

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
270 Washington St., S.W.
Atlanta, Georgia
May 18 and 19, 2004**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, May 18 and Wednesday, May 19, 2004, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent Joe Frank Harris, called the meeting to order at 1:00 p.m. on Tuesday, May 18, 2004. Present on Tuesday, in addition to Chair Harris, were Vice Chair Joel O. Wooten, Jr. and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Michael J. Coles, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Martin W. NeSmith, Doreen Stiles Poitevint, Wanda Yancey Rodwell, J. Timothy Shelnut, and Glenn S. White.

ATTENDANCE REPORT

The attendance report was read on Tuesday, May 18, 2004, by Secretary Gail S. Weber, who announced that Regents Patrick S. Pittard and Allan Vigil 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 April 20 and 21, 2004, were unanimously approved as distributed.

SPECIAL RECOGNITION: FISCAL YEAR 2004 REGENTS' AWARDS FOR ACADEMIC EXCELLENCE

Before the presentation of the fiscal year 2003 Regents' Awards for Academic Excellence, Chair Harris called upon the Chancellor to make a special presentation to the Board.

Chancellor Meredith introduced the Chief Operating Officer for the State of Georgia, James R. "Jim" Lientz, Jr., who has been extraordinarily helpful to the Board of Regents and the Chancellor. The Chancellor asked Mr. Lientz if he would like to make some remarks to the Board.

Mr. Lientz thanked the Chancellor and said that he has learned a great deal during his tenure as the state's first chief operating officer. One of the things he has learned is the dedication and hard work

that the University System Office staff and the Board of Regents put into educating the citizens of the State of Georgia. He said it had been very enjoyable to have a chance to work with Chancellor Meredith and the University System Office staff, and he appreciated the way they worked together. He said that the Governor also appreciates the work of the Regents and that higher education is a very high priority for the Governor. Mr. Lientz then thanked the Regents and stepped down.

Chair Harris said that the Board of Regents is grateful to Mr. Lientz for his and the Governor's support of the University System of Georgia and education in general. He then called upon the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, to begin the presentation of the fiscal year 2003 Regents' Awards for Academic Excellence. Dr. Papp would introduce the award recipients while Chair Harris and Chancellor Meredith presented the awards.

Dr. Papp explained that fiscal year 2004 is the eighth year that the Board of Regents has presented awards to faculty and programs for teaching excellence. These awards recognize both individuals and programs that have deep and inspiring commitments to effective teaching and learning and dedicated service to students. The six teaching excellence awards that would be presented are made in two different categories: awards for faculty and awards for programs. The awards for programs recognize entire degree programs, and the awards for faculty recognize individuals. Each sector of the University System of Georgia (two-year colleges, regional and state universities, and research universities) is eligible to receive one faculty/staff award and one department/program award for a total of six awards.

The first award was the Regents' Teaching Excellence Award for faculty at two-year and state colleges. The recipient of this award was Dr. Tonya Strickland, Associate Professor of English and Reading in the Humanities, Education, and Learning Support Division of Waycross College ("WC"). Dr. Strickland's ability to engage and motivate students, to challenge them to believe in themselves, to think for themselves, to relate subject matter to their own lives, and to stretch them to their full potential permeates every aspect of her work. Her caring attitude, her commitment to student success, and her willingness to explore innovative teaching and learning strategies are exhibited in everything that she does. During her six years at WC, Dr. Strickland has displayed strong leadership for student activities, instructional technology, and dedication to students and to the college.

Dr. Brian J. Corrigan, Professor of English in the Department of Language and Literature at North Georgia College & State University ("NGCSU"), was the winner of the Regents' Teaching Excellence Award for faculty at regional and state universities. Because Dr. Corrigan learned through interaction, application, and association, he uses these approaches in his own teaching. He demonstrates to students how useful constructive criticism can be by occasionally presenting his own writing as a model. Dr. Corrigan has published 7 novels, 37 articles, and more. He is an instructor who challenges his students to strive for self-discipline and to develop a personal and world philosophy that encompasses art, beauty, science, and the sweep of social history. He believes that his role as a teacher is to build confidence and nurture the talents of all students. Drawing on his experiences as

a lawyer, as a published novelist, and as a professional actor, Dr. Corrigan has a reputation as an effective advisor and mentor. From founding NGCSU's literary magazine to sponsoring the English honor society to running the theatre program, his dedication to student success is evident in everything that he does.

The Regents' Teaching Excellence Award for faculty at research universities was awarded to Conrad Fink, Professor of Journalism and Director of the Media Management program in the Henry W. Grady College of Journalism and Mass Communication at the University of Georgia ("UGA"). Mr. Fink said it best himself when he said, "I discovered rather late in life that I was and had been a teacher most of my life. I was unprepared for the joy and adventure I discovered when teaching attentive, focused, bright journalism students, for although a journalist can touch thousands, million perhaps, with big stories, the touch is fleeting, as bigger stories come rolling along. In teaching, I found that my touch could be formative, truly meaningful, and truly lasting." Before joining the UGA faculty, Mr. Fink was with the Associated Press for 20 years and with Park Communications for 3 years. In addition to many articles, he has also published nine books. Unfortunately, Mr. Fink was unable to attend this meeting. Instead, Provost Arnett C. Mace, Jr. accepted the award on his behalf.

Next, Dr. Papp presented the Regents' Awards for Teaching Excellence for programs. The winner of this award at two-year and state colleges was the Occupational Therapy Assistant program at Middle Georgia College ("MGC"). In only its eighth year of existence, the track record for this program is truly impressive. With more than 90 graduates since 1997 and with a pass rate of 100% on state and national licensure examinations, this program sets the standard for the University System of Georgia reflecting superior student performance and success as a result of outstanding teaching. The Occupational Therapy Assistant program at MGC provides a student-focused education that is based upon the development of important competencies related to the knowledge, skills, and attitudes graduates need for successful practice in the field. The curriculum of the program interweaves the basic and clinical sciences, the liberal arts, and interpersonal communications, producing a graduate with both professional competence and professional attitudes. Accepting the award on behalf of the program was Director Heather Copan.

The Regents' Award for Teaching Excellence for programs at regional and state universities was presented to the Master of Science ("M.S.") in Conflict Management in the Department of Political Science and International Affairs at Kennesaw State University ("KSU"). When the Board promulgated its alternative dispute resolution initiative, some of the faculty at KSU listened and acted. Dr. Helen Ridley, Undergraduate Director of the program, and Dr. Ansley Barton, Graduate Director, went to work to develop this truly innovative program. Committed to developing conflict resolution practitioners who can function in varied environments, KSU's M.S. in Conflict Management program bridges theory and practice, combining rigorous academic work with over 100 hours of required clinical training in mediation. This blend of theory, group work, skills training, and role playing brings about changes in attitudes and successful resolution of conflict. The 2003 round of comprehensive program reviews recognized the excellence, success, originality, and innovative

nature of the program and praised it for its “outstanding record of student retention and graduation” with an exceptional 91% completion rate. Drs. Ridley and Barton accepted the award on behalf of the program.

Finally, Dr. Papp presented the Regents’ Award for Teaching Excellence for programs at research universities to the School of Modern Languages in the Ivan Allen College of Liberal Arts at the Georgia Institute of Technology (“GIT”). Based on the premise that knowledge of foreign languages and cultures prepares individuals for life and work in the global marketplace, the School of Modern Languages integrates on-campus interdisciplinary studies with international study and work experiences. The collaborative nature of the program has led to partnerships with multinational corporations, such as Siemens and United Parcel Service of America, Inc. (“UPS”), which have hired students for international work abroad. Last year, over 3,000 students at GIT enrolled in at least one course in modern languages. This represented a 47% increase in the number of students registered for foreign languages from one year to the next. Accepting the award on behalf of GIT was Dr. Phillip McKnight, Professor of German and Chair of the School of Modern Languages.

In closing, Dr. Papp remarked that this is a high point of the year and congratulated all of the award winners.

On behalf of the Board of Regents, Chair Harris also congratulated the award recipients. He said that the Regents were very proud of them and pleased they are part of the University System of Georgia.

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

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

Chair Carter announced that the Board had three items to consider at this meeting: fiscal year 2005 budget allocations, tuition, mandatory student fees, and salary administration policy. (See pages 24 to 27.) Despite the fact that the State of Georgia has experienced a slow economic recovery and reduced tax revenues, it appears that the University System of Georgia has fared generally well in the fiscal year 2005 state budget. Chair Carter expressed the Board’s appreciation for the support of the Governor and the General Assembly for the formula budget and the 2% salary increase for faculty and staff. He also thanked the Regents and University System Office staff who had contributed their time and effort supporting the budget recommendations and working with the legislature. The Chancellor and the staff had spent untold numbers of hours working on the proposed budget, and a number of Regents were also involved in the budget development process to present the best budget recommendations possible. Chair Carter reiterated that the Board would consider four agenda items at this meeting. The first item, the fiscal year 2005 budget allocations, included

approval to credit health insurance premiums to System institutions up to \$8 million. The second item was the fiscal year 2005 tuition recommendation; the third was fiscal year 2005 mandatory student fees; and the fourth was the fiscal year 2005 salary administration policy. He then called upon the Chancellor to begin the budget presentation.

Chancellor Meredith remarked that this is always a challenging time of year for the institutions and the University System Office. During these times of reduced revenues, the legislature sometimes takes longer to approve a final budget, which pushes back the System's timetable. He noted that the staff does not take tuition lightly and that they solicit input from the institutions and the Regents to work toward what is in the best interests of both the citizens of the State of Georgia and the institutions. Access is very important to this Board, as it has demonstrated over the years. Maintaining access while simultaneously enhancing quality presents quite a challenge in determining tuition. The institutions could use far more money than tuition will generate, given the kinds of budget cuts that have occurred over the past few years. The Chancellor thanked the presidents for their input, the staff for their hard work, and the Governor and General Assembly for fully funding the formula budget of the University System of Georgia. He then turned the floor over to the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp.

Dr. Papp explained that he would be discussing the strategies of the budget development process regarding budget allocation, tuition, and salary increases. He explained that the process followed this year was the same as in preceding years. In March, the budget staff held meetings with institutional presidents and senior management to discuss institutional and System priorities and needs, tuition, and mandatory fees. The staff develop a budget strategy and then discuss the strategy with the presidents and individually with the Regents.

This year, a 2.5% budget reduction was continued from fiscal year 2004, and the formula amounts generated were allocated to all institutions. Physical plant and fringe benefit funds were allocated according to the earnings from each institution and the actual cost. Physical plant earnings are determined by square footage, and fringe benefits are determined according to actual cost. Enrollment funds are generated by growth in the number of full-time equivalent ("FTE") students from two fiscal years ago. Two years ago, the System grew its FTE enrollment significantly. That growth in enrollment generated approximately \$108 million in enrollment funds for fiscal year 2005. The System received all of the money that was generated according to that formula. Over two years ago, the staff established a committee including chief business officers and chief academic officers from around the System, and they developed an allocation strategy in which 80% of the generated new enrollment funding would be allocated as earned, 5% of enrollment funds are allocated based upon institutional performance; and 15% are allocated to meet System strategic needs. Dr. Papp noted that the specific criteria used in determining institutional performance included retention rates and graduation rates. At two year colleges, transfer rates were also considered, and at research institutions, external funding levels were considered. System strategic needs were defined this year in part (one-third) based upon enrollment growth for the needs of hiring new faculty at state and

regional universities. The recommendations provide for the research universities to receive \$1 million each of 15% allocated to meet System strategic needs. The two-year colleges will receive funds for additional equipment purchases under the recommendations. Six institutions that have historically been significantly below the average dollars allocated per FTE student were recommended to receive additional funds in an effort to bring them a little bit closer to the mean.

Next, Dr. Papp provided regional, national, and historical perspectives on tuition recommendations. He reported that regionally, the System's research universities rank tenth among comparable universities in the 16 states in the Southern Regional Education Board ("SREB") in undergraduate tuition and fees. The System's four and two-year public colleges and universities rank thirteenth in undergraduate tuition in the SREB states. Nationally, the University System of Georgia is thirty-fifth in tuition and fees at flagship universities (the University of Georgia) and thirty-ninth among comprehensive four-year colleges and universities and two-year colleges. Georgia is certainly not a high-cost tuition state, said Dr. Papp. He noted that over a ten-year period from 1993 to 2004, the System's research universities averaged 5.4% tuition increases per year. In the same period, four-year institutions averaged 4.6% increases each year and two-year colleges averaged 3.9% increases. For fiscal year 2005, the staff were proposing that research universities increase their undergraduate tuition by \$80 per semester, regional and state universities increase their tuition by \$55 per semester, and two-year colleges increase their tuition by \$35 per semester. Resident graduate increases in tuition were recommended at \$97 per semester at the research universities and \$66 per semester at the regional and state universities. Tuition recommendations are based, among other things, upon maintaining policy-based differentials. That is, out-of-state tuition is four times the cost of in-state tuition, and graduate rates are 20% higher than undergraduate rates. The differential nonresident undergraduate tuition rate at the Georgia Institute of Technology ("GIT") was recommended for a \$757 per semester increase; the nonresident graduate rate was recommended for a \$770 per semester increase. Dr. Papp noted that differential rate increases for graduate and professional programs are based upon rates charged by nationally competitive institutions and programs. The revenue generated by these tuition increases will be approximately \$30 million per year, for a grand total of approximately \$640 million in fiscal year 2005.

Dr. Papp then turned to the proposed fiscal year 2005 salary administration policy. Governor Perdue and the General Assembly approved a 2% average merit salary increase that would become effective for faculty and staff on January 1, 2005. Written justification would be required of senior institutional administrators for any requested salary increases above 5%. Of course, there will be allowances for promotions, reclassifications, addressing salary inequities, and market issues. Dr. Papp then turned the floor over to the Vice Chancellor for Fiscal Affairs, William R. Bowes, who provided some additional details about the budget recommendations.

Mr. Bowes noted that all of the figures for these budget recommendations had been included in the Regents' notebooks for their information. He explained that he would be discussing the big picture of the fiscal year 2005 System budget. He said that in fiscal year 2004, the budget was reduced by

\$252.3 million. For fiscal year 2005, there were a number of additional budget cuts. However, the overall cut was 3.7% instead of the anticipated 5%. The System was able to limit its reduction in core instructional activities of 2.5% by taking a much larger reduction in its public service institutes, special funding initiatives, and B units. For fiscal year 2005 then, the System has had a cumulative reduction of approximately \$313 million. Fiscal year 2004 state appropriations started at approximately \$1.414 billion. After a 2.5% reduction in state appropriations, the fiscal year budget began at a base of \$1.374 billion, excluding special funding initiatives. The System received a formula increase of \$122.7 million, which was comprised of \$108 million in enrollment funds, \$8.2 million for new facilities, and the balance for the cost of new retirees and the increased contribution to the Optional Retirement Program. The System also received budget reductions in the amount of \$34 million for fiscal year 2005, including \$2.3 million for public service institutes. The Governor and General Assembly also approved a payroll shift such that pay checks scheduled for June 30, 2005, will instead be given July 1, 2005, which shifts that budget cost from fiscal year 2005 to fiscal year 2006. That represents a budget reduction of approximately \$59 million. Finally, there were also cuts to the Georgia Technology Authority (“GTA”) budget related to telecommunications based upon an estimate of savings, which was passed onto other agencies. The University System of Georgia’s share of this is approximately \$725,000. So, the total budget reductions for fiscal year 2005 are \$96.4 million. There are also other adjustments in the fiscal year 2005. The 2% salary increase for faculty and staff represents an increase of approximately \$17.3 million. There were also increases for the land grant match at Fort Valley State University (“FVSU”), the Georgia Tech Regional Engineering Program (“GTREP”), and other items. Together, these increases total approximately \$20.1 million. So, the total state appropriations for teaching institutions were \$1.42 billion.

Mr. Bowes next discussed special funding initiatives. He said that the budget started at approximately \$31.9 million but had reductions in fiscal year 2004 in the amount of \$798,000 that carried forward. So, the budget began with a base of about \$31.1 million. The budget reductions in the special funding initiatives amounted to \$11.8 million, but the System did receive some additions to the budget. Approximately \$5 million was added to help the Medical College of Georgia (“MCG”) move forward with its research initiative. The Georgia Leadership Institute was transferred from the Public Service Commission to the Board of Regents, which constitutes an addition of \$862,000. Another \$3.5 million was included in the base budget for Georgia Library Learning Online (“GALILEO”). GALILEO had been funded with lottery monies, but in the last two years, those lottery monies were coming through the amended budget. So, this is a very positive and important change for GALILEO because it puts the program on very solid financial footing. The 2% average salary increase was associated with the special funding initiatives. So, the net change was a reduction of \$2.2 million. Total special funding initiative funding then dropped to \$28.9 million, and the total state appropriation budget for the “A” budget was \$1.449 billion.

Mr. Bowes explained that the “B” units include the University System Office, the cooperative extension service, agricultural experiment stations, veterinary clinics, and the like. These are line-item funded separately. In fiscal year 2004, the “B” budget was \$237.1 million. There was a \$20,000

adjustment to the base, which dropped it slightly, and in fiscal year 2005, the “B” budget experienced a reduction of approximately \$17 million, which is a much more significant cut than was experienced in the general operating budget. With all adjustments and enhancements, the net change was a reduction to approximately \$212 million.

In sum, the “A” budget had a slight net increase of \$8.2 million, which is less than 1%. The “B” budget experienced more significant cuts of approximately 10.6%. Together, the net reduction was \$16.8 million, or approximately 1% of the total budget. Mr. Bowes said that this may not appear to be very dramatic, but he noted that in fiscal year 2001, the state appropriations per FTE student was over \$8,294 while in fiscal year 2005, the state appropriations per FTE student are \$6,437. That constitutes a reduction of almost 20% in funding per FTE student. Part of this, of course, is budget reductions, but part of it has to do with fairly dramatic enrollment growth. Therefore, a significant gap is being created between enrollments and the state appropriations. Mr. Bowes noted that the University System of Georgia’s share of the state budget is the lowest it has been since 1967. The System now constitutes less than 11% of the state budget, but it has been as high as 16% in previous years. The System also lost this year funding for the Equipment, Technology, and Construction Trust (“ETACT”) program, which constituted \$15 million in state appropriations that was matched by private funds. This was a very important source of funding for institutions with regard to technology enhancements. The state also eliminated funding for technology initiatives in the amount of about \$5.5 million, which will have a very significant impact on technology in the University System. Finally, the System received no funding for the health insurance premium increases that went into effect in January 2004 though the Board had asked for \$33 million to cover this added cost in fiscal year 2005. Mr. Bowes noted that one of the actions the staff were requesting of the Board at this meeting is that the institutions be credited for their health insurance premiums up to the amount of \$8 million to help make up a portion of this, although it will not go very far to cover the full costs. This adds to the total impact on the University System.

Next, Mr. Bowes discussed the capital budget, an area in which the University System of Georgia budget fared much better. The total amount added to the fiscal year 2005 budget was \$273.5 million. The System had five major capital outlay projects funded for a total of \$87.2 million, and 21 minor capital projects were funded at approximately \$89.9 million. With regard to major repair and renovation (“MRR”) funds, last year the System was funded in the amount of approximately \$25 million. This year, the System was increased to a level of approximately \$55 million, which is still about \$5 million short of what the budget formula would have provided. For the Georgia Public Library System (“GPLS”), the General Assembly approved five projects in total at approximately \$7.8 million. Mr. Bowes noted that the Governor vetoed two projects. One of these was the Georgia Perimeter College (“GPC”) student center, which was vetoed because it was double funded in the budget, so it is not really a loss. The other project was a GPLS project. Seven other minor capital projects were deferred for further review, as well as the renovation of Hill Hall at Savannah State University (“SSU”). He remarked that in general, the University System fared rather well in terms of the capital budget.

Turning to the mandatory student fees, Mr. Bowes said that the staff carefully considered the requests submitted by the institutions. They asked that the institutions provide financial statements for all activities funded by these fees, and they generally limited increases to identified critical needs. The staff have been very prudent in limiting new program growth. They also reviewed and affirmed the policy requiring student participation in the fee proposal process. Finally, the staff sought to minimize the impact on HOPE Scholarship Program funding. Mr. Bowes noted that the institutions are doing a very good job in terms of the information they provide to support their fee requests. Generally, the requests are very conservative; however, the staff made a concerted effort to ensure that no institution's fees went up by more than 5%. This year, the staff received 58 mandatory student fee requests. Of these, 20 fees were being recommended as submitted, 27 fees were being recommended at reduced levels, and 11 fee requests were not recommended. Overall, the mandatory student fee recommendations will result in a Systemwide rise in fee rates of less than 4%.

In closing, Mr. Bowes recognized the following staff for their hard work in the budget development process: the Special Assistant to the Chancellor and Assistant Vice Chancellor for Fiscal Affairs, Usha Ramachandran; the Assistant Budget Director, Gerald Vaughan; the Budget Specialist, Josephine Pearson; the Budget Policy Analyst, Susan Wright; the Administrative Coordinator for Fiscal Affairs, Angelia D. Thomas; and Santricia Duhart, Budget Assistant. He then asked whether the Regents had any questions or comments.

Chair Carter thanked Mr. Bowes for his presentation. He said that he thought it might be best to take the budget items one at a time to ask for questions. Item 1 of the agenda was the fiscal year 2005 budget allocations, including the approval to credit health insurance premiums to institutions in the amount of \$8 million.

Mr. Bowes mentioned that the \$8 million credit will go to institutions based upon their current respective shares of the monthly premium.

Regent Coles noted that the Eminent Scholar Program was not funded for fiscal year 2005.

Mr. Bowes stated that this was included in the System's fiscal year 2004 amended budget request, but it was not approved.

Regent Coles responded that he felt this was an issue that the Regents need to address at some point because the program is on dangerous ground with donors. The Board needs to consider whether institutions should continue to solicit donors for a program that the state is not currently funding.

Chancellor Meredith said that there are currently 19 eminent scholars that have received the private portion of their funding but are awaiting state matching funds.

Seeing that there were no further questions about the fiscal year 2005 budget allocations, Chair Carter subsequently asked whether there were any questions regarding Items 2 through 4 of the agenda, which pertain to the fiscal year 2005 tuition, mandatory student fees, and salary administration policy. There were no questions or comments on these three items. He then asked for a motion that the Board approve all four items together.

Regent Coles made the motion, which Regent Leebern seconded. Motion properly made and seconded, the Board unanimously approved the fiscal year 2005 budget allocations, tuition, mandatory student fees, and salary administration policy.

Seeing that there was no further business, Chair Carter adjourned the meeting of the Committee on Finance and Business Operations as a Committee of the Whole.

Chair Harris thanked Regent Carter and noted that the Board would reaffirm the approval of these items along with the full report of the Committee on Finance and Business Operations at the full Board meeting on Wednesday. He reminded the Regents that next month, the Board will be considering major capital outlay projects to be added to the five-year rolling capital projects list. He noted that there would be no absentee voting and encouraged all Regents to attend the June Board meeting. At approximately 2:00 p.m., he adjourned the Regents into their regular Committee meetings.

CALL TO ORDER

The Board of Regents of the University System of Georgia met again on Wednesday, May 19, 2004, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent Joe Frank Harris, called the meeting to order at 9:00 a.m. Present on Wednesday, in addition to Chair Harris, were Vice Chair Joel O. Wooten, Jr. and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Michael J. Coles, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Martin W. NeSmith, Doreen Stiles Poitevint, J. Timothy Shelnut, and Glenn S. White.

INVOCATION

The invocation was given on Wednesday, May 19, 2004, by Vice Chair Joel O. Wooten, Jr.

ATTENDANCE REPORT

The attendance report was read on Wednesday, May 19, 2004, by Secretary Gail S. Weber, who announced that Regents Patrick S. Pittard, Wanda Yancey Rodwell, and Allan Vigil had asked for and been given permission to be absent on that day.

FAREWELL REMARKS TO COMMISSIONER KENNETH BREEDEN

Chair Harris called upon the Chancellor to make a few remarks regarding the retirement of Dr. Kenneth H. Breeden as Commissioner of the Department of Technical and Adult Education (“DTAE”).

Chancellor Meredith said that it was an honor to recognize a colleague in the field of higher education. Commissioner Breeden is well respected nationally and is recognized as one of the great leaders in the field of technical education. He was one of the first people to welcome the Chancellor to the State of Georgia, and they have since become good friends. Chancellor Meredith said that he has the greatest respect for Commissioner Breeden, who has made a difference in the state that will be recognized for decades to come. The Chancellor then read a resolution honoring and commending Commissioner Breeden for his service to DTAE in particular and to the State of Georgia as a whole.

Commissioner Breeden thanked the Chancellor, the Chair, and the Regents for this honor. He remarked that Governor Joe Frank Harris had been very supportive of him during his governorship. He then read an email from one of DTAE’s former students congratulating him on his retirement and recounting her success since graduating from college. He thanked the Regents for helping to educate the citizens of Georgia. He said that when you change the life of someone with no options and no money, you change the whole world forever. You change their children and the prospects for the family for generations to come. This is what higher education is all about, he said. In closing, he thanked the Regents for taking the time to honor him.

Chair Harris thanked Commissioner Breeden for his leadership and his good working relationship with the Board of Regents. He wished Commissioner Breeden the best in his retirement.

PRESENTATION: UPDATE ON THE MEDICAL COLLEGE OF GEORGIA AND MCG HEALTH, INC.

Chair Harris next called upon President Daniel W. Rahn of the Medical College of Georgia (“MCG”) and the Chief Executive Officer of MCG Health, Inc. (“MCGHI”), Donald F. Snell, to update the Board on the MCG hospitals and clinics.

President Rahn thanked the Regents for this opportunity to update them on MCG and noted that he had distributed information to them about the college. He explained that he would be discussing academic and research advancements at MCG, and then, Mr. Snell would discuss progress at MCGHI. President Rahn stated that MCG and MCGHI together comprise an academic health center. The Institute of Medicine, the medical branch of the National Academy of Science, defines an academic health center as the constellation of functions and organizations that are committed to improving the health of patients and populations through the integration of their roles in research, education, and patient care to produce the knowledge and evidence base that becomes the foundation

for both treating illness and improving health. MCG is organized as a unit of the University System of Georgia with five schools in medicine, nursing, dentistry, allied health sciences, and graduate studies, as well as a number of cooperative organizations that support the mission and purpose of the institution. The MCG health system is comprised of the academic unit, or the five schools; the institutional provider, or the MCG health facilities managed by MCGHI; and the academic group practices of the faculty, principally the faculty in the School of Medicine, who comprise the Physicians Practice Group (“PPG”), but also the practice groups in dentistry, nursing, and allied health. Altogether, these comprise the MCG health system and the academic medical center.

President Rahn reported that in May 2004, MCG graduated approximately 700 new healthcare professionals and scientists. More than 90% of MCG graduates passed their licensure and/or certification exams on the first attempt. Enrollment increased 4% in fall 2003, and the applicant pool grew 15%. Graduates by and large go into health professional careers in the State of Georgia. For example, approximately 66% of allied health graduates, 60% of medical school graduates, and 84% of dental school graduates end up practicing in Georgia. Graduates in dentistry and medicine comprise about one-quarter of practicing professionals in those disciplines in the state. President Rahn noted that MCG has the only dental school in the State of Georgia, indicating that the college needs to increase its class size. He also noted that there has been no increase in the number of physicians in training in Georgia in the last 20 years, a period in which the population has essentially doubled. So, this is issue that MCG must address in cooperation with the three other medical schools in the state. Plus, there is a national shortage of allied health professionals and nurses. So, there are workforce-related issues in all of the disciplines. MCG has been increasing its diversity, said President Rahn. Minority faculty represent approximately 16% of total faculty; 8.4% are African American and Hispanic. Minority student enrollment represents 23% of total enrollment; 12% are African American and Hispanic. MCG has had a steady growth of minority participation at both the student and faculty levels.

Research at MCG is organized thematically by key diseases across departments and across schools, explained President Rahn. The key areas in which MCG has been concentrating its investments are diabetes/obesity, cardiovascular diseases, neurological diseases, infection and inflammation, and cancer. In addition, there are some cross-cutting areas, such as biotechnology. MCG also focuses research on population health and genomics and increasingly on stem cell research and regenerative medicine. By concentrating thematically, MCG has been able to see significant increases in external funding. When President Rahn came to MCG in 2001, he set a goal of increasing total external funding for research by 20% per year. In fiscal year 2003, MCG received approximately \$71 million in extramural funding, which includes all nonstate-appropriated dollars allocated to research, including funds from the margins of operation from the health system. Third-quarter funding for fiscal year 2004 was up 28% compared to fiscal year 2003, which was up 40% compared to the previous year. President Rahn said that the “gold standard” for MCG is National Institutes of Health (“NIH”) funding. This year, MCG received approximately \$40 million in NIH funding, which is on track for the 20% growth per year. He explained that in order to achieve these levels of external

funding, MCG has to be of national caliber, which is built upon people, facilities, infrastructure, and funding. MCG has had to invest heavily in its research infrastructure, information technology, sponsored accounting infrastructure, and research space renovation. Since June 2001, MCG has recruited 331 faculty members, including 4 vice presidents, 4 deans, 6 department chairs, 8 section chiefs, 3 Georgia Research Alliance (“GRA”) eminent scholars, and 11 Georgia Cancer Coalition distinguished scholars. President Rahn noted that although there is a baseline turnover in academic medicine of approximately 8% to 10% per year and some of this recruitment represents replacement, some of the recruitment represents new faculty. The magnitude of the recruitment process necessary to fuel academic and research advancement is truly significant, he said.

President Rahn reported that in April, Chancellor Meredith and Regent Shelnut had participated in a ribbon-cutting event for a 100,000-square-foot new research facility (Interdisciplinary Research Building Phase II), which houses the genomics, biotechnology, and hypertension programs, as well as MCG’s first incubator and technology transfer program. A health sciences building for nursing and allied health is also under construction, as is a cancer research building. Last year, MCG opened a wellness center for its students; over 100,000 people used the wellness center in its first year of operations. He noted that only the health sciences building was financed through the Board of Regents facilities process. The other three were funded by alternative funding mechanisms.

President Rahn stated that the recently approved fiscal year 2005 budget includes a special funding initiative through which \$5 million has been allocated to MCG to continue enhancements of the research enterprise through targeted faculty recruitments in cardiovascular diseases, cancer, neuroscience, regenerative medicine, and health outcomes/population research. In addition, MCG receives 43% of the operating margin of the MCG health system on an annual basis. President Rahn in turn invests this funding in academic advancement. Over the past three years, MCG’s share of the operating margin has been \$8.9 million (fiscal year 2001), \$12.6 million (2002), and \$11 million (2003). These funds are critically important in enabling MCG to continue to advance its mission and purpose. He then turned the floor over to Mr. Snell.

Mr. Snell said that about ten years ago, the Board of Regents had a vision to take the hospitals and clinics and give them increased flexibility not only to survive, but also to become the best in the country. In 1995, the Board authorized the exploration of the creation of MCGHI, which was subsequently established in July 2000. When the idea to separate out the clinical delivery system came about, it was not only devised to help academic medical system stabilize financially, but also to put it in the top quartile of academic medical centers by 2005. Mr. Snell reminded the Regents that in fiscal year 1999, the clinical delivery system lost \$10 million. In fiscal year 2000, the state granted one-time tobacco settlement funds to stabilize it and prevent a loss of \$20 million.

Regent Leebern now serves as the Chair of the MCGHI board, which currently also includes Regents Cleveland, Pittard, and Shelnut and once included Regent NeSmith. Under their leadership, MCGHI created a \$21 million profit margin the first year (fiscal year 2001), \$32 million the second year

(2002), and \$25 million the third year (2003). That success has been achieved through volume growth. Prior to the establishment of MCGHI, the clinical system was on a five-year decline in terms of patient volume, which also affected not only service, but also the teaching and research parts of MCG's mission. MCG had a dubious reputation prior to the establishment of MCGHI of having some of the worst financial performance among the UHC. MCG was the second-highest in terms of expenses and had the worst cash flow in the country. Moreover, MCG had a rate of 29% excess mortality, and customer satisfaction was not even being tracked. In the last three years, MCG has grown its volume 23%, reduced its cost per case by almost \$3,000, reduced its receivables from 196 days to 69 days, brought in about \$120 million, and improved clinical quality and patient satisfaction. MCG has also been drawing market share for the last three years from its competitors. In the Augusta area, there are five acute care hospitals, a rehabilitation hospital, and two military hospitals. So, it is an area that is over saturated with hospitals. MCG has increased its market share from 22.3% to 25.5% in fiscal year 2003, while its largest competitor, University Hospital, has seen steady decline.

The best indication of MCG's success is its recent inclusion in Solucient's 100 Top Hospitals. Mr. Snell noted that there were only 16 academic medical centers on this list, including the Mayo Clinic and Vanderbilt University Medical Center. Not only did MCG place among the top 16 academic medical centers in the country; it also beat the median for those top 16 in all but one category, which means it is actually among the top 8 academic medical centers. MCG has also received other national recognitions in the last three years. Every year for the top 100 markets in the country, the National Research Corporation does a telephone survey of 350 households asking which is the hospital in your community that has the best image and quality. In the past three years, MCG has become the first choice in the Augusta region as having the highest quality and best image. *U.S. News and World Report* in its July 2003 issue honored MCG as being one of the top hospitals for treatment of diabetes and thyroid conditions. UHC has also ranked MCG first, together with the University of California, San Diego, as the top stroke hospital in the country in terms of outcomes. Mr. Snell noted that one of MCG's centers of excellence and thematic research areas is the neurological sciences. MCG also has one of the top radiology departments in the country and one of the top three outpatient operations in the country. Patient satisfaction has also yielded some improvement, as indicated by a Press Ganey Patient Satisfaction Survey, which is also used by about 3,000 other hospitals. MCG's Children's Medical Center is the top children's hospital in the country in terms of patient satisfaction. Mr. Snell then turned the floor back to President Rahn.

President Rahn said that the state appropriation to MCG comprises approximately 25% of its budget. For every state dollar invested in MCG, the college generates more than \$4 in extramural funds. For every state dollar invested in MCGHI, it generates nearly \$12. The total economic impact on the Augusta region of the MCG and MCGHI together approaches \$2 billion. In closing, President Rahn said that this is an extremely challenging time in healthcare and academic medicine, so the issue will be maintaining momentum and focus in the face of increasing financial pressures. He thanked the

Regents for this opportunity to provide them with an update and asked whether they had any questions or comments.

Regent Shelnut told the Regents that there are a lot of exciting things going on at MCG and MCGHI due in large part to these two leaders. On behalf of the entire Board of Regents, he thanked President Rahn and Mr. Snell for all they do. He asked whether President Rahn was going to discuss the School of Dentistry at this meeting.

President Rahn stated that the School of Dentistry does have a major facilities challenge that he had been discussing with the Chancellor; the Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel; and the Vice Chancellor for Facilities, Linda M. Daniels. He explained that this issue will come before the Board soon.

Regent Leebern said that the Board of Regents did not have a dream for MCG in 2000; rather, it was a nightmare. Former Regents Thomas F. Allgood, Sr., Kenneth W. Canestra, and Charles H. Jones were on the Teaching Hospital Committee during the MCG crisis, and they began the process of turning the institution around. President Rahn and Mr. Snell, together with the Board, have built facilities, attracted faculty, increased efficiencies, and increased market share and profits. They epitomize what cooperative organizations really should do. He thanked them again for their fine work.

President Rahn said that it is a constant challenge to balance competitive business with the academy.

Regent NeSmith echoed the comments of Regents Leebern and Shelnut. He said that he was on the MCGHI board during the turnaround, and he said that it was nothing less than amazing. Not only has a huge financial turnaround been achieved, but also the morale of the faculty and staff has been greatly improved. He said that becoming one of the top academic medical centers in such a short period of time is a great testament to the leadership of President Rahn, Mr. Snell, and the MCGHI board.

President Rahn thanked the Regents for their accolades.

On behalf of the entire Board, Chair Harris thanked President Rahn and Mr. Snell again for their outstanding leadership and the amazing transition at MCG. He then called for Committee reports.

EXECUTIVE AND COMPENSATION COMMITTEE

The Executive and Compensation Committee met on Tuesday, May 18, 2004, at approximately 11:00 a.m. in room 7019, the Chancellor's Conference Room. Committee members in attendance were Chair Joe Frank Harris, Vice Chair Joel O. Wooten, Jr., and Regents Donald M. Leebern, Jr. and Elridge W. McMillan. The Secretary to the Board, Gail S. Weber, was also in attendance, and Chancellor Thomas C. Meredith was in attendance for parts of the meeting. Chair Harris reported to the Board on Wednesday that the Committee had met in Executive Session to discuss personnel matters and that no actions were taken in Executive Session. The matters discussed were taken to the full Board in Executive Session on Wednesday, May 19, 2004. (See page 72.) At that time, in open session, the full Board approved the Committee's recommendation to reappoint Chancellor Thomas C. Meredith for fiscal year 2005. In accordance with H.B. 278, Section 3 (Amending O.C.G.A. § 50-14-4), affidavits regarding these Executive Sessions are on file with the Chancellor's Office.

AUDIT COMMITTEE

Though there was no quorum, members of the Audit Committee met on Tuesday, May 18, 2004, at approximately 10:00 a.m. in room 7005. Committee members in attendance were Vice Chair Connie Cater and Regents W. Mansfield Jennings, Jr. and Joel O. Wooten, Jr. Regent Hugh A. Carter, Jr. and Chancellor Thomas C. Meredith were also in attendance. Vice Chair Cater reported to the full Board on Wednesday that the Regents had reviewed four items, none of which required action. Those items were as follows:

1. Information Item: Savannah State University Management Study Update

In February 2003, the Audit Committee received a report on the implementation plan of the management study for Savannah State University ("SSU") presented by President Carlton E. Brown and the Vice Chancellor for Fiscal Affairs, William Bowes. President Brown presented an update in March 2003, and SSU's Chief Financial Officer, Arthur L. Moncrief, presented another update in August 2003.

At this meeting, President Brown and Mr. Moncrief presented a final update on their implementation plan. They reported that of the management study's 51 final recommendations, 50 had been implemented. One recommendation was not implemented because of PeopleSoft limitations. The Associate Vice Chancellor for Internal Audit, Ronald B. Stark, and the Vice Chancellor for Fiscal Affairs, William R. Bowes, agreed that this feature of PeopleSoft has problems with functionality. Mr. Moncrief discussed the improvements in efficiency and effectiveness that had been achieved as a result of the implementation. He noted that SSU has significantly reduced its number of audit findings and greatly improved its audit rating.

Vice Chair Cater and Chancellor Meredith commended SSU for its improvement. Regent Wooten said that he would like to see SSU export its best practices to other units of the University System of Georgia.

2. Information Item: Update on Rating Process for Audits

During fiscal year 1999, the Audit Committee asked the Associate Vice Chancellor for Internal Audit, Ronald B. Stark, to devise a process to evaluate audit findings and a mechanism to report the overall results of each institution's audit. The process that was implemented rated each audit completed by the State Department of Audits and Accounts, the University System Office, and the campus auditors a Code 1 through Code 5 rating. The rating system, which uses a single process for all sources of audit reports, became confusing to constituents who received the ratings. Consequently, Chancellor Thomas C. Meredith asked Mr. Stark to devise a different rating process for internal audits versus state audits.

At this meeting, Mr. Stark presented to the Committee the new rating processes. Individual audit findings are rated as follows:

- Insignificant– Nominal violations of procedures, rules, or regulations. Not included in report. Corrective action suggested verbally, but not required.
- Notable – Minor violation of policies and procedures; and/or weak internal controls; and/or opportunity to improve effectiveness and efficiency. Moderate risk identified. Corrective action recommended.
- Significant – Significant violation of policies, procedures, or laws; and/or poor internal controls; and/or significant opportunity to improve effectiveness and efficiency. Significant risk identified. Corrective action required.
- Major – Major violation of policies, procedures, and/or laws; and/or unacceptable internal controls; and/or high risk for fraud, waste, and/or abuse; and/or major opportunity to improve effectiveness and efficiency. Major risk identified. Immediate corrective action required.

Mr. Stark noted that although the State Department of Audits and Accounts reports continue to be rated on a scale of 1 to 5, University System Office audits of institutions are now rated as follows:

- Excellent– Few notable observations. No internal control weaknesses noted. Good adherence to laws, regulations, and policies. Excellent control environment.

- Good – Several notable and/or one or two significant observations. Minor violations of policies and procedures. No violation of laws. Minor opportunities for improvement.
- Fair – Many notable observations and/or few significant observations. Several notable violations of policy. Minor violations of regulations. No violations of laws. Moderate opportunities for improvement.
- Poor – Several significant observations and no major observations. Controls were weak in one or more areas. Noncompliance with policies/regulations put the institution at risk. Violation of law (not serious). Substantial opportunities for improvement.
- Adverse – Several significant observations or one or more major observations. Significant risk for noncompliance with policies and/or regulations. Serious violation of laws. Significant opportunities for improvement.

3. Information Item: Summary of Audits Performed by Georgia Department of Audits and Accounts

The Georgia Department of Audits and Accounts (“DAA”) completes an audit or a review of each institution in the University System each year. Audits include testing of transactions, evaluations of internal controls, compliance with state and federal laws, and compliance with Board of Regents and State of Georgia policies and procedures. Reviews are much less in-depth, and tests of transactions of controls and other audit work are limited, although audit findings regarding financial statements are occasionally disclosed. The DAA in coordination with the Vice Chancellor for Internal Audits, Ronald B. Stark, rate each institution regarding the seriousness of audit findings. Representing the DAA at this meeting were the Director of the Education Audit Division, Ronald E. Watson, and Audit Manager Jerald Goodroe.

Mr. Stark presented to the Committee the DAA audit ratings for fiscal year 2003 and compared them to those of fiscal year 2002. He reported that the University System of Georgia as a whole saw a significant reduction in the number of audit findings from 86 in fiscal year 2002 to 41 in fiscal year 2003, which represented a tremendous improvement overall. Moreover, all but three institutions were rated satisfactorily or better, receiving ratings of Codes 1 to 3. However, three institutions – Albany State University, Clayton College & State University, and Fort Valley State University – received a Code 5 rating. (A Code 5 rating is the worst possible audit rating, indicating several significant observations or one or more major observations, significant risk for noncompliance with regulations, and/or serious violation of laws, etc.)

The Regents requested that the presidents, chief business officers, and campus-based auditors from these three institutions be invited to the next Committee meeting to present their action plans to improve their audit results.

4. Information Item: Audit Plan for Fiscal Year 2005

Each year, the Associate Vice Chancellor for Internal Audits, Ronald B. Stark, prepares an audit plan for the University System of Georgia. This plan is developed by requesting input from the Regents, University System Office audit managers, and the institutions. A matrix of the responses from all parties is prepared, risk factors are determined, and institutions are selected to be audited. The scope of the audit coverage is determined using a risk-evaluation process. Audit resources are then allocated based upon the coverage provided by the Georgia Department of Audits and Accounts and the audit plans of the 13 institutions with internal audit departments. The campus-based auditors prepare their audit plans based upon an institutional risk-assessment process. Mr. Stark and the respective institution's president approve the campus audit plan. At this meeting, Mr. Stark presented the full audit plan for the University System of Georgia for fiscal year 2005; including coverage to be provided by the Board of Regents audit staff and the campus-based auditors. He noted that approximately 22% of System institutions are considered sensitive to high risk for audit findings, 49% are considered moderate risk, and 29% are considered low risk. He also noted that the fiscal year 2005 audit plan includes information technology audits and reviews.

COMMITTEE ON INFORMATION AND INSTRUCTIONAL TECHNOLOGY

The Committee on Information and Instructional Technology met on Tuesday, May 18, 2004, at approximately 11:00 a.m. in room 6041, the Training Room. Committee members in attendance were Chair Michael J. Coles, Vice Chair W. Mansfield Jennings, Jr., and Regents Hugh A. Carter, Jr., James R. Jolly, and Doreen Stiles Poitevint. Chair Coles reported to the full Board on Wednesday that the Committee had reviewed two items, neither of which required action. He said that given the increasing importance of technology to the success of the University System coupled with a \$6.6 million loss in state and lottery dollars to support this technology, he would like the Vice Chancellor for Information and Instructional Technology and Chief Information Officer, Randall A. Thursby, to present Item 2 to the full Board at its August 2004 meeting so the Regents can begin to consider how to address this situation, which Chair Coles said should be considered a crisis. He remarked that the System has a major technology funding problem, and the Regents must figure out how to fix it. The items considered by the Committee were as follows:

1. Information Item: Technology and Facilities Integration – “Clicks and Bricks”

At the November 2003 Board meeting, the Regents heard a presentation on facilities in the University System that highlighted the impact that increasing enrollments will have on space available. At that meeting, the Vice Chancellor for Facilities, Linda M. Daniels, indicated the need not only for space, but particularly space that can be used more effectively through an appropriate combination of technology and facilities, or “clicks and bricks.” Efforts to enhance the interactions between technology and facilities have been championed by Ms. Daniels and the Vice Chancellor

Information and Instructional Technology and Chief Information Officer, Randall A. Thursby. While the System has made progress in this regard, it must formalize and enhance processes and procedures to ensure that it continues to be a leader in this area.

At this meeting, Ms. Daniels presented a brief overview of the current situation, highlighting the significant impact of technology on the planning and construction of facilities and how the University System is responding. She cited the need to capitalize on “campus threads” or connectivity to enhance how space is developed to improve the experience of new generations of learners.

2. Information Item: Major Technology Systems Update

During the past year, the Office of Information and Instructional Technology (“OIIT”) has reported on progress toward the development of an integrated learning environment aimed at improving services and making their delivery more efficient. Not only are these efforts directed at improving ongoing operations in areas such as PeopleSoft and the Banner student information system, but also new projects have been initiated or proposed, such as multi-institutional functionality and Banner hosting, that leverage these applications and the rich infrastructure of the University System to place the System at the forefront of technology in higher education.

The Vice Chancellor for Information and Instructional Technology and Chief Information Officer, Randall A. Thursby, described the current state of the University System’s major technology systems and projections for the coming year. He began by showing the Regents pictures of OIIT’s new building in Athens. He then reviewed a list of the major System-supported technology projects, highlighting their current statuses, future directions, and challenges brought about by significant budget cuts.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

The Committee on Finance and Business Operations met on Tuesday, May 18, 2004, at approximately 2:05 p.m. in the Board Room. Committee members in attendance were Chair Hugh A. Carter, Jr. and Regents Connie Cater, Michael J. Coles, Julie Hunt, Donald M. Leebern, Jr., Martin W. NeSmith, J. Timothy Shelnut, and Glenn S. White. Chair Carter reported to the Board on Wednesday that the Committee had reviewed six items, all of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Fiscal Year 2005 Budget Allocations

Approved: The Board approved the allocation of state appropriations for fiscal year 2005 among the institutions and operating units of the University System of Georgia.

The Board also approved a premium credit totaling \$8 million as a one-time savings for System institutions to assist in meeting enrollment demand in fiscal year 2005. The amount of the premium credit for any System institution shall be proportional to the current monthly amount of the employer premium paid by the institution as the institution's share of the \$8 million. This action will be put into effect in July 2004.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 5 to 10.)

2. Fiscal Year 2005 Tuition

Approved: The Board approved the tuition rates and policy adjustments for fiscal year 2005 to become effective in the fall semester 2004.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 5 to 10.)

Background:

Undergraduate and Graduate Tuition

It was approved that tuition rates be increased by \$80 (from \$1,604 per semester to \$1,684 per semester) for undergraduate students at University System of Georgia research universities, \$55 (from \$1,106 per semester to \$1,161 per semester) for undergraduate students at System four-year regional and state universities, and \$35 (from \$699 per semester to \$734 per semester) for undergraduate students at System two-year colleges.

In addition, it was approved that the tuition rate for nonresident undergraduate students at the Georgia Institute of Technology be increased by \$757 per semester. By Board policy, System research universities are permitted to request differential rate increases for nonresident students based on rates charged nonresident students at peer institutions. The Georgia Institute of Technology requested this rate change based on rates currently charged by its peer public institutions.

The approved increases will help System institutions meet increasing student enrollments in the face of reduced state appropriations and will help retain the achievements in quality and excellence that have been earned over the last several years. It is important to note that the University System of Georgia remains an exceptionally good bargain for students, offering programs in nationally recognized institutions at tuition rates that are far below national averages. In 2004, the University of Georgia ranked thirty-fifth in the nation in tuition and mandatory fees for comparable public universities. The University System's four-year comprehensive colleges and universities ranked

thirty-ninth in the nation in tuition and mandatory fees, as did its two-year colleges. Among member states in the Southern Regional Education Board (“SREB”), the University of Georgia ranked tenth among 16 states, while the University System’s four-year and two-year institutions ranked thirteenth.

Additionally, and despite facing the same financial pressures in the last two years that have been confronted by public colleges and universities across the country, the rate of tuition increases has been far less. For example, while tuition and mandatory fees increased by 9.3% for the University of Georgia in fiscal year 2004, flagship and comprehensive state universities in Kentucky, South Carolina, Virginia, Louisiana, Tennessee, and Alabama all had increases in tuition and mandatory fees in double-digits. The University System of Georgia’s tuition rate increases have averaged less than 6% over the last 20 years, a remarkable statistic given the fluctuations in state support during that time and the trends in student costs that have been experienced elsewhere in the country.

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, 17 requests to increase tuition rates were submitted. The 14 programs listed below are recommended for tuition differential increases under this policy.

Georgia Institute of Technology

- Doctor of Philosophy in Biomedical Engineering

Georgia State University

- Juris Doctorate

Medical College of Georgia

- Medical School
- Dental School
- School of Allied Health – Occupational Therapy – First Year
- School of Allied Health – Occupational Therapy – Second and Third Years

University of Georgia

- Pharmacy Program – Doctoral Program
- Juris Doctorate
- Doctor of Veterinary Medicine
- Gwinnett Master of Internet Technology

- Master of Business Administration (“M.B.A.”)
- Master of Public Administration

Kennesaw State University

- Executive M.B.A.
- Master of Science in Conflict Management

3. Approval of Fiscal Year 2005 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 5 to 10.)

Background: To support requests for fee increases, each System institution is required to submit financial statements and supporting justification that document 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 student government association.

System institutions submitted 58 to adjust technology fees, athletic fees, student activity fees, health service fees, transportation or parking fees, and facilities fees. The staff recommended that 20 of these requests be approved as submitted and 27 requests be approved at reduced levels; 11 requests were not recommended for approval. Included among the new fees were facilities fees at Georgia Southern University and Georgia State University and a health service fee at Armstrong Atlantic State University.

4. Salary and Wage Administration Policy

Approved: The Board approved the fiscal year 2005 salary and wage administration policy for the University System of Georgia.

This item was discussed in full by the Committee on Finance and Business Operations as a Committee of the Whole. (See pages 5 to 10.)

Background: It has been a longstanding policy of the Board of Regents to provide salary increases to its employees that are based on merit reflecting a performance evaluation process at all System institutions. The state general funds allocated for this purpose in fiscal year 2005 allow for an average merit-based salary increase of approximately 2% across the System. The proposed policy

allows for distribution of the merit increase in ranges from 0% to 5%, with the requirement that any increase above 5% for any employee will be supported by appropriate documentation. Additionally, the policy allows for institutions needing to make promotions or position reclassifications or to address market issues and issues of salary inequity or compression to make adjustments while requiring that these adjustments be supported by appropriate documentation (e.g., market analysis or internal salary studies). Salary increases become effective January 1, 2005, for all University System of Georgia employees.

5. Renewal and Amendments of Agreements Between the Board of Regents and MCG Health, Inc. Regarding Medical College of Georgia Hospitals and Clinics

Approved: The Board approved the renewal of the Master Affiliation Agreement and all Associated Agreements for fiscal year 2004 (July 1, 2004 through June 30, 2005) between the Medical College of Georgia (“MCG”) and MCG Health, Inc. (“MCGHI”) regarding the operation of MCG hospitals and clinics, with amendments. These agreements are on file with the Office of Legal Affairs.

Background: In January 2000, the Board of Regents approved the Master Affiliation Agreement between the Board of Regents and MCGHI for the operation and management of the MCG hospitals and clinics. The Master Affiliation Agreement was the first of a series of agreements that cover facilities, assets, employees, and other elements involved in the transfer of operation and management effective July 1, 2000. It embodies the fundamental understanding of the parties regarding the proposed affiliation and expresses the interests of the parties in negotiating the terms of the Associated Agreements.

The Board of Regents approved the Associated Agreements in April 2000. The Associated Agreements spell out in detail the terms of the transfer and the ongoing relationships between MCG and MCGHI and between MCGHI and the MCG Physicians Practice Group (“PPG”). The Master Affiliation Agreement was amended in April 2000 to conform its provisions to the terms of the Associated Agreements.

The Associated Agreements include the Master Lease; the Clinical, Educational and Research Services Agreement (“CERSA”); the Operations and Services Agreement (“OSA”); the Personnel Agreement; the Asset Transfer Agreement detailing the assets and liabilities to be transferred; and the MCGHI/PPG Agreement. All of these agreements, with the exception of the Master Lease, whose term is ten years, are renewable at the end of each fiscal year with approval of the Board of Regents and the board of directors of MCGHI. The Affiliation Agreement provides for both parties to propose amendments to the agreements that may be negotiated with the renewal.

MCG and MCGHI have negotiated several amendments to the Operations and Services Agreement; the Clinical, Educational and Research Services Agreement; and the Personnel Agreement. These amendments update and clarify the terms of the agreements and the cost of personal and nonpersonal

services purchased from one party by the other. The essential relationship between the parties remains unchanged.

The amendments to these various agreements can be summarized as follows:

1. In Article 4 of the CERSA, language was added to clarify MCGHI's commitment to support MCG's research mission.
2. In Article 14 of the CERSA, a new section was added to describe the MCG Health System Communication/Decision Team. The purpose of this team is to serve as the forum for communication regarding the status of current grants and contracts, to advise the presidents and executive leadership of each entity in determining management accountability for prospective and outstanding grants and contracts, and to report retrospectively regarding all grants and contracts activities.
3. In Article 3 (l)(h)(i) of the OSA, several changes were made to the services provided by university advancement. Essentially, the changes ensure that MCGHI will use the services of the MCG foundation for management of its charitable accounts and will coordinate fundraising through the MCG university advancement office.
4. In Exhibit E-VII of the OSA, a new section was added concerning the acquisition, installation, and cost-sharing arrangements for a synoptic reporting software program for pathology. The software meets reporting requirements as outlined by the American College of Surgery and the College of American Pathologists Laboratory Accreditation Program.
5. In Article 7 of the Personnel Agreement, rules were clarified regarding leased employees. The change allows for immediate discharge of leased employees regarded as a danger to the safety of other employees but retains requirements for due process for these employees prior to actual formal dismissal.

Two additional agreements define the relationship between MCG and PPG, a cooperative organization of MCG, and the relationship between PPG and MCGHI. These agreements do not require renewal each fiscal year, and the parties have submitted no amendments to either.

6. Acceptance of Gift and Establishment of Trust Fund at the University of Georgia

Approved: The Board accepted on behalf of the University of Georgia ("UGA") \$109,932.38 to establish the Barbara C. Joslin Trust Fund.

Background: The donation establishes the tuition trust fund initially at \$109,932.38, with provisions

for future contributions to the fund. It is to be used to provide tuition for UGA College of Veterinary Medicine students working toward a degree in Veterinary Medicine, in their last year.

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

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, May 18, 2004, at approximately 2:10 p.m. in the Board Room. Committee members in attendance were Chair Martin W. NeSmith, Vice Chair J. Timothy Shelnut, and Regents Hugh A. Carter, Jr., Connie Cater, Michael J. Coles, Julie Hunt, Donald M. Leebern, Jr., and Glenn S. White. Chair NeSmith reported to the Board on Wednesday that the Committee had reviewed 13 items, 10 of which required action. Item 8 was modified by the Committee, and Item 9 was modified prior to the meeting. Chair NeSmith noted that after much discussion on Tuesday, the Committee had requested a workshop on privatization be scheduled for June 2004. He then updated the Board on the two items pertaining to Southern Polytechnic State University's ("SPSU") potential acquisition of the Life University property, which had been tabled at the April 2004 Board meeting. He reported that a memorandum from Chancellor Meredith dated April 28, 2004, indicated that the staff had reviewed all of the materials relevant to the transaction and had recommended that the Board of Regents not assume the lease commitment to back the institutional foundation's acquisition of the Life University property. The Board accepted the staff recommendation and chose not to move forward with the tabled items. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. **Naming of the Millard E. Agerton Observatory, Georgia Southwestern State University**

Approved: The Board approved the naming of the recently renovated astronomy observatory at Georgia Southwestern State University ("GSSU") the "Millard E. Agerton Observatory" in honor of Dr. Millard E. Agerton.

Understandings: The astronomy observatory, located on the roof of the J. C. Roney Building, was installed in 1971. Dr. Agerton has been a strong advocate of the Astronomy program. He graduated from Georgia Southwestern College (now GSSU) with a general two-year college degree in 1942. His classmates voted him "most intellectual." Dr. Agerton, desiring to recognize outstanding English majors, established an academic scholarship for that purpose. His continued loyalty and support of GSSU was recognized and honored during Homecoming 2001 with the Excellence in Philanthropy Award. He was Professor of Chemistry at GSSU from 1968 to 1979. Since his retirement from his position in 1979, Dr. Agerton has been active in the Preston, Georgia, Presbyterian Church, where his father was pastor for many years.

The observatory sustained significant damage in 1994 as a result of Hurricane Alberto. Upon learning of GSSU's inability to repair the facility due to lack of funding, Dr. Agerton expressed interest in donating funds to renovate the facility. He made an initial donation of \$30,000 to fund the installation of a new observatory dome and the refurbishment of the facility's 14-inch Schmidt-Casse grain reflecting telescope. Upon learning that the total cost for a complete renovation would be approximately \$45,000, Dr. Agerton contributed a second donation of \$15,000, thus providing the full cost of refurbishing the observatory facility.

Since its completion in 2003, the observatory has been heavily used by GSSU's Astronomy students, the Department of Geology and Physics, community members during the recent near-orbit viewing of Mars, as well as the recent NASA exhibit (during which students/visitors were able to view Saturn, Jupiter, and Venus). The educational value and outreach to students and the local community has been outstanding, and these opportunities would not have been possible without the generous donations provided by Dr. Millard E. Agerton.

2. Rental Agreement for Housing, Augusta State University

Approved: The Board authorized the execution of a rental agreement between AUSU Jaguar Student Housing I, LLC, (the "LLC"), Landlord, and the Board of Regents, Tenant, for approximately 508 student housing beds, parking for 540 cars, and a community activity building for the period commencing on the first day of the first month after the LLC obtains a certificate of occupancy for the improvements and ending the following June 30 at a monthly rent not to exceed \$185,793 (\$2,229,516 per year), with options to renew on a year-to-year basis for up to 30 consecutive one-year periods (the total not to exceed 30 years from the date of the certificate of occupancy) at the same rent rate for the use of Augusta State University ("AUSU").

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

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

Understandings: In March 2004, President William A. Bloodworth, Jr. presented to the Board of Regents, as an information item, AUSU's housing plan, which illustrated the need to obtain student housing through a privatization process.

Currently, AUSU does not have student housing. With this approved housing, 8% of the student population can be housed by AUSU in apartment-style accommodations.

At the end of the term of the lease, 23.99 acres of real property, all improvements, and any accumulated capital reserves will become the property of the Board of Regents.

3. Ground Lease and Rental Agreement for Housing, Gordon College

Approved: The Board declared approximately 11.48 acres of real property located on the campus of Gordon College (“GOC”), Barnesville, Georgia, no longer advantageously useful to GOC or other units of the University System of Georgia but only to the extent and for the purpose of allowing this real property to be leased to Gordon College Properties Foundation, LLC (the “Foundation”) for the purpose of constructing and owning student housing for GOC.

The Board authorized the execution of a ground lease between the Board of Regents, Lessor, and the Foundation, Lessee, for the above-referenced approximately 11.48 acres of real property on the campus of GOC, Barnesville, Georgia, for a period not to exceed 27 years (including up to 24 months for construction) with the option to renew for up to an additional 5 years for the purpose of constructing and owning 459 student housing beds and parking for 597 cars.

The Board authorized the execution of a rental agreement between the Foundation, Landlord, and the Board of Regents, Tenant, for 459 student housing beds and parking for 597 cars for the period commencing on the first day of the first month after the Foundation obtains a certificate of occupancy for the improvements and ending the following June 30 at a monthly rent not to exceed \$102,083.33 (\$1,225,000 per year) with options to renew on a year-to-year basis for up to 30 consecutive one-year periods (the total not to exceed 30 years from the date of the certificate of occupancy) at the same rent rate.

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

The Board granted the Foundation a site license for the construction of additional parking for 638 cars.

The terms of these agreements are subject to review and legal approval of the Office of the Attorney General.

Understandings: In October 2003, President Lawrence V. Weill presented to the Board of Regents, as an information item, an update to GOC’s housing plan which illustrated the need to obtain additional student housing through a privatization process. This approved housing will provide apartment-style accommodations for 459 students.

Currently, GOC operates 557 student housing beds with a 100% occupancy rate. Approximately 18% of the students are housed on campus. With this approved housing, approximately 24% of the students will be able to be housed on campus.

At the end of the term of the lease, the land and all improvements and any accumulated capital reserves will become the property of the Board of Regents.

4. Authorization of Project, Barrier Island Research and Learning Center, University of Georgia Marine Institute, Sapelo Island

Approved: The Board authorized Project No. BR-10-0404, “Barrier Island Research and Learning Center (the “BIRL Center”), UGA Marine Institute, Sapelo Island,” University of Georgia (“UGA”), with a total project budget of approximately \$2,300,000 to be funded from the National Oceanographic and Atmospheric Administration, the state Department of Natural Resources, and the UGA Research Foundation, Inc.

Understandings: The UGA Marine Institute at Sapelo Island was founded in 1953 as a research institute and has been a center of near-shore ecological and geological research since its inception.

The mission of the UGA Marine Institute is to understand the processes which affect the condition of the salt marsh and coastline. The goal of the BIRL Center is to restore the educational and outreach capacity of the UGA Marine Institute.

The project involves renovation of some of the existing buildings along with construction of a new facility to include classroom, auditorium space, and dining areas. The estimated construction cost is \$1,500,000.

UGA will work cooperatively with the state Historic Preservation Division to assure that design plans are reviewed at the earliest stages of the project to preserve the historic integrity of the facilities.

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

5. Authorization of Intergovernmental Agreement With Putnam County, University of Georgia

Approved: The Board declared approximately 2.0 acres of real property located on Union Chapel Road in Putnam County, Georgia, to be no longer advantageously useful to the University of Georgia (“UGA”) or other units of the University System of Georgia but only to the extent and for the purpose of allowing this real property to be used by Putnam County for the benefit of UGA.

The Board authorized the execution of an intergovernmental rental agreement between the Board of Regents, Landlord, and Putnam County, Tenant, for the above-referenced approximately 2.0 acres of real property for a 25-year period at an annual rent of \$1.00, with options to renew for five 5-year option periods at the same rent rate.

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

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

Understandings: These 2.0 acres of property are to be used by Putnam County to construct a Fire Station and Recycling Center to serve the Rock Eagle 4-H Center of UGA (the “Center”) and the surrounding community.

In 1955, the United States of America donated to the Board of Regents the Center, which consists of approximately 1,500 acres, for use primarily as a 4H center, subject to reversion if the property is not used for a “public purpose.” The United States Department of Agriculture, acting through its U.S. Forest Service, agrees that the proposed use is a public purpose and will not cause a reversion.

Consideration for this agreement is improved fire protection services to the Center, and access to the recycling center, which will also be used as part of the instructional curriculum. Putnam County will commence construction of the fire station and recycling center within two years and will complete construction within four years. If Putnam County ceases to operate a fire station and recycling center for 60 days, the agreement will be terminated.

A Georgia Environmental Policy Act evaluation indicates no significant environmental impacts, and the project is consistent with the UGA physical master plan.

6. Gift of Real Property, Lovvorn Road, Carrollton, State University of West Georgia

Approved: The Board accepted a gift of approximately 246 acres of real property located on Lovvorn Road, Carrollton, from the City of Carrollton, Georgia, for the use and benefit of State University of West Georgia (“UWG”).

A Consent Order Closure letter from the Georgia Environmental Protection Division will be issued prior to the transfer of the subject property.

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

Understandings: The acquisition of this subject property is consistent with the UWG master plan.

Known encumbrances on the subject property that are to remain are as follows:

- a. Two easements for high-voltage power lines owned and operated by Georgia Power.

- b. Two easements for access and egress to a Georgia Power switching station and to a City of Carrollton sludge press and lift station.
- c. Approximately 19 acres in the southwest corner of the subject property designated as wetlands.

Obligations assumed by UWG in the agreement to acquire the subject property include the following:

- a. To begin construction of parking facilities for 300 to 400 vehicles on the property and to implement a shuttle service to the main campus within 12 months of conveyance of property at an estimated cost of \$500,000.
- b. To begin construction of athletic fields on the property within 24 months of conveyance of property.
- c. To undertake the construction of a public road linking the property to the main campus within ten years of conveyance of property at an estimated cost of \$6.2 million to \$6.9 million.
- d. To participate with the city and county in the construction of an eight-acre lake on the subject property at an undetermined future date.

The appraised value of the property is \$875,000.

7. Acquisition of Real Property, 406 Spencer Street, Barnesville, Gordon College

Approved: The Board authorized the purchase of approximately 1.7969 acres of real property located at 406 Spencer Street, Barnesville, Georgia, from Gordon College Foundation, Inc. (the “Foundation”) for \$159,000 for the use and benefit of Gordon College (“GOC”).

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

Understandings: The Foundation purchased this property for \$159,000 in December 2001. The property contains a one-story wood-frame house (approximately 1,944 square feet) built in 1959, which is in average condition.

The house will be used for enrollment services and admissions during the renovation of Lambdin Hall, after which it will be used for a welcome center and recruitment office.

A Phase I Environmental Assessment indicating no significant environmental issues has been completed.

Three independent appraisals of the property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
Betsy Evans Bernier, Griffin, GA	\$175,000	
Hollie Chapman, Griffin, GA	\$165,000	\$168,000
Gregory P. Westbury, Barnesville, GA	\$164,000	

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

Funding for the purchase of the subject real property is from GOC general operating funds.

8. Revision of The Policy Manual, Section 912, Names of Buildings, Facilities or Streets

Approved: The Board approved revisions to The Policy Manual, Section 912 Names of Buildings, Facilities or Streets, in order to clarify specific processes that University System of Georgia institutions must adhere to when considering naming buildings, facilities, or streets, effective May 19, 2004.

Modified: At the request of Regent Donald M. Leebern, Jr. the Committee modified the fifth paragraph of the policy, changing one word from should to will. This modification is noted in capital letters and italics.

The approved revisions are as follows. Please note that the bold stricken texts represent deletions from the previous version and the bold highlighted text represents additions.

912 NAMES OF ~~BUILDINGS~~, FACILITIES OR STREETS

The Board of Regents considers the naming of a University System facility or street in honor of ~~an~~ **a living or deceased** individual, **corporation, foundation, or organization** to be one of the highest distinctions that it can bestow. In light of the importance and magnitude of this honor, the following policy shall apply to the naming of all ~~physical~~ facilities and streets on all ~~campuses within~~ **property owned or leased by** the University System of Georgia **including facilities constructed by affiliated organizations of the institutions**. The term “~~physical~~ facility” is intended to include buildings of all types, as well as all sports facilities. It is also intended to include all outdoor areas that may not have physical walls but are nonetheless identifiable areas of campus landscape, such as quadrangles, gardens, lakes, recreation fields, etc. **The term “facilities” does not include interior spaces such as rooms, hallways, etc., within buildings and sports facilities. The Board of Regents delegates authority to the institution presidents to name such interior spaces. The Board of Regents will be notified for informational purposes only on any such interior space naming on a timely basis.**

The act of naming a University System facility or street ~~for a person~~ is the conferral of not only a high honor but also a conspicuous honor. It publicly exhibits the judgment and standards of the University System of Georgia and signifies lasting approval of the actions of the ~~person being honored~~ **honoree**. Given the fact that a name may be on display for decades, the task of naming should not be taken lightly. Rather, each institution should carefully consider each name, seek advice, and use the utmost discretion in ensuring that those upon whom such an honor is bestowed are truly worthy ~~of it~~.

In order to allow for the individual being honored to enjoy and take part in the honor when it is bestowed, the Board of Regents will allow facilities and streets to be named after a living individual if the person to be honored has provided outstanding service to the institution, to the nation, or to society, and has served with distinction.

When naming is to honor a **living** person for outstanding and distinguished service as a public servant, that person must have been disassociated from employment by **or service to** the University System or from state or federal government employment for at least two years prior to the naming.

In light of the fact that every institution within the University System is different, “outstanding service” is intended, to a certain extent, to be a flexible standard. Each naming situation must be judged on its own merits after taking into account the facts that are relevant to the person being honored and the institution involved. The president of each institution shall endeavor to ensure that the proposed naming is consistent with the interests of the institution and the University System and that the value of service warrants the action proposed. **All proposed namings WILL be submitted to the Chancellor, or his designee, who shall then submit the recommendations to the Board of Regents for approval.** The Board of Regents must approve the proposed name of a facility or street, **whether to honor an individual, corporation, foundation or organization or to memorialize a deceased individual.** (BR Minutes, 1937-38, p. 71; 1951-52, p. 313; 1977-78, p. 160, 1995-96).

All namings pursuant to this policy should be subject to periodic review to determine that the naming continues to be consistent with the interest of the institution as described in The Policy Manual.

Since naming often occurs in recognition of a gift or commitment to an institution, institutions will develop guidelines for naming opportunities covered by Board of Regents policy at their campuses, including appropriate financial commitments corresponding to such naming opportunities. These guidelines will be submitted to the Board of Regents for review.

9. Revision to Ground Leases and Rental Agreements for Housing, Valdosta State University

Approved: The Board revised the rental agreements approved by the Board in April 2004 to change the rent amounts as follows.

Modified: This item was modified prior to the Committee meeting. Please note that the bold stricken texts represent deletions from the previous version and the bold italicized texts represent additions.

	<u>April 2004</u> <u>Approval</u>	<u>Revised</u> <u>Rent Amount</u>	
Sustella Phase I & II	\$162,038	\$211,985	<i>\$144,708</i>
Lowndes Hall	60,807	—40,849	<i>56,710</i>
Patterson Hall	<u>87,719</u>	—57,577	<i><u>82,132</u></i>
Total	\$310,564	\$310,411	<i>\$283,550</i>

The Board revised the Sustella rental agreement approved by the Board in April 2004 to include options to renew on a year-to-year basis for up to 31 consecutive one-year periods (not to exceed 30 years from the date of the certificate of occupancy for Phase II of an additional approximately 170 beds of student housing) at the same rent rate.

The Board revised each of the ~~three~~ rental agreements *for Lowndes Hall and Patterson Hall* approved by the Board in April 2004 be renewed on a year-to-year basis for up to 30 consecutive one-year periods (the total not to exceed 30 years from the date of the certificate of occupancy) at the same rent rate.

The Board revised each of the three ground leases approved by the Board in April 2004 to authorize an option to renew for up to an additional five years.

Understandings: All the remaining terms of the agreements as approved by the Board in April 2004 remain in effect.

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

Approved: The Board revised the ground lease approved by the Board in March 2004 to be for a period not to exceed 25 years.

The Board also revised the rental agreement approved by the Board in March 2004 to change the number of option periods from 19 consecutive one-year periods to up to 25 consecutive one-year periods (the total not to exceed 25 years from the date of the certificate of occupancy) at the same rent rate.

The Board also revised the rental agreement approved by the Board in March 2004 to change the not to exceed rent amount from \$18,750 per month to \$27,083.33 per month.

Understandings: Operating expenses are estimated to be \$250,000 per year. All the remaining terms of the agreements as approved by the Board in March 2004 remain in effect.

11. Information Item: Master Plan Presentation, Valdosta State University

President Ronald M. Zaccari of Valdosta State University (“VSU”) and planning consultant Walt Miller of John Portman Associates presented information to the Committee concerning the VSU master plan. Highlights of the presentation included the following:

- VSU has a rich history that is reflected in the quality and distinctiveness of the campus grounds and Spanish mission architecture.
- VSU’s enrollment growth has averaged 6% annually for the last three years, with a significant increase in enrollment from the metropolitan Atlanta area. Given the recent 6% per year enrollment growth, the master plan projects a conservative increase in enrollment of 4% per year through 2014. At that rate, total student enrollment would reach 16,200 over the next ten years.
- That degree of growth would lead to the need for 40% more classroom space and 53% more lab space than is currently available.
- VSU’s goal identified through the master planning process is to increase the percentage of students housed on campus. This is especially critical given the growing population of students from metropolitan Atlanta. The campus currently has space to house approximately 18% of VSU’s enrollment. To increase this proportion to 20% by 2014 will require 1,458 new beds.
- The total net acreage available to VSU is 169. Beyond the Sunset Park area where the new student housing is being constructed, the North Campus offers the most suitable available land for development of new academic buildings or student residences.
- The master plan will create a pedestrian campus with vehicular traffic flowing around the periphery. Given the need to use available land in the most effective and efficient manner, the university must consider the construction of decks rather than large surface lots to accommodate parking needs.
- The university has an opportunity to take advantage of sector planning that will bring related disciplines together in close proximity. The plan envisions sectors that support: the arts and sciences core, education, fine arts, business, health sciences, and recreation. The health sciences and education sectors offer the unique possibility of creating special space where students are housed and where they also can pursue internships and field experiences adjacent to their major classroom buildings.
- The centerpiece of the health sciences sector and the university’s top capital priority for new academic construction is a facility that will unite VSU’s widely dispersed health-related

disciplines (nursing, communication disorders, sports medicine and exercise science, marriage and family therapy, and social work) under one roof.

12. Information Item: Housing Plan Presentation, Fort Valley State University

President Kofi Lomotey of Fort Valley State University (“FVSU”) presented information to the Committee concerning FVSU’s comprehensive housing plan. Highlights of the presentation included the following:

- In support of its statewide mission, FVSU has a historical residential mission that over the years has been a key to enhancing academic achievement and helps in the areas of recruitment and retention. FVSU draws students from 130 of Georgia’s 159 counties, 30 states and 10 other states and 10 international countries.
- FVSU anticipates a residential requirement for all freshmen, which make up 39% of the student population. FVSU anticipates that 60% of the student body will be housed on campus through development of the student housing plan.
- FVSU has a current enrollment of 2,537 students. Although enrollment growth has been negative since the mid 1990s, 2003 and 2004 enrollments have shown an upward trend. FVSU currently has an existing student housing count of 985 student beds in 6 dormitories. Due to the age and deterioration of the buildings, four of the six dormitories are slated for demolition and one is slated for renovation.
- Based upon a student survey conducted by FVSU, double occupancy suites and some single occupancy suites, are preferred.
- The new student housing plan provides a net addition of 1,128 beds in three phases of development.
- President Lomotey presented an implementation strategy along with an action plan outlining development.

13. Information Item: Student Center Project, Augusta State University

President William A. Bloodworth, Jr. of Augusta State University (“AUSU”) presented information concerning AUSU’s proposed plan to build a new student activities center on Board of Regents property as a privatized project through the AUSU foundation. Highlights of the presentation included the following:

- Washington Hall, which was built in 1941 to serve the military purposes of the U.S. arsenal, is currently serving as the student activities center but is ill suited for that use.
- AUSU has included a new student center as part of its facilities master plan since 1997. The new master plan, completed in 2004, determined that an appropriate site for a new student activities center would be at the center of campus adjacent to the library.

- President Bloodworth met with the student senate to discuss the possibilities of building a new student activities center as a privatized project. The student senate recommended a \$45 per semester fee, which is not covered by the HOPE Scholarship Program, and asked that the project start as soon as possible.
- The total cost of the project will be less than \$15 million, and the project will encompass approximately 60,000 square feet.
- AUSU has advertised for, interviewed, and selected the project manager, architect, underwriter, bond counsel, and contractor for the project.
- It is anticipated that bonds will be sold in fall 2004, construction will begin in December 2004, and student fees will be collected starting in January 2005.

COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs met on Tuesday, May 18, 2004, at approximately 2:10 p.m. in room 6041, the Training Room. Committee members in attendance were Chair William H. Cleveland, Vice Chair Wanda Yancey Rodwell, and Regents W. Mansfield Jennings, Jr., James R. Jolly, Elridge W. McMillan, Doreen Stiles Poitevint, and Joel O. Wooten, Jr. Board Chair Joe Frank Harris was also in attendance. Chair Cleveland reported to the Board that the Committee had reviewed 16 items, 11 of which required action. Additionally, 197 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 a Master of Education in Curriculum and Instruction, Armstrong Atlantic State University

Approved: The Board approved the request of President Thomas Z. Jones that Armstrong Atlantic State University (“AASU”) be authorized to establish a Master of Education (“M.Ed.”) in Curriculum and Instruction, effective May 19, 2004.

Abstract: The Master of Education in Curriculum and Instruction is designed to provide advanced pedagogy and content concentrations in English, Mathematics, Science, History, Music, Spanish, and Health and Physical Education. The degree replaces current M.Ed. degrees in English, Mathematics, Broad-Field Science, and Broad-Field Social Science, and expands student opportunities to earn degrees in the P-12 certification areas of Art, Music, Spanish, and Health and Physical Education.

Need: Demographic data demonstrate that over 50% of the teachers in AASU’s 11-county service region do not currently have graduate degrees. Thus, this degree will provide an avenue for those teachers to earn a quality master’s degree.

Objectives: The objectives of the program include providing advanced levels of knowledge and

proficiency in teaching in the content discipline, pedagogy, and learning theory, and expertise in offering appropriate opportunities to students representing diverse cultural and academic backgrounds. Other competencies will include skills in assessment and data analysis.

Curriculum: The 30-semester-hour program will offer concentrations in English, Mathematics, History, Science, Art, Music, Spanish, and Health and Physical Education. The degree will consist of 9 hours of foundation courses, 18 hours of content courses, and a 3-hour capstone course designed as a field-based research project/thesis.

Projected Enrollment: The institution anticipates enrollments of 50, 60, and 70 during the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution in addition to establishing new courses. President Jones has provided reverification that funding for the program is available at the institution.

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

2. Establishment of a Doctor of Physical Therapy, Georgia State University

Approved: The Board approved the request of President Carl V. Patton that Georgia State University ("GSU") be authorized to establish a Doctor of Physical Therapy, effective May 19, 2004.

Abstract: GSU proposed the establishment of a Doctor of Physical Therapy ("D.P.T.") degree to meet the healthcare needs of Georgians and enhance the current Master of Physical Therapy ("M.P.T.") degree with a clinical doctorate in the discipline. The D.P.T. degree first appeared within the profession in 1992. Since that time, many institutions have converted existing master's level degrees to D.P.T. degrees. Currently, 11 other professions (architecture, dentistry, education, engineering, journalism, law, library science, medicine, nursing, pharmacy, and social work) provide entry-level professional degrees.

Need: According to the Commission on Accreditation of Physical Therapy, 209 accredited and developing physical therapy programs exist. As of December 2003, 90 programs were accredited to award the D.P.T. degree (43%) and another 83 programs had documented the intent to convert to the D.P.T. It is projected that 83% of physical therapy educational programs will offer a D.P.T. degree by academic year 2005-2006. The D.P.T. is a professional clinical degree representing initial preparation for practice. The Department of Physical Therapy has been in existence since 1972 and has graduated 1,000 students.

Objectives: The D.P.T.'s primary objective is to provide the theoretical and technical knowledge, the reflective and practical knowledge, and competencies to prepare a practitioner able to respond to the complexities of current practice.

Curriculum: Prerequisite coursework will remain the same as it is for the current M.P.T. program. New coursework has been added through the curriculum, and an additional 30 credit hours and one semester have been added to convert the M.P.T. program. Additional course offerings include pharmacology, medical pathophysiology, lifespan development, and differential diagnosis.

Projected Enrollment: The number of students will be similar to those that GSU has had over the past five years and will continue at approximately 40 students per cohort.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution in addition to establishing new courses. President Patton has provided reverification that funding for the program is available at the institution.

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

3. Establishment of an Alternative Preparation Program for the Existing Master of Education With a Major in Middle Childhood Education, Georgia State University

Approved: The Board approved the request of President Carl V. Patton that Georgia State University ("GSU") be authorized to establish an alternative preparation program for the existing Master of Education ("M.Ed.") with a major in Middle Childhood Education, effective May 19, 2004.

Abstract: The alternative preparation program for the existing M.Ed. with a major in Middle Childhood Education is designed to provide initial teacher preparation for individuals holding bachelor's degrees who have an interest in teaching students in grades four through eight in either Language Arts and Social Studies Education or in Mathematics and Science Education. Students completing this program will be eligible for Georgia initial certification after earning passing grades on the Praxis II Assessments for Middle Childhood Education.

Need: A needs assessment of former, current, and prospective students has indicated a desire for an alternative teacher preparation program in Middle Childhood Education.

Objectives: The objective of the program is to provide an alternative teacher preparation program for students already holding a bachelor's degree to pursue teacher certification at the master's level.

The program is committed to the development of culturally responsive educators committed to teaching in urban environments.

Curriculum: The 45-semester-hour program will offer concentrations in Language Arts and Social Studies Education or Mathematics and Science Education. Courses in the program will focus on teaching diverse learners, teaching with technology, and the analysis of data related to student achievement.

Projected Enrollment: The institution anticipates enrollments of 24 to 30 students annually during the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution. President Patton via Provost Ronald Henry has provided reverification that funding for the program is available at the institution.

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

4. Establishment of an Alternative Preparation Program for the Existing Master of Education With a Major in Reading, Language, and Literacy, Georgia State University

Approved: The Board approved the request of President Carl V. Patton that Georgia State University ("GSU") be authorized to establish an alternative preparation program for the existing Master of Education ("M.Ed.") in Reading, Language, and Literacy, effective May 19, 2004.

Abstract: The alternative preparation program for the existing M.Ed. in Reading, Language, and Literacy is designed to provide initial teacher preparation for individuals holding bachelor's degrees who have an interest in teaching English to speakers of other languages ("ESOL") in K-12 settings. This course of study meets the requirements for professional certification at the initial level in ESOL and the requirements for a Reading Endorsement.

Need: A needs assessment of former, current, and prospective students has indicated a desire for an alternative preparation program in Reading, Language, and Literacy.

Objectives: The objective of the program is to provide an alternative preparation program for students already holding a bachelor's degree to pursue certification at the master's level. The program is committed to the development of culturally responsive educators committed to teaching speakers of other languages.

Curriculum: This 45-semester-hour program will offer concentrations in research, pedagogy, linguistics, socio-linguistics, grammar, literacy, and ESOL. Courses in the program will focus on teaching diverse learners and intercultural communication.

Projected Enrollment: The institution anticipates enrollments of 24 to 30 students annually during the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution. President Patton via Provost Ronald Henry has provided reverification that funding for the program is available at the institution.

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

5. Establishment of a Major in Mathematics Under the Bachelor of Science, Clayton College & State University

Approved: The Board approved the request of President Thomas K. Harden that Clayton College & State University ("CCSU") be authorized to establish a major in Mathematics under the Bachelor of Science, effective May 19, 2004.

Abstract: CCSU sought approval to establish a major in Mathematics under the existing Bachelor of Science degree. Expansion of baccalaureate programming has been a central academic affairs priority since the Systemwide mission redevelopment process of 1996. It has been reflected in CCSU's institutional 1997 strategic plan, presidential search documents in 2000, and in annual reports and unit planning documents.

Need: The shortage of college students with technical training and the resulting concerns have been documented in the report of the National Commission on Mathematics and Science Teaching for the 21st Century. According to the Bureau of Labor Statistics, employment of students with advanced degrees in mathematics is expected to decline by about 2% through 2010. Employment opportunities for mathematical scientists and technicians are expected to rise by about 6% through 2010, while employment opportunities for all computer and mathematical occupations are expected to rise by nearly 60%.

Objectives: The goal of the program is to prepare students in the Southern Crescent for careers in industries that utilize mathematics and/or computer science expertise. The students will have a solid foundation in mathematics while at the same time applying theory through classroom projects and presentations.

Curriculum: The 120-semester-hour program will include upper-level courses in applied statistics, partial differential equations, and numerical methods.

Projected Enrollment: The institution anticipates enrollments of 20, 25, and 30 during the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution in addition to establishing new courses. President Harden has provided reverification that funding for the program is available at the institution.

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

6. Establishment of a Major in English Under the Bachelor of Arts, Clayton College & State University

Approved: The Board approved the request of President Thomas K. Harden that Clayton College & State University ("CCSU") be authorized to establish a major in English under the Bachelor of Arts, effective May 19, 2004.

Abstract: CCSU sought approval to establish a major in English under the existing Bachelor of Arts degree. The major will include concentrations in Literature and Writing. The addition of the program is consistent with CCSU's strategic plan. The track in Literature is for students who intend to pursue graduate degrees in literature, either in preparation for teaching or for other personal or professional goals. The track in Writing is for students seeking advanced preparation for careers requiring high levels of skill in written communication.

Need: Based on state occupational projections, Georgia ranks third nationally in the projected growth rate of writing and editing jobs through 2003 and it ranks eighth in the total number of expected openings. The Georgia Department of Labor projects impressive growth through 2010 in the following occupations: writers and authors (68% increase), writers and editors (73% increase), and technical writers (54% increase).

Objectives: The objectives of the proposed major are 1) to enhance preparation of students for graduate study; 2) to provide content and discipline foundation for careers in education, media, public relations, writing/editing, and others; and 3) to enhance students' critical thinking skills through detailed, intensive analysis and evaluation of texts and other research materials.

Curriculum: The program requires 120 semester hours of coursework. The Writing track will include upper-level courses in professional and technical writing, writing for digital media, and writing and editing for mass media. The Literature track will include upper-level courses in medieval and early modern literature, modern fiction, and literature and society.

Projected Enrollment: The institution anticipates enrollments of 30, 70, and 95 during the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution in addition to establishing new courses. President Harden has provided reverification that funding for the program is available at the institution.

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

7. Establishment of a Major in Philosophy Under the Bachelor of Arts, Georgia College & State University

Approved: The Board approved the request of President Dorothy Leland that Georgia College & State University ("GCSU") be authorized to establish a major in Philosophy under the Bachelor of Arts, effective May 19, 2004.

Abstract: GCSU sought approval to establish a major in Philosophy under the existing Bachelor of Arts degree. The program was developed based on the institution's liberal arts mission. Philosophy is one of the few academic disciplines that has a principle goal of analysis of argumentation and the rational study of morality. In addition, the major will investigate the nature of civic responsibility and individual ethics. The focus of the program will be on the teaching of strong critical reasoning skills, the history of philosophy, the study of ethics, and social and political philosophy. The Philosophy program will also have a role in the core curriculum through the interdisciplinary course, Ethics and Society.

Need: A Philosophy major is essential to the mission of the college. A Philosophy major will provide students with a model of rational deliberation, well-reasoned argumentation, and an understanding of the history of ideas.

Objectives: The objectives of the Philosophy major will be to develop students' critical thinking skills, 2) to develop students' writing skills, 3) to develop students' understanding of a wide variety of philosophical traditions, 4) to teach the basic principles of logic, and 5) to develop students' ability to think critically about individual ethical choices and the social and political issues of our society.

Curriculum: The 120-semester-hour program will include upper-level courses in social and political philosophy, epistemology, ethical theory, and philosophy of art.

Projected Enrollment: The institution anticipates enrollments of 8, 20, and 28 during the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution in addition to establishing new courses. President Leland has provided reverification that funding for the program is available at the institution.

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

8. Establishment of a Master of Music in Performance, Valdosta State University

Recommended: That the Board approve the request of President Ronald M. Zaccari that Valdosta State University ("VSU") be authorized to establish a Master of Music in Performance, effective May 19, 2004.

Abstract: VSU seeks to establish a Master of Music in Performance. It is a non-thesis master's degree program that would provide an opportunity for accomplished musicians in the VSU area to pursue an advanced level of study and enhance their performance skills.

Need: The Master of Music in Performance offers an option to talented musicians in the region. Currently, no other performance degree at the graduate level is offered within the 41-county region served by VSU. The growing number of professional orchestras, including Albany, Macon, and Central Florida, indicates an increased need for professional-level players. Conductors of various non-school ensembles would benefit from the proposed conducting track. Music educators who already hold a master's degree in music education would benefit from pursuing a second master's degree. It is customary to find similar programs by institutions that are member schools of the National Association of Schools of Music.

Objectives: The primary purpose of the Master of Music in Performance is the preparation of musicians for professional playing, conducting, and/or studio teaching. Graduates will enhance and increase performance skills to an advanced level, build depth in academic and research aspects of music, and further develop pedagogical skills.

Curriculum: The 36-semester-hour program requires courses in music theory, music history, and music research, and bibliography. Music ensemble courses include Chamber Singers, Opera/Musical Theatre, Orchestra, Jazz Combo, and Concert Band.

Projected Enrollment: The institution anticipates enrollments of 4, 10, and 12 during the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution in addition to establishing new courses. President Zaccari has provided reverification that funding for the program is available at the institution.

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

9. Establishment of an External Registered Nurse to Bachelor of Science in Nursing Online Program, Georgia Southwestern State University

Approved: The Board approved the request of President Michael L. Hanes that Georgia Southwestern State University ("GSSU") be authorized to establish an external Registered Nurse ("R.N.") to Bachelor of Science in Nursing ("B.S.N.") online program, effective May 19, 2004.

Abstract: GSSU sought to offer an external R.N.-to-B.S.N. online program to meet area health-related professional needs. GSSU currently offers over 50% of its courses online, including the eCore[®]. Rural nurses in Southwest Georgia have difficulty traveling to campus for courses and have requested programmatic options. The program was developed in response to requests from the healthcare community, potential students, and current students within the southwestern portion of Georgia.

Need: Reports by the Healthcare Workforce Policy Advisory Committee of the Georgia Department of Community Health (2003, 2002) indicate that the current shortage of R.N.s in Georgia is 7%. This percentage is expected to increase to over 30% by 2010 and 40% by 2020. It is projected that in Georgia, an estimated 30,000 new and replacement full-time equivalent R.N.s will be needed by 2010 to meet the existing and emerging demands of the state. Further compounding the current and projected shortage is the expanding need in the U.S. healthcare system for nurses with baccalaureate or higher degrees. A nurse with a B.S.N. degree is well-prepared to meet the demands of today's nurse and brings skills to the clinical setting that include case management and the ability to practice across a variety of inpatient and outpatient settings.

Objectives and Curriculum: In this nursing program, core requirements are the same for generic students and R.N.-to-B.S.N. students. All students have the option of taking eCore[®] courses. The

cohort of R.N.s entering the program having completed the core requirements will have multiple scheduling options for completion of the program. Courses will be offered via WebCT and other electronic delivery methods. Clinical preceptors will be utilized in courses that have a clinical lab component. A nursing faculty member will serve as coordinator for the online etrack option.

Projected Enrollment: The institution anticipates enrollments of 35, 40, and 45 during the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution in addition to establishing new courses. President Hanes has provided reverification that funding for the program is available at the institution.

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

10. Establishment of the WebBAS in Technology Management, Albany State University, Dalton State College, and Georgia Southwestern State University

Approved: The Board approved the request of Presidents Portia H. Shields, James A. Burran, and Michael L. Hanes, that Albany State University ("ALSU"), Dalton State College ("DSC"), and Georgia Southwestern State University ("GSSU") be authorized to establish a Web Bachelor of Applied Science ("WebBAS") in Technology Management to be delivered online, effective May 19, 2004.

Abstract: The three consortium institutions proposed the establishment of the WebBAS in Technology Management, which requires the satisfactory completion of a terminal associate degree in a technology-specific area (for example, Associate of Applied Science, Associate of Applied Technology, or equivalent degree) before admission. The WebBAS in Technology Management will create an opportunity for students with appropriate terminal, two-year degrees to continue their education to a baccalaureate degree. The program provides a set of lower-division "bridge" courses to transition the student from a two-year terminal degree to the baccalaureate in technology management.

Need: Bachelor of applied science ("B.A.S.") programs are the vehicle of baccalaureate-level cooperation between institutions of the University System of Georgia and the Department of Technical and Adult Education ("DTAE") technical colleges. The percentage of DTAE students graduating with two-year degrees who choose to continue their education has steadily increased over the last four years from 8% in 2000 to 19% in 2003. B.A.S. programs are best suited to meet the needs of these students. The WebBAS in Technology Management will provide the flexibility required by these students as well as those Georgians who live too far from campus-based B.A.S.

programs. The potential of the WebBAS to increase the number of Georgians earning a four-year degree is significant.

Objectives: The purposes of the WebBAS in Technology Management are to: 1) produce graduates recognized by employers as having a current and comprehensive background in applied technology management, 2) prepare and motivate associate-level students to pursue lifelong learning and continuing education, 3) maximize the resources of the University System and the participating institutions by distributing course development and teaching responsibilities, and 4) contribute to Georgia's workforce development by providing DTAE and other terminal associate-degree graduates a seamless articulation to a baccalaureate degree. The essential goal of the program is to produce graduates with the knowledge, skills, and abilities to meet the needs of Georgia employers. B.A.S. graduates typically use the knowledge gained in the B.A.S. program to become managers in the technical content area studied in their two-year programs.

Curriculum: All three institutions collaborating on the WebBAS program will enroll students and offer courses. DSC and GSSU are currently authorized to award the degree. Pending full program review and authorization, ALSU will be approved to award the degree.

To enter the WebBAS, students must have completed an associate of applied science or associate of applied technology degree or its equivalent. They must then complete any remaining courses in Areas A-E of the University System core curriculum. These courses are available online through eCore[®]. Students may complete an Area F from an approved business or technology major before entering the WebBAS, or they may take the WebBAS bridge courses (12 credit hours) online. They will then enter the WebBAS upper-division technology management core courses (39 credit hours). The courses to be developed as part of the WebBAS include the WebBAS bridge and the technology management core, a total of 51 hours of coursework.

Program Administration: A 0.33 full-time equivalent ("FTE") project director and a 0.33 FTE administrative assistant will be employed by the consortium to provide support for faculty and staff developing and teaching courses as well as to coordinate assigned activities between and among the participating institutions. These individuals will report directly to the WebBAS advisory council made up of the deans/chairs of the school, department, or division where the WebBAS is housed.

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

Funding: The presidents of the three participating institutions have reverified that there is sufficient internal funding to supplement \$214,500 in start-up funding provided by the University System to allow for the development and implementation of the WebBAS. The program proposal budget shows the program will be self-sufficient in its third year of operation. The \$200 per credit hour tuition rate is within the range allowable by Board policy for distance learning courses and programs.

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

11. 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.

12. Revision of The Policy Manual, Section 306.01 Creation of Academic Programs

Approved: The Board approved revisions to Section 306.01 Creation of Academic Programs of The Policy Manual in order to develop Systemwide guidelines for the establishment of certificates, effective May 19, 2004.

The approved revisions are as follows. Please note that the strike-through texts represent deletions from the previous version and highlighted texts represent additions.

306 CREATION AND ELIMINATION OF ACADEMIC PROGRAMS

306.01 CREATION OF ACADEMIC PROGRAMS

New degree programs or new major programs of academic work shall not be added to curricula of an institution unless recommended by the president of the institution concerned, the Chancellor, and the Committee on ~~Education, Research and Extension~~ **Academic Affairs** and approved by the Board. Ph.D. programs shall be limited to research universities (BR Minutes, 1954-55, pp. 102-03; July, 1996, p. 17).

Programs that provide academic credit but award certificates rather than degrees must be approved based on guidelines issued by the Chancellor. These guidelines will be provided to the presidents and chief academic officers by the Chancellor.

306.02 TERMINATION OF ACADEMIC PROGRAMS

The termination of educational programs, degrees, or majors shall be submitted to the Chancellor for review and recommendation for action by the Board of Regents; Subsequent reinstatement of a program must be submitted as a proposal for a new program (see Section 306.01).

A temporary suspension of an educational program, degree, or major may be approved by a president for a period not to exceed two academic years to allow for program review, to consider enrollment problems, to deal with faculty shortages, or for other similar reasons. The imposition and removal of a temporary suspension shall be reported to the Chancellor.

13. Merger of Existing Master of Science Majors in Medical Microbiology and Parasitology into the Master of Science With a Major in Infectious Diseases and Merger of Existing Doctor of Philosophy Majors in Medical Microbiology and Parasitology into the Doctor of Philosophy With a Major in Infectious Diseases, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to merge existing Master of Science majors in Medical Microbiology and Parasitology into the Master of Science with a major in Infectious Diseases and merge existing Doctor of Philosophy majors in Medical Microbiology and Parasitology into the Doctor of Philosophy with a major in Infectious Diseases, effective May 19, 2004.

Abstract: UGA sought approval to consolidate two majors that are currently offered under the master’s and doctoral level degrees (Medical Microbiology and Parasitology) to one major under each degree, a major in Infectious Diseases. The request emanates from UGA’s College of Veterinary Medicine.

UGA’s request to merge the existing majors as one major offered under both degrees, Master of Science and Doctor of Philosophy, was a result of the following: 1) the desire to forge a new identity that better represents the research and teaching focus of infectious diseases, 2) using the new name as a method to enhance intra-departmental cooperation, and 3) combining the redundant business, research, and educational functions and staffs of the former departments under a single departmental and programmatic name and command structure within the College of Veterinary Medicine. The consolidation of the majors in Medical Microbiology and Parasitology will not have an adverse impact on faculty or students. The department voted to formalize this request. The resultant degree nomenclature will read “Master of Science with a major in Infectious Diseases” and “Doctor of Philosophy with a major in Infectious Diseases.”

14. Termination of Majors in Medical Microbiology and Parasitology Under the Master of Science and Doctor of Philosophy Degrees, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to terminate majors in Medical Microbiology and Parasitology under the Master of Science and Doctor of Philosophy degrees, effective May 19, 2004.

Abstract: UGA seeks to terminate majors in Medical Microbiology and Parasitology offered under the Master of Science and Doctor of Philosophy degrees within the College of Veterinary Medicine. Consistent with UGA’s request to consolidate these majors into one major, namely Infectious Diseases, the institution seeks to terminate the existing four separate majors (two under each degree level) in order to fully unify the Department of Infectious Diseases in terms of name and programmatic offerings. Termination of the majors will not affect the curriculum, the available courses, or advisement offered to students. UGA seeks approval to terminate the majors and consolidate in order to remove redundancies and enhance departmental effectiveness.

15. Reorganization of Institutional Units, Clayton College & State University

Approved: The Board approved the request of President Thomas K. Harden that Clayton College & State University (“CCSU”) be authorized to reorganize institutional units, effective May 19, 2004.

Abstract: CCSU sought approval to reorganize specific institutional units and associated reporting requirements. CCSU also sought to convert the position of Executive Director and Dean of Continuing Education and Community Outreach to the position of Assistant Vice President for Extended Programs. The position will report directly to the provost rather than the president. The change in reporting structure is based on the revised role of the assistant vice president for extended programs. The position was modified to include the coordination of credit and non-credit programming at CCSU’s off-campus sites.

CCSU sought to add the position of Executive Director of Budget and Finance to its administrative structure. The Executive Director of Budget and Finance position was created to address the operational and strategic functions of CCSU’s Business Services Unit. Responsibilities of the function include line management of accounting, budgets, bursar, and grants and contracts offices. In addition to the aforementioned responsibilities, the position requires attentiveness to and rectification of institutional audit findings. The position will report directly to the president.

CCSU also sought to rename the position of Vice President of Operations, Planning & Budgeting to Vice President of Operations. The new title reflects the actual remaining functions in the division. The Division of Operations, Planning, and Budgeting will be renamed the Division of Operations.

16. Information Item: Service Agreements

Pursuant to authority granted by the Board at its meeting on February 7 and 8, 1984, the presidents

of the listed institutions have executed service agreements with the indicated agencies for the purposes and periods designated, with the institutions to receive payment as indicated:

Georgia State University

Georgia Department of Human Resources Evaluate technical assistance and professional development services provided through the Advancing Careers through Education and Training Project	12/1/03 – 10/31/04	\$249,870
Georgia Cancer Coalition Identify/provide key resource personnel to devise and inform the planning process, as well as enable data collection, data analysis, and report writing	10/31/03 - 12/31/03	\$30,670
Georgia Department of Human Resources Enhance projections of caseload growth for clients using Temporary Assistance for Needy Families across state	1/1/04 – 12/31/04	\$17,169
Atlanta Urban Design Commission Obtain assistance of research foundation for the performance of certain work and/or the provision of services related to the City of Atlanta Comprehensive Historic Resource Survey	1/1/04 – 12/31/06	\$20,000
Georgia Humanities Council Establish conversations among Partners in Learning and annual lecture series, making the English Department at Georgia State University into a center for English instruction	1/1/04 – 12/31/04	\$2,500
Georgia Cancer Coalition Study mechanism and regulation of gene expression in cancer development	8/1/03 – 7/31/04	\$100,000
Georgia Learning Resources System Provide effective behavioral and instructional support	9/1/03 – 8/31/04	\$24,000
Georgia Department of Human Resources Evaluate collaborative effort between Georgia and South Carolina to address cross jurisdiction obstacles which hinder timely permanency for children in foster care	9/15/03 – 2/29/04	\$7,500
Georgia Department of Education Provide training to school administrators and facilitators in three districts on how to schedule and maximize special education resources through co-teaching and collaborative model	2/1/04 – 6/30/04	\$131,922

University of Georgia

Georgia Commodity Commission for Corn Compare weed management strategies for Texas Panicum control in field corn	7/1/03 – 6/30/04	\$5,500
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Georgia Department of Education Train regular education teachers and other school system personnel in special education issues to effectively meet the needs of students who are at risk and who have disabilities in the regular classroom setting	8/14/03 – 6/30/04	\$144,725
Georgia Department of Education Assist department in gathering and reporting information about use and satisfaction with supplemental education services and providers, required by federal legislation for Title I schools not making adequate yearly progress in student achievement measures	11/15/03 – 6/30/04	\$75,000
Georgia Department of Education Research, design, and implement an orientation for technology education teachers to learn to use the student assessment system and further meet the No Child Left Behind mandates for collection of data to show student effectiveness	2/2/04 – 7/1/04	\$11,693
Georgia Department of Transportation Provide more thorough understanding of the physiological processes driving deer behavior, which may aid in the successful development and implementation of technologies designed to minimize the incidence of deer-vehicle collisions	2/4/04 – 2/3/07	\$293,766
Georgia Vocational Staff Development Through the Preparation Academy for Career and Technical Educators, recruit, train, support, and retain highly skilled mid-career professionals who seek to enter into the career and technical education teaching profession	7/1/04 - 6/30/05	\$34,500
Georgia Humanities Council Offer teacher seminar to addresses citizenship, participation, and responsibility while offering Georgia teachers the opportunity to obtain two staff development unit credits while improving knowledge and skills in civic education	1/1/04 – 10/31/04	\$7,600
Governor's Office of Highway Safety Develop and implement process whereby the data related to office-funded programs during fiscal year 2004 will be compiled and analyzed	12/15/03 – 9/30/04	\$7,700

TOTAL AMOUNT – May	\$ 1,164,115
TOTAL AMOUNT FY 2004 TO DATE	\$ 129,854,068
TOTAL AMOUNT FY 2003 TO MAY	\$ 25,241,157
TOTAL AMOUNT FY 2003	\$ 25,349,678

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, May 19, 2004, at approximately 2:45 p.m. in room 7019, the Chancellor's Conference Room. Committee members in attendance were Chair Joel O. Wooten, Jr., Vice Chair Elridge W. McMillan, and Regents William H. Cleveland, W. Mansfield Jennings, Jr., James R. Jolly, Doreen Stiles Poitevint, and Wanda Yancey Rodwell. Chair Wooten reported to the Board on Wednesday that the Committee had reviewed seven items, all of which required action. Item 1 included 20 applications for review; of these, 16 were denied, 1 was granted and referred to the State Office of Administrative Hearings, and 3 were continued. In accordance with H.B. 278, Section 3 (Amending O.C.G.A. § 50-14-4), an affidavit regarding this Executive Session is on file with the Chancellor's Office. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Applications for Review

- a. In the matter of Donald Hendon, a former employee of Columbus State University, concerning termination, the application for review was denied.
- b. In the matter of Kenneth Clark, an employee of Fort Valley State University, concerning suspension, the application for review was denied.
- c. In the matter of Nathaniel Goodloe, a former employee of the Georgia Institute of Technology, concerning termination, the application for review was denied.
- d. In the matter of Judy Purnell, an employee of Columbus State University, concerning the decision not to recommend her for promotion and tenure, the application for review was granted and referred to the State Office of Administrative Hearings.
- e. In the matter of Douglas Williams, an employee of the Georgia Institute of Technology, concerning suspension, the application for review was denied.
- f. In the matter of file #1671 at the University of Georgia, concerning academic renewal, the application for review was denied.
- g. In the matter of Mary Crowder, a former employee of the Georgia Institute of Technology, concerning her position elimination, the application for review was denied.
- h. In the matter of Shirley Meyers, an employee of the Georgia Institute of Technology, concerning the elimination of her position, the application for review was denied.

- i. In the matter of Geraldine Pringle, an employee of Georgia Perimeter College, concerning the denial of promotion, the application for review was denied.
- j. In the matter of Robert Fuller, an employee of North Georgia College & State University, concerning the denial of promotion, the application for review was continued pending further investigation.
- k. In the matter of Ama Ohene-Bekoe, an employee of Atlanta Metropolitan College, concerning her termination, the application for review was denied.
- l. In the matter of Sandra Coleman, an employee of Georgia Southern University, concerning her termination, the application for review was denied.
- m. In the matter of Samantha Jackson, an employee of the Medical College of Georgia, concerning her termination, the application for review was denied.
- n. In the matter of Dr. Katrina Tobin, an employee of Gordon College, concerning her termination, the application for review was continued pending settlement discussions.
- o. In the matter of Kimberly Lowe, an employee of Kennesaw State University, concerning her disciplinary suspension as a result of Regents' Test irregularities, the application for review was denied.
- p. In the matter of Michael Moore, an employee of Fort Valley State University, concerning the president's decision to relieve him of coaching duties, the application for review was denied.
- q. In the matter of Sharon Barrs, an employee of Georgia Southern University, concerning the decision not to recommend her for tenure, the application for review was denied.
- r. In the matter of Evelyn Towns, an employee of the Georgia Institute of Technology, concerning the elimination of her position, the application for review was denied.
- s. In the matter of David Lickteig, an employee of Georgia Southern University, concerning the failure to recommend him for tenure, the application for review was continued.
- t. In the matter of Ronald Young, an employee of Georgia Southern University, concerning the failure to recommend him for tenure, the application for review was denied.

2. Approval of the Georgia Southwestern State University Mutual Aid Agreement With Sumter County

Approved: The Board approved the following mutual aid agreement between Georgia Southwestern State University (“GSSU”) and Sumter County, effective May 18, 2004.

Background: GSSU reached an agreement with Sumter County to provide for the rendering of extraterritorial assistance as defined in Georgia Code 36-69-2 (local emergency) and under the conditions established in Georgia Code 36-69-3 (extraterritorial cooperation and assistance to local law enforcement agencies or fire departments; commander of operations). The mutual aid agreement follows a statutory format and was approved by the Office of Legal Affairs.

3. Approval of the Georgia Southwestern State University Mutual Aid Agreement With the City of Americus

Approved: The Board approved the following mutual aid agreement between Georgia Southwestern State University (“GSSU”) and the City of Americus, effective May 18, 2004.

Background: GSSU reached an agreement with the City of Americus to provide for the rendering of extraterritorial assistance as defined in Georgia Code 36-69-2 (local emergency) and under the conditions established in Georgia Code 36-69-3 (extraterritorial cooperation and assistance to local law enforcement agencies or fire departments; commander of operations). The mutual aid agreement follows a statutory format and was approved by the Office of Legal Affairs.

4. Approval of the Gordon College Mutual Aid Agreement With the Barnesville Police Department

Approved: The Board approved the following mutual aid agreement between Gordon College (“GOC”) and the Barnesville Police Department, effective May 18, 2004.

Background: GOC reached an agreement with the Barnesville Police Department to provide for the rendering of extraterritorial assistance as defined in Georgia Code 36-69-2 (local emergency) and under the conditions established in Georgia Code 36-69-3 (extraterritorial cooperation and assistance to local law enforcement agencies or fire departments; commander of operations). The mutual aid agreement follows a statutory format and was approved by the Office of Legal Affairs.

5. Approval of the Gordon College Mutual Aid Agreement With the Lamar County Sheriff’s Office

Approved: The Board approved the following mutual aid agreement between Gordon College (“GOC”) and the Lamar County Sheriff’s Office, effective May 18, 2004.

Background: GOC reached an agreement with the Lamar County Sheriff’s Office to provide for the rendering of extraterritorial assistance as defined in Georgia Code 36-69-2 (local emergency) and under the conditions established in Georgia Code 36-69-3 (extraterritorial cooperation and assistance to local law enforcement agencies or fire departments; commander of operations). The mutual aid agreement follows a statutory format and was approved by the Office of Legal Affairs.

6. Approval of the Clayton College & State University Mutual Aid Agreement With Lake City

Approved: The Board approved the following mutual aid agreement between Clayton College & State University (“CCSU”) and the Lake City, effective May 18, 2004.

Background: CCSU reached an agreement with Lake City to provide for the rendering of extraterritorial assistance as defined in Georgia Code 36-69-2 (local emergency) and under the conditions established in Georgia Code 36-69-3 (extraterritorial cooperation and assistance to local law enforcement agencies or fire departments; commander of operations). The mutual aid agreement follows a statutory format and was approved by the Office of Legal Affairs.

7. Approval of the Clayton College & State University Mutual Aid Agreement With the City of Morrow

Approved: The Board approved the following mutual aid agreement between Clayton College & State University (“CCSU”) and the City of Morrow, effective May 18, 2004.

Background: CCSU reached an agreement with the City of Morrow to provide for the rendering of extraterritorial assistance as defined in Georgia Code 36-69-2 (local emergency) and under the conditions established in Georgia Code 36-69-3 (extraterritorial cooperation and assistance to local law enforcement agencies or fire departments; commander of operations). The mutual aid agreement follows a statutory format and was approved by the Office of Legal Affairs.

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 express my thanks and appreciation for your concern and prayers during my hospitalization last week. It meant a great deal to Susan and me. I’m becoming worried about the Dracula effect. I feel much better after three pints of blood! It is a good sign that despite my being stuck in a hospital bed, preparations for this meeting moved forward. This is yet another indicator of what an extraordinary staff we have here at the University System Office. This agenda has been both a full and important one – as it always is when the

Board is asked to review, discuss, and approve budget allocations to our institutions, tuition, and fees.

I want to use my time today to discuss three interrelated issues: the budget, tuition, and focus on mission. And overarching these issues is the increased focus of our funding partners and the public on accountability. But before I move into the present, I want to make a comment on the past. As you are aware from the many public events and media accounts, this is the fiftieth anniversary of the landmark 1954 U.S. Supreme Court decision in *Brown vs. the Board of Education of Topeka*. When that decision was handed down, integrated schools in Georgia were illegal. It was not until 1961 that the Atlanta public schools began desegregation; 1961 also was the year Charlayne Hunter and Hamilton Holmes became the first African Americans to enroll in the University of Georgia (“UGA”). There is no question that nationally and in Georgia, over the past half century we have come a very long way on a challenging road. Today, 57,000 African Americans are students in the University System of Georgia, or 23% of total enrollment. But as we remember where we were 50 years ago and celebrate how far we have come, we cannot forget that so much still needs to be done to fully realize the promise contained in the Brown decision. Our challenge now is encouraging students to take advantage of the access as well as increasing need-based aid. This anniversary provides a good sense of perspective and balance in our work to “create a more educated Georgia.”

Coming into this meeting we have been focused on data and how to allocate our resources. We have created a culture of excellence and quality, and we can’t lose our focus. We must continue to preserve, nurture, and expand this culture. The budget is a focused tool to direct our resources to our key priorities. And tuition is that part of the budget we ask students to pay to help make up the balance after the state has provided its portion and the institutions have maximized federal funding opportunities and all other sources. We ask students to pay in the neighborhood of 25% of the cost of providing their education. Yet, despite a continuing tough budget situation and a general concern over tuition, you can stand tall on this budget and our tuition rates. The budget reflects a careful and realistic approach to meeting your priorities and our responsibilities to the state. As I noted at the April meeting, the Governor and General Assembly’s fiscal year 2005 appropriations for the University System tell me that they have respect for you, the System, what we have done to help ourselves, and our budgeting process. That’s accountability. By your actions on tuition, you continue to maintain Georgia’s historically low tuition in comparison to national averages and other states. I won’t repeat all of the information you heard yesterday in this regard. However, I would caution all of us to remember that the highest quality cannot be achieved and maintained with the lowest prices!

Increases of \$35 to \$80 a semester are indeed modest, particularly when compared with some of the increases we are seeing in neighboring states and around the country. These rates

continue to put Georgia among the lowest tuition states in the country, as well as in the Southern Regional Education Board (“SREB”) states. Nationally, our research universities rank thirty-fifth in tuition and our other institutions rank thirty-ninth. In the 16 states in the SREB, we rank tenth among flagship universities and thirteenth overall. Indeed, the University System of Georgia is one of the best educational bargains available in the United States. We offer a level of quality and excellence that is almost unsurpassed nationally. It is unsurpassed when you weigh cost against value received. It is this important context that we must consider as we plan for the future.

We must maintain a focus on quality in all that we do. This has been a difficult assignment within the framework of \$313 million in cuts since November 2001. And this comes in the face of exploding enrollment. We cannot adopt an attitude of complacency. We must fight the somewhat natural reaction: “Oh well, these cuts make it impossible to really implement programs and policies to the degree we'd like. We'll just ride it out.” We don't have the option of waiting for better days. The students on our campuses today and next fall can't “ride it out.” They are here for a quality education today. So, we must continue to buckle down and continue to focus and to explore how we can nurture this culture of excellence on our campuses during these times. The lack of all the resources we would like by necessity makes us creative, and that creativity must deliver value to our students and the state.

We must emphasize, as never before, our accountability. On the national level, accountability is increasingly a priority for public colleges and universities. The State Higher Education Executive Officers association (“SHEEO”) has formed a National Commission on Accountability in Higher Education. Dwight Evans of the Southern Company, and a former Regent, is a member. This commission has just kicked off a series of meetings, and I am following these discussions closely. The good news is that you can be very proud of the accountability standards you have put in place in the University System, but we cannot be complacent on this score. Through our accountability, we should and must demonstrate how our colleges and universities contribute in a quality way to the needs of Georgia. We have to continue our efforts to communicate this key fact to policy makers. We can't lose sight of the fact that we need to create standards that focus more on rewards than punishment. When we adjourn today and travel to our homes, remember that more than 38,000 students are leaving our 34 campuses this year with diplomas in hand. That is the ultimate “performance indicator.” This must continue to be the focus as we move forward. These graduates truly represent our report card.

Let me move on to a few items of “good news” around the System. I want to brag on our internal audit staff under the Associate Vice Chancellor for Internal Audit, Ronald B. Stark, and their working relationship with the Georgia Department of Audits and Accounts and the institutions. Our financial accountability is improving at a dramatic pace. All internal auditors now report to their respective presidents and presidents are held accountable for their audit

findings. We code audits from 1 through 5; 1 or 2 is acceptable. In 2002, 58% of our institutions had a 1 or 2. In 2003, 84% had a 1 or 2. In 2002, 20% had a 4 or 5. In 2003, 8% had a 4 or 5.

I also want to brag about how well our honors students have done in the nation's top scholarship competitions this year. I reported last month that three UGA students had received Goldwater Scholarships, which go to talented undergraduates pursuing careers in mathematics, science, or engineering. The Georgia Institute of Technology ("GIT") now has two Goldwater Scholars and the State University of West Georgia ("UWG") has one. Students at UGA and GIT secured 2 of the 40 Marshall Scholarships awarded in the entire United States this year, and a GIT student was honored with one of only two postdoctoral Marshall Sherfield Fellowships in science and engineering. Two UGA students were among 77 U.S. scholars selected to receive the Truman Scholarship given to outstanding undergraduates committed to careers in public service. Out of the 67 institutions that nominated students this year, only 8 wound up with multiple recipients this year. For the second consecutive year, a GIT student has received a Churchill Scholarship to fund graduate studies in genetics at Cambridge University's Churchill College. Also headed to Cambridge to study genetics is a UGA graduate student who has received a Gates Cambridge Scholarship. Three University System students have received the highest academic award given in the humanities, the Andrew W. Mellon Fellowship in Humanistic Studies. Two of these fellows are UGA students, and one is a GIT student. A graduate student at the Medical College of Georgia has been awarded a four-year predoctoral research fellowship by the National Institutes of Health for his work in studying a form of blindness caused by the herpes simplex virus. A 2004 graduate of the Floyd College nursing program has received one of 27 scholarships awarded to community-college students nationally by the Jack Kent Cooke Foundation to help them continue their education at four-year institutions.

Moving on to other good news, several individuals within our System have received national awards and honors recently. President G. Wayne Clough of GIT has just received the 2004 Outstanding Projects and Leaders ("OPAL") Award from the American Society of Civil Engineers for his contributions to the education of civil engineering students. Early this month, President George W. Bush honored two University System of Georgia researchers during ceremonies held at the White House. Dr. Chellu S. Chetty, Professor of Biology and Director of the Minority Biomedical Research Program at Savannah State University, was one of nine people to receive the Presidential Award for Excellence in Science, Mathematics and Engineering Mentoring, and Dr. Julia Kubanek, Assistant Professor of Biology at GIT, was one of 57 Americans to receive the Presidential Early Career Award for Scientists and Engineers. The American Association of Collegiate Registrars and Admissions Officers recently presented its Achieving Professional Excellence in Education Administration Award to Joe F. Head, Dean of Enrollment Services and Director of Admissions at Kennesaw State University. Deputy State Librarian David Singleton received the American Library

Association's Sullivan Award for Public Library Administrators Supporting Services to Children in recognition of his dedicated and sustained support of statewide library services for children.

I also have some prestigious appointments to tell you about. First, President Beheruz N. Sethna of UWG has been named to the Southern Association of Colleges and Schools' Commission on Colleges. At UGA, there are three recent appointments of note: Dr. Jeffrey L. Bennetzen, the Norman and Doris Giles/Georgia Research Alliance Professor of Molecular Genetics, has been elected to the National Academy of Sciences; Dr. Henry F. Schaefer III, the Graham Perdue Professor of Chemistry and a world-renowned scientist in the field of computational chemistry, has been named a fellow of the prestigious American Academy of Arts and Sciences; and U.S. Secretary of Commerce Donald Evans has appointed P. George Benson, Dean of the Terry College of Business, to the board of overseers for the Malcolm Baldrige National Quality Award.

Also, Darton College was listed last month among the "Top 10 Digital Community Colleges" in the nation by the Center for Digital Education. Mr. Chairman, this concludes my report.

STRATEGIC PLANNING COMMITTEE, "COMMITTEE OF THE WHOLE"

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

Chair Leebern said that the Regents recently received a draft reformulated strategic plan with their suggested revisions and additions. The draft was also reviewed by all of the System presidents. At this time, the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, would review the draft document with the Regents before they would entertain a motion to approve it.

Dr. Papp thanked Chair Leebern and said that at the request of the Board, two months ago, the staff began the process of reviewing and reformulating the 2002-2007 strategic plan. At the April 2004 Board meeting in Cochran, Dr. Papp had gone over the details of the draft reformulated strategic plan, which had been reduced to 9 goals and 35 recommended action steps. The staff then provided to all Regents, presidents, and senior staff the draft reformulated plan, requesting their feedback and suggestions. There were some editorial changes, but no additions.

Very briefly, Dr. Papp reviewed the revised goals and recommended action steps. The first goal of the reformulated strategic plan would be to "educate graduates who are intellectually and ethically informed individuals with well-defined skills and knowledge who are capable leaders, creative thinkers, and contributing citizens." The recommended action steps were to concentrate on quality by implementing comprehensive program review, to include international issues across the curriculum and in extracurricular activities, to set target pass rates for professional licensure tests,

and to develop more opportunities for internships and cooperative programs. The second goal would be to “expand participation by increasing access, enhancing diversity, improving service to nontraditional students, expanding use of distance education, advancing public library usage, and marketing the advantages of postsecondary education.” The action steps would be to plan for significant growth in the number of students, to develop and initiate mission review, to expand degree types at selected institutions, to reexamine university centers, to develop additional programs in which four-year institutions offer four-year degrees at two-year institutions (“4-4-2 programs”), to implement programs to raise the educational aspirations of Georgians and to overcome barriers to access for minority and nontraditional students, and to use distance learning technologies. The third goal of the reformulated plan would be to “increase academic productivity through improved recruitment, increased retention, accelerated graduation, expanded credit generation, augmented continuing education opportunities, and current technology.” The recommended action steps were to expand use of freshman and sophomore experience programs, learning communities, and other initiatives to increase student retention and graduation rates and to offer courses, programs, and degrees at times and in locations convenient for students.

The fourth goal would be to “emphasize the recruitment, hiring, and retention of the best possible faculty, staff, and administration.” Dr. Papp noted that balancing recruitment, hiring, and retention is particularly difficult to do in tight budget times. The recommended actions for this goal were to make salaries competitive in the Southern region, to require evaluation of compensation practices, to ensure that employees have the right tools to perform their jobs, to develop flexible work schedules and telecommuting opportunities, to make professional development a key priority, and to create mentorship programs. The fifth goal of the reformulated strategic plan would be to “help accelerate Georgia’s economic development by providing needed graduates, offering appropriate academic programs, and marketing of the System and its institutions.” The recommended actions were to develop academic-business partnerships to enhance entrepreneurship, innovation, and commercialization of research; to strategically promote and contribute to economic development; to create a University System think tank to examine state issues; and to permit institutions to have names appropriate to their changed mission or expanded locations. The sixth goal would be to “seek the most efficient, effective, and technologically sound business and service practices and regularly compare ourselves to national peers.” Dr. Papp reminded the Regents that a few years ago, the System undertook a comprehensive benchmarking study, and he suggested that it may be time to do so again. The recommended action steps would be to monitor and report on institutional best practices, recognizing outstanding efforts with awards; to require best practices benchmarking to be part of institutional strategic plans; and to reaffirm internal controls for audits.

The seventh goal of the reformulated strategic plan would be to “provide and maintain superior facilities, funded by innovative mechanisms that shorten the time that elapses between approval and use.” The recommended action steps would be to initiate a comprehensive building program; to address long-term maintenance, renovation, and/or replacement of facilities to ensure efficiency, effectiveness, and return on investment; and to improve coordination of privatization efforts and

incorporate coordination processes in policy. The eighth goal of the reformulated strategic plan would be to “assure coordination, where appropriate, between University System of Georgia policy and practices and those of the Department of Education and the Department of Technical and Adult Education.” Dr. Papp remarked that this was important not only for the long-term needs of the State of Georgia, but also because of the work taking place at the Department of Education (“DOE”) on its new curriculum. The recommended action steps would be to coordinate University System of Georgia policies and practices with DOE to enhance mutual understanding of requirements, ensure curriculum alignment, and resolve issues; to coordinate System policies and practices with the Department of Technical and Adult Education (“DTAE”) to ensure mutual understanding of requirements and resolve issues; and to improve transferability and transfer processes between System institutions. The ninth and final goal of the reformulated strategic plan would be to “increase, diversify, and strategically allocate resources.” The recommended action steps would be to review and refine the allocation methodology to better capture missions, costs, and quality indicators; to identify options to diversify and increase flexibility in use of existing resources; and to initiate a formula revision process when conditions warrant. In closing, Dr. Papp asked whether the Regents had any questions or comments.

Regent Carter asked whether study abroad programs had been excluded in the reformulated strategic plan.

Dr. Papp responded that study abroad was included in the second recommended goal. One of the specific goals under the original strategic plan was to set 4% as the target for study abroad participation at System institutions. That goal was achieved.

Regent Carter remarked that his daughter recently attended a study abroad program in Italy. He said that the experience made a tremendous positive impact on her. Therefore, he strongly supported the Board’s encouragement of study abroad.

Dr. Papp said that his son would soon be leaving on a study abroad program with the University of Georgia.

Chair Leebern agreed that his daughter’s study abroad experience in Cortona, Italy, had been very educational.

Regent White noted that many new Regents were not on the Board during its benchmarking initiative. He suggested that the staff identify some key indicators that could be presented on an annual basis. The only way to get better, he said, is to compare the System and its institutions with their peers around the country.

Chancellor responded that the staff would so.

Regent Jolly asked whether there was any prioritization to the nine goals in the reformulated strategic plan.

Dr. Papp replied that given the interrelated nature of the goals, they were not prioritized. He asserted that the most important goal is the first goal, which is the main goal of the University System of Georgia.

Chair Leebern called for motion to approve the proposed reformulated strategic plan. With motion properly made, seconded, and unanimously approved, the Board approved the 2002-2007 University System of Georgia strategic plan reformulation. Seeing that there was no further business to come before the Committee, he then adjourned the Strategic Planning Committee meeting as a Committee of the Whole.

UNFINISHED BUSINESS

Chair Harris noted that at the April 2004 meeting of the Board of Regents, he had appointed the Nominating Committee and appointed Regent McMillan as its Chair. He then called upon Regent McMillan for the report of the Nominating Committee on recommendations for the fiscal year 2005 Chair and Vice Chair.

Regent McMillan stated that the Committee had difficulty selecting from the many talented leaders on the Board. However, in the final analysis, the Committee recommended that Vice Chair Joel O. Wooten, Jr. be elected as Chair of the Board of Regents and that Regent J. Timothy Shelnut be elected as Vice Chair. On behalf of the Nominating Committee, Regent McMillan submitted these recommendations for action at the June 2003 meeting of the Board of Regents.

Chair Harris thanked Regents McMillan, Leebern, and White for serving on the Nominating Committee and making these recommendations. He noted that the Board would vote on these recommendations and any other nominations at its June 2004 meeting.

NEW BUSINESS

There was no new business at this meeting.

PETITIONS AND COMMUNICATIONS

Chair Harris reminded the Regents that the presidents would be proposing capital outlay projects at the June 2004 meeting and that the Regents must be in attendance to vote on these projects.

Secretary Gail S. Weber announced that the next Board meeting would take place on Tuesday, June 8 and Wednesday, June 9, 2004, in the Board Room in Atlanta, Georgia.

There was no meeting planned for July 2004, but the August meeting would be held on Tuesday, August 3 and Wednesday, August 4, 2004.

Secretary Weber noted that the Assistant Vice Chancellor for Planning, Joseph J. Szutz, had arranged for a fine arts exhibit from the System institutions. She thanked him for the wonderful artwork hanging in and outside of the Board Room.

EXECUTIVE SESSION

At approximately 10:30 a.m. on Wednesday, May 19, 2004, Chair Joe Frank Harris called for an Executive Session for the purpose of discussing personnel and compensation issues. With motion properly made and variously seconded, the Regents who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair Harris, Vice Chair Joel O. Wooten, Jr., and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Michael J. Coles, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Martin W. NeSmith, Doreen Stiles Poitevint, J. Timothy Shelnut, and Glenn S. White. Chancellor Thomas C. Meredith and the Secretary to the Board, Gail S. Weber, were also in attendance. In accordance with H.B. 278, Section 3 (amending O.C.G.A. § 50-14-4), an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 10:45 a.m., Chair Harris reconvened the Board meeting in its regular session and announced that no actions were taken in Executive Session. He then called for a motion to reappoint Chancellor Meredith. Motion properly made, seconded, and unanimously approved, the Board of Regents reappointed the Chancellor to another yearly agreement as Chancellor of the University System of Georgia. The Chair would send him a letter of agreement.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 10:50 a.m. on Wednesday, May 19, 2004.

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

s/ _____
Joe Frank Harris
Chair, Board of Regents
University System of Georgia