division of the Office of the Attorney General prepared on behalf of the Board of Regents a Resolution to cover the sale of 2002 B G. O. Bonds for the following projects:

| | | |
|------------|---|--------------------|
| I-51 | Animal Health and Bioresources Facility, Ph I | |
| | University of Georgia | \$4,300,000 |
| | Replace HVAC System Campus-wide | |
| | Gainesville College | \$800,000 |
| BR-30-0201 | Renovation of J.S. Coon Building | |
| | Georgia Institute of Technology | \$2,000,000 |
| | Governor’s Leadership Institute | <u>\$5,350,000</u> |
| | TOTAL | \$12,450,000 |

7. Appointment of Architect, Kennesaw State University

Approved: The Board appointed the first-named architectural firm listed below for the identified major capital outlay project and authorize the execution of a contract with the identified firm at the stated cost shown for the project. Should it not be possible to execute a contract with the top-ranked firm, staff will then attempt to execute a contract with the other listed firms in rank order.

Following current practice for the selection of architects, the following recommendation is made:

**Project No. J-28, “Social Science Building”
Kennesaw State University**

Project Description: This project will provide 170,000 gross square feet of classroom and office space to accommodate the social sciences.

| | |
|--|--------------|
| Total Project Cost | \$29,398,000 |
| Construction Cost (Stated Cost Limitation) | \$22,300,000 |
| Architect/Engineers (“A/E”) (Fixed) Fee | \$1,410,500 |

Number of A/E firms that applied for this commission: 38

Recommended A/E design firms in rank order:

- 1) Stang & Newdow, Inc., Atlanta
2. Sizemore Group, Atlanta
- 3) Stevens & Wilkinson, Atlanta

8. Appointment of Design/Build Firm, Medical College of Georgia

Approved: The Board appointed the first-named design/build firm listed below for the identified major capital outlay project and authorize the execution of a contract with the identified firm at the stated cost shown. Should it not be possible to execute a contract with the top-ranked firm, staff will then attempt to execute a contract with the other listed firms in rank order.

Following a selection process for a design/build firm, the following recommendation is made:

**Project No. I-66, “Expansion of Interdisciplinary Research Center,”
Medical College of Georgia**

Project Description: This approximately 95,000-gross-square-foot expansion of the existing Interdisciplinary Research Center will generally consist of laboratories and support spaces. Much of this research space will be “shell space” to be specifically built out for designated research as

it is identified.

| | |
|--|--------------|
| Total Project Cost | \$27,330,000 |
| Construction Cost (Stated Cost Limitation) | \$21,965,000 |

Number of design/build firms that applied for this commission: 9

Recommended design/build firms in rank order:

- 1) Turner Construction Company, Atlanta
- 2) Gilbane Construction Company, Atlanta
- 3) Whiting-Turner Contracting Company, Atlanta
- 4) Bovis Lend-Lease, Atlanta

9. Authorization of Project Modification and Parking Deck Concept Discussion, “Klaus Advanced Computing Building,” Georgia Institute of Technology

Approved: The Board modified certain requirements associated with the November 2001 approval of the appointment of an architect for the “Klaus Advanced Computing Building,” Georgia Institute of Technology (“GIT”), as follows:

- GIT will provide a general overview to the Board of the Klaus Advanced Computing Building, highlighting project schematic design, schedule, and relationship to adjacent GIT projects including the Technology Square/Yamacraw Complex; the Bioengineering/ Bioscience, Environmental Science and Technology, and Molecular/Material Sciences and Technology (“BEM”) Complex; and the Information Technology (“IT”) Complex.
- The final building plans shall be submitted to the Georgia State Financing and Investment Commission (“GSFIC”) for technical and risk management review by October 15, 2002, with the complete project transmitted to GSFIC by December 15, 2002, for bidding in January 2003.
- GIT plans to obtain financing from a third party for the parking deck component of the Klaus Advanced Computing Building. GIT anticipates that the third party will require a Board of Regents long-term lease for parking premises and, in turn, will provide the necessary \$9 million project funds to GSFIC to construct the Board-owned building. The third party will lease back on an annual basis the premises to Board/GIT for a designated term of years. GIT’s Auxiliary Services – Parking System will operate the parking deck. The source of funds for the lease payments remains GIT’s Auxiliary Services – Parking System. This approach is currently being discussed with the Office of the Attorney General. Formal action will be required at a future Board meeting.

10. Rental Agreement, Kennesaw State University Foundation, Kennesaw State University

Approved: The Board authorized the execution of a rental agreement between Kennesaw State University Foundation, Inc. (“KSUF”), Landlord, and the Board of Regents of the University System of Georgia, Tenant, for nine houses on Frey Lake Road for the period May 1, 2002, through April 30, 2003, at a monthly rental not to exceed \$33,333 (\$400,000 per year), with the option to renew on a year-to-year basis for 24 consecutive one-year periods at the same rent rate for the use of Kennesaw State University (“KSU”).

Modified: The rental period was modified from the period presented in the original Committee agenda. The stipulation presented in italics below was also added.

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

Understandings: The nine houses, all in excellent condition, and the estimated renovation cost and intended uses are as follows:

| <u>Address</u> | <u>Renovation Cost</u> | <u>Intended Use</u> |
|---------------------|------------------------|--|
| 3201 Frey Lake Road | By Vendor | Child care facility |
| 3203 Frey Lake Road | \$ 50,000 | Center for Conflict Management and Dispute Resolution |
| 3205 Frey Lake Road | \$ 50,000 | Center for Election Systems and Science Collaboratives |
| 3207 Frey Lake Road | \$ 50,000 | Georgia Teaching Center |
| 3209 Frey Lake Road | \$ 50,000 | Alumni Affairs and general KSU offices |
| 3211 Frey Lake Road | \$ 50,000 | Center for Institutional Effectiveness, Center for Excellence in Teaching and Learning, and academic offices |
| 3213 Frey Lake Road | \$ 50,000 | Center for Leadership, Ethics, and Character Education and Center for Active Retired Educators |
| 3215 Frey Lake Road | \$125,000 | Student Health Center |
| 3217 Frey Lake Road | \$ 50,000 | International House |

KSUF is purchasing these houses for use of KSU. Rental of the houses will be phased in as the current occupants vacate. *Prior to execution of the rental agreement, the method to pay the renovation cost will need approval by the Office of the Attorney General.*

The rental of these houses is subject to completion of environmental reports on the property.

Operating expenses, including insurance, maintenance, janitorial services, rubbish removal, pest control, taxes, assessments, and utilities, are estimated to cost \$240,000 per year. The rental and operating

expenses will be paid from KSU's operating budget, grants, and student fees.

KSUF will gift the property to the Board of Regents at the end of 25 years.

11. Naming of Facility, Edgar L. Rhodes Animal and Dairy Science Complex, the University of Georgia

Approved: The Board approved the naming of the Animal and Dairy Science Complex at the University of Georgia ("UGA") to the "Edgar L. Rhodes Animal and Dairy Science Complex." This was a walk-on item added to the agenda of the Committee on Real Estate and Facilities. The addition of this item to the agenda required unanimous consent of the Committee members, and all Committee members present voted to add the item to the agenda.

Understandings: Edgar L. Rhodes is a distinguished citizen and public servant of Georgia. He was born on April 1, 1916, in Cumming, Georgia, and moved at an early age to Alpharetta, where he graduated from Milton High School before attending UGA and graduating with a bachelor of science in agriculture degree with a major in vocational education.

Mr. Rhodes has been a lifelong advocate of agricultural interests in the State of Georgia. He spoke at the groundbreaking ceremony of the Animal and Dairy Science Complex in May 1996.

Mr. Rhodes served as a member of the Board of Regents from 1984 to 1999. He served as Chair of the Board for two consecutive years from June 1989 through June 1991.

Regent Leebern asked that the minutes reflect the Regents' admiration and respect for former Regent Rhodes and their appreciation for his service to the University System of Georgia and the citizens of the State of Georgia. On behalf of the Regents who served on the Board with former Regents Rhodes, Regent Leebern stated that it was an honor and a privilege to have served with him and that he was very pleased to endorse this facility naming.

COMMITTEE ON EDUCATION, RESEARCH, AND EXTENSION

The Committee on Education, Research, and Extension met on Tuesday, April 16, 2002, at approximately 2:00 p.m. in room 460 of the KSU Center of Kennesaw State University. Committee members in attendance were Chair Allene H. Magill, Vice Chair Martin W. NeSmith, and Regents Hugh A. Carter, Jr., William H. Cleveland, Joe Frank Harris, Wanda Yancey Rodwell, and Elridge W. McMillan. Chair Magill reported to the Board that the Committee had reviewed ten items, eight of which required action. Additionally, 185 regular faculty appointments were reviewed and recommended for approval. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Establishment of the Bachelor of Science in Nursing R.N. to B.S.N. Completion Program, Macon State College

Approved: The Board approved the request of President David A. Bell that Macon State College (“MSC”) be authorized to establish the Bachelor of Science in Nursing R.N. to B.S.N. Completion, which will admit only qualified applicants who hold licensure as registered nurses (“R.N.s”) with an associate degree or diploma, effective April 17, 2002.

Abstract: Nursing is the largest employment category in health-related professions. The mission of MSC, as approved by the Board in October 1997, states that its “baccalaureate programs are focused on selected areas of study... with special emphasis on fields that support state and regional economic development.” The MSC R.N. to B.S.N. degree completion program will provide an opportunity for persons holding an associate degree or diploma in nursing and who have obtained licensure as R.N.s to continue their studies toward a Bachelor of Science in Nursing (“B.S.N.”). Nursing degree-completion programs improve the analytical and critical-thinking skills of nurses that are essential in today’s high-acuity hospital environment.

Need: There has been a significant expression of the need for more graduates of B.S.N. programs presented to the University System Office by community health agencies, health systems, and hospitals. This need has been communicated through letters, e-mails, and personal contact. Currently, the existing Macon-based program from Georgia College & State University (“GCSU”) is graduating approximately 20 students per year. This is a high-quality program, but according to most observers, additional demand exists. In order to measure student demand, MSC surveyed 497 associate degree R.N.s, and 223 indicated that they would immediately pursue a B.S.N. Another 153 said they would enroll in the R.N. to B.S.N. Completion program within two years. MSC proposes to offer more courses during evening and weekend hours. Consistent with its mission, subject to Georgia Board of Nursing certification of MSC’s program, and assuming the MSC program demonstrates enrollment success, GCSU and the University System Office together will conduct an extensive review of the most effective way that GCSU can continue to help address the nursing education needs of the greater Macon area.

Objectives: The goal of the R.N. to B.S.N. Completion program is to provide Middle Georgia R.N.s the opportunity to complete a baccalaureate nursing program. As a result, the program will provide Middle Georgia healthcare facilities with baccalaureate-prepared nurses.

Curriculum: The curriculum will follow the articulation guidelines established by the Georgia Board of Nursing. MSC will seek advisement from the Georgia Board of Nursing for the program. Students admitted to the program will already hold an R.N. license. Depending upon their previous level of study, students will need to complete remaining baccalaureate degree requirements in the core curriculum and will then continue with upper-division course work in nursing and health sciences. The program will require students to complete major courses in community health, pathophysiology, healthcare management, and several practicums and laboratory experiences.

Projected Enrollment: The institution anticipates enrollments of 50, 100, and 150 during the first three years of the program.

Funding: The institution will redirect resources to establish and implement the program. To maintain the appropriate faculty-to-student ratios in both the didactic and clinical settings, at least two additional faculty members with terminal degrees will be recruited to establish and maintain the program. The institution anticipates that tuition revenues from increased enrollments will be sufficient to support the program.

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

2. Establishment of a Major in Educational Leadership Under the Existing Master of Education, Kennesaw State University

Approved: The Board approved the request of President Betty L. Siegel that Kennesaw State University ("KSU") be authorized to establish a major in Educational Leadership within the existing Master of Education degree effective April 17, 2002.

Abstract: The new major in Educational Leadership will offer residents in the region of the state served by KSU an opportunity to complete their master's degrees and to qualify for certification as administrators for Georgia's public schools.

Need: Educational leadership is a field in which Georgia and the nation are currently experiencing worker shortages. Moreover, in Georgia, close to 50% of current school principals and superintendents will be eligible for retirement within the next few years. In the region of the state served by KSU, this need is intensified because of the numbers of new schools constructed each year to keep pace with the population growth.

Objectives: The purpose of the program is to prepare educational leaders for the public schools in the region of the state traditionally served by KSU.

Curriculum: The Bagwell College of Education of KSU and practicing educational leaders in the region collaboratively developed the program. Students enrolling in the program will complete 32 semester hours of courses over a 22-month period. Students will matriculate through the program in cohort groups. Delivery of the program will include Friday evening and Saturday sessions along with intensive school-based experiences. The program emphasizes the Regents' Principles for the Preparation of Educators for the Schools and national standards in educational leadership.

Projected Enrollment: The institution anticipates new enrollments of 45, 20, and 25 during the first three years of the program. All projected enrollments will be new to the institution.

Funding: The institution has redirected substantial new resources to hire three new faculty members to establish and implement the program. Existing faculty members will also contribute to the program. A new Department of Educational Leadership has been created to house the program.

Assessment: The Office of Academics and Fiscal Affairs will work with the institution to measure the success and continued effectiveness of the program. In 2005, the institution and the University System Office will evaluate this program to determine the success of the program's implementation and the achievement of the goals stated in the proposal.

External Review: During the 2002-2003 academic year, all University System institutions that prepare educational leaders for the schools will participate in an external site-based review. This program will be a part of the Systemwide external review.

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

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

4. Modifications to the College's Organizational Structure and Renaming of the Division of Business and Technology to the Division of Business Administration, Dalton State College

Approved: The Board approved the request of President James A. Burran that Dalton State College ("DSC") be authorized to modify its existing organizational structure and rename the Division of Business and Technology to the Division of Business Administration, effective April 17, 2002.

Abstract: DSC's organizational modifications involve shifting the functions that currently report to the Vice President for Student Affairs to the Vice President for Enrollment Services, whose title will be redesignated as Vice President for Enrollment and Student Services. This shift represents an opportunity to consolidate certain administrative functions concurrent with the recent resignation of the current Vice President for Student Affairs, who has been offered a position at another University System institution. The change will allow DSC to reduce the number of vice presidents from four to three without affecting the quality of administrative coordination and leadership.

As part of this request, it was recommended that DSC rename the existing Division of Business and Technology to the Division of Business Administration. Renaming the existing division will provide students and the public a clearer understanding of DSC's programmatic offerings and will align the division's title with similar divisions and departments that offer undergraduate degrees in business-related fields. DSC was approved to offer the Bachelor of Business Administration by the Board of Regents on November 14,

2001. In addition, the institution currently offers the following baccalaureate programs: Bachelor of Applied Science in Technology Management, Bachelor of Science in Industrial Operations Management, Bachelor of Science in Management Information Systems, Bachelor of Science in Marketing Systems, and Bachelor of Social Work.

5. Renaming of the Faculty of Liberal Arts to Establish the School of Liberal Arts and Sciences, Georgia College & State University

Approved: The Board approved the request of President Rosemary DePaolo that Georgia College & State University (“GCSU”) be authorized to rename the current Faculty of Liberal Arts and establish the School of Liberal Arts and Sciences, effective April 17, 2002.

Abstract: The academic governing bodies of GCSU have met and approved the request to rename the current Faculty of Liberal Arts and establish the School of Liberal Arts and Sciences. This unit would remain in the College of Arts and Sciences and continue its partnership role with the John H. Lounsbury School of Education. The renamed School of Liberal Arts and Sciences will be more representative of the academic disciplines contained in that area and is recommended as a result of discussions that have taken place with the faculty and administration. In addition, the organizational structure of a school is better aligned with the current overall organization of the John H. Lounsbury School of Education.

6. Renaming of the Section of Neurosurgery to Establish the Department of Neurosurgery, 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 rename the Section of Neurosurgery, currently within the Department of Surgery, as the Department of Neurosurgery within the School of Medicine, effective April 17, 2002.

Abstract: MCG requests approval for the Section of Neurosurgery within the Department of Surgery to be established as the Department of Neurosurgery within the School of Medicine. The faculty, residents, and support staff currently assigned to the Section of Neurosurgery will transfer to the new department. MCG requests this change in order to provide a close association among basic and clinical services and the academic concept of neurosurgery within the School of Medicine. The establishment of the Department of Neurosurgery does not pose any adverse consequences for faculty or staff. Costs associated with the establishment of the department are minimal, since the request involves a shift in reporting from within a department to the broader domain of the School of Medicine. The Department of Neurosurgery will have its own practice plan, staff, and faculty members.

MCG is establishing centers of excellence in various disciplines, the first of which will be the Neuroscience Center of Excellence. The establishment of the Department of Neurosurgery will balance the administrative structure of the Neuroscience Center of Excellence, which will include neurosurgery, neurology, some aspects of pain management from anesthesiology, and some radiology support.

The neurosurgery residency program has developed an effective working relationship with both the Eisenhower Army Medical Center and the Veterans Affairs Medical Center. The establishment of the Department of Neurosurgery will continue and strengthen these collaborations. This organizational modification is consistent with similar changes at several other medical institutions.

7. Termination of Several Majors, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to terminate several majors that have ceased to be offered since the implementation of semester conversion and corresponding comprehensive program review processes, effective April 17, 2002.

Abstract: UGA requests approval to terminate the following majors:

- Bachelor of Arts with a major in Psychology
- Bachelor of Science in Education (“B.S.Ed.”) with a major in Elementary Teacher Education
- B.S.Ed. with a major in English/Speech Education
- B.S.Ed. with a major in Secondary Teacher Education
- Bachelor of Science in Family and Consumer Sciences (“B.S.F.C.S.”) with a major in Child Development
- B.S.F.C.S. with a major in Child Development/Early Childhood Education
- B.S.F.C.S. with a major in Child Development/Mental Retardation
- B.S.F.C.S. with a major in Community Nutrition
- Bachelor of Science in Pharmacy (replaced by the Doctor of Pharmacy)

UGA requested that these programs be terminated for a variety of reasons. In some cases, both a bachelor of science and a bachelor of arts had been approved and the differences between the two degrees were small. In other cases, low enrollments or numbers of graduates made the program less viable. The programs recommended for termination in teacher education have basically been defunct for several years (e.g., a program has been listed on the degrees and majors list in elementary education, preparation to teach in grades K-8, although no students have enrolled in this program for quite some time). The B.S. in Education with a major in Elementary Teacher Education has been replaced by two programs, one in Early Childhood Education and one in Middle School Education. In still other cases, programs have been discontinued at the institutional level, but requests for program terminations have not been forwarded to the Board for action until now. The termination of these programs will not have an adverse impact on faculty members or students.

8. Reactivation of the Major in Educational Psychology Under the Existing Bachelor of Science in Education, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to reactivate the major in Educational Psychology under the existing Bachelor of Science in Education, effective April 17, 2002.

Abstract: UGA requested approval to reactivate the major in Educational Psychology under the existing Bachelor of Science in Education. The major will be offered by UGA at the Gwinnett University Center. Graduates with this major will be employed in nonprofit organizations and in corporations to assist them in making effective use of technology in training. Those admitted to the major will study learning theories and strategies, appropriate use of technology in learning, as well as best practices for preparing learners to learn with technology.

9. **Information Item: Service Agreements**

Pursuant to authority granted by the Board at its meeting on February 7 and 8, 1984, the presidents of the listed institutions have executed service agreements with the indicated agencies for the purposes and periods designated, with the institutions to receive payment as indicated:

| University of Georgia | | | |
|---|---|---------------------|-----------|
| Conduct survey for 2002 drug-free school year | Georgia Department of Education | 12/14/01 - 06/30/02 | \$43,000 |
| Survey for West Nile Virus Encephalitis | Georgia Department of Human Resources | 01/01/02 - 12/16/02 | \$13,400 |
| Conduct performance, measurement, and evaluation system project | “ ” “ | 07/01/01 - 06/30/02 | \$90,000 |
| Train Skilled Credentialed Early Interventionists | “ ” “ | 10/01/01 - 09/30/02 | \$149,800 |
| Study West Nile Virus in wild birds | “ ” “ | 07/01/01 - 06/30/02 | \$44,339 |
| Conduct agricultural pollution prevention program | Georgia Department of Natural Resources | 01/01/01 - 12/31/02 | \$300,296 |
| Develop a baseline assessment of trout streams | “ ” “ | 12/01/01 - 11/30/02 | \$100,000 |
| Assess baseline ecological conditions | “ ” “ | 12/15/01 - 06/30/02 | \$22,000 |

| | | | |
|--|--|---------------------|-----------|
| Study distributions of fishes and mussels | “ ” “ | 12/31/01 - 06/30/02 | \$20,650 |
| Assess conservation improvements | “ ” “ | 12/15/01 - 06/30/02 | \$21,000 |
| Conduct research to improve the quality of postsecondary schools | Georgia Department of Technology and Adult Education | 10/01/01 - 06/30/02 | \$197,826 |
| Study potential for community to be self-financing | Georgia Forestry Commission | 09/01/01 - 08/31/02 | \$19,768 |
| Study of the Georgia State government: Practicing citizenship at home | Georgia Humanities Council | 01/01/02 - 09/30/02 | \$9,975 |
| Develop rural development strategy for Georgia | Georgia Department of Community Affairs | 11/15/01 - 6/30/02 | \$48,585 |
| Support Georgia Personal Assistance Service Corporation/AmeriCorps | “ ” “ | 10/01/01 - 9/30/02 | \$5,941 |
| Study long-term care intervention | Georgia Department of Community Health | 10/01/01 - 6/30/02 | \$114,592 |
| Increase knowledge and skills of parents and teachers concerning special education | Georgia Department of Education | 2/01/99 - 1/31/03 | \$92,298 |
| Provide state improvement grant for children with disabilities | “ ” “ | 2/01/99 - 1/31/03 | \$68,240 |
| Support youth development | Georgia Department of Human Resources | 12/1/01 - 6/30/02 | \$50,000 |
| Support student interns assistance with delinquent youth | Georgia Department of Juvenile Justice | 8/1/99 - 6/30/02 | \$31,827 |

| | | | |
|---|---|---------------------|-----------|
| Conduct Sapelo Island estuarine research training program | Georgia Department of Natural Resources | 11/1/01 - 10/31/02 | \$60,000 |
| Analyze water quality of Duplin River | “ ” “ | 2/05/02 - 2/04/03 | \$35,000 |
| Conduct program evaluations for fiscal year 2002 | Georgia Department of Technical and Adult Education | 12/17/01 - 12/16/02 | \$168,465 |

| Georgia Southern University | | | |
|--|--|--------------------|----------|
| Survey public attitudes and interest in parks board | Statesboro Bulloch County Parks and Recreation | 12/01/01 - 6/30/02 | \$8,500 |
| Evaluate communities project | Southeast Georgia Communities Project, Inc. | 12/01/01 - 3/31/02 | \$1,500 |
| Collaborate across boundaries for diverse population | Metropolitan Regional Education Service Agency | 2/01/02 - 1/31/04 | \$20,000 |
| Georgia College & State University | | | |
| Evaluate leadership training programs | Georgia Department of Education | 11/01/01 - 6/30/02 | \$40,000 |

| | |
|--|----------------------|
| TOTAL AMOUNT - APRIL | \$ 1,777,002 |
| TOTAL AMOUNT FY 2002 TO DATE | \$ 21,926,602 |
| TOTAL AMOUNT FY 2001 (TO APRIL) | \$ 21,247,582 |
| TOTAL AMOUNT FY 2001 | \$ 23,180,836 |

10. Information Item: Faculty Information System Policy Implications

The Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, discussed technical advances in the PeopleSoft system that may soon make it possible to retire the Faculty Information System ("FIS") from operation. Technical advances in PeopleSoft now make it possible to report all but a few elements that are in FIS. When these few missing elements can be reported in PeopleSoft, FIS will no longer be needed. However, Dr. Papp noted, even at this time, FIS cannot be retired unless the Board modifies its faculty appointment policy by providing presidents or the Chancellor the authority to temporarily appoint faculty pending Board approval. This would enable faculty to be entered immediately into the PeopleSoft system.

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, April 16, 2002, at approximately 2:30 p.m. in the room 460 of the KSU Center of Kennesaw State University. Committee members in attendance were Chair Hugh A. Carter, Jr., Vice Chair Elridge W. McMillan, and Regents William H. Cleveland, Joe Frank Harris, Allene H. Magill, Martin W. NeSmith, and Wanda Yancey Rodwell. Chancellor Thomas C. Meredith was also in attendance at the meeting. Chair Carter reported to the Board

on Wednesday that the Committee had reviewed two items, both of which required action. Item 1 included six applications for review; five of these were denied, and one was continued. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Applications for Review

- a. In the matter of James P. Braselton, at Georgia Southern University, concerning denial of promotion, the application for review was denied.
- b. In the matter of John Tamburo, at Middle Georgia College, concerning suspension of football program, the application for review was denied.
- c. In the matter of Garrett Hagin, at Middle Georgia College, concerning suspension of football program, the application for review was denied.
- d. In the matter of Vicki Alexander, at the Georgia Institute of Technology, concerning termination of employment, the application for review was continued.
- e. In the matter of Jim Farmer, at Southern Polytechnic State University, concerning termination of employment, the application for review was denied.
- f. In the matter of Gary G. Kellogg, at the Georgia Institute of Technology, concerning termination of employment, the application for review was denied.

2. Policy Manual Revisions

Approved: The Board approved the following recommended revisions to The Policy Manual.

Background: During the past year, a committee comprised of various University System personnel worked to modify some of the System's personnel policies that had not been changed in decades. These changes represent the culmination of the past year's revision of The Policy Manual. The issues addressed by these changes to The Policy Manual needed broad and thoughtful input from the institutions as well as a fiscal impact analysis. These final changes to The Policy Manual should help the System reach various strategic goals.

Sections of The Policy Manual which were revised are as follows. Please note that the strike-through texts represent deletions from the current version and highlighted texts represent additions. Italicized texts are commentary and will not be included in The Policy Manual.

Former Board Policy

Section 802.02 AGE CRITERIA

The employment of all persons under the age of eighteen (18) years shall be in compliance with the regulations of the U. S. Department of Labor (~~BR Minutes, 1986-87, p. 340~~).

Revised Board Policy

Section 802.02 AGE CRITERIA

The employment of all persons under the age of eighteen (18) years shall be in compliance with the regulations of the U. S. Department of Labor and with applicable State law.

Background: The State of Georgia prohibits employers from employing children under the age of sixteen (16) years in any occupation that has been designated as hazardous or that has a hostile or offensive environment. As an example, no child under the age of 16 may be employed to work in the vicinity of or assist in the operation of hazardous machinery. This prohibition would apply to motor vehicles, portable tools, or fixtures such as open boilers or fryers. Such individuals may neither work in toxic nor dangerous vicinities, including construction sites and warehouses.

Children who are age 12 years and younger may not generally be employed at any time. No minor under the age of 16 years may work between the hours of 9 p.m. and 6 a.m. No minor under the age of 16 years may work during the hours in which schools are in session, unless the minor has completed senior high school work or has been excused by a local school system's board of education. No minor under the age of 16 years may work more than 4 hours on a designated school day, more than 8 hours on days other than designated school days, or more than 40 hours during a week.

No minor between the ages of 12 and 16 may work without a certificate issued by the school superintendent, or authorized designee, in the county or city in which the minor resides. The certificate must identify the actual age of the minor and must indicate that the minor is physically capable to be employed. An employment certificate is also required for the employment of minors age 16 to 18 who wish to qualify for employment and work between the hours of 9 p.m. and 6 a.m.

The superintendent of schools, or his/her designee, will issue an identification card to a minor certifying that the minor is eligible for employment. Upon the termination of employment of any minor between the ages of 12 and 16, the employer must return the employment certificate to the issuing school officer. This must be done within five days of the date of termination. Work certificates and records of hours worked by a minor must be available for inspection at the location where the minor performs his/her work assignments.

Former Board Policy

Section 802.05 ~~EMPLOYMENT OF ALIENS~~

~~The president shall send to the Chancellor or his/her designee, with the recommendation for employment of an alien, a certification that the services to be performed by the alien do not involve direct participation in the formulation, execution or review of broad public policy and that the United States citizenship does not bear some rational relationship to the special demands of the particular position to be filled by the alien (BR Minutes, 1948-49, p. 315; 1976-77, p.68-69).~~

Revised Board Policy

Section 802.05 EMPLOYMENT OF FOREIGN NATIONALS

The employment and/or payment of nonresident foreign nationals shall be in compliance with all applicable federal laws and shall comply with all relevant visa restrictions.

Former Board Policy

Section 802.06 EMPLOYEE ORIENTATION

Each new employee shall be responsible for reading and familiarizing himself/herself with the contents of the appropriate policy and/or procedures manuals* at his/her institution ~~and in particular with the following:~~

- A. Personnel policies and procedures
- B. ~~Vacation and~~ leave benefits
- C. Insurance benefits
- D. Retirement benefits
- E. ~~Statement of duties to be performed and the condition of employment including compensation. The department head or supervisor will be responsible for explaining the duties and responsibilities of the job.~~

* Copies shall be made available in the office of each new employee's department head or supervisor.

Revised Board Policy

Section 802.06 EMPLOYEE ORIENTATION

Each new employee shall be responsible for reading and familiarizing himself/herself with the contents of the appropriate policy and/or procedures manuals* at his/her institution. Each new employee shall be specifically responsible for obtaining information regarding the following work-related issues:

- A. Personnel policies and procedures;
- B. Leave benefits, as applicable;
- C. Insurance benefits, as applicable;
- D. Retirement benefits; and
- E. An explanation of the duties and responsibilities of the position, the conditions of employment, the amount of compensation, and other work-related matters, as deemed appropriate by the employee's department chair or immediate supervisor.

* Copies shall be made available in the departmental office of each new employee's department chair or immediate supervisor.

***Background:** The reference to the concept of "vacation benefits" in item B was deleted. The majority of the faculty do not accrue "vacation" leave. A faculty member must have a 12-month employment contract to accrue "vacation" leave.*

In items B and C, the words "as applicable" were added. Employees with less than a half-time work commitment are not eligible for leave benefits or for insurance benefits. Employees with less than a half-time work commitment are eligible for retirement benefits through mandatory participation in the Georgia Defined Contribution Plan.

Former Board Policy

Section 802.0807 MISCELLANEOUS LEAVE

(c) VOTING

Employees of the University System are encouraged to exercise their constitutional right to vote in all federal, state, and local elections. ~~When an employee's normal working hours coincide with voting hours, the employee shall be granted leave as stipulated by his or her immediate supervisor, for the purpose of voting.~~

Revised Board Policy

Section 802.0807 MISCELLANEOUS LEAVE

(c) VOTING

Employees of the University System are encouraged to exercise their constitutional right to vote in all federal, state, and local elections. If election polls are not open at least two (2) hours before or two (2) hours after an employee's normally scheduled work shift, sufficient leave time must be granted to permit the employee to vote. In this instance, an institution should grant the employee a two-hour block of time in which to vote, if needed.

Former Board Policy

Section 802.0903 EMPLOYMENT BEYOND RETIREMENT

~~When a person has been retired from the University System and is receiving benefits from the Teachers Retirement System, the Employees Retirement System or the Regents' Retirement Plan, payment for services rendered to the University System by that person without prior approval by the Board of Regents is prohibited. In no event shall payment for services rendered be considered if compensation for that time, together with benefits being paid from the Teachers Retirement System (TRS), the Employees Retirement System (ERS), or the Regents' Retirement Plan, exceeds the compensation the individual was earning at the time of retirement (BR Minutes, 1984-85, p. 208; 1988-89, p. 44; 1990-91, p.39).~~

Revised Board Policy

Section 802.0903 EMPLOYMENT BEYOND RETIREMENT

When an individual retires from the University System of Georgia and is receiving benefits from the Teachers Retirement System, the Employees Retirement System, or the Regent's Retirement Plan, he/she shall not be reemployed by the University System without the prior approval of the Board of Regents. When an employee has retired from the University System of Georgia, he/she may be reemployed by the University System of Georgia under the following conditions:

1. The reemployment of a University System of Georgia retiree must be approved by the Board of Regents;
2. A rehired retiree must have a minimum break of 30 days between the effective date of his/her retirement and the effective date of his/her reemployment;
3. The work commitment of a rehired retiree must be less than half-time; i.e., less than 50%;
4. The salary that is paid to a rehired retiree must be less than 50% of the annual benefit-base compensation amount that he/she was earning at the time of his/her retirement; and

5. The salary that is paid to a rehired retiree must be consistent with his/her work commitment.

***Background:** The former policy of the Board of Regents was more restrictive with regard to the reemployment of University System of Georgia retirees than it is with regard to the employment of retirees from other state agencies or local boards of education.*

The approved change in policy permits an institution to reemploy a retiree of the University System of Georgia at a salary that does not exceed 50% of his/her base compensation at the time of his/her retirement. Such a change in Board of Regents policy is consistent with the current Teachers Retirement System of Georgia earnings limitation policy for retirees.

In a period of economic downturn and shortages of experienced employees, there are advantages to this change. Currently, there is a national trend to rehire senior employees to mitigate costs associated with recruitment, training, and employee benefits programs.

In the wake of the present 2.5% and 5% budget cuts for fiscal years 2002 and 2003, respectively, the ability to reemploy a University System of Georgia retiree under this policy will be less expensive. The salary for a reemployed University System of Georgia retiree would generally be less than the salary required to hire an external candidate for a vacant position. No additional employee benefits program costs will be borne by the University System for the reemployment of one of its retirees. The reemployment of a University System of Georgia retiree will also permit an institution to retain an individual who has already acquired employment skills and service credentials within the System.

Former Board Policy

Section 802.18 CAREER DEVELOPMENT

Each University System institution shall ~~set aside~~ at least one percent of full-time employee salaries to be used for faculty and staff development. This one percent will be matched by state-appropriated funds for ~~faculty and staff development~~ to the extent that funds are available.

Revised Board Policy

Section 802.18 CAREER DEVELOPMENT

The Board of Regents of the University System of Georgia is committed to the continued professional growth and development of System personnel.

Faculty, staff, and administrators are encouraged to participate in development activities and study. Career development opportunities may include, but are not limited to, the following examples of program offerings:

1. Tuition Remission and Reimbursement;
2. Courses offered through Continuing Education;
3. Courses offered through a Department of Technical and Adult Education (DTAE) institution;
4. External professional programs and conferences; and
5. Systemwide/institutional faculty and staff professional development programs.

Each University System institution shall commit at least one percent of full-time employee salaries to be used for faculty and staff development. This one percent will be matched by state-appropriated funds to the extent that funds are available.

CHANCELLOR'S REPORT TO THE BOARD

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

Thank you. Let me just make a few comments, and then, I have a special presentation to make. There is a report on spring 2002 enrollment in your notebooks. Enrollment for the spring has set another record, as it did for fall 2001. The headcount is up, and full-time equivalent enrollment is up. This demonstrates that our institutions are doing a tremendous job in recovering from semester conversion. So, we offer our congratulations to the institutions for their good work.

I'm trying to convince everyone that it is not my fault there's a revenue shortfall, and it's not my fault that the General Assembly set a record for the length of its session. Tom Daniel [Senior Vice Chancellor for External Activities and Facilities] promised me when I was interviewing for this job that the session always ended by St. Patrick's Day. That was a long time ago, Tom.

I found this legislature to be civil even in the waning hours. That must have been unusually challenging, since they were in a special session before the regular session and the regular session went so long. Given the economy, we worked hard to be good partners in the process. In most cases, that proved to be an asset and that partnership was recognized and rewarded. In some other ways, we didn't get exactly what we were asking for. Just to give you the good news with the bad, the Governor recommended and the legislature approved semester conversion dollars again. We received bonds for new construction and major repairs and renovations ("MRR"). Formula funding dollars were provided at approximately \$25 million. We also received funds for new square footage. All of these things come at a time when the economy is on a downswing. We received raises in the

amount of 3.25% throughout the System. Although we are still working on some issues regarding that, the salary dollars are certainly welcomed. It is somewhat of a surprise to see that some of our neighboring states that were not expected to give raises this year are, in fact, providing increases. It's amazing what elections in some states will bring about. We lost MRR money, as you know from the budget presentation yesterday, and that is distressing to us. I think it's also distressing to the Governor and the legislature. We have worked hard to try to convince them that in the fiscal year 2003 amended budget, they should try to make up this shortfall in some way. The legislature's trust in the Board to take care of these buildings is critical, particularly with regard to historic buildings. In that way, losing MRR money is a major loss for the state as well. We also had an approximate 5.7% loss in operation dollars. But given that the economy has experienced about nine months of declining revenue, we feel that we have made some gains in areas that are very important. I'm very impressed by the work done by our legislative liaisons led by Tom Daniel. Tom, why don't you introduce our legislative liaisons to the Board?

(From the System institutions, Mr. Daniel introduced Bill Golden, Director of Government Relations, Georgia Southern University; Max Allen, Director of University Relations, Georgia College & State University; Steven W. Wrigley, Interim Vice President for External Affairs, University of Georgia; Randy F. Powers, Director of Government Relations, University of Georgia; Andrew Harris, Director of Government Relations, Georgia Institute of Technology; Thomas C. Lewis, Vice President for External Affairs, Georgia State University; Dene H. Sheheane, Director of State Relations, Georgia State University; J. Michael Ash, Senior Vice President for Administration and Finance, Medical College of Georgia; Gordon Harrison, Associate Vice President for External Affairs and University Relations, Kennesaw State University; Bryan Ginn, Director of State and Local Relations, Kennesaw State University; and Bill Megathlin, Dean, Academic and Enrollment Services, Armstrong Atlantic State University. Mr. Daniel said that the Board also had a lot of support from the University System Office staff, including Betsey Neely, Associate Vice Chancellor for Legal Affairs; J. Burns Newsome, Assistant Vice Chancellor for Legal Affairs (Prevention); Robyn Crittendon, Assistant Vice Chancellor for Legal Affairs (Contracts); William Wallace, Associate Vice Chancellor for Human Resources; Mark Demyanek, Director of Environmental Safety; Christina Hobbs, Business Development Manager; Jim Flowers, Special Assistant to the Vice Chancellor for Information and Instructional Technology. He also noted the special contributions of Arlethia Perry-Johnson, Assistant Vice Chancellor for Media and Publications; John Millsaps, Director of Communications/Marketing; and Diane Payne, Director of Publications, in preparing briefing materials and the staff's Legislative Update. Mr. Daniel also recognized William R. Bowes, Vice Chancellor for Fiscal Affairs; Usha Ramachandran, Budget Director; Sharon E. Wright, Budget Policy Analyst; Mr. Gerald Vaughan, Assistant Budget Director; and Angelia D. Ogletree, Administrative Coordinator for Fiscal Affairs, who prepared the Chancellor's budget materials and attended committee meetings. Annie Hunt Burriss, Assistant Vice Chancellor for Development and Economic Services, and her staff attended hearings, as did George Wingblade, Interim Vice Chancellor for Facilities, and his staff.

Mr. Daniel thanked Connie Buck, Budget Analyst, Legislative Budget Office, and David Tanner, Policy Analyst, Governor's Office of Planning and Budget, for their interest and support. Finally, he thanked Lamar Veatch, State Librarian of the Georgia Public Library Service, for his help and recognized him for doing an excellent job in his first Georgia General Assembly session.)

Thank you, Tom. No matter when I visited the General Assembly, this team from our institutions and our office had someone's ear somewhere trying to give them information. This was a good team effort. Folks responded immediately when we needed information. Those of you who have worked around legislative organizations know that the more quickly we have an answer, the better we fare. It removes doubt if we have a quick answer.

The allocation of dollars is a very difficult process. This is obviously my first time through the process in Georgia. We are fortunate in that we have institutions that make their case well, and every institution had an extraordinary case to make on why it should have an increase in dollars. Unfortunately, this time, there were decreases in dollars. Our staff here — Bill Bowes, Usha Ramachandran, Dan Papp and the whole group — spent many hours listening to the institutions and then making recommendations to me on allocations. I know you experience this in your own businesses, but I want you to know that it's true here: every case is a good one. And as you also know it is extraordinarily painful not to be able to give people exactly what they deserve and they should have in order to do their job. But our staff has made some excellent recommendations, and we think we have put a good budget before you. I want to thank our staff for their hard work. I appreciate all that they have done to make this budget come to fruition.

I have two other items to discuss. First, we had an excellent presidents meeting. I always learn a great deal from the presidents whenever we have these sessions. I've had a chance now to get to know them, and I will get to know them better as I begin to tour around the System. I'll make recommendations to you today in Executive Session regarding their reappointments.

Now, comes the fun part. I'd like to invite Sherman and Afton Day to please come up to the podium while I tell you about them. I want to thank these two outstanding citizens of Georgia for their service to this state and particularly to this System. The Days have been a team now for a long time, 40 years. A preacher once said, "We've been married 50 years, and they have been 45 of the happiest years of my life." But that is not the case with the Days. They have spent the last 35 years here in Georgia serving our state in many capacities.

Sherm recently retired again, this time from active duty at Gordon College (“GOC”), where he and Afton served so well. You will recall that last month, we announced a new president at GOC, Dr. Lawrence V. Weill, who came on board April 1. None of us has even dared to mention that it was April Fool’s Day when he started. He and his wife, Jennie, are going to do a great job there. Sherm now is in retirement again, but I want to remind you of some of the things he has done while he has been a part of our System. He came to Georgia State University (“GSU”) as an assistant professor in the Department of Counseling and Psychological Services. In 1972, he was loaned to the Bureau of Prisons, Department of Justice. He returned to GSU only to be tapped again for the directorship of the National Institute of Corrections with the U.S. Bureau of Prisons in Washington, D.C. Once again, he returned to GSU and served in several different capacities, including Acting President from 1991 to 1992. Then, he was tapped by the state to be the managing director of legacy and

Olympic programs for the Atlanta Committee for the Olympic Games. After the Olympics, we convinced him to serve as Acting President of North Georgia College & State University (“NGCSU”), but lo and behold, they loved him so much they wanted him to stay on permanently, which is what he did for the next year. I will tell you, I spent last week at NGCSU for its hall of fame banquet and ceremonies, and they still love Sherm and Afton! Then, Sherm tried to retire, but we brought him back to the University System Office to help Tom Daniel during the fiscal 2001 legislative session, which fared well. He tried to retire once again, but we had yet another need to be filled at GOC. Again, he had to face a challenging situation. Sherm and Afton pooled their talents and by the time they left both NGCSU and GOC, these institutions were on solid footing, people loved each other again, and they loved Sherm and Afton. So, once again, they left a legacy. I’ve talked to Sherm about a couple of other assignments, but he keeps saying, “No.” They have three children and ten grandchildren, so they have a lot to do between family, civic, and church activities.

Given all of the things the Days have done for the System, we thought it would be nice to recognize them here today. Sherm, one of the things we wanted to give you was a CD that we think is appropriate for you, and we’ll play just a little bit of it now to give you some idea. (“On the Road Again” by Willie Nelson was played.) We also know you like golf, so we bought you 30 golf balls. That ought to be good for a couple of rounds. And we thought as much traveling as you’ve been doing that we ought to get you a duffle bag. It has NGCSU and GSU and GOC on it with a car traveling between them. We thought this might be good for carrying your dirty clothes as you move around. Sherm, congratulations and thank you for all that you’ve done for the University System of Georgia. Mr. Chairman, that concludes my report.

* * * * *

After the Chancellor's presentation, Dr. Day said that he and Afton are not wealthy, but they are very rich with the memories that they have made in the University System through the various assignments. He said that he had been very lucky to have assignments in three sectors of institutions and that all of them were great components of the University System. He thanked the Chancellor and the Board for their support, as well as the University System Office staff and the faculty, staff, and students at the institutions where he had served. He remarked that he is extremely proud of the University System of Georgia and everyone associated with it. He said that he had been very privileged to have these assignments and that each one had been a unique experience that brought him great memories and endeared them to people all over the State of Georgia. In closing, he thanked the Chancellor and the Regents.

Before moving on to the meeting of the Strategic Planning Committee, Chair Howell said that he wanted to commend the Chancellor. He said that the legislature had just finished one of the longest sessions in its history, and Chancellor Meredith agreed to take this job in the midst of a very difficult time. The Chancellor's hard work, wisdom, perseverance, and discretion have one the day for the University System. This Board is a steward of higher education in Georgia, and the Chancellor represented the Board exceptionally well during this time. In closing, the Chair thanked Chancellor Meredith for distinguishing himself so well.

STRATEGIC PLANNING COMMITTEE, "COMMITTEE OF THE WHOLE"

After the Chancellor's report to the Board, Chair Howell convened the meeting of the Strategic Planning Committee as a Committee of the Whole. He then turned the Chairmanship of the meeting over to Regent Leebern, the Chair of the Committee.

Chair Leebern explained that at this meeting, the Strategic Planning Committee would learn more about its tenth strategic goal, "increasing, diversifying, and strategically allocating funding." This would be the final in-depth presentation on the Board's strategic planning goals. At this meeting, the Vice Chancellor for Fiscal Affairs, William R. Bowes, would mainly focus on the strategic allocation component of the tenth goal, which coincides very well with Mr. Bowes' budget presentation during Tuesday's meeting of the Committee on Finance and Business Operations as a Committee of the Whole.

Mr. Bowes thanked Chair Leebern and said that he would indeed focus mainly on the issue of strategic allocations. He explained that several months ago, he appointed a working group of chief academic officers and chief business officers who spent a great deal of time discussing how to craft a long-term allocation strategy. Before getting into the specific recommendations of the working group, he wanted to put this issue in context. He explained that when we talk about budget allocations, we are talking about state allocations, and more specifically, we are talking about our formula funds. Those formula funds are based upon a common set of cost variables that are applied to all University System institutions based on salaries, faculty productivity, and other factors. The process results in the asking budget the Regents forward to the Governor and the General Assembly that comprises the total amount of dollars requested for the University System. When the Governor and the General Assembly go through their budget process, what comes back

to the Board is a lump-sum unrestricted appropriation. The Board then has the flexibility to allocate those dollars in whatever manner it sees fit with the stipulation that the formula is designed to cover the System's educational and general costs. Prior to fiscal year 2001, the staff presented to the Board a set of allocation principles based on the particular set of circumstances in which the System finds itself that year. Mainly, the staff considered enrollment trends, spending per full-time equivalent ("FTE") student within each institutional sector, and the budget formula, particularly as it pertains to items such as new square footage. They also considered Board priorities and key institutional issues. Although the System did not receive new money this year, in the years in which it did receive new funding, the staff took a very close look at the institutions' requests for that funding. Since fiscal year 2001, semester conversion has had an impact on credit hour enrollments. While the staff still considered all of these same issues, they also realized that they had to distribute a fairly significant cut in the budget to the institutions. The staff did that based upon a 50% share of the budget and a 50% share of the enrollment loss, based upon the average for the System over a three-year period. As the System receives monies, such as hold-harmless and semester-conversion funds, the staff have been allocating the monies back to the institutions in the same fashion.

Mr. Bowes said that the working group developed a set of principles that would guide the development of a long-term strategy. The first principle is that the allocation strategy should accommodate the cyclical nature of the state budget. That is, it should be a strategy that works in up times as well as down times and is not changed each year by the circumstances of the state budget. Second, the allocation strategy should provide institutions with greater ability to predict and plan their future year budgets. Mr. Bowes stressed that this is a very important point because one of the issues that the working group brought up is that the institutions are never certain where they might end up in the allocation. There should be a mechanism by which the institutions can plan their future budgets because they know how their enrollments are changing and how this will be effected in the funding formula. Third, the allocation strategy should be easily understood. It should also recognize institutions that have experienced workload growth as well as those that have sustained workload increases. This means recognizing that institutions that are driving increases in the budget and the formula have significant workload and student enrollment demands. The working group also felt that the allocation strategy should not replicate the asking formula. Mr. Bowes would discuss this more fully as part of his discussion on the formula, but the group felt there were some problems with the formula in terms of recognizing actual costs. So, while there was a feeling that the allocation strategy should be closely aligned with the asking formula, the working group also felt that it should not replicate all of the features of that formula. The strategy should also yield maximum benefit to the System. In a sense, this ties back to the earlier principle recognizing workload increases and decreases so that as the Board provides allocations, those allocations go to those institutions that are growing and need funds to meet their enrollment demands. The working group also recommended that the Board develop a new strategy for allocation of continuing education funds. Mr. Bowes explained that in past years, continuing education dollars generated through the formula were combined with enrollment dollars. The working group felt that the Board needs to begin disaggregating these monies and allocating continuing education dollars the System receives through the formula to institutions more closely in line with the way those funds are generated. Although the System experienced an increase in continuing education units this year, it did not receive any continuing education funds in the formula. That is an issue the Board and its staff will have

to work through with the Governor and his staff. The working group also recommended that the allocation strategy should be phased in. The members of the group felt that the System may not be able to adopt an entirely new strategy immediately, but rather may need to phase-in certain elements over time. Finally, the working group felt that the Board should continue to differentiate among appropriation categories. As the System receives formula dollars, the Regents need to recognize the real impact of fringe benefits and facilities on institutional costs.

From these principles, the working group developed a proposed strategy, which Mr. Bowes then shared with the Board. He said that the proposed strategy would sound much like the strategy he had discussed at the previous day's meeting of the Committee on Finance and Business Operations as a Committee of the Whole because there is a great deal in the proposal that the Board is already doing. The first part of the recommended strategy is that the allocations should be more closely aligned with the formula; in other words, those institutions that are generating additional funds should receive more of those funds back. However, the working group also recognized that there are problems with the formula and recommended that the Board consider other options like headcount, a base-level funding concept for some institutions, or a more closer tie-in to the benchmark institutions. The working group also felt that tuition revenues should be excluded from allocation considerations, which Mr. Bowes confirmed is the way the Board has already been operating. The working group also recognized that the Board and the Chancellor need to have some flexibility with allocations so that a portion of formula dollars, 10% to 20%, should be retained to address Systemwide priorities, mission differences among the institutions, short-term institutional needs, and quantity and quality indicators. Mr. Bowes noted that the working group was especially concerned that the strategy consider quality in addition to the quantity of enrollments. The working group also recommended providing institutions with new facilities coming online with the full amount of operations and maintenance funds generated by the formula, which the Board has been doing in recent years. The group also recommended establishing a methodology for distributing the continuing education funding more closely to the manner in which it is generated in the formula. They also recommended continuing the reduction of the range of spending per FTE student within sectors consistent with the findings of the benchmarking study. This is something the Board started to do a few years ago, noted Mr. Bowes, and in fact, the allocation recommendations this year do this, although not to the extent they have in the past. The group felt it is very important that the Board continue to move in this direction. Finally, the working group recommended that the Board allocate funds for health insurance, retirement, and other fringe benefits on the basis of actual cost, another thing the Board has already been doing.

Next, Mr. Bowes discussed options the Board might explore with regard to this issue. First, the Board should refine the proposed allocation methodology to better capture mission, cost, and quality indicators, which are not currently captured in the current formula or allocation process. Second, the working group recommended that the Board revise its allocation policies regarding continuing education. Mr. Bowes noted that there is a study underway by Dr. David Morgan, Senior Fellow in the Institute of Higher Education at the University of Georgia, who has been exploring this issue with continuing education directors. The Regents and staff need to consider the findings of that study and see how they fit into the changing allocation recommendations. The working group focused mainly on allocations, but it also

considered the budget formula. The feeling of the group was that the Board needs to initiate a formula revision process using outside consultants and gaining participation by the state leadership. This is very important and something which Chancellor Meredith is very interested in moving along. Moreover, there is no mission differentiation in the formula; it assumes that teaching workload is the same across all System institutions and that the way they expend dollars is the same. Mr. Bowes said that this is a very important issue, especially at the research universities, which are vastly different from the two-year colleges. Another major issue is that the formula allocates salary averages by discipline, which assumes that all institutions are in the market for faculty at the same level, and that is simply not the case. So, there are a number of issues to consider, said Mr. Bowes, but the Board needs to get some outside help to work through some issues and begin to create some changes to the formula.

The last thing Mr. Bowes discussed was the issues of diversifying funding, and he noted that the working group did not spend much time on this part of the tenth goal. Of course, the Board must consider the issues of raising funds from private sources. In February 2002, the Board heard a presentation from Dr. Edward E. David, Jr. of The Washington Advisory Group, LLC (“WAG”) about the commercialization and licensing of intellectual property, and Mr. Bowes said that this is certainly something the Board needs to explore further. However, he also wanted to introduce another idea about gaining greater flexibility in the resources the System already has. Mr. Bowes has been working with the Associate Vice Chancellor for Internal Audit, Ronald B. Stark, to investigate some of the statutory requirements on the funds to see if there are opportunities to create flexibility because greater flexibility enables institutions to do a lot more with the dollars they have. Finally, Mr. Bowes said that the working group will continue meeting to discuss the first part of the tenth goal, increasing funding, and that he would report back later on this matter. In closing, Mr. Bowes thanked members of the working group, as follows: Dr. John B. Black, Vice President for Academic Affairs, Dalton State College; Dr. Ronald J. Core, Vice President for Business and Finance, Georgia Southern University; Mr. Ronald L. Carruth, Interim Vice President for Financial Affairs and Administrative Services, Georgia Perimeter College; Mr. Patrick J. O’Hare, Vice President for Operations, Planning, and Budget, Clayton College & State University; Dr. Ronald Henry, Provost and Vice President for Academic Affairs, Georgia State University; Mr. B. Earle Holley, Vice President for Business and Finance, Kennesaw State University; Dr. Bettie Rose Horne, Vice President and Dean of Academic Affairs, Abraham Baldwin Agricultural College; Dr. Louis Levy, Acting Vice President for Academic Affairs, Valdosta State University; Ms. Usha Ramachandran, Budget Director, University System Office; Mr. Steven Swant, Associate Vice President for Budgets and Planning, Georgia Institute of Technology; and Mr. Levy Youmans, Vice President for Fiscal Affairs, Macon State College.

Chair Leebern thanked Mr. Bowes for his presentation and called upon Regent McMillan.

Regent McMillan said that there was a point in time when continuing education staff had problems with the fact that they could not carry over funds that they generated. He asked whether the disaggregation of continuing education funds would allow them to do that.

Mr. Bowes responded that this is the type of issue that he and Mr. Stark are examining. Many funds received by institutions from continuing education fees are deposited into a separate account, and this is one thing they need to consider. In addition, they would also like to disaggregate state dollars. They would like to be able to provide those funds to institutions for the purpose of furthering continuing education. Of course, there has to be incentive at the institutional level to use those dollars for that purpose. So, there are two separate parts of this issue that need further consideration.

Regent Yancey asked whether there was any discussion of how the budget allocation process might give incentive to the institutions in meeting the Board's other strategic goals.

Mr. Bowes responded that this was not specifically discussed, but he agreed that the two are obviously linked. As the Regents consider the budget strategy and all of the initiatives coming out of the strategic plan, they should also be cognizant of how these work together.

Chancellor Meredith said that rewards drive behavior. One of the things he wants the Regents to examine as they study the formula and allocation process is what message they are sending by the way they distribute dollars and the way they ask for dollars. There is a lot of detail to be considered as time goes on, but the Regents should be mindful of what they are encouraging institutions to do or not do by how they handle the allocation process. It is not just a matter of calculating figures, he said, but it is a process of reflection to see what message the Board is sending. Certain institutions are of incredible quality that is not rewarded by any of the Board's processes. The budget is mostly quantitatively driven, and the Regents need to think about that and what message that sends.

Chair Leebern asked whether the System is rewarding average performance with salary raises.

Mr. Bowes responded that there is a problem with the way salaries are treated. A lot of the formula is driven by the average salary information for faculty. The problem is that the salary for faculty is averaged across disciplines. It assumes that a professor in a particular field will earn the same at a two-year college as at a research institution. This does not reflect the fact that there are different markets and different salary levels. The existing average costing model is not benefitting those institutions that are on the higher end.

Chair Leebern asked Mr. Bowes to invite the Regents to be part of the staff's budget revision process, because the budget requires ongoing revision and modification. He asserted that it would be enlightening for the Regents to attend the staff budget revision meetings.

Chair Howell agreed that this was a good suggestion and asked the Secretary to the Board, Gail S. Weber, to notify the Regents of such staff meetings.

Chair Leebern then adjourned the Committee meeting, and returned the chairmanship of the meeting to Board Chair Howell.

Regent Hunt asked how much percentage increase the System had experienced in tuition increases compared to the increases in state funding over the past years. He wondered whether the costs of public higher education to students had outpaced the costs to the state or vice versa.

Mr. Bowes responded that tuition represents approximately 25% of the formula budget. Even with the increases the System has achieved in state funding, tuition is just above that at around 26%. To look at the comparative increases over the years, he would have to go back and develop a history.

Regent Hunt speculated that increases in state funding have probably been much greater proportionate to student tuition increases.

Mr. Bowes stated that may be the case in certain years. Last year, tuition increases were approximately 4%, while the salary increase alone was 4.5%. However, he said that he would have to go back and look at the numbers to confirm Regent Hunt's assertion.

Regent Hunt stated that before last year, the difference may have been even greater.

Mr. Bowes agreed that the tuition increases have generally been relatively low.

Chancellor Meredith stated that it is a national trend that students have been paying a greater percentage of the cost of their education, but he did not know the long-term data in Georgia.

Regent Leebern stated that presidents should determine the tuition that they feel is appropriate based on competition in the marketplace.

Chancellor Meredith agreed. He noted that tuition in Georgia is an incredible bargain compared to other states. Another consideration is the Hope Scholarship program. Institutions must stay competitive, but Hope Scholarship funds are not limitless, and this must be taken into consideration. So, there are a number of factors that play into the tuition levels at each institution.

UNFINISHED BUSINESS

There was no unfinished business at this meeting.

NEW BUSINESS

Chair Howell announced that the first "Knowledge Is Power" tour would kick off at the KSU Center of Kennesaw State University following this Board meeting. He asked the Assistant Vice Chancellor for Development and Economic Services, Annie Hunt Burriss, to tell the Regents about it.

Mr. Burriss said that she was very excited that the Regents had identified economic development as being important to them in their strategic plan. That is enlightened self-interest, she explained, because the more jobs there are in Georgia, the greater the tax base and the more money available for education. The Board established the Office of Development and Economic Services about seven years ago. This office has been partners with some of the key folks who help recruit jobs to Georgia, and together they are hosting a luncheon to listen to the Regents and to share their success stories.

Next, Chair Howell announced that the Associate Secretary to the Board, Jennifer E. Fairchild-Pierce, had written a paper examining the participation, retention, and graduation rates of African-American males in the University System of Georgia. He said that this has obviously been a topic of great interest to the Regents, and it continues to be. Ms. Fairchild-Pierce received an A on this paper. She has also been awarded a Regents Study Abroad Scholarship to travel to England and Ireland to study comparative higher education as part of her doctoral program in Educational Policy Studies (Higher Education). Unfortunately, this means she will miss the June 2002 meeting. Chair Howell congratulated her on her accomplishments.

Chair Howell noted that, as has been prior custom and as authorized in The Bylaws Section V.4., he was establishing a Nominating Committee of the former Chairs of the Board of Regents to recommend to the Executive and Compensation Committee and then the full Board a Vice Chair to serve under upcoming Chair Joe Frank Harris. The Regents to serve on the Nominating Committee will be Regents Leebern, McMillan, and White. Chair Howell noted that these Regents had already agreed to serve on the Committee, and he thanked them.

PETITIONS AND COMMUNICATIONS

Chair Howell thanked President Betty L. Siegel and the faculty, students, and staff of Kennesaw State University for their hospitality and hard work during the Board's visit.

Secretary Gail S. Weber announced that the next Board meeting would take place on Tuesday, May 7 and Wednesday, May 8, 2002, in the Board Room in Atlanta, Georgia.

Ms. Weber also announced that the Higher Education Committee of the Senate of the State of Georgia confirmed Regents Carter, Cleveland, and Rodwell as members of the Board during the last month.

Ms. Weber then noted that June 12, 2002, would be the date of the inauguration of Chancellor Thomas C. Meredith. The invitations would be sent out shortly, but she wanted to also note that there would be a reception on June 11, 2002, for presidents, Regents, and their spouses, as well as the Chancellor's friends and family.

Chair Howell thanked Ms. Weber. He then welcomed Regent Rodwell again, noting that this was the fastest he had ever seen the Georgia Senate move to confirm a Regent.

EXECUTIVE SESSION

At approximately 10:00 a.m. on Wednesday, April 17, 2002, Chair Howell called for an Executive Session for the purpose of discussing the reappointments of the Treasurer and Secretary to the Board as well as the University System presidents. 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 Howell, Vice Chair Joe Frank Harris, and Regents Hugh A. Carter, Jr., William H. Cleveland, Michael J. Coles, George M. D. (John) Hunt III, Donald M. Leebern, Jr., Allene H. Magill, Elridge W. McMillan, Martin W. NeSmith, Wanda Yancey Rodwell, Glenn S. White, Joel O. Wooten, Jr., and James D. Yancey. Also in attendance were Chancellor Thomas C. Meredith and Secretary to the Board Gail S. Weber. (Ms. Weber stepped out of the room for the discussion of her reappointment.) 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.

In Executive Session, the Board unanimously accepted the Chancellor's recommendations that Ms. Weber be reappointed as Secretary to the Board and that William R. Bowes be reappointed as Treasurer to the Board for fiscal year 2003 per Board of Regents Bylaws IV.8 and IV.9. No action was taken in Executive Session with regard to the reappointment of presidents.

At approximately 10:50 a.m., Chair Howell reconvened the Board meeting in its regular session and announced that, in Executive Session, the Secretary and Treasurer to the Board had been reappointed. With motion properly made, variously seconded, and unanimously adopted, these reappointments were reaffirmed in open session. Also in Executive Session, the Board had discussed the reappointment of University System presidents, as listed below. Chair Howell called for a motion to approve these reappointments at the Chancellor's recommendation. With motion properly made, variously seconded, and unanimously adopted, the Board approved the presidential reappointments.

The approved presidential reappointments were as follows: Michael F. Adams, University of Georgia; Jacquelyn M. Belcher, Georgia Perimeter College; David A. Bell, Macon State College; William A. Bloodworth, Jr., Augusta State University; Clifford M. Brock, Bainbridge College; Carlton E. Brown, Savannah State University (reappointed for fiscal year 2003 at the November 2001 meeting); Frank D. Brown, Columbus State University; James A. Burran, Dalton State College; G. Wayne Clough, Georgia Institute of Technology; Rosemary DePaolo, Georgia College & State University; Bruce F. Grube, Georgia Southern University; Michael L. Hanes, Georgia Southwestern State University; Nathaniel Hansford, North Georgia College & State University; Thomas K. Harden, Clayton College & State University; Edward D. Jackson, Jr., South Georgia College; Thomas Z. Jones, Armstrong Atlantic State University; Kofi Lomotey, Fort Valley State University; Dorothy L. Lord, Coastal Georgia Community College; Barbara P. Losty, Waycross College; Martha T. Nesbitt, Gainesville College; Carl V. Patton, Georgia State University; John Randolph Pierce, Floyd College; Daniel W. Rahn, Medical College of Georgia; Lisa A. Rossbacher, Southern Polytechnic State University; Beheruz N. Sethna, State University of West Georgia; Portia H. Shields, Albany State University; Betty L. Siegel, Kennesaw State University; Peter J. Sireno, Darton College; Michael F. Vollmer, Abraham Baldwin Agricultural College; Harold E. Wade, Atlanta

Metropolitan College; Lawrence V. Weill, Gordon College; and Ronald M. Zaccari, Valdosta State University.

Following the reappointment of presidents, Regent Yancey announced that Regents, spouses, the Chancellor, and some University System Office staff were invited to Columbus on April 29 and 30, 2002, to visit Columbus State University, the downtown location of the Schwob School of Music at the recently opened River Center for the Performing Arts, and the Total System Services campus.

Chair Howell encouraged all of the Regents to attend.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 10:55 a.m. on April 17, 2002.

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

s/_____
Hilton H. Howell, Jr.
Chair, Board of Regents
University System of Georgia