

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
270 Washington St., S.W.
Atlanta, Georgia
November 19 and 20, 2002**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, November 19 and Wednesday, November 20, 2002, 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, November 19, 2002. Present on Tuesday, in addition to Chair Harris, were Vice Chair James D. Yancey and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Michael J. Coles, Hilton H. Howell, Jr., George M. D. (John) Hunt III, Donald M. Leebern, Jr., Allene H. Magill, Elridge W. McMillan, Martin W. NeSmith, Wanda Yancey Rodwell, J. Timothy Shelnut, Glenn S. White, and Joel O. Wooten, Jr.

Chair Harris announced that the Regents had a very productive retreat at the Jolley Lodge on Monday, November 18, 2002, and he thanked the Regents who made time in their schedules to attend.

Chair Harris said that the Regents had heard the tragic news regarding the death of William H. (Bill) Weber III, husband of the Secretary to the Board, Gail S. Weber, and that he wanted to begin this meeting with a few words. He stated that Ms. Weber is the Regents' colleague, friend, and family. Mr. Weber was also dedicated to higher education. He earned his doctorate in Economics from Columbia University and had an esteemed career as a professor at Agnes Scott College and Lyon College in Arkansas. Then, he was an Internal Consultant at the Coca-Cola Company for 11 years, and he spent his last year as Vice President for Consulting Services at The Siderus Group. Gail and Bill Weber had a wonderful marriage and a fine family. Together and as individuals, they have contributed much to their community and this state. On behalf of the Board, Chair Harris expressed his deepest expression of condolence to Ms. Weber and her family in this time of loss. He wanted Ms. Weber to know how much the Regents care about and love her. Chair Harris announced that there would be a memorial service for Mr. Weber at 2:00 p.m. on Saturday, December 14, 2002, at the Cannon Chapel at Emory University and that the Chancellor's Office had information regarding memorial gifts in his name. He then asked the Regents to join him in a moment of silence for the memory of Bill Weber and for Ms. Weber and the Weber family.

In Ms. Weber's absence and in accordance with Board Bylaws, Chair Harris asked for a motion that Regent Howell serve as the Acting Secretary of the Board pending her return. With motion properly made, seconded, and unanimously adopted, the motion was carried.

ATTENDANCE REPORT

The attendance report was read on Tuesday, November 19, 2002, by Regent Hilton H. Howell, Jr., who announced that all Regents were present on that day.

APPROVAL OF MINUTES

Motion properly made and duly seconded, the minutes of the Board of Regents meeting held on October 8 and 9, 2002, were unanimously approved as distributed.

SPECIAL RECOGNITION: SUSAN WHITTLE, DIRECTOR OF THE SOUTHWEST GEORGIA PUBLIC LIBRARY SERVICE

Chair Harris called upon Dr. Lamar Veatch, State Librarian of the Georgia Public Library Service (“GPLS”), to make a special recognition.

Dr. Veatch greeted the Board and said that on October 29, 2002, he had the privilege of being in the East Room of the White House as First Lady Laura Bush awarded the prestigious National Awards for Museum and Library Services for 2002. These awards are presented by the Institute of Museum and Library Services, an independent federal agency, and this is only the third year that these awards have been given to public libraries. Three museums and three public libraries were awarded this honor. At the awards ceremony, Mrs. Bush said, “We honor these museums and libraries for helping to build communities of character and a nation of lifelong learners. In big towns and small, our museums and libraries serve as stewards of our history and ideas, and they tell our nation’s stories and connect generations of Americans to one another. But museums and libraries do more than provide us with information. They engage us in learning, learning for a lifetime. Our award recipients have strengthened and enriched their communities by finding innovative ways to expand public access to information, bridge the digital divide, and make learning an esteemed lifelong pursuit. These museums and libraries have broadened our children’s minds and imaginations, and they have ignited and reignited the spark of learning in people of all ages.” One of the three public libraries honored by Mrs. Bush was the Southwest Georgia Regional Public Library system, which is headquartered in Bainbridge and managed by Director Susan Sellers Whittle. The Southwest Georgia Regional Library partners with other community organizations to provide innovative and relevant programming to bring more residents to the library and to bring more learning opportunities to all of the residents. The Southwest Georgia Regional Library is an excellent example of the innovation, collaboration, and dedication that public libraries bring to Georgia’s communities, and it has well earned this national recognition, said Dr. Veatch. He then introduced Ms. Whittle to the Board.

Ms. Whittle said that she was highly honored to be at this meeting. This award is mainly a result of

the Board's and local communities' support of libraries through the ages, she said. Mrs. Bush had highlighted South Georgia's motto, "Let your mind soar." Ms. Whittle noted that the Regents had been given copies of the awards program and that it highlighted some of the programs the Southwest Georgia Regional Library does in partnership with other public and private agencies. Mrs. Bush had highlighted the World War II history project that one of the Southwest Georgia Public Library's board members initiated that captured 22 WWII veterans interviewed on videotape. The Southwest Georgia Public Library partners with Bainbridge College to offer computer courses in the library for over 150 senior citizens, economically disadvantaged persons, and others. The Southwest Georgia Regional Library also partners with the K-12 schools in after-school programs and advisors. The library is working with the schools to be a classroom after hours to give the children places to further their education after school is out. The Southwest Georgia Regional Library also has a library for the blind and physically handicapped that the Georgia legislature supports. This library serves 11 counties outside of the 3-county region that the Southwest Georgia Public Library generally serves.

Ms. Whittle said that the Southwest Georgia Regional Library has a bookmobile that provides outreach to nursing homes and other persons who cannot come to the library on their own. The library also has a vacation reading club that provides over 500 programs serving over 40,000 people. This is the highlight of the library's programs, which is sponsored by GPLS, and it has opened whole new worlds to the children to continue to grow and become productive citizens in Georgia. The Public Information Network for Electronic Services ("PINES") has also opened up the world to the public libraries in partnership with each other and has allowed the libraries to use their resources wisely. Ms. Whittle thanked the Board for giving the libraries this kind of novel and innovative way to use shared resources so that every citizen has access to knowledge for a lifetime. She said that she wanted to introduce some of the members of the Southwest Georgia Regional Library board who 14 years ago, thanks to Governor Joe Frank Harris, helped renovate and create libraries in the three-county service area. She wanted to recognize them for having the vision, doing the hard work, and creating the resources that have allowed the Southwest Georgia Regional Library to climb to these heights. They were Lesley Simmons, Joyce Leverett, Sally Bates, Thea Burke, Peggy Metcalf, and Doreen and Alec Poitevint. She said that these are some of the individuals who have made it possible for the Southwest Georgia Regional Library to aspire to these heights and to bring Georgia recognition. She asked them to attend this meeting because in 1989, when she first came to Southwest Georgia, 80% of the library's funds came from the state. The Southwest Georgia Regional Library had only about \$10,000 to buy books for 43,000 citizens. The board members, friends, and neighbors created a groundswell of local support that Mrs. Bush recognized in her speech. Now, the library is supported 44% by the local community, 47% by the state, 3% by the federal government, and 5% by private donations to sustain the high-class programs the library offers. The board members are very supportive and are still working to garner more support for the Southwest Georgia Regional Library. In closing, Ms. Whittle thanked the Regents for inviting her to the meeting.

Chair Harris thanked Ms. Whittle for this presentation. He said that the Regents are proud of the

Southwest Georgia Regional Library and the award it has received. He said that libraries have always been very important to him and that he takes pride in the accomplishments of GPLS and its supporters.

Ms. Whittle thanked Chair Harris for his comments and for the building.

Chair Harris noted that during his Governorship, 142 libraries were built in the State of Georgia. Each building cost approximately \$1 million, and the state provided 90% of the cost in each case. He is very proud of this success. He also thanked Dr. Veatch for his leadership to GPLS.

SPECIAL PRESENTATION: RESEARCH AT THE MEDICAL COLLEGE OF GEORGIA

Chair Harris said the Board would next hear a special presentation about research at the Medical College of Georgia (“MCG”). The Senior Vice President for Clinical Activities and Dean of the School of Medicine, Dr. David Stern, would make this presentation. Dr. Stern is a physician-scientist with an extensive background in basic science and translational research in vascular disease and diabetes. Dr. Stern came to MCG in April 2002 after nearly 20 years on the faculty of Columbia University (“Columbia”). His most recent positions at Columbia included directing the Center for Vascular and Lung Pathobiology as well as the Juvenile Diabetes Research Foundation Center on the Vascular Complications of Diabetes. He also served as Chief of the Division of Surgical Science. In 1998, he was named the Gerald and Janet Carrus Professor of Surgical Sciences and of Physiology and Cellular Biophysics at Columbia. Dr. Stern is a member of numerous professional societies, including the American Society of Clinical Investigation and the Association of American Physicians. He co-organized the European Association for the Study of Diabetes-Juvenile Diabetes Foundation International meeting on “Microvascular and Macrovascular Disease in Diabetes” in Oxford, England, earlier this year. Dr. Stern and the multidisciplinary research group he directed at Columbia have received program project grants from the National Institutes of Health; the group currently holds multiple grants from the NIH, foundations, and private industry. Dr. Stern holds nine patents resulting from his research findings and received an NIH Merit Award in 2000. He is a 1978 graduate of Harvard Medical School and completed an internal medicine residency and hematology fellowship at Columbia University. Except for two years spent at the Thrombosis/Hematology Research Program of the Oklahoma Medical Research Foundation in Oklahoma City, Dr. Stern has spent his career on the faculty of Columbia. Chair Harris remarked that the Regents are thankful to President Daniel W. Rahn for successfully recruiting Dr. Stern to MCG and were looking forward to hearing his report on research at MCG.

Dr. Stern greeted the Regents and said that he would like to discuss a novel approach for suppressing tumor growth as an example to illustrate the transition from laboratory findings to their ultimate application in medicine. He noted that the goal of a community hospital is to deliver high-quality, first-class standard care, whereas the goal of a research institute is an attempt to elucidate molecular mechanisms of health and disease. The academic medical center has the special province of trying to

draw together the clinical and research missions in such a way that one can enhance the development of new diagnostic and therapeutic modalities. So, MCG's goal as the state's medical university is to put together the clinical and research missions to make transitions from concepts to preclinical goals and models to finally clinical goals of hypothesis testing in humans. He explained that it is a major undertaking to do this. There are multiple skills and partners that are involved in making this kind of transition. In particular, at each step, preclinical goals involve studies in purified systems, cell cultures, and multiple animal models. Clinical goals involve a clinical research center where specially monitored facilities are present so that one can safely administer agents to humans for the first time.

In strategically moving a discovery from the laboratory to the bedside, one has to consider three key elements, explained Dr. Stern. The first is the nature of the discovery and whether it is really something that moves the field ahead. The second is confirmation that the discovery works in multiple experimental settings in multiple kinds of models. The third key issue is related to commercialization. This is important because bringing things to the bedside requires a lot of resources. Therefore, issues related to commercialization are essential. The issues include intellectual property, practicality, and partnership. It is difficult to envision any one person or institution that has all the different skills involved in making such a transition, so one must be very adept at identifying different partners.

Dr. Stern said that he wanted to tell the Regents about a particular receptor that was discovered at MCG that is relevant to tumor biology and progression of tumors as an example of this concept. He explained that a receptor is a cell surface acceptor site that allows cells to sense and respond to their external environment. A receptor interacts with ligands. The concentration of ligands determines the level of activation of the receptor. The result is changes in cellular properties to respond to alterations in the environment. The researchers named the receptor they discovered "RAGE," which is short for receptor for advanced glycation end product. The ligand fits it in a lock-and-key type of arrangement leading to stimulation of the cell. A ligand for RAGE is enriched in tumors; that is, it is made by tumor cells. The receptor, RAGE, is also present in the tumor cells. In cell culture studies, activation of RAGE can stimulate cell growth, cell migration, and cell invasion. Since RAGE and its ligand, amphoterin, are present in the tumor bed, the researchers hypothesize that the RAGE-amphoterin interaction promotes tumor progression or metastasis. So, the goal is to block it to change tumor cell behavior. Strategically, it is not sufficient to take one kind of receptor and one model system. Rather, one must test this on a range of systems. So, the researchers looked at a primary tumor model, a metastatic tumor model, and different rodent and human tumors. They used various strategies to block the receptor. Dr. Stern noted that it is important to look for evidence of toxicity at each step. On the one hand, it will give insight as to what type of mechanism is involved. On the other hand, it can also indicate that a strategy is not practical to apply to the clinical setting.

Next, Dr. Stern gave examples on what the data from these experiments look like. In a primary tumor model, a tumor cell grown in the laboratory is implanted into the skin of a mouse, and a tumor grows. The researchers used fragments of antibodies to the receptor RAGE or to the ligand amphoterin to

see the effect on tumor growth. There was a resulting decrease in the presence of these antibodies by about 50% in tumor growth, which is to be expected. Then, the researchers moved on to genetic engineering. They took genetically engineered tumor cells with different levels of the receptor RAGE to determine whether it has an effect on tumor growth. Compared with the control group of tumors that had low levels of the receptor, the tumors with high levels of the receptor experienced a five- to six-fold increase in tumor value. When the researchers over-expressed the mutant form of the receptor that did not work, the result was very small tumors. This seemed reasonable in a local tumor model. Then, they looked at metastasis. Dr. Stern showed the Regents that the rodents treated with the receptor blocker had a decreased incidence of metastasis. Finally, the researchers tried a receptor blocker strategy on spontaneous tumors, a genetic model in mice. Again, the strategy blocked tumors compared with the control group.

The researchers were pleased that they had promising data in accepted rodent models, said Dr. Stern. They published a paper in *Nature* reporting the findings, and the media picked up on the story. They filed a patent to protect the intellectual property. However, there were many other hurdles ahead of them. Someone asked what agent the researchers would administer in humans. The researchers did not have an actual drug; they had a designer molecule that they had genetically engineered. Someone else asked whether the researchers had tested the concept in humans. Many things that work in mice do not prove to be successful in humans. After all, in an experimental model, a tumor grows in days to weeks, but in a person, a tumor grows in months to years. So, the researchers could not be certain the strategy would work in people.

The researchers came to the issue of maximizing the commercial value of their work, said Dr. Stern. In other words, what is the likelihood this concept can be brought to the clinic? The researchers had a designer drug that was not practical, promising data limited to rodent models, and limited protection of intellectual property because they had only one patent. The concept would have higher value if the researchers actually had a therapeutic agent, proof of the concept in humans, and a high level of protection of intellectual property. The question is how to bridge this value gap. One needs expertise in commercialization. There are two approaches to this. One approach is to do it yourself, form a company, become a fundraiser/entrepreneur, hire medicinal chemists, and make drugs. The other approach is to seek out partners to help you make the different steps involved in making a drug. The types of partners an investigator seeks are investors and big pharmaceutical companies. Big pharmaceutical companies are only interested in products very late in development at a point where the risk is low and the drug is proven effective in humans. So, researchers often partner with small pharmaceutical or biotech companies.

Dr. Stern said that there are special aspects of partnership in Georgia of which it is very important to take advantage. At MCG, there is a large cadre of disease-oriented basic and physician scientists. MCG also has access to clinical material, samples, and patient material – exactly the materials one needs to study disease. At both MCG and the University of Georgia (“UGA”), there are animal models of disease. UGA has wonderful programs in structural biology, which is the basis of rational

drug design. Finally, the College of Pharmacy at UGA has important programs in pharmacokinetics, toxicology, and drug design. These are the kinds of programs that do not exist in the average academic setting. There are also collaborations between MCG and the Georgia Institute of Technology (“GIT”) that are important for various technical applications. Dr. Stern stated that institutions should collaborate to add value to an invention, to develop a group of related patents that cover a field, and to limit the freedom of others to operate in that field. There are special opportunities for MCG in terms of the potential cancer research center, such as the opportunity to develop a program in experimental therapeutics, which MCG plans to do with the next recruit of a chief of hematology/oncology. In the cancer research building initiative, there will be a state-of-the-art animal facility with imaging technology. In addition, MCG plans to have laboratories suitable for producing patient-grade therapeutics; that is, various labs are designed according to specifications of the federal government for good manufacturing practices and good laboratory practices. Only when an institution has these kinds of laboratories can it make things that actually are used in patients. An academic medical center also has access to resources available from the National Cancer Institute. These resources are such that MCG can make therapeutic proteins that would ordinarily be very expensive with the help of the federal government. Dr. Stern said that MCG and the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, are working very hard with MCG Health, Inc. to try to develop a clinical research center, which would be a setting to closely monitor patients and for the first time give a new drug to a patient and see its effect.

Returning to his discussion of the RAGE receptor discover, Dr. Stern stated that MCG found a talented medicinal chemist who was the chief scientific officer of a biotech company. He really wanted to be president of his own company, and that was what happened. MCG found venture capitalists who were willing to invest, and the result was the formation of a start-up company that was called TransTech (Translational Technologies) Pharma. TransTech Pharma used RAGE to develop several classes of receptor-blocking agents and carefully protect the intellectual property. They tested the compounds in animal models, and at this time, they are in the process of filing with regulatory agencies in preparation for a clinical trial. There are additional applications of the receptor blockers to other diseases, such as diabetes and Alzheimer’s disease. There is also an extension of the technology developed by the company to other receptors. For many of the researchers, however, it is back to the laboratory.

In closing, Dr. Stern said that in 1983, he began a career as a physician-scientist with training in hematology. He had an ambitious vision that he really wanted to discover something that had a significant impact on health and disease. Because of the revolution in molecular biology and the wonderful skills of the researchers he collaborated with, he was able to do much better than he ever expected. They discovered the new protein, RAGE; they cloned a gene and produced genetically manipulated mice; and now, they are modeling drugs that may have real therapeutic impact. Although this involved concerns relevant to commercialization at many points, that really was not the motivation. The motivation is to be able to participate in the process that might produce an agent that could reduce the burden of disease. That is a privilege and a thrill, Dr. Stern said. Being at the

cutting edge of medical innovation is the job of an academic medical center. That is where MCG must be. He asked whether the Regents had any questions.

On behalf of the Regent members of the MCG Health, Inc. board, Regent Leebern said that MCG is blessed to have Dr. Stern and the team that President Rahn has assembled. He thanked Dr. Stern for this excellent presentation.

Regent Hunt asked Dr. Stern about the progress in finding a cure for diabetes.

Dr. Stern responded that the cure for diabetes is complicated because the causes and complications of the disease are two different matters and there are two types of diabetes. Type 1 diabetes has an autoimmune ideology where lymphocytes from the body actually destroy the beta cells that produce insulin. In this case, there are clinical trials going on with OKT3 antibodies. There was an article about it in *The New England Journal of Medicine* published by a group of researchers he worked with at Columbia. They think that they are able to delay the onset of diabetes. However, in subsequent administrations of the antibody, one patient had too strong a suppression of his lymphocytes, so they suspended this trial for the moment. Nonetheless, there are approaches being tested that target immunology. Type 2 diabetes is a situation of insulin resistance. In other words, the insulin is present, but once it binds to the receptor, its ability to signal the cell to take up glucose is not working as well. In this case, there are multiple approaches being tested that have to do with signal transduction pathways. He recently co-chaired a symposium at the meeting of the American Heart Association where results were presented that metformin, an agent thought only to control blood sugar, actually can extend the period when people may have a slightly abnormal glucose tolerance test before diabetes actually occurs.

Next, Dr. Stern addressed the complications of diabetes, the key cause of morbidity. Diabetes starts as a disorder of glucose metabolism, but it ends up involving blindness, problems with blood vessels, and complications with infections. In this area, there are several new approaches. Dr. Stern said that he hopes one of the approaches will be RAGE blockers. RAGE receptors occur within the bodies of patients with diabetes. They are a long-term consequence of the accumulation of proteins that have high levels of sugar modification. Data were also presented at the AHA meeting that indicate that blocking inflammation by a variety of means to nuclear receptors may be an important way to try to control complications. Eli Lilly has been very successful with certain beta blockers. Dr. Stern said that in the next few years, there should be some real advances in the treatment of diabetes. He said that he and President Rahn were hoping that with Regent Shelnut's help, MCG would be able to establish a diabetes center for further research.

Chancellor Meredith remarked that the team being put together at MCG is one of which the Board can be extremely proud. Medical research is an economic engine for the State of Georgia that is just beginning to take off.

Chair Harris thanked Dr. Stern for his presentation and praised MCG's and UGA's efforts to develop a collaborative cancer center. He remarked that this would be a tremendous step forward for the University System and the citizens of Georgia.

At 1:50 p.m., Chair Harris adjourned the Board into its regular Committee meetings.

CALL TO ORDER

The Board of Regents of the University System of Georgia met again on Wednesday, November 20, 2002, 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 James D. Yancey and Regents Hugh A. Carter, Jr., Connie Cater, William H. Cleveland, Michael J. Coles, Hilton H. Howell, Jr., George M. D. (John) Hunt III, Donald M. Leebern, Jr., Allene H. Magill, Elridge W. McMillan, Martin W. NeSmith, Wanda Yancey Rodwell, J. Timothy Shelnut, Glenn S. White, and Joel O. Wooten, Jr.

INVOCATION

The invocation was given on Wednesday, November 20 by Regent Wanda Yancey Rodwell.

ATTENDANCE REPORT

The attendance report was read on Wednesday, November 20, 2002, by Regent Hilton H. Howell, Jr., who announced that all Regents were present on that day.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

The Committee on Finance and Business Operations met on Tuesday, November 19, 2002, at approximately 1:55 p.m. in the Board Room. Committee members in attendance were Chair J. Timothy Shelnut, Vice Chair Glenn S. White, and Regents Connie Cater, Michael J. Coles, George M. D. (John) Hunt III, Donald M. Leebern, Jr., Martin W. NeSmith, Joel O. Wooten, Jr., and James D. Yancey. Chair Shelnut reported to the Board on Wednesday that the Committee had reviewed seven items, all of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. **Approval of Extension of Personnel Policy to Address Emergency Needs With Regard to the Recruitment and Retention of Information Technology Professionals**

Approved: The Board approved a one-year extension of the personnel policy adopted in November 1998 to enhance the recruitment and retention of information technology professionals.

Background: In spring 1998, a task force on the recruitment and retention of information technology personnel issued a report describing many of the problems associated with hiring and retaining qualified information technology personnel. This report formed the basis for the Board of Regents' adoption of a policy in November 1998 that offered greater flexibility with respect to compensation of information technology staff. That policy was last renewed in November 2001 for an additional year.

A survey of the University System of Georgia institutions for fiscal year 2002 shows that the policy is used only in critical circumstances, only 10 to 12 times during the last year. The limited use of the policy is attributable in part to the significant downturn in the economy and the resulting budget cuts and slowdown in hiring. The decline of Internet-based companies has increased the supply of information technology personnel in some areas, such as Web services. However, a recent article in *The Chronicle of Higher Education* cautions that it might be shortsighted for an institution to deal with its long-term staffing strategy by hiring available staff at lower salaries with the hope of retaining them when there is a turnaround in the economy (David R. Hoyt, October 4, 2002). Even though competitive pressures have eased, the salary differential continues for experienced personnel in core areas such as UNIX administration, Oracle database administration, and network engineering, as well as in areas of increased demand, such as systems security.

The policy has been very effective in retaining key personnel and thereby avoiding the high costs of replacement and training, especially for University System institutions in smaller labor markets. The policy provides flexibility to the president of each institution when faced with a rapidly changing market.

2. Approval of Revisions to Section 704.015 of The Policy Manual

Approved: The Board approved the revisions to Section 704.015 of The Policy Manual, as presented below, effective November 20, 2002.

Background: Beginning last year, the University System Office began an effort to update the policies of the Board of Regents to eliminate outdated practices and practices which imposed unnecessary burdens upon institutions. In May 2002, the Board approved the adoption of a distance learning policy. The policy required approval by the Board for special tuition rates for distance education courses and programs. A committee was convened to further review the policy and consider implementation strategies. The Policy Manual revisions herein are designed to clarify and streamline current policy as presented below:

- Establishes that if an institution sets a tuition rate for distance learning that is consistent with the tuition rates as approved by the Board for all other students at the institution, no additional approval is required.

- Establishes that tuition rates for distance learning courses and programs that occur outside the range of approved tuition levels (in-state and out-of-state) for all other students shall require approval of the Board of Regents.
- Establishes guidelines for payment of technology fees by students in collaborative distance learning courses and programs and transient students in distance learning courses and programs.

704.015 TUITION FOR DISTANCE LEARNING COURSES AND PROGRAMS

~~Board approval is required for special tuition rates for distance education courses and programs should an institution seek to charge special rates.~~ Institutions may charge special tuition rates for distance education courses and programs. If the rate is either less than the institution's in-state tuition rate or greater than its out-of-state rate, Board approval is required. Institutions shall report annually to the Vice Chancellor for Fiscal Affairs on all tuition rates charged for distance learning courses and programs. Notwithstanding other provisions in Sections 704, rates shall apply to all students regardless of residency status ~~and shall be no less than the standard in-state tuition rate approved for the offering institution.~~ For the purposes of this policy, distance learning courses and programs shall be defined as those courses and programs in which 95% or more of class contact time is delivered by a distance technology.

3. Approval of Revision to Section 704.042 of The Policy Manual

Approved: The Board approved the revisions to Section 704.042 of The Policy Manual, as presented below, effective November 20, 2002.

Background: Beginning last year, the University System Office began an effort to update the policies of the Board of Regents to eliminate outdated practices and practices which imposed unnecessary burdens upon institutions. In May 2002, the Board approved the adoption of a distance learning policy. The policy required approval by the Board for special tuition rates for distance education courses and programs. A committee was convened to further review the policy and consider implementation strategies. The Policy Manual revisions herein are designed to clarify and streamline current policy as presented below:

- Establishes guidelines for payment of technology fees by students in collaborative distance learning courses and programs and transient students in distance learning courses and programs.

704.042 Waiver of Mandatory Fees

An institution may waive mandatory fees, excluding technology fees, for:

- A. Students who reside or study at another institution.
- B. Students enrolled in practicum experiences (e.g., student teachers) or internships located at least 50 miles from the institution.
- C. Students enrolled in distance learning courses or programs who are not also enrolled in on-campus courses nor residing on campus. If a student is enrolled in courses from more than one institution during the same term, only the home institution will charge the approved technology fee to the student. Students who participate in distance education offerings as transient students will not be charged a technology fee by the transient institution. No separate technology fee shall be established for collaborative distance learning courses or programs.
- D. Students enrolled at off-campus centers, except that the institution shall be authorized to charge select fees to these students for special services subject to approval by the Board of Regents.

4. Approval of Revisions to Section 705.01 of The Policy Manual

Approved: The Board approved the revisions to Section 705.01 of the Policy Manual, as presented below, effective November 20, 2002.

Background: In February 1996, the Board of Regents adopted a formal policy that restricts the president of a University System of Georgia institution and any other employee who participates in the selection of the institution's depository from serving on governing boards of banks or other financial institutions. This action was taken in response to concerns that to serve on the board of one enterprise would give the appearance of favoring that enterprise even though a direct business relationship may not exist. The policy, however, was never intended to preclude a president from serving on the board of a bank that was not competing to provide the institution's banking services. The Policy Manual revisions herein are designed to clarify current policy as presented below:

- Establishes that the president of an institution may serve on the board of a banking or financial institution under specific circumstances. It continues the current policy that a president may not serve on the board of a bank or financial institution that either has or intends to have a commercial relationship with the institution.
- Establishes that any banking or financial institution that has on its board a president of any institution of the University System of Georgia is prohibited from soliciting or competing for any business from that institution for a period of two years after the termination of the president as a member of the board.

705.01 BANKING

All depositories, where funds of the Board of Regents of the University System are held in time deposits, shall either give a depository bond in some acceptable security company qualified to do business in Georgia, or, in lieu thereof, may deposit with some other depository satisfactory to the Treasurer of the Board of Regents, securities of the following classes, the current market value of which shall be equal to or in excess of the amount of the time deposits:

1. Direct obligations of the United States Government;
2. Obligations unconditionally guaranteed by the United States Government;
3. Direct obligations of the State of Georgia;
4. Direct obligations of any political subdivision of the State of Georgia;
5. Georgia municipal, county, or State of Georgia Authority Bonds acceptable to the Treasurer of the Board of Regents (BR Minutes, 1970-71, p. 691).

The president of each institution of the University System shall determine the bank or banks where funds are deposited through a best value competitive contract bid process to be undertaken every three years. The president shall inform the Vice Chancellor for Fiscal Affairs and Treasurer of the Board of Regents of the bank or banks where funds are deposited. It shall be the duty of the Treasurer of the Board to handle all details relative to the bank or banks furnishing the required depository protection (BR Minutes, 1949-50, p. 251; February 1996).

The Vice Chancellor for Fiscal Affairs and Treasurer of the Board shall appoint a person or persons at each of the institutions of the University System with authority to sign checks drawn on banks where funds of the respective institutions are deposited. Persons so appointed shall be authorized to sign any documents that may be required by the banks concerned (BR Minutes, 1952-53, p. 365).

The ~~president and~~ chief business officer of each institution of the University System of Georgia and any other officer or employee who participates in the selection of the institution's depository (bank) is prohibited from serving on the governing boards of banks and other financial institutions if such banks or other financial institutions have or seek a commercial relationship with that institution (BR Minutes; 1996). A president of an institution may serve on the governing board of a bank or financial institution that does not have a commercial relationship with the institution. However, such a bank or financial institution will not be considered by the institution for establishment of a commercial relationship with that institution of the University System of Georgia for not less than two

years after the termination of the president as a member of the board.

5. Approval of the Revisions to Section 803.15 of The Policy Manual

Approved: The Board approved the revisions to Section 803.15 of The Policy Manual, as presented below, effective November 20, 2002.

Background: Section 803 of The Policy Manual addresses the vacation leave policies for faculty members of the University System of Georgia. All benefits-eligible employees of the University System of Georgia are entitled to accrue vacation leave.

The term vacation leave and the term annual leave have been used interchangeably in the operational application of this employee benefit. The current policy statement regarding the accrual of vacation leave for benefits-eligible employees may be found in the Board of Regents Business Procedures Manual (“BPM”), Volume 3A Revised, on page 26. The current policy statement regarding the transfer of accrued vacation leave between University System institutions for benefits-eligible employees with no break in service may be found in the BPM on page 9.

Section 803 of The Policy Manual is titled Faculty Policies, Additional. Section 802 of The Policy Manual is entitled General Policies for All Personnel. If approved by the Board, the vacation leave policy will be reassigned from Policy Section 803.15 to Policy Section 802.0801. Subsequent policies will be renumbered accordingly. Please be informed that all other categories of leave policies for University System of Georgia employees are found within Section 802.

Current Policy

Section 803.15 — VACATION

~~Faculty members employed on a twelve (12) months or fiscal year basis shall be entitled to vacation earned at the rate of one and three fourths (1 $\frac{3}{4}$) working days per month. All working days during the fiscal year shall be counted, absences during academic calendar breaks shall be recorded as vacation, and all vacation days shall be recorded on institutional leave records.~~

~~Earned vacation may be accrued up to a maximum of forty five (45) working days, and employees shall be compensated for all accrued vacation time up to, but not exceeding, forty five (45) days upon termination of service from the University System of Georgia. The compensation shall be based on institutional records. A terminating employee shall not accrue vacation after the last working day of his/her employment. Upon a move between University System institutions, with no break in service, an employee must transfer accrued vacation leave of between one (1) and twenty (20) days. For employees with accrued vacation leave of greater than twenty (20) days, the employee may elect one of the following options:~~

- ~~1. Transfer of the total accrued vacation balance, not to exceed forty five (45) days.~~
- ~~2. Payment by the institution from which the employee is moving of accrued vacation leave in excess of twenty (20) days. The total accrued vacation leave for which the employee may be paid shall not exceed twenty five (25) days.~~

~~Vacation shall be taken at times mutually acceptable to the employee and his/her supervisor.~~

~~Faculty members employed on an academic year (approximately 9 to 10 months) basis do not earn vacation time.~~

~~Faculty members changing from a fiscal year contract to an academic year contract shall be paid their accrued vacation time subject to the forty five (45) day maximum payment restriction upon termination of the fiscal year contract (BR Minutes, 1991-92, pp. 354-355).~~

Revised Policy

Section 802.0801 VACATION/ANNUAL LEAVE

(A) Regular Employee

A regular employee, as defined in Business Procedures Manual (“BPM”), Volume 3A Revised, who works one-half time or more shall earn paid vacation/annual leave. A full-time regular employee shall be entitled to vacation/annual leave earned at the rate of:

- (1) One and one-fourth working days per month (10 hours) for each of the first five years of continuous employment;
- (2) One and one-half working days per month (12 hours) for each of the next five years of continuous employment; and
- (3) One and three-fourths working days per month (14 hours) for each year after the completion of ten years of continuous employment.

The accrual rate of vacation/annual leave for an hourly employee will be based upon his/her standard work commitment. The use of approved vacation/annual leave shall be recorded on institutional leave records.

A regular employee who works one-half time or more but less than full-time shall accrue vacation/annual leave prorated on the basis of full-time employment. An employee who is employed less than one-half time shall not be eligible to accrue vacation/annual leave.

(B) Temporary Employee

A temporary employee, as defined in Business Procedures Manual (BPM), Volume 3A Revised, is not eligible to accrue vacation/annual leave.

(C) Faculty and Administrative Officers

The Policy Manual defines a member of the faculty and an administrative officer in Sections 302.01, 302.02, and 302.03.

A full-time faculty member employed on a 12-month or fiscal year basis shall be entitled to vacation/annual leave earned at the rate of one and three-fourths working days (14 hours) per month. All working days during the fiscal year shall be counted; absences during academic calendar breaks shall be recorded as vacation; and all vacation days shall be recorded on institutional leave records.

A full-time administrative officer employed on a 12-month or fiscal year basis shall be entitled to vacation/annual leave earned at the rate of one and three-fourths working days (14 hours) per month. The use of approved vacation/annual leave shall be recorded on institutional leave records.

The accrual rate of vacation/annual leave for a faculty member or for an administrative officer will be based upon his/her contractual work commitment.

A faculty member who changes from a fiscal year contract to an academic year contract shall be paid his/her unused, accrued vacation/annual leave subject to the 45-day (360-hour) maximum payment restriction upon termination of the fiscal year contract.

A faculty member employed on an academic year (9- to 10-month) basis does not earn vacation/annual leave. An academic year contracted faculty member who teaches during Maymester and/or summer semester will not be eligible to accrue vacation/annual leave for such service.

Vacation/annual leave shall be accrued based on the initial employment date of an employee. A new hire must be employed on or before the fifteenth of a month to qualify for accrual of vacation/annual leave for that month.

Vacation/annual leave shall be taken at times mutually acceptable to the employee and his/her supervisor.

On December 31 of each calendar year, each employee’s leave record shall be adjusted to reflect no more than 45 days (360 hours) of accrued vacation/annual leave.

All unused, accrued vacation/annual leave, not to exceed 45 days (360 hours), shall be paid to an employee upon his/her termination from employment. An employee who terminates on or after the fifteenth of a month shall accrue vacation/annual leave for that month.

Upon a move between University System institutions with no break in service, an employee must transfer all accrued vacation/annual leave up to 20 days (160 hours). For employees with accrued vacation/annual leave of greater than 20 days (160 hours), an employee may elect one of the following options:

- 1. Transfer of the total accrued vacation balance, not to exceed 45 days (360 hours); or
- 2. Payment by the institution from which the employee is moving of accrued vacation leave in excess of 20 days (160 hours). The total accrued vacation leave for which the employee may be paid shall not exceed 25 days (200 hours).

6. Acceptance of Gifts for Georgia Southern University

Approved: The Board accepted on behalf of Georgia Southern University (“GSOU”) gifts-in-kind from the following corporation:

<u>Company</u>	<u>Value</u>	<u>Items</u>	<u>Department</u>
NCR Corporation	\$2.7 Million	Software Assets Intellectual Property Equipment Training	School of Information Technology

Background: GSOU will receive licensing fees in return for software assets, intellectual property rights, equipment, and training to enhance and develop software applications the NCR Corporation could resell. The potential future licensing fees are expected to generate revenue that GSOU can invest in future expansion and research and development. Board policy requires that any gift to a University System of Georgia institution with an initial value greater than \$100,000 be accepted by the Board of Regents. GSOU has advised that there are no material future costs associated with the acceptance of these gifts.

7. Acceptance of Gifts for Georgia Southwestern State University

Approved: The Board accepted on behalf of Georgia Southwestern State University (“GSSU”) gifts-in-kind from the following corporation:

<u>Company</u>	<u>Value</u>	<u>Items</u>	<u>Department</u>
NCR Corporation	\$1.2 Million	Software Assets Intellectual Property Equipment Training	Computer & Information Sciences

Background: GSSU will receive licensing fees in return for software assets, intellectual property rights, equipment, and training to enhance and develop software applications the NCR Corporation could resell. The potential future licensing fees are expected to generate revenue that GSSU can invest in future expansion and research and development. Board policy requires that any gift to a University System of Georgia institution with an initial value greater than \$100,000 be accepted by the Board of Regents. GSSU has advised that there are no material future costs associated with the acceptance of these gifts.

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, November 19, 2002, at approximately 2:10 p.m. in the Board Room. Committee members in attendance were Chair George M. D. (John) Hunt III, Vice Chair Martin W. NeSmith, and Regents Connie Cater, Michael J. Coles, Donald M. Leebern, Jr., J. Timothy Shelnut, Glenn S. White, Joel O. Wooten, and James D. Yancey. Chancellor Meredith was also in attendance at this meeting. Chair Hunt reported to the Board on Wednesday that the Committee had reviewed 23 items, 21 of which required action. Two items were withdrawn prior to the Committee meeting. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Naming of The Parker H. Petit Biotechnology Building, Georgia Institute of Technology

Approved: The Board approved the naming of the bioengineering and bioscience building at the Georgia Institute of Technology (“GIT”) “The Parker H. Petit Biotechnology Building.”

Understandings: Mr. “Pete” Petit received both his bachelor’s degree in Mechanical Engineering and his master’s degree in Engineering Mechanics from GIT.

Mr. Petit was the founder of Healthdyne and served as Chairman of its board of directors and Chief Executive Officer from 1970 to 1996.

Mr. Petit was elected into the GIT Hall of Fame in 1994.

Mr. Petit’s most recent in a series of gifts will provide funding for the final construction phase of the U. A. Whitaker Building and for use in the design and construction of projects in the biomedical, environmental and molecular technology building.

Previous gifts include \$5 million to endow the Petit Institute for Bioengineering and Bioscience and a gift of \$1 million in 1985 to establish the Distinguished Professional Chair for Engineering in Medicine.

2. Naming of Rankin Smith, Sr. Student-Athlete Academic Center, University of Georgia

Approved: The Board approved the naming of the student athlete academic center at the University of Georgia (“UGA”), the “Rankin M. Smith, Sr. Student-Athlete Academic Center.”

Understandings: Rankin M. Smith, Sr. attended UGA where he was a member of Chi Phi Fraternity. In the 1940s, he joined the Life of Georgia Company, and in 1970, he was named President and Chief Executive Officer. From 1965 until his death in 1997, Mr. Smith served as owner and chair of the Atlanta Falcons Football Team.

Mr. Smith was a loyal alumnus and supporter of UGA. He served as a member of the UGA Foundation Board of Trustees and as a trustee for the Georgia Student Educational Fund.

The family of Mr. Smith has given \$3.5 million to the Athletic Association to honor his memory.

3. Naming of Reeves Fieldhouse, Georgia State University

Approved: The Board approved the naming of the baseball facility at Georgia State University (“GSU”) the “Reeves Fieldhouse” in honor of William and Susan Reeves.

Understandings: Mr. Reeves, a 1959 graduate of GSU, has played a critical role in elevating the stature of GSU’s athletic programs. He has been a member of the GSU Athletic Association Board of Trustees for more than a decade and has served as its chairman since 1998.

Mr. Reeves has been awarded the GSU Alumni Association Distinguished Service Award, the GSU Booster of the Year Award, and the GSU Athletic Department Commitment Award.

Mr. and Mrs. Reeves have fully funded a baseball facility at Panthersville, the first ever in GSU history.

4. Naming of Ray Charles Fine Arts Building, Albany State University

Approved: The Board approved the naming of the fine arts academic building at Albany State University (“ALSU”) the “Ray Charles Fine Arts Building.”

Understandings: Ray Charles (Ray Charles Robinson) was born in Albany, Georgia, and was educated at St. Augustine's, the Florida state school for the deaf and blind. There he developed his great gift of music.

In 1979, Ray Charles' classic rendition of "Georgia on My Mind" was approved as the official song of the State of Georgia.

ALSU awarded him an honorary degree when he was the commencement speaker in May 2002.

Mr. Charles has given \$3 million to ALSU.

5. Naming of Dunlap/Mathis Building, Gainesville College

Approved: The Board approved the naming of the completely renovated Academic I building the "Dunlap/Mathis Building" at Gainesville College ("GVC").

Revised: This item was corrected prior to the Committee meeting.

Understandings: James Dunlap served as Chair of the Board of Regents during the 1960s when the Board approved the establishment of Gainesville Junior College. He has generously supported the Gainesville College Foundation, Inc. through the years, his most generous gift being \$100,000 toward GVC's Eminent Scholar in History. He has also named GVC in his will.

James Mathis was on the original task force that led to the establishment of GVC. He was the leader of GVC's campaign to raise money for the Eminent Scholar in History and provided the lead gift of \$100,000. He and his wife have given generous financial support to the art program, have named GVC in their will, and have donated valuable artwork to the college.

Both men have been named as honorary life trustees of GVC.

6. Naming of James M. Dye Student Services Building, Waycross College

Approved: The Board approved the naming of the student services building at Waycross College the "James M. Dye Student Services Building."

Understandings: President Emeritus James M. Dye was the first president of then Waycross Junior College, which opened for classes in September 1976.

Dr. Dye received both his master's degree and his doctor of education degree from the University of Georgia.

Dr. Dye retired as President in 1995. He and his family still reside in Waycross.

7. Naming of Christenberry Fieldhouse, Augusta State University

Approved: The Board approved the naming of the physical education-athletic complex at Augusta State University (“AUSU”) the “Christenberry Fieldhouse.”

Understandings: President Emeritus George Christenberry served as President of AUSU from 1970 to 1986.

Dr. Christenberry is a native of Macon. Before becoming President of then Augusta College, he served in the University System at then Georgia College in Milledgeville as Professor and Chair of the Biology Department. In 1965, he was named Dean of Georgia College.

Dr. Christenberry lives in Augusta, where he is active in the life of the city.

8. Naming of Waddell Barnes Botanical Gardens, Macon State College

Approved: The Board approved the naming of Macon State College (“MSC”) botanical gardens the “Waddell Barnes Botanical Gardens.”

Understandings: Dr. Waddell Barnes has served as Chairman of the Macon State College Foundation, Inc. (the “Foundation”) since 1998. He was instrumental in the reorganization of MSC’s development operations and has helped position the Foundation for the college’s first comprehensive fundraising campaign. Early in his association with MSC, he initiated the concept of “A College in a Garden” and began to make personal contributions to the college’s horticultural collection. He organized a group of master gardeners and other volunteers from Middle Georgia who invest their time, energy, and resources in the grounds of the college. Dr. Barnes and his colleagues are building a series of 16 specialty gardens on campus that constitute the Macon State College botanical gardens.

Dr. Barnes is the father of this enterprise in all respects. A significant endowment is being established in his name that will be used to support the further enhancement and maintenance of the botanical gardens at MSC and to develop an educational program for the benefit of the public.

**9. Authorization of Project, “Metal Organic Chemical Vapor Deposition Laboratory,”
Bunger-Henry Building, Georgia Institute of Technology**

Approved: The Board authorized Project No. BR-30-0303, “Metal Organic Chemical Vapor Deposition (‘MOCVD’) Laboratory” with a total project budget of \$5 million funded by Georgia Institute of Technology (“GIT”) and Georgia Research Alliance funds.

Understandings: This project provides significant remodeling of approximately 5,700 gross square feet into new laboratory and office space on the second floor of the Bunger-Henry Building on the GIT campus. The chemical and materials research activities currently occurring within this space will be relocated to the recently completed Environmental Sciences and Technology Building.

The MOCVD laboratory space will be used by the research faculty of the School of Electrical and Computer Engineering to provide a highly sophisticated laboratory capable of supporting research in the metal organic chemical vapor deposition field and the development of high-quality semiconductor thin films and devices. The laboratory will house a modular cleanroom cell designed to contain an electron stepper unit, three MOCVD system tools, and associated equipment.

The construction cost is estimated at \$3,655,000.

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

10. Renovations to Winburn Hall, Georgia Southern University

Approved: The Board authorized project “Winburn Hall – HVAC, Electrical, Data and Cable Television Renovations” Georgia Southern University (“GSOU”) with a total project budget of \$1,325,000 using auxiliary services funds.

Understandings: Winburn Hall is a 49,184-gross-square-foot residence hall constructed in 1967.

This project will provide renovation and upgrades to the HVAC system and will provide new cable television, new data, and additional electrical outlets in each student room.

The construction cost is estimated at \$1,164,000.

Renovations to Winburn Hall are consistent with GSOU’s Comprehensive Plan for Student Housing.

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

11. Easement for High-Speed Communication Connection, East Georgia College

Approved: The Board declared approximately 0.037 acre of real property on the campus of East Georgia College (“EGC”) to be no longer advantageously useful to EGC or the University System of Georgia but only for the purpose of allowing this land to be used under the terms of a nonexclusive easement by BellSouth Telecommunications, Inc. for installation of a high-speed communication connection.

The Board authorized the execution of a nonexclusive easement with BellSouth Telecommunications, Inc. for the above-referenced tract of land.

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

Understandings: In February 2001, the Board accepted a gift of 19.795 acres of real property from Mrs. Luck F. Gambrell. This easement is on this property and is for the purpose of installing communications connectivity to serve the Emanuel County Technology Park and provide service to EGC's Georgia Rural Economic Development and Technology Center ("GREDTTC") facility. The GREDTTC was approved by the Board in September 2002 and is currently in the programming and design phase.

Consideration for granting this easement is the benefit of EGC having access to this communications connectivity.

12. Rental Agreement, 1905 Barnett Shoals Road, Athens, Georgia, Medical College of Georgia

Approved: The Board authorized the execution of a rental agreement between Janet M. Kellett, Landlord, and Board of Regents, Tenant, covering approximately 18,368 square feet of classroom and office space located at 1905 Barnett Shoals Road, Athens, Georgia, known as Green Acres Shopping Center, for the period July 1, 2002, through June 30, 2003, at a monthly rent of \$14,036.21 (\$168,434.52 per year/\$9.17 per square foot per year) with options to renew on a year-to-year basis for five consecutive one-year periods with rent increasing no more than 4% per year, for use of the Medical College of Georgia ("MCG").

Regent White stated that the escalation of rent seemed high and suggested that the staff try to negotiate a better rate in the future. The Vice Chancellor for Facilities, Linda M. Daniels, responded that the escalation quoted in the agenda was a cap and that the actual escalation would be based on the Consumer Price Index.

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

Understandings: MCG has occupied this space since July 1991. The last option period under the rental agreement has been exercised, and a renewal of the agreement is needed. This agreement adds 1,168 square feet to the space rented to meet increased program needs.

The School of Nursing utilizes this space for their School of Nursing at Athens (“SONAT”) program. Its primary function is to provide classroom and library facilities for the nursing program operated by MCG in Athens

Operating costs for this rental agreement are included in the rent.

Rent and operating expenses will be paid from MCG general institution funds.

13. Subrental Agreement, State Data Research Center, 101 Marietta Street, Atlanta, Georgia Institute of Technology

This item was withdrawn prior to the Committee meeting.

14. Rent Agreement, One Park Place, Atlanta, Georgia State University

Approved: The Board authorized the execution of a rental agreement between Georgia State University Building Foundation, Inc., Landlord, and the Board of Regents, Tenant, covering approximately 135,603 square feet of space located at One Park Place, Atlanta, Georgia, for the period January 1, 2003, through June 30, 2003, at a monthly rent of \$135,603 (\$1,627,236 per year/\$12 per square foot per year) with options to renew on a year-to-year basis for nine consecutive one-year periods with rent increasing up to 5% per year for the use of Georgia State University (“GSU”).

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

The Committee noted that the escalation of rent seemed high and suggested that the staff try to negotiate a better rate in the future. The Vice Chancellor for Facilities, Linda M. Daniels, responded that the escalation quoted in the agenda was a cap and that the actual escalation would be based on the Consumer Price Index.

Understandings: GSU has occupied space in this building since 1991. The last option period under the rental agreement has been exercised, and a renewal of the agreement is needed.

No other suitable office space has been determined to be available on campus or in the University System within the area.

All operating expenses, including taxes, insurance, utilities, maintenance, repairs, janitorial and trash removal services, and pest control, are included in the rent.

15. Amendment to Rental Agreement, Rialto Center, Atlanta, Georgia State University

Approved: The Board authorized the execution of an amendment to the rental agreement between Georgia State University Foundation, Inc., Landlord, and the Board of Regents, Tenant, covering 116,198 square feet of space for the Rialto Complex for the period January 1, 2003, through June 30, 2003, at a monthly rent of \$66,667 (\$800,004 per year/\$6.88 per square foot per year) with options to renew on a year-to-year basis for three additional consecutive one-year periods commencing July 1, 2005, with rent increasing up to 5% per year for use of Georgia State University (“GSU”).

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

The Committee noted that the escalation of rent seemed high and suggested that the staff try to negotiate a better rate in the future. The Vice Chancellor for Facilities, Linda M. Daniels, responded that the escalation quoted in the agenda was a cap and that the actual escalation would be based on the Consumer Price Index.

Understandings: GSU has occupied these facilities since 1995. This amendment will provide for adequate reserves for capital replacements to be maintained.

All operating expenses, including taxes, insurance, utilities, maintenance and repairs, janitorial and trash removal, and pest control, are included in the rent.

16. Rental Agreement, 135 Edgewood Avenue, Atlanta, Georgia State University

Approved: The Board authorized the execution of a rental agreement between University Lofts, LLC, (the “LLC”), Landlord, and the Board of Regents, Tenant, covering approximately 21,416 square feet of space located at 135 Edgewood Avenue, Atlanta, Georgia, for the period November 20, 2002, through November 19, 2003, at a monthly rent of \$31,250 (\$375,000 per year/\$17.51 per square foot per year), with option to renew for one year at the same rent for use of Georgia State University.

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

Understandings: This agreement will provide temporary space for faculty offices, which will allow for modifications of existing space for expanding departments and relocation of departments.

No other suitable office space has been determined to be available on campus or in the University System within the area for this purpose.

All operating expenses, including taxes, insurance, utilities, maintenance, repairs, janitorial and trash removal services, and pest control, are included in the rent.

17. Rent Agreement, 34 Peachtree Street, Atlanta, Georgia State University

Approved: The Board authorized the execution of a rental agreement between SV Atlanta Peachtree Limited Partnership, Landlord, and the Board of Regents, Tenant, covering approximately 22,084 square feet of space located at 34 Peachtree Street, Atlanta, Georgia, for the period December 1, 2002, through November 30, 2003, at a monthly rent of \$34,733 (\$416,805 per year/\$18.87 per square foot per year) with options to renew on a year-to-year basis for five consecutive one-year periods with rent increasing up to 4% for the use of Georgia State University.

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

Understandings: This rental agreement will provide staff office and support space to accommodate the Computer Science Department and Applied Linguistics Department.

If this rental agreement is terminated prior to the fifth renewal term, then a premature termination payment will be due to the landlord. This payment would be \$425,039 during the initial term, decreasing each year to \$64,682.47 during the fourth renewal term.

No other suitable office space has been determined to be available on campus or in the University System within the area.

All operating expenses, including taxes, insurance, utilities, maintenance, repairs, janitorial and trash removal services, and pest control, are included in the rent.

18. Parking Facility Lease and Rental Agreement for Klaus Advanced Computing Building Parking Premises, Georgia Institute of Technology

Approved: The Board authorized the execution of a premises lease between Board of Regents, Lessor, and Georgia Tech Facilities, Inc., Lessee, covering approximately 205,000 square feet of parking structure space to be located in the Klaus Advanced Computing Building, Georgia Institute of Technology (“GIT”), Atlanta, Georgia, commencing on or about June 1, 2005, and for a period of up to 20 years plus 1 month for an advanced rental payment of \$9 million around February or March 2003.

The Board also authorized the execution of a rental agreement between Georgia Tech Facilities, Inc., Landlord, and the Board of Regents, Tenant, for approximately 205,000 square feet for the period commencing on or about June 1, 2005, and ending on or about the following June 30, 2005, at a rent

of \$1,000 with options to renew on a year-to-year basis at a rent of \$70,833.33 per month (\$850,000 per year/\$4.15 per square foot per year) for up to 20 consecutive one-year periods at the same rent.

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

Understandings: GIT briefed the Committee on Real Estate and Facilities at its April 16, 2002, meeting concerning the plan to obtain financing from a third party for the parking deck component of the Klaus Advanced Computing Building. GIT anticipated that the third party would require a Board of Regents lease for parking premises and, in turn, would provide the necessary \$9 million project funds to Georgia State Financing and Investment Commission to construct the Board of Regents owned building. The third party would lease back the premises to the Board of Regents/GIT on an annual basis for a designated term of years. The Georgia Tech Parking System would operate the parking deck and provide the funds for the lease payments from parking system revenues. This approach has been discussed with the Office of the Attorney General.

The third party will be responsible for obtaining the necessary financing for the advance rental payment. The lease would include a condition that upon termination or expiration of the lease, the lease shall terminate immediately and the premises shall be surrendered to the Board without further action or conveyance and without liability to lease to any other third party. The lessee will be required to return the premises free of any lien or encumbrance. The lease will also contain a provision that allows the third party to operate the parking facility in the event the Board of Regents/GIT defaults under the annual lease or does not extend the annual lease throughout the entire term of the renewal periods.

19. Ground Lease and Rental Agreement for Graduate and Family Student Housing and Parking, Georgia Institute of Technology

Approved: The Board declared approximately 8 acres of land on the campus of Georgia Institute of Technology (“GIT”), Atlanta, Georgia, no longer advantageously useful to GIT or other units of the University System of Georgia but only to the extent and for the purpose of allowing this tract of land to be leased to Georgia Tech Facilities, Inc. (“GTFAC”) for the purpose of constructing and owning a housing facility of up to 400 units of graduate and family housing, including childcare and parking accommodations for up to 1,000 cars.

The Board authorized the execution of a ground lease between the Board of Regents, Lessor, and GTFAC, Lessee, for approximately 8 acres of land on the campus of GIT for a period of 25 years with an additional construction period of not more than 2 years for the purpose of constructing and owning a housing facility of up to 400 units of graduate and family housing, including childcare and a parking accommodations for up to 1,000 cars.

The Board also authorized the execution of a rental agreement between GTFAC, Landlord, and the Board of Regents, Tenant, for a housing facility of up to 400 units of graduate and family housing, including childcare and parking accommodations for up to 1,000 cars, for the period commencing within 5 days after GTFAC obtains a certificate of occupancy for the improvements and ending the following June 30 for an amount of \$1,000 with options to renew on a year-to-year basis for up to 25 consecutive one-year periods at a monthly rent not to exceed \$339,583.33 (\$4,075,000 per year).

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

The Board also declared the Healy Apartment Building (Building No. 112) and the Callaway Apartments (Building No. 70) at GIT to be no longer advantageously useful to GIT or other units of the University System of Georgia and authorize the demolition and removal of these buildings.

The Board requested that the Governor issue an Executive Order authorizing the demolition and removal of the Healy and Callaway apartment buildings from the campus of GIT.

The demolition of these buildings is subject to satisfactory completion of environmental review prior to issuance of an Executive Order.

Revised: This item was revised prior to the Committee meeting to adjust the term of the ground lease and the rent amount.

Understandings: In October 1997, the Board passed a new student housing policy that requires the preparation of a comprehensive plan for student housing together with a financial plan to support housing program objectives. GIT has developed a comprehensive plan that is consistent with the policy. GIT presented a comprehensive student housing plan to the Committee on Real Estate and Facilities at its October 2002 meeting. The GIT Housing Plan includes a multi-year phased program for the renovation and remodel of existing housing along with the construction of new housing for married and family graduate students and single graduate students. This item is the first phase in the GIT new construction plan.

20. Acquisition of Property, 670 North Indian Creek Drive, Clarkston, Georgia Perimeter College

Approved: The Board authorized the purchase of approximately 1.38 acres of real property located at 670 North Indian Creek Drive, Clarkston, Georgia, at a purchase price of \$225,000 from Samuel Velazquez for the use and benefit of Georgia Perimeter College (“GPC”).

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

Understandings: The property includes a 1,764-square-foot, single-story wood frame residence, which is currently used as a church.

Three independent appraisals of the property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
The Appraisal Group, Inc., Tucker	\$165,000	
B. B. Knox Company, Suwanee	\$250,000	\$225,000
Clower, Kirsch & Associates, Lawrenceville	\$260,000	

A Phase I Environmental Assessment has been completed and indicates there are no significant environmental issues. There are no restrictions on the acquisition, and there are no known easements or restrictions on the property.

This acquisition is consistent with the GPC master plan.

Funding for the acquisition will be from general operating funds. Operating expenses will be covered by general operating funds.

21. Acceptance of Gift of Land and Purchase of Building, Georgia Tech Regional Engineering Program, Savannah, Georgia Institute of Technology

Approved: The Board accepted a gift of approximately 46.647 acres of real property, less the footprint of a building to be constructed by or for the Savannah Economic Development Authority (“SEDA”), at the Technology Engineering Center, Crossroads Business Park, Savannah, Georgia, from SEDA for use by the Georgia Tech Regional Engineering Program (“GTREP”), Georgia Institute of Technology’s Advanced Technology Development Center, and Yamacraw.

The Board authorized the execution of a nonexclusive easement for approximately 3.91 acres of the above real property to grant SEDA an easement for reasonable vehicular and pedestrian access to and from SEDA land to Technology Circle.

The Board will purchase from SEDA an approximately 17,000-square-foot building to be constructed by or for SEDA and the real property contained in the footprint of the building for an amount not to exceed \$5 million.

The terms and conditions of this gift of real property, purchase of a building, and nonexclusive easement are subject to review and legal approval of the Office of the Attorney General.

Understandings: In January 2002, the Board authorized a memorandum of understanding (“MOU”) with SEDA for the acquisition of a building for GTREP. The MOU provided that at such time as construction of the first building is complete the Board of Regents would be requested to accept from SEDA title to approximately 47 acres and purchase the first building.

Design of the first building is complete. SEDA is ready to enter into agreements to cause the first building to be constructed. To enable the construction term financing to be obtained SEDA must have this purchase commitment from the Board.

Construction will commence immediately, with the first building anticipated to be completed by July 2003 for the use of GTREP, Georgia Institute of Technology’s Advanced Technology Development Center, and Yamacraw.

22. Executive Session, Property Acquisition, Georgia Institute of Technology

At approximately 2:20 p.m. on Tuesday, November 19, 2002, Chair Hunt called for an Executive Session for the purpose of discussing the future acquisition of property. With motion properly made and variously seconded, the Regents who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair Hunt, Vice Chair Martin W. NeSmith, and Regents Connie Cater, Michael J. Coles, Donald M. Leebern, Jr., J. Timothy Shelnut, Glenn S. White, Joel O. Wooten, and James D. Yancey. Also in attendance during the Executive Session were Chancellor Thomas C. Meredith; the Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel; the Vice Chancellor for Facilities, Linda M. Daniels; the Assistant Vice Chancellor for Legal Affairs (Contracts), Robyn A. Crittendon; the Assistant Vice Chancellor for Facilities (Real Property and Administration), Peter J. Hickey; the Senior Vice President of Administration and Finance at the Georgia Institute of Technology (“GIT”), Robert K. Thompson; the Executive Director of Real Estate Development at GIT, Scott Levitan; and Assistant Attorney General Denise Whiting-Pack. 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 3:10 p.m., Chair Hunt reconvened the Committee meeting in its regular session and announced that no actions were taken in Executive Session. Chair Hunt then called for a motion that the Committee authorize the acquisition of property at the Georgia Institute Technology. With motion properly made, variously seconded, and unanimously adopted, the Committee approved this motion.

23. Information Item: Master Plan, Gordon College

This item was withdrawn prior to the Committee meeting.

24. Information Item: Student Housing, Columbus State University

President Frank D. Brown presented the Columbus State University (“CSU”) housing plan to the Board of Regents. All current housing at CSU was provided by Foundation Properties, Inc., a foundation created to serve the student housing needs of CSU. Currently, Foundation Properties, Inc. leases to CSU 595 beds of student housing. The availability of quality student housing is vital for CSU to attract students to achieve enrollment projections, which are projected to be 7,500 students by 2007. Harper Partners Architects assisted with the development of the student housing plan, in which it is projected that 300 additional student beds will be required to meet current student needs and future growth.

President Brown proposed that these additional student housing beds be provided by ground leasing campus property identified in the campus master plan for housing to Foundation Properties, Inc. This will be presented to the Board for consideration at a future meeting.

25. Information Item: Valdosta Stadium, Valdosta State University

Valdosta State University (“VSU”) does not have its own football stadium. The Valdosta City School Board’s (“VCSB”) stadium is leased at a cost of \$1,550 per game. This stadium is in need of repair and renovation and is located on a block of land that is contiguous to VSU’s Student Union. Historically, VSU has attempted to purchase the entire block of land (9.9 acres) and related buildings (bus parking and maintenance, storage, special education, VCSB offices, and auxiliary offices). The VCSB’s estimated cost of the land and buildings is \$14.7 million. VSU would need to demolish the old stadium and buildings in order to use the land for much needed expansion for commuter parking. This option is cost prohibitive and is not considered to be viable.

A second option is to jointly build a new stadium. The projected cost is \$9 million: \$4.5 from VSU, and \$4.5 from the VCSB. The new stadium will require 5.4 acres and demolition of all existing buildings.

VSU is currently negotiating with the VCSB to acquire the remaining 5.4 acres with the goal of transforming the land into a much needed parking facility, especially for commuter students. VSU experienced a 7% enrollment growth this fall semester.

Discussions continue to be productive, and no agreements have been formulated to date; however, there is strong support from within the community to assist VSU and VCSB in finding equitable

solutions. VSU continues to be optimistic that the partnership is the most cost-effective plan. Funding for the project would come from external sources.

A third option directs the VCSB to renovate the existing stadium and retain the entire block. In essence, one of the most important pieces of land in Valdosta will be lost for VSU's utilization.

VSU's position has been to reject options one and three and continue to negotiate a plan to build the joint stadium. In this scenario, a "stadium authority" would operate the new stadium.

* * * * *

At the end of the Committee meeting, Regent Leebern asked the Vice Chancellor for Facilities, Linda M. Daniels, for an update on noise disturbances experienced by University of Georgia ("UGA") students due to construction at Sanford Stadium. Ms. Daniels reported that the construction would be suspended during final exams and that students were being given some accommodations for their inconvenience. After some discussion, the Committee requested that the Chancellor and his staff look into this matter in relation to Board of Regents policies and report back at the January 2003 Committee meeting. Chancellor Meredith responded that they would.

COMMITTEE ON EDUCATION, RESEARCH, AND EXTENSION

The Committee on Education, Research, and Extension met on Tuesday, November 19, 2002, at approximately 1:55 p.m. in room 6041, the Training Room. Committee members in attendance were Chair William H. Cleveland, Vice Chair Allene H. Magill, and Regents Hugh A. Carter, Jr., Hilton H. Howell, Jr., Elridge W. McMillan, and Wanda Yancey Rodwell. Board Chair Joe Frank Harris and Chancellor Thomas C. Meredith also attended this meeting. Chair Cleveland reported to the Board that the Committee had reviewed 12 items, 6 of which required action. Additionally, 126 regular faculty appointments were reviewed and recommended for approval. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Establishment of the Master of Animal and Dairy Science, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ("UGA") be authorized to establish the Master of Animal and Dairy Science, effective November 20, 2002.

Abstract: The Master of Animal and Dairy Science was developed as a result of student and extension personnel needs for a more in-depth educational experience that is merged with advanced training in modern animal agriculture and dairy science. The program is focused, in part, on the development of new technologies aimed at improving the productivity and efficiency of animals used for meat, milk, eggs, and fiber.

Need: The requirements for obtaining jobs in modern agriculture and for advancement within existing employment situations have increased in recent years. The Master of Animal and Dairy Science is a broad-based, terminal master's degree that can be obtained prior to employment outside of academia. Unlike research-based master's degrees with a thesis requirement, the Master of Animal and Dairy Science was developed to enhance professional advancement for those currently employed in agricultural industry positions. Several organizations have indicated an interest in hiring graduates of the program, such as the Franklin County cooperative extension service and the Georgia Cattlemen's Association.

Objectives: Students completing the program will be expected to apply scientific principles to the evolving technologies used in animal and dairy production, use modern electronic communications and technology, and critically understand and evaluate research results and apply information to industry situations.

Curriculum: The program will consist of a minimum of 30 semester hours of course work with an additional 3 semester hours of a special problems course in Animal and Dairy Science. The capstone special problems course will be designed to expose students to the application of technological and research-based information to solve problems in their specific area of interest. Such a course may be offered in conjunction with an internship with an extension scientist, commercial consultant, or research scientist.

Projected Enrollment: The institution anticipates enrollments of 8, 13, and 20 during the first three years of the program.

Funding: The institution will reallocate resources to implement the program.

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

2. Establishment of the Bachelor of Science in Biochemistry, Kennesaw State University

Approved: The Board approve the request of President Betty L. Siegel that Kennesaw State University ("KSU") be authorized to establish the Bachelor of Science in Biochemistry, effective November 20, 2002.

Abstract: Biochemistry is the study of the structure, composition, and chemical reactions of substances in living systems. The discipline is applied to medicine, dentistry, and veterinary medicine. Biochemistry emerged as a separate discipline when scientists combined biology with

organic, inorganic, and physical chemistry to study living systems at the molecular level.

Need: According to the U.S. Bureau of Labor Statistics, growth in the number of biological scientists is predicted to be 35% as compared to 25% for life and medical scientists. A need exists in the metropolitan Atlanta and Athens corridors for graduates in biochemistry to fill positions in Georgia's rapidly growing biomedical and biotechnology industries as well as in the pharmaceutical, chemical, medical, and paper industries. Fifteen companies were surveyed by KSU, and the responses indicate that at least 50 employees are needed over the next five years. Several companies have indicated their support for the program, including Roche Diagnostics, Recombinant Peptide Technologies, LLC ("rPeptide"), Solvay Pharmaceuticals, Inc., GeneCure Biotechnologies, LLC, and the Centers for Disease Control and Prevention.

Objectives: Students will be required to demonstrate a broad understanding of the principles and applications of biochemistry. These principles may include, but are not limited to, the structure and function of biomolecules, metabolism, bioenergetics, molecular genetics, and recombinant DNA technology. In addition, students will be required to conduct and interpret a scientific investigation that employs biochemistry techniques.

Curriculum: The 120-semester-hour interdisciplinary program, with its heavy emphasis on chemistry and biology, is supported by lab experiences developed through projects funded by the National Science Foundation. A student graduating from the program will complete upper-level laboratory experiences covering the practical aspects of several molecular techniques. Additional courses in DNA technology, genetics, and inorganic synthesis complete the program.

Projected Enrollment: The institution anticipates enrollments of 30, 50, and 75 during the first three years of the program.

Funding: The institution will reallocate resources to implement the program.

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

3. Establishment of the Associate of Applied Science in Early Childhood Care and Education, Bainbridge College

Approved: The Board approved the request of President Clifford M. Brock that Bainbridge College ("BC") be authorized to establish the Associate of Applied Science in Early Childhood Care and Education, effective November 20, 2002.

Abstract: The Associate of Applied Science in Early Childhood Care and Education is designed to

comply with the requirement that current paraprofessionals earn an associate's degree by the year 2006 in order to retain their paraprofessional positions. An approved statewide curriculum endorsed by the U.S. Department of Education has been used as a guideline to meet the federal requirements for instructional educational paraprofessionals. The Associate of Applied Science in Early Childhood Care and Education degree will provide students with a foundation in the theoretical and practical aspects of childcare services.

Need: According to BC, several hundred paraprofessionals, who could benefit from the establishment of an associate-level degree program, work in area school systems. The program would provide courses directly related to their daily work activities while simultaneously meeting federal credential requirements for paraprofessionals. "Planning for Tomorrow," a Georgia Department of Labor publication, projects a 46% increase in the need for preschool teachers by 2006 and lists Teacher Aides Paraprofessional with a 33.9% increase by 2006.

Objectives: Students will be required to gain an understanding of the social and psychological factors that influence child development; to identify indicators and norms of typical and atypical child development, including language, psycho-social, and motor skills; and to identify and respond appropriately to childhood conditions regarding health, safety, and nutrition.

Curriculum: A degree program in Early Childhood Care and Education would provide the requisite training in child development, program management, curriculum development, and practical lab and internship experience that results in identifiable graduates for the BC service area. The curriculum requires a minimum of 69 semester hours and consists of such courses as human development, early childhood care, art and music for children, and teaching the exceptional child.

Projected Enrollment: The institution anticipates enrollments of 24, 30, and 40 during the first three years of the program.

Funding: The institution will reallocate resources to implement the program.

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

4. Establishment of the Master of Science in Systems Engineering, Southern Polytechnic State University

Approved: The Board approved the request of President Lisa A. Rossbacher that Southern Polytechnic State University ("SPSU") be authorized to establish the Master of Science in Systems Engineering, effective November 20, 2002.

Abstract: Systems engineering, the application of the systems approach to the design of complex industry and business domains, was initially developed in the communications industry. Disciplinary growth has expanded the domain to hardware and software integration, energy, manufacturing, transportation, environmental systems, infrastructure renewal, and aerospace. In addition, the proposal includes a graduate certificate and advanced graduate certificate in systems engineering. Each certificate is designed to provide a conceptual understanding of systems engineering and to bridge the competency level of students working in the field with current standards and practices. In addition to evening courses, the program will be offered via distance learning similar to SPSU's existing Master of Science in Quality Assurance.

Need: Prime contractors for major projects in federal and state government require graduates specifically trained in this area. Lockheed Martin, Delta Technology, Inc., Higginbotham & Associates, Inc., Respirationics, and M. H. Chew & Associates, Inc. are but a few of the companies that have indicated their support for the program. Based on regulations from the U.S. Department of Defense, prime contractors to federal agencies will be required to implement a systems engineering approach to translate approved operational needs and requirements. Such regulations enhance the need for graduates of the program.

Objectives: Students will be required to understand the essential processes and practices associated with the application of systems engineering. In addition, students will use simulations of operational environments and model system interfaces, examine analytical techniques for system functions, and convert detailed requirements to a design solution.

Curriculum: The interdisciplinary program consists of 36 semester hours and will emphasize such courses as systems analysis and system design, modeling and simulation, advanced configuration management, and process assessment and improvement.

Projected Enrollment: The institution anticipates enrollments of 12, 24, and 36 during the first three years of the program.

Funding: The institution will reallocate resources to implement the program.

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

5. **Establishment of the Existing Bachelor of Science in Electrical Engineering and Bachelor of Science in Mechanical Engineering as Undergraduate Degree Offerings Through the Georgia Tech Regional Engineering Program, Georgia Institute of Technology**

Approved: The Board approved the request of President G. Wayne Clough that Georgia Institute of Technology (“GIT”) be authorized to offer the existing Bachelor of Science in Electrical Engineering and Bachelor of Science in Mechanical Engineering as undergraduate degree offerings through the Georgia Tech Regional Engineering Program (“GTREP”), effective November 20, 2002.

Abstract: On September 8, 1998, the Board approved five programs to be offered through GTREP as part of its initial implementation. GTREP is a Board of Regents initiative to increase access to engineering programs statewide that involves Georgia Institute of Technology, Armstrong Atlantic State University, Georgia Southern University, and Savannah State University. Two bachelor’s degrees, the Bachelor of Science in Computer Engineering and the Bachelor of Science in Civil Engineering, expanded access to baccalaureate engineering degrees in South Georgia. Three master’s degrees, the Master of Science in Environmental Engineering, the Master of Science in Electrical and Computer Engineering, and the Master of Science in Mechanical Engineering, expanded access to working professionals.

In fall 2001, as a result of an ICAPP® initiative between the University System of Georgia and Gulfstream Aerospace Corporation, support was provided to initiate selected courses with an emphasis on aviation electronics/controls as a precursor to formally offering an undergraduate degree in electrical engineering. This program is now entering the second and final year of funding. Formal approval to offer Electrical Engineering at this time is a step toward the long-range plans of the ICAPP® program.

Since the inception of GTREP, there have been sustained repeated requests from industries in Southeast Georgia to begin offering a Mechanical Engineering undergraduate degree. A recent commitment by a major automotive company to build a manufacturing facility in the city of Savannah has created a new and urgent need for a baccalaureate mechanical engineering program. Other major employers of graduates from this discipline include companies in the aerospace, construction equipment, and marine/port systems industries, as well as the military and a large number of small to mid-sized mechanical engineering consulting firms.

Because initial approval by the Board did not include the Bachelor of Science in Electrical Engineering nor the Bachelor of Science in Mechanical Engineering, GIT is seeking approval to add these programs to the current GTREP program offerings.

6. 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.

7. Reorganization of Academic Units, Albany State University

Approved: The Board approved the request of President Portia Holmes Shields that Albany State University (“ALSU”) be authorized to reorganize academic units, effective November 20, 2002.

Abstract: ALSU sought authorization to reorganize academic units to provide more cost-effective administration throughout its divisions. Under the divisions of Academic Affairs, Fiscal Affairs, and Student Affairs, it was proposed that the position of Assistant Vice President be removed. The Associate Vice President within each unit will subsume the duties associated with this position. In addition, several administrative positions were also eliminated. These include the Special Assistant to the President. These appointments were made during different economic budget situations. The reorganization of academic units was designed to respond to student, faculty and staff priorities within the current budget, reduce administrative costs, and maintain the quality of services. The overarching goal is to increase efficiency while reducing costs.

8. Establishment of the Marion Crider Eminent Scholar Chair in Mathematics, State University of West Georgia

Approved: The Board approved the request of President Beheruz N. Sethna that State University of West Georgia (“UWG”) be authorized to establish the Marion Crider Eminent Scholar Chair in Mathematics, effective November 20, 2002.

Abstract: President Sethna has requested that the Marion Crider Eminent Scholar Chair be established within the College of Arts and Sciences. The chair will be funded by UWG’s foundation and state allocations in accordance with established guidelines. The total funding meets the minimum requirement of \$1 million. The eminent scholar will serve in the area of mathematics. The faculty member selected for this position will exhibit a commitment to teaching, place a high value on the application of his/her discipline to solve problems, and be an advocate for students, faculty members, and the external community.

Biosketch: The estate of Ms. Sara C. Hazeltine wishes to memorialize Dr. Marion Crider through this philanthropic gift. Dr. Crider was a professor of mathematics at UWG for 23 years. She served as Department Chair and retired in 1969. Her sister, Ms. Hazeltine, established a math endowment in 1982 and continued to support UWG until her recent death.

9. Information Item: Revision of the Academic Affairs Handbook, Section 4.01.04, Timely Submission of Appointment Recommendations

The revised Academic Affairs Handbook procedure was submitted to the Committee in order to provide clarity concerning the timeframe for receiving recommendations for faculty appointments

before each Board meeting. Below is the revised procedure, as it will appear in the Academic Affairs Handbook.

Academic Affairs Handbook, Section 4.01.04

Submission of Appointments

SUBJECT: Timely Submission of Appointment Recommendations

REFERENCE: Memo from the Chancellor ----- (Date)

EFFECTIVE DATE: 01.01.03

PROCEDURE

In order to ensure that faculty appointments are considered by the Board **in a timely fashion** ~~prior to the beginning dates of employment~~, the Chancellor must receive the necessary recommendations at least two weeks in advance of the monthly Board meeting **in which approval is sought**. ~~Administrative approval can be requested for those necessary emergency appointments which cannot because of time constraints be so considered.~~

Recommendations for approval of full-time faculty and administrative appointments **requiring Board approval must** ~~should~~ be submitted by the presidents in a timely fashion **in accordance with the following expectations**: ~~In a memorandum from the Chancellor, Presidents were advised to follow the procedures outlined below:~~

- I. **Make every effort to submit each appointment request early enough to have it considered by the Regents before the effective date of the appointment.** ~~Every effort must be made to submit each appointment request early enough to have it considered by the Regents before the effective date of the appointment.~~

- II. **In case of clearly demonstrable emergency, when it is impossible to follow the above, request administrative approval for the appointment from the Chancellor.** ~~For full-time faculty, in those cases where approval prior the commencement of duties is not possible, approval must be sought according to the following schedule:~~
 - a) **appointments beginning in the fall semester, no later than the October Board meeting,**

 - b) **appointments beginning in the spring semester, no later than two weeks prior to the February Board meeting, and**

c) appointments beginning at all other times, no later than two weeks prior to the subsequent Board meeting.

III. ~~In no case issue a salary check for a full-time faculty member or administrator for show appointment you have not received either Board of Regents approval or administrative approval.~~ Faculty may receive payment for services rendered pursuant to System and institutional guidelines prior to Board approval. However, in no case may faculty or administrative employees receive compensation for services not yet performed.

10. Information Item: Service Agreements

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

University of Georgia			
Purpose	Agency	Duration	Amount
Produce series of maps	Children and Youth Coordinating Council	7/1/02 – 9/30/02	\$25,000
Provide diagnostic services relative to livestock disease 2002 – Athens Lab	Georgia Department of Agriculture	7/1/02 – 6/30/03	\$1,377,454
Provide diagnostic services relative to livestock disease 2002 –Tifton Lab	Georgia Department of Agriculture	7/1/02 – 6/30/03	\$2,204,069
Conduct rural development project	Georgia Department of Community Affairs	9/1/02 – 8/30/03	\$100,000
Manage leadership investment infrastructure fund	Georgia Department of Community Affairs	9/1/02 – 8/31/03	\$150,000
Manage Rogers State Prison Dairy Farm	Georgia Department of Corrections	7/1/02 – 6/30/03	\$312,487
Manage Rogers State Prison Swine Farm	Georgia Department of Corrections	7/1/02 – 6/30/03	\$74,337
Provide instruction on Generally Acceptable Accounting Principles	Georgia Department of Human Resources	8/1/02 – 7/31/03	\$12,825
Provide child support enforcement training	Georgia Department of Human Resources	7/9/01 – 6/30/03	\$421,161
Manage osteoporosis database and	Georgia Department of	6/30/02 – 4/30/03	\$15,500

analysis	Human Resources		
Conduct nutrition education programs	Georgia Department of Human Resources	10/1/02 – 9/30/03	\$169,786
Conduct watchable wildlife project for nongame wildlife grant	Georgia Department of Natural Resources	7/1/02 – 6/30/03	\$4,500
Provide baseline assessment of trout streams	Georgia Department of Natural Resources	8/1/02 – 7/31/03	\$100,000
Establish and operate Georgia Cooperative Fish and Wildlife Research Unit	Georgia Department of Natural Resources	7/1/89 – 6/30/03	\$40,000

Conduct test of urban development possibilities in upper Etowah watershed	Georgia Forestry Commission	9/1/02 – 8/31/03	\$19,930
Support Roots in Georgia II: Athens Literary Festival and Symposium	Georgia Humanities Council	8/1/02 – 4/30/03	\$8,000
Evaluate Peach State wrap-around initiative	Gwinnett, Rockdale, and Newton Community Service Board	7/1/01 – 6/30/03	\$103,871

TOTAL AMOUNT – NOVEMBER	\$ 5,138,920
TOTAL AMOUNT FY 2003 TO DATE	\$12,137,958
TOTAL AMOUNT FY 2002 TO NOVEMBER	\$ 9,869,809
TOTAL AMOUNT FY 2002	\$25,222,651

11. Information Item: Grants and Contracts Received by Institutions in the University System of Georgia for Research, Instruction, and Public Service for Fiscal Year 2002

Much of the financial support for the University System is derived from extramural sources. The dollar amounts for contracts and grants received by the institutions and highlights some of the larger grants awarded to System institutions were presented to the Committee.

The total external support for these activities in all institutions equaled \$794,474,825, an increase of \$108,335,311, or 15.8%, above fiscal year 2001.

12. Information Item: Intellectual Property Income Summary in the University System of Georgia for Fiscal Year 2002

The table below presents income received from intellectual properties during fiscal year 2002. The total income represents a decrease of \$2,674,718, or 30% below fiscal year 2001.

Institution	Inventions	Software	Copyrights/ Trademarks	Totals
Georgia Institute of Technology	\$565,835	\$1,523,387	\$18,097	\$2,107,319
Georgia State University	0	0	\$7,218	\$7,218
Medical College of Georgia	\$205,270	0	\$22,638	\$227,908
University of Georgia	\$3,773,971	\$40,798	\$18,799	\$3,833,568
Totals	\$4,545,079	\$1,564,185	\$66,752	\$6,176,016

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, November 19, 2002, at approximately 2:45 p.m. in room 7019, the Chancellor's Conference Room. Committee members in attendance were Chair Hilton H. Howell, Jr., Vice Chair Elridge W. McMillan, and Regents Hugh A. Carter, William H. Cleveland, Allene H. Magill, and Wanda Yancey Rodwell. Board Chair Joe Frank Harris was also in attendance at this meeting. Chair Howell reported to the Board on Wednesday that the Committee had reviewed two items, both of which required action. Item one included one application for review, which was denied. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Applications for Review

- a. In the matter of file number 1600, at Savannah State University, concerning disciplinary expulsion, the application for review was denied.

2. Mutual Aid Agreement Between Athens-Clarke County and the University of Georgia

Approved: The Board approved a mutual aid agreement between Athens-Clarke County and the University of Georgia to provide extraterritorial emergency assistance in the event of a local emergency involving hazardous materials. This agreement is authorized by the Georgia Mutual Aid Act, O.C.G.A. § 36-69-1 et seq. and has been reviewed by the university's and the Board's legal counsel and environmental compliance officer. The agreement is on file with 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, Mr. Chairman. First, let me add my own condolences to Gail Weber and her family to those expressed yesterday by Chairman Harris. Gail and Bill reflect all that is good about this state and this nation. They raised a great family. They have made important contributions to their community and the state. We all deeply mourn Bill Weber's passing, and our hearts are with Gail and her family.

Let me begin my remarks today with two critical issues: transition and the budget. The elections have created some significant changes in the political landscape. Governor-elect Perdue is an individual who has the best interests of the state at heart. I would remind you that while in the General Assembly, he served as the chair of the Senate Higher Education Committee. He holds two degrees from the University of Georgia ("UGA") and his children were and are being educated in the University System. He understands the University System and our role. The word I have heard from people around the state when they describe Governor-elect Perdue is "decent." To me, that means a person of integrity and honesty. We will work with the Governor to pursue a goal we all share: creating a more educated Georgia. The presidents and I met with him yesterday afternoon. He holds the System in the highest regard. His comments to us were filled with common sense and a desire to create a more educated Georgia. Despite changes in the General Assembly, this remains a body of individuals who understand higher education and who support us and this goal. We will continue our partnership role with the General Assembly. Where do people turn in a time of political transition? They turn to those who have the expertise and the resources needed to ensure a successful transition. And so Governor-elect Perdue and his team have turned to the University System to assist in the transition effort. UGA's Hank Huckaby is serving as Interim Budget Director of the Governor's Office of Planning and Budget. There will be other examples in the weeks ahead of the University System fulfilling a role for which it is uniquely suited: mobilizing and sharing its resources on behalf of the good of the state.

One fact the election did not change – the economic picture. It was in poor shape before November 5, and no vote changed that. Georgia continues to see declines in state revenues collections. Business and consumer confidence continue to erode. This has meant budget cuts throughout state government. Let me take a minute to review the current fiscal year as it relates to University System budget cuts. Last November, prior to the General Assembly's session, the Governor's Office asked us to cut the fiscal year 2003 budget request 5%. This reduction totaled \$108.6 million from our total budget. Also in this amount was \$25 million for major repairs and renovation ("MRR"). In February, while the fiscal year 2003 budget was under discussion in the General Assembly, the Governor asked for an

additional cut in the total budget of 0.86%, or almost \$14 million. Then in May, once the fiscal year 2003 budget had been approved and signed, the Governor requested an additional cut of 1%, totaling \$9.1 million, but which excluded instruction. The fiscal year 2003 budget took effect on July 1 of this year. In August, the Governor asked us to hold back an additional 2%, or \$18.2 million, which does include instruction. And then last week, the Governor asked us to cut an additional 2% of the total budget, or \$34 million. So, for fiscal year 2003, the budget cuts for the System total almost \$184 million (\$183,910,792), including the \$25 million for MRR.

Our institutions have been planning and preparing for any and all eventualities, and I've asked our presidents to demonstrate their leadership in this area as we move forward. One thing is critical: we must be positive in our approach to the budget and other issues. As I've said to the presidents, we do not have the luxury of appearing to be down. We need to set the example of great leadership that has been demonstrated time and again during this Board's and this System's 70-year history. What attracted me to Georgia was its attitude – an attitude that we can tackle anything. Now's the time for that attitude, that "can do" approach. We must demonstrate clearly that the Board of Regents and the University System have the leadership, the resources, and the resolve needed to help move Georgia forward. My mantra is "Let's get to it – let's get to work – let's move forward – let's be about the business of educating Georgians and serving the state." And that is what we are doing. We are being asked to do more with less. As long as we are treated fairly and equitably, we will do our part as partners to help our state succeed.

Let me now give you a brief report on my activities as your Chancellor in the past month. We have completed our 12 Knowledge Is Power ("KIP") tours around the state, thanks to the hard work of the Associate Vice Chancellor for Development and Economic Services, Annie Hunt Burriss, and her Intellectual Capital Partnership Program ("ICAPP[®]") team and many others here in the University System Office and on our campuses. We estimate that almost 2,000 people participated in the KIP programs. We presented a report on this tour to the presidents, and we'll be moving forward with some recommendations and actions that will be developed from our feedback sessions.

I've visited all but two of our campuses, and I will visit the final two – Georgia College & State University and Middle Georgia College – on January 10. As I've traveled the state, I've been extremely impressed by the talent and the commitment shown on our campuses from the top down. These travels have provided a confirmation of the quality of the University System of Georgia. We truly have a great system of public higher education in Georgia, and that's a testament to our people, the presidents, and the Board of Regents.

I also have been meeting community leaders, elected officials and others. This has been a very deliberate effort to learn more about this state and the views people hold of the System as well as the opportunity to spread the message of our goal to create a more educated Georgia. In recent months, I've spoken to such groups as the Georgia School Superintendent's Association, stressing the University System's leadership in the P-16 arena and the Georgia Association of Regional Developers on the role we play in economic development. I also addressed our information and instructional technology division on technology's crucial role in the System, as well as the Women Administrators in Higher Education on some key gender issues. And I spoke to the storytellers for higher education in the state – the Georgia Education Advancement Council. This group of folks manages public relations, communications, fund raising, and alumni relations on our campuses. They are the public face of our institutions and help us to successfully advance the cause of higher education.

The Medical College of Georgia continues to shine as it focuses on some very ambitious goals. I had the opportunity to address the MCG Health, Inc. ("MCGHI") board during its annual meeting about the progress and the challenges facing us in this area. Dan Rahn and David Stern have just recruited a new chair of medicine from Duke. Steve Schwaab was Vice Chair of Medicine at Duke. A great team is in a great place.

I also had the opportunity to meet with the System's Student Advisory Council as they work on their own strategic plan. I have asked them to consider a restructuring so they can be of more help to me and the Board. And I had the chance to be on hand for Georgia State University's third annual Carter Partnership Awards event, where I had the honor to meet former President Jimmy Carter and his wife, Rosalynn.

We conducted inaugurations of two of our new presidents: Dr. Ronald M. Zaccari at Valdosta State University and Dr. Lawrence V. Weill at Gordon College. Both of them have acclimated well in their new positions and are doing good work for the University System.

Our faculty, our staff, and our students continue to shine. Let me share a few noteworthy achievements.

- I'll lead with some recognition by the Georgia Economic Developers Association. Its annual 2002 Terrific Education Awards were held yesterday and honored the Dalton Public School's International Inclusion Center. As you know, our own Regent Allene Magill is the superintendent of the Dalton schools. She has focused considerable efforts on raising the educational aspirations and opportunities of the area's growing Latino population. And Kennesaw State University was honored for its Small Business Innovation Research Resource program in this awards program.

- The technology firm NCR Corporation has given two of our institutions charitable gifts estimated at more than \$3 million. The University System's ICAPP® staff coordinated an arrangement in which NCR will provide Georgia Southern University ("GSOU") and Georgia Southwestern State University ("GSSU") with software that the universities will modify and upgrade. GSOU and GSSU have exclusive distribution contracts with NCR on the donated software. These potentially lucrative intellectual-property deals should well position the rural communities of Statesboro and Americus in the worldwide software redevelopment market.
- An October 29 special section on working in the *New York Times* included an article that looked at how Augusta and Savannah have fared in the current economic downturn. Featured in the article were President Rahn and MCG; Dr. Ralph Walker, Director of the Augusta State University Research Center; and Michael Toma, Director of the Center for Regional Analysis at Armstrong Atlantic State University. The article cited MCG's reorganization and efforts to create jobs through enhanced research as assets for the Augusta area.
- In a terrific sign of the progress we've made as a strong presence in the field of biotechnology, the *Atlanta Business Chronicle* recently published an article titled "25 Names to Know in Atlanta Biotechnology." Fifteen of the 25 names belong to University System of Georgia faculty, including most of the 18 eminent scholars in biotechnology recruited by the Georgia Research Alliance.
- A book titled *Basic Methods of Policy Analysis and Planning*, edited by Georgia State University President Carl V. Patton, has been translated into Chinese. It is available for your perusal.
- The Georgia Institute of Technology ("GIT") and ICAPP® played a key role in the state's successful bid to bring Daimler Chrysler to the Savannah area. Also involved with GIT in this effort were Georgia Southern University, Armstrong Atlantic University, and Savannah State University through the Georgia Tech Regional Engineering Program ("GTREP"). We leveraged this partnership to demonstrate how the University System can mobilize resources to meet the workforce needs of Daimler Chrysler in the region.
- Kennesaw State University ("KSU") is one of the nation's top "publicly engaged institutions," according to the American Association of State Colleges and Universities. In its 2002 report, "Stepping Forward as Stewards of Place," the association ranked KSU third in the nation in terms of its commitment to two-way interactions with the community.

- GIT has named former Hewlett-Packard Chief Technology Officer Rich DeMillo as Dean of its College of Computing.
- Southern Polytechnic State University (“SPSU”) recently held the first women’s intercollegiate sporting event in its history, and despite the fact that the opposing team had twice as many players in uniform, SPSU’s new women’s basketball team won 70-68.
- Two University System faculty members were included in *Georgia Trend’s* “40 Under 40” report in October. They are Dr. Karen Cornell, a surgeon and Assistant Professor of Medicine in the College of Veterinary Medicine at UGA, and Dr. Dionne Hoskins, a biologist and Assistant Research Professor at Savannah State University, who also works for the National Oceanic and Atmospheric Administration.
- And our own John Millsaps, Director of Communications and Marketing, has been named President-elect of the statewide Georgia Education Advancement Council, the group I mentioned earlier in my report.

Mr. Chairman, that concludes my report.

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After the Chancellor’s report, Chair Harris thanked him for his leadership to the Board and the System. He remarked that it was valuable to have a Chancellor with experience dealing with transitions. He stressed that the Board is a nonpartisan entity whose priority is what is best for the University System of Georgia and the state. The Board looks forward to working with the Governor-elect and new administration in every way to continue to improve education in the State of Georgia.

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 explained that there were three items on the agenda of the Strategic Planning Committee at this meeting. First on the agenda was an update on teacher preparation, which pertains to the Board’s ninth strategic goal. Dr. Jan Kettlewell, Associate Vice Chancellor for Academic Affairs and Co-Facilitator of the Georgia P-16 Initiative, would update Regents on the progress that has been made since the Board adopted its Principles for the Preparation of Educators for the Schools (the “Principles”) and the accompanying implementation plan in 1998. He then called upon Dr. Kettlewell to make her presentation.

Dr. Kettlewell greeted the Regents. She explained that a brochure had been distributed to the Regents

which provided an overview of the “new class” of teachers who are now prepared in the University System of Georgia under the Board’s Principles. There were three purposes of this presentation: to describe the quality of the “new class of teachers” prepared in the University System; to give the Board an overview of work underway in educational leadership and in the preparation of school counselors, work that will influence the quality of the work life of teachers, thereby increasing their retention as teachers; and to introduce a new initiative in teacher preparation recruitment to meet demand for more teachers.

Dr. Kettlewell reiterated that the Board adopted the Principles in 1998. Following major changes in preparation programs, the first class of teachers graduated this past spring. This “new class” of teachers entered Georgia’s schools this fall. The public can expect new teachers with a portfolio of proficiencies. First and foremost, in order to be recommended for teacher certification, each teacher candidate had to demonstrate a level of accomplishment in bringing diverse students to high levels of learning. Second, they had to meet performance standards, showing evidence of sufficient content knowledge, that they are able to set high student learning standards and use these as organizers for instruction, and that they can use data on student learning to gear instruction so as to increase student learning, customize instruction to meet various learning styles and special needs, use technology, and manage classrooms effectively. Early childhood educators can diagnose difficulties in reading and mathematics and know what to do about them. There is the expectation that with two years of experience, this “new class” of teachers will show advanced levels of accomplishment in bringing diverse students to high levels of learning. So, these are the proficiencies the public can expect to see in schools this fall from teachers prepared through the University System. Early childhood teachers teach pre-school through fifth grade. They have passed certification examinations, have completed two concentrations — reading and mathematics, and have completed at least 900 hours in internship experiences in public schools. Middle grades teachers teach fourth through eighth grades. They also have passed their examinations and completed two academic concentrations in the arts and sciences, plus the same number of internship hours. In addition to passing certification examinations and completing 900 hours in the schools, every high school teacher has completed an academic major in the discipline he or she prepared to teach.

The cornerstone of this Board’s policy on teacher preparation is the guarantee, stated Dr. Kettlewell. If a school district hires a System graduate and finds that the individual is not proficient in the areas listed, the university will take back the graduate and provide additional training at no cost to the individual or to the school district. That guarantee became effective this fall. Dr. Kettlewell said the Board of Regents has raised significantly the quality of teachers prepared in the University System. However, as so often happens, when requirements are raised in preparation programs, there is a corresponding decrease in the number of individuals who can get into and remain in those programs, which has led to a decrease in the number of teachers prepared in the University System. There are two ways to meet demand for more quality teachers: one is to improve teacher retention, and the other is to prepare more teachers. The University System of Georgia is working on both strategies. Dr. Kettlewell stated that good superintendents and principals put conditions in place in the schools

that encourage and support teacher success. However, the reverse is also true. If teachers are not viewed by their administrators as true partners in the work of school improvement, they tend to leave teaching at higher rates. In 2001, the Board of Regents added a section on the preparation of educational leaders (i.e., school principals and superintendents) to its Principles. Since that time, institutions have been making major changes to their preparation programs, and the University System Office staff and others have been working on development of a new Georgia Leadership Institute for School Improvement (the “Leadership Institute”). Dr. Kettlewell said that the Board of Regents is partnering with a number of entities to create this Leadership Institute, including the Georgia Partnership for Excellence in Education, state government, public schools, and the business community. Governor Barnes appointed an executive committee representing the partners to develop the Leadership Institute, and this committee has been working over the past year to develop the Leadership Institute. Dr. Kettlewell represents the Board of Regents on this committee and serves as its chair. She said that among the funding for the Leadership Institute are two grants housed in the University System Office. The Governor matched one of these grants, which was from the Bill and Melinda Gates Foundation. The University System Office and the Georgia Partnership for Excellence in Education have contributed other monies. Thus far, \$6.5 million has been acquired for the Leadership Institute.

Dr. Kettlewell explained that the overall goal of the Leadership Institute is to improve schools for children through increasing the capacity of new and current superintendents and principals in the schools. It will achieve this through new preparation and professional development programs, changes in state policy to make the work of principals and superintendents more attractive positions and to promote increased teacher participation in decision-making roles, and research and analysis. Presence of effective school counselors in schools also increases teacher success and thus influences their decisions to remain in the classroom. The University System Office staff are currently developing another addition to the Principles that will address school counselors. This third section of the Principles will be ready for Board consideration in January 2003.

Having discussed efforts to increase the quality of new teachers prepared and the retention of quality teachers who are already teaching, Dr. Kettlewell next addressed the need to increase the number of new teachers prepared. She remarked that she was pleased to introduce a new teacher preparation recruitment initiative targeting the traditional population of high school graduates as well as recent college graduates who majored in critical needs subjects such as mathematics or biology but who did not take the additional courses in teacher education, retired military who may be interested in a second career, mid-career professionals, and individuals currently working in the schools as paraprofessionals (teacher aides) who already work with children but may lack content knowledge. There is also a great need for prekindergarten teachers, so there will also be an effort to accelerate the role of the System’s two-year colleges in teacher preparation for preschool-aged children. The theme of this initiative is “destination teaching: customized pathways to get you there.” That means that every graduate completing an education program in the System will meet the same set of intended outcomes she had listed earlier. Each of these groups will be assessed of their current knowledge and

skills in relation to the intended outcomes, and then, the substance of their program and the length of time required to complete it will vary according to current knowledge and skills. Dr. Kettlewell emphasized three things: the audiences targeted, that each target audience has a customized pathway to becoming a teacher, and that all pathways lead to the same performance outcomes as required for the Regents' guarantee. The University System Office, in partnership with Valdosta State University, has just received two grants to support this teacher preparation recruitment initiative, which was being officially launched at this meeting. In closing, Dr. Kettlewell introduced Patricia Paterson, Executive Director of the University System of Georgia Teacher Preparation Recruitment Initiative. Ms. Paterson has three degrees from University System of Georgia institutions, and she is a former teacher in the State of Georgia. She then asked whether the Regents had any questions or comments.

Regent Magill asked whether the initiative would emphasize the balanced literacy approach to teaching reading on the early childhood education level.

Dr. Kettlewell responded that it would and that there would also be a significant emphasis on diagnosis.

Regent Magill noted that in the past, many teachers entered the field knowing programs but not knowing how to diagnose and remediate particular problems in order to truly teach all of the skills that need to be taught to young children.

Dr. Kettlewell asked whether the Dalton public schools had hired any System graduates this fall.

Regent Magill responded that they had.

Dr. Kettlewell asked Regent Magill to keep her informed as to whether the Principles had made a difference.

Regent Magill commented that she appreciates the inclusion of school counselors in this initiative. She remarked that advising students is also very important.

Dr. Kettlewell noted that the initiative is reexamining the role of school counselors and trying to focus it more on student success.

Regent Hunt asked what is the average starting pay for a school teacher.

Dr. Kettlewell responded that each school district has a different pay scale. She then called upon Dr. Franklin Shumake, Deputy Superintendent for External Affairs for the Georgia Department of Education, to respond.

Dr. Shumake said that the average salary for a new teacher starts at about \$30,000 annually.

Regent Magill clarified that this was the salary schedule for the state based on the state pay scale, which does not include local supplements, which vary throughout the state.

Chancellor Meredith asked how much salaries vary.

Regent Magill responded that a beginning teacher in the Dalton public school system would make approximately \$35,000, but the salary may be more in the City of Atlanta. Salary also varies according to the teacher's level of education. Some teachers now start teaching with master's degrees.

Regent Hunt remarked that salaries also impact retention.

Regent NeSmith asked whether it is easy for teachers coming from other states to get certified in Georgia.

Dr. Kettlewell responded that the Professional Standards Commission controls teacher certification. Teachers coming from other states must meet Georgia requirements, but Georgia has reciprocity agreements with many states that make certification automatic in some cases. She said that Georgia does a reasonably good job in this area.

Regent McMillan asserted that more teachers leave teaching for reasons other than salary.

Dr. Kettlewell and Regent Magill agreed this is true.

Dr. Kettlewell stated that an analysis performed approximately 18 months ago showed that for every ten new teachers prepared, six teachers actually went into teaching, and two years later, four were still in the field. So, the System is getting about a 40% return on its investment. There have been state and national surveys as to why teachers leave. One of the main reasons they leave is feeling that the parents of the students do not support their work or that they are not treated as professionals and included in decision-making.

Regent Carter asked what is the target pass rate for the PRAXIS exam and what happens to those who do not pass PRAXIS.

Dr. Kettlewell responded that the current target pass rate is 80% for each demographic group. One of the elements of the recruitment initiative is to examine the areas where people seem to be having the most trouble. For example, one of the areas is passing PRAXIS II. Another area is completing math courses. The initiative is looking at interventions that would help people through those critical checkpoints before they get in trouble.

Regent Howell asked how many teachers are expected to be sent back to the University System under the new Board guarantee.

Dr. Kettlewell replied that it is too early to tell. The “guaranteed” teachers have only been in the schools a few months. One of the things that she is doing is working with the institutions to continue involvement in teacher professional development in an ongoing capacity so that if districts need assistance, they will know how to get access to the University System.

Chancellor Meredith remarked that he established a similar guarantee as a president in 1994, and over a three-year period, there were only two calls. Neither call had to do with teacher preparation, but they fixed the problem anyway. He said that he doubted there would be many calls on this guarantee either.

Regent White asked whether there are any figures on the declining number of teachers.

Dr. Kettlewell responded that in 1998, at the undergraduate level, the University System of Georgia was preparing 5,413 teachers, and that figure is now down 30%.

Regent White asked whether that drop is due to the tougher requirements.

Dr. Kettlewell responded that not all of it is, because it also reflects a national pattern of people choosing to go into other fields where the working conditions are more attractive and they have a greater potential for a better quality of life. Part of it may have to do with the new emphasis on accountability. Part of it has to do with the elimination of tenure in the state. It is due to a combination of things.

Regent White asked whether there are any numbers on the PRAXIS passing rates of the graduating class of 1998 versus 2002.

Dr. Kettlewell replied that she does not yet have these data from the Professional Standards Commission, but as soon as the report is released, she will provide that analysis to the Regents.

Regent White said that he would really like to see those figures. He noted that when the Board was in the process of its teacher preparation initiative, one of the main problems with retention had to do with out-of-field teaching. He noted that the Professional Standards Commission had a different definition of out-of-field than the Board. He asked whether that situation had changed and whether it was having an effect on retention.

Dr. Kettlewell responded that at that time, there was a general certificate for middle grades teachers that certified them to teach math, English, science, and social science. The Professional Standards Commission has since listed on the certificate what areas the teacher is certified to teach. What has

not changed is that a teacher is only counted “out-of-field” if he/she is teaching more than half a day in a subject in which he/she is not certified. That has not changed, and the number of people teaching out-of-field remains high. She said that this definitely affects teacher retention.

Regent White asked whether there is any movement by the Professional Standards Commission to change this.

Dr. Kettlewell responded that the commission has discussed it, but it is trying to balance the need for qualified teachers with the need for teachers in classrooms. The University System of Georgia can become part of the solution. For example, if a high school does not have sufficient teachers to offer a class in physics, perhaps a college professor could teach that class. There are ideas like this that will be piloted in six regions of the state through the recruitment initiative to see if they will make a difference.

Regent White reiterated that he would like to hear a follow-up on this initiative. He said that it was a step in the right direction, but there is a long way to go.

Dr. Kettlewell agreed. She said that research clearly shows that a high-qualified teacher makes the most difference in student achievement than any other variable. Anything the System can do to keep its emphasis on quality while still increasing the number of teachers is what it needs to do.

Chancellor Meredith added that there are also alternative certification programs in Georgia. He asserted that enrollments would increase over time because the higher standards will improve the status of the System’s teacher education programs. He noted that North Carolina is performing an extensive study on why teachers are leaving the profession. He will push for this type of research in the State of Georgia. The University System is also working with the Professional Standards Commission to train retired military personnel for careers in teaching. One way to do that is to provide in-state tuition rates for military personnel stationed in Georgia. The Chancellor has been talking around the state about raising aspirations and expectations. He hopes that future teachers will be instilled with a desire to raise the aspirations of young people. Last year, a national survey showed that teachers and counselors felt that only about 30% of their students were really capable of postsecondary education. Chancellor Meredith said teachers and counselors need to raise the aspirations of students.

Dr. Kettlewell agreed.

Regent Hunt noted that discipline problems and lack of support likely cause teachers to leave. He asked whether Dr. Kettlewell had any thoughts on these issues.

Dr. Kettlewell replied that we have to get at the practice of how teachers are assigned. Across the State of Georgia and the nation, the least experienced teachers are generally assigned to the children

who need them the most. This is based on the idea that accomplished teachers have paid their dues and deserve to teach the higher-level classes. However, if a teacher does not have enough experience and is teaching out of field, his problems in classroom management are going to be exacerbated. That is a major problem with discipline. If public education is supposed to be the great equalizer of opportunity, the best teachers must be assigned to the students who need them most.

Regent Cater asked whether there are any incentives for more experienced teachers to teach the more challenging students.

Dr. Kettlewell responded that there are presently no incentives, but she feels this is a needed policy change that would make a tremendous difference. She noted that her staff had done analysis on what that would look like and a policy change was recommended a couple of years ago but was not acted upon.

Regent Magill stated that how teachers are assigned should be addressed in educational leadership training because it requires understanding on how to schedule teachers. This is an administrative training issue rather than a teacher education issue.

Dr. Kettlewell agreed.

Chair Leebern thanked Dr. Kettlewell for this excellent presentation. He then introduced the Executive Director of the Georgia Student Finance Commission (“GSFC”), Glenn Newsome. The mission of the GSFC is to promote and increase access to education beyond high school to all Georgians by providing scholarship, grant, and loan programs. This presentation was just one example of the collaboration the Board has been seeking through its eleventh strategic goal.

Mr. Newsome greeted the Regents and thanked them for their work for the state. He said that he has been an observer and participant in education in this state for over 30 years, and he wanted to share three milestones with the Board. In 1985, the Quality Basic Education Act was passed by both houses of the legislature unanimously under then Governor Joe Frank Harris. It signaled that the business community was concerned about public education. He thanked Regent Harris for his leadership then and now. The second milestone was when Regent Magill was made a local system superintendent. He said that she has brought strong leadership to various school systems in the state and the Board is fortunate to have her leadership now. The third milestone was when the Board of Regents hired Chancellor Meredith. Mr. Newsome said that the Chancellor has a unique understanding of the needs from prekindergarten through graduate school. In his leadership position, he can bring the resources of the University System of Georgia to bear on those teachers and those students to make Georgia better for the future. He thanked the Regents for their leadership and for this opportunity to talk to them about GSFC and its work in collaboration with the University System of Georgia and other state agencies.

Mr. Newsome explained that the mission of GSFC is to promote and increase access to education beyond high school for Georgians by delivering financial aid information, services, and funding in a way that is fiscally responsible and understandable. GSFC administers the HOPE Scholarship program (“HOPE”) and provides student loans through the Georgia Student Finance Authority (the “Authority”). GSFC also guarantees student loans for the Authority and 13 banks around the nation through the Georgia Higher Education Assistance Corporation. GSFC collaborates with the University System of Georgia’s 34 public institutions as well as 36 private institutions and 34 technical colleges. GSFC’s largest program is HOPE. In fiscal year 2002, HOPE assisted over 196,000 students with over \$323 million. GSFC’s smallest program is the Charles McDaniel Teacher Scholarship Fund, which helps three outstanding teachers with \$1,000 each to go back to college. GSFC also provides tuition equalization grants, Governor’s Scholarships, and many other programs. In fiscal year 2002, GSFC assisted through its programs over 296,000 Georgians with \$654 million in student financial aid and loans. The most popular and well-known program is HOPE. Since its inception, 664,887 students have received \$1.7 billion through HOPE, which is the largest merit-based scholarship program in the nation. HOPE started in 1993 with a little over \$20 million and has now grown to over \$322 million. The fiscal year 2004 HOPE budget request will be in excess of \$360 million. Mr. Newsome noted that HOPE had been expanded since 1993. In 1993, there were over 42,000 HOPE scholars, but in 2001, there were over 196,000, including public, private, and technical colleges. Georgia has been the number one state in the amount of funds for merit-based scholarships for five years in a row. Georgia was also ranked number one in the nation in the percentage of undergraduate students who received financial aid for 2000-2001; 79% of all undergraduate students in Georgia received some type of state-funded aid.

Mr. Newsome noted that HOPE has increased higher education participation: more Georgians than ever before are going to school beyond high school. It has also improved academic achievement: average SAT scores for freshman have surpassed the national average. The average SAT score for 2002 entering freshmen is 1335 at the Georgia Institute of Technology and 1215 at the University of Georgia. HOPE is also keeping Georgia’s best and brightest in the state. In 1993, only 23% of Georgia high school graduates with SAT scores over 1500 matriculated at a Georgia college or university; today, 76% remain in state. HOPE has also increased the aspirations of Georgia families and delivered the message that academic achievement is important.

HOPE also has scholarship loans for teachers, said Mr. Newsome. The HOPE Teacher Scholarship is for students seeking graduate degrees in critical shortage fields, such as math, science, foreign language, and special education. This service-cancelable loan provides up to \$10,000 and is repaid \$2,500 for each year that the graduate teaches in a Georgia public school. Since the program’s inception in 1995, 15,513 Georgia teachers have received over \$37 million. More importantly, 80.1% of the teachers who received the HOPE Teacher Scholarship are teaching in Georgia public schools today. The HOPE PROMISE Teacher Scholarship is for students seeking undergraduate degrees in any teaching field. The amount is \$3,000 per year for the junior and senior years, and the requirements are that the student must have 3.0 grade point average (“GPA”) and must agree to teach

in a Georgia public school upon graduation. This scholarship is also cancelable in the amount of \$1,500 for each year teaching in a Georgia public school. Since the program's inception in 1995, 5,019 Georgia students have received over \$13 million. Moreover, 79.3% of the students who received the HOPE PROMISE Teacher Scholarship are teaching in a Georgia public school today. Mr. Newsome noted that at its inception, the program required a 3.6 GPA. Governor Barnes reduced it to 3.2 and then 3.0. That has had a dramatic effect. In 2002, the number of program participants doubled. At this time, 1,553 students are in the program to become future teachers. The HOPE PROMISE II Teacher Scholarship is for paraprofessionals seeking undergraduate degrees in any teaching field. The amount is up to \$10,000, and the requirements are that the student must have been a paraprofessional in a Georgia public school during the school year 1998-1999 and must agree to teach in a Georgia public school. The loan is cancelled \$1,500 for each year of teaching in a Georgia public school. Since its inception in 1995, 1,981 Georgia paraprofessionals have received \$1,427,793, and 67% of the paraprofessionals who received a Promise II Teacher Scholarship are teaching in Georgia public schools today.

GSFC also offers service-cancelable loans in the health professions, explained Mr. Newsome. Such loans are for students seeking graduate or undergraduate degrees in critical shortage fields in health professions. These loans are in the amount of up to \$4,500. The requirements are that the student must be a Georgia resident making satisfactory academic progress and agree to practice professionally in Georgia. The loan is cancelled one year of service for one year of loan. Since 1995, 5,421 Georgia students have received \$9,779,070 in this program; 91% of the students who received these loans since 1995 are practicing their profession in Georgia today.

Mr. Newsome said that GSFC also works in collaboration with the Intellectual Capital Partnership Program ("ICAPP[®]") to provide technology training. Through ICAPP[®] service-cancelable loans, students receive up to \$10,000, cancelled \$2,500 per year by working in Georgia with the sponsoring company. Since 1995, 1,045 students have received \$8,981,026 in ICAPP[®] scholarships; 47% of the students who received an ICAPP[®] loan are working in Georgia today. GSFC now offers service-cancelable loans for state-funded undergraduate and graduate degree programs in critical shortage fields for health-related professions. To qualify, the student must be making satisfactory academic progress. Through this program, students receive up to \$7,500. They must agree to practice their profession in Georgia, and the loan is cancelled one year of service for each year of the loan. Mr. Newsome announced a new initiative that would be officially announced in the coming weeks. It is a collaborative program with the federal Department of Labor ("DOL"), the Department of Community Health ("DCH"), and the Woodruff Foundation to provide service-cancelable loans for nursing faculty. Now that the number of nursing students is growing, more nursing faculty are required. This initiative will consist of \$1.1 million from the DOL and \$500,000 from the Woodruff Foundation to encourage nursing students to become faculty members. They, too, will be required to stay in Georgia to practice their profession.

GSFC is a self-supporting agency, explained Mr. Newsome. It administers all programs, except

HOPE, with the revenue it receives from student loans and student loan guarantees. GSFC is the lender for Federal Family Educational Loan Program (“FFELP”) student loans. It is also the “lender of last resort for Georgia,” meaning that it will give loans to students who cannot get loans anywhere else. The Georgia Higher Education Assistance Corporation provides student loan guarantees and support services, such as default prevention, technical assistance, and training to schools and lenders participating in FFELP. GSFC is Georgia’s only student loan guarantor. Mr. Newsome noted that student loan default rates have decreased to 7% in 2002. The average indebtedness is just over \$9,000. Even with HOPE, students have to borrow money to attend college. In closing, Mr. Newsome said that GSFC’s motto is “Helping students is our only business.” He thanked the Board for its support of GSFC’s programs and stepped down.

Chair Leebern asked Mr. Newsome whether student loans are guaranteed to the lending institutions.

Mr. Newsome replied that student loans are guaranteed by the federal government up to 98%, which helps GSFC provide loans to students.

Seeing that there were no further questions of Mr. Newsome, Chair Leebern called upon the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, to make his presentation to the Board on research and advancing opportunities for the University System of Georgia to be increasingly involved in the commercialization of research.

Dr. Papp noted that teaching, research, and service are the three primary drivers for why universities exist. His presentation at this meeting would focus on research in the University System of Georgia. He would first place research in the System within the context of research in the nation. He explained that research conducted at universities is most importantly to expand and communicate knowledge. Eventually, the communication of knowledge will lead to improvement of the human condition. Research also generates excitement within universities, both among the faculty and among the students. Gaining prestige and attracting funding are also critical factors in why universities conduct research. Types of research include basic, applied, and developmental research. Basic research increases knowledge about fundamental natural and human phenomena. Applied research generates knowledge to meet a need or solve a problem, and developmental research uses knowledge from research to produce useful materials or processes. Dr. Papp remarked that the Regents would be amazed to learn the extent to which basic research in the United States is centered at universities throughout the country.

There are multiple ways to measure research, said Dr. Papp. One of the main ways to measure research is by reputation, but there are different clienteles by which we measure reputation, including the profession, society, business and industry, and government. Research income is another critical way to measure success of research programs. Research income is the dollar value of grants and contracts awarded to a university in a year. Dr. Papp noted that sometimes an institution may receive a large contract to be expended over a number of years, but the award may be recorded as

income in only one year. Another way to measure research success is the money expended on research in a year, or research expenditures. Technology transfer income is another way to measure research success and includes disclosures, patents, licenses, and startups generated. The final way to measure research success is its economic and policy impact; i.e., its impact on the local, state, or national economy and policy. Dr. Papp noted that this is very difficult to measure. For example, the Center for International Trade and Security at the University of Georgia (“UGA”) has achieved over the years over \$3 million in funding, much of it concentrating on preventing the spread of weapons of mass destruction, a rather critical national policy issue today. Another faculty member in the University System of Georgia for the last several years has been directing the George C. Marshall Center for European Security Studies in Europe, which brings in about 1,000 people per year from the former Soviet Union and Warsaw Pact countries and tries to teach them the ways of democracy and capitalism. So, the University System of Georgia is having an enormous impact on the world. Total research and development (“R&D”) nationally for 2000 was estimated to be approximately \$265 billion, up from \$169 billion in 1994. Adjusting for inflation, this means an increase of \$71 billion, and it represents the largest increase in any six-year period in the nation’s history of R&D. Of this, about \$30 billion was conducted by universities around the nation. However, the universities themselves only put up about 3% of that total, which means that faculties and administrators across the country have to raise funds, and they do so very successfully. This is one of the responsibilities of faculty members and administrators that is often not recognized. On the national listing of total R&D dollars spent from all sectors of the economy, Georgia is twentieth. However, on the national listing of university efforts, Georgia is tenth on the list. In other words, the universities in Georgia play a disproportionately large impact in driving economic development in this state.

Dr. Papp stated that nationally, about 61% of R&D expenditures are on development; that is, getting discoveries into the marketplace. About 69% of R&D university expenditures is spent on basic research. Therefore, universities in the United States account for approximately 43% of the basic research conducted in the country. Applied research and development are dependent upon basic research. Therefore, universities are absolutely critical to all forms of research and economic growth in this country. Over half of funding for university research comes from the federal government. The universities themselves generally put up about 20%.

Next, Dr. Papp focused on the University System of Georgia. There are four research institutions in the System: the University of Georgia (“UGA”), the Georgia Institute of Technology (“GIT”), Georgia State University (“GSU”), and the Medical College of Georgia (“MCG”). At these universities, research is the core mission, along with instruction and public service. At regional and state universities, research is not a core mission, although some faculty conduct research and pursue scholarship. At state and two-year colleges, research is not a core mission, although a few faculty conduct research and pursue scholarship. This is a very conscious Board policy that has been in place for many, many years. The total amount of funding derived from external resources by faculty and administrators throughout the University System of Georgia was approximately \$800 million. The State of Georgia provides the University System about \$1.5 billion, which means that faculty

and administrators raise about 50% of what the state provides for the budget as a whole. At this meeting, Dr. Papp would focus on the research, but he stressed that he did not mean to minimize the instruction or service external funding. The four research universities raise approximately 98% of the \$488 million. The Board policy of concentrating research at these institutions is clearly being carried out. Over two-thirds of the \$488 million comes from the federal government. Industry provides approximately 11%, but that percentage has been rising nationally and will likely continue to increase in the state in upcoming years. Over time, there has been growth in research income at the four research institutions, but there is still room for more growth. Dr. Papp noted that research expenditures primarily at UGA and GIT drive the research expenditure total for the University System of Georgia as a whole, although both GSU and MCG are beginning to put additional emphasis on their research efforts.

Next, Dr. Papp discussed research strategies. He said that the first strategy is to focus the institutions. For example, most medical research is performed at MCG. At UGA, there has been extensive emphasis on natural sciences and agriculture. At GIT, the emphases have been on engineering and natural sciences, and GSU has had a number of different foci. Dr. Papp then called upon the presidents of the research institutions to introduce some important individuals at their respective institutions.

GSU's President Carl V. Patton noted that the Provost and Vice President for Academic Affairs, Ron Henry, was unable to attend this meeting because he was at the National Research Council giving a presentation on math and science. He then introduced the institution's Vice President for Research, Charles F. Louis, a biochemist. He also introduced the Assistant to the Vice President for Research, Vincent Laterza, a patent attorney who works with the faculty to negotiate agreements and secure patents. Finally, he introduced the Assistant Legal Advisor, Kerry L. Heyward, Esq., who works with patent attorneys in the community to protect GSU's intellectual property.

Dr. Papp noted that high angular resolution astronomy, behavioral neuroscience, infectious diseases and bio-terrorism, science education, environmental science and policy, and public economics and finance are but a few of the areas in which GSU focuses research. Later in 2003, the research university presidents will have another opportunity to discuss their research programs with the Board. He then called upon President G. Wayne Clough of GIT to introduce some of his research staff.

President Clough stated that at any given time, GIT has about 2,500 research projects. GIT expends over \$300 million each year, which employs about 4,000 graduate students. So, this is a complicated endeavor. GIT has long-term research and research it wants to commercialize as soon as possible. He said that the Vice Provost and Dean of Graduate Studies, Charles Liotta, was also at a research meeting and unable to attend this meeting. He then introduced the Director of Technology Transfer, George Harker; the Associate Vice Provost for Research and Georgia Tech Research Corporation General Manager, Jilda D. Garton; the Senior Vice President for Administration and Finance, Robert

K. Thompson; and the Director of the Advanced Technology Development Center (“ATDC”), Wayne Hodges. He noted that ATDC is the business incubator of GIT’s research endeavors and that Mr. Hodges’ responsibilities have expanded as GIT has grown stronger in the area of commercialization. He also noted that GIT partners with industry on approximately 25% of its research efforts. GIT is one of the top universities in the percent of research it does with industry. He stated that GIT works with all three of the other research universities in the System as well as Emory University and other institutions nationally. GIT engages undergraduate students in its research and the process of the discovery of knowledge.

Dr. Papp noted that GIT focuses its research in telecommunications and semiconductors, nanoscience and nanotechnology, micro-electronic mechanical systems, bioengineering, logistics, sustainable technology, international business research, and energy research, among other areas. He then called upon President Daniel W. Rahn of MCG to make some introductions to the Board.

President Rahn noted that the Senior Vice President for Academic Affairs, Barry D. Goldstein, was unable to attend because he was meeting with the accreditation team from the Southern Association of Colleges and Schools (“SACS”). He then introduced the Senior Vice President for Clinical Activities and Dean of the School of Medicine, David M. Stern, M.D., and the Vice President for Research and Dean of the School of Graduate Studies, Matthew J. Kluger. He noted that Dr. Kluger is also Professor of Physiology and is responsible for the thematic organization of MCG’s research areas of emphasis. He also serves on the executive committee of the Augusta Chamber of Commerce and is chair of the board of the Georgia Medical Center Authority, which was created for the purpose of assisting in the commercialization of research discoveries emanating from academic research endeavors. President Rahn next introduced the Associate Vice President for Technology Transfer and Economic Development, Michael G. Gabridge, who will also be Director of the Life Sciences Incubator when it opens. Dr. Gabridge is a key player in research commercialization because he is responsible for patents and technology transfer activities. MCG has 19 interdisciplinary centers across all schools focusing on areas of emphasis that have been chosen to reflect issues of importance to Georgia and nationally.

Dr. Papp noted that MCG focuses its research in areas such as cancer, cardiovascular medicine, neurosciences, inflammation and immunology, and biomedical technology. He then called upon President Michael F. Adams to introduce key people at UGA.

President Adams noted that the Interim Provost and Vice President for Academic Affairs, Arnett C. Mace, Jr., and the Director of Research Development and Technology Alliances, Margaret Wagner Dahl, were unable to attend this meeting. He then introduced the Vice President for Research, Gordhan L. Patel, noting that research at UGA has grown almost 35% in the past two years in large part due to Dr. Patel, who is a distinguished cellular biologist in his own right. He then introduced the Director of the Technology Commercialization Office, Robert R. Fincher. President Adams said that UGA probably has the strongest core sciences group in the state, but UGA does not have the

medical expertise of MCG, so the institutions are forming increased alliances in these areas.

Dr. Papp noted that UGA research is focused in areas such as genomics and cloning, structural and molecular biology, biomedical and health sciences, workplace behavior, impacts of aging, developmental sociology, international trade policy, and water research. He noted that research is just one of the countless responsibilities of the faculty. At many research universities, at the beginning of each fiscal year, each faculty member has to raise money for research. He stressed that research faculty also teach and counsel students. Returning to the matter of commercialization and technology transfer, he noted that it is a long, complex process. In his presentation the previous day, Dr. Stern did an excellent job talking both about his own research and the complexity of getting that research into the field and eventually onto the grocery store shelves. The University System of Georgia institutions are getting better at this complex process. Dr. Papp said that in 2001, there were 231 research disclosures and 231 patent filings in the System. In 1971, the System and the state were not even performing research, but in the past 30 years, the growth has been incredible. The University System of Georgia is now approximately tenth in the nation in research income. Technology transfer is another critical factor, and last year, the University System of Georgia received over \$6 million for technology transfer. There is room for improvement, but this constitutes tremendous growth. The technology transfer process is extremely complex and important.

Dr. Papp stated that research is a work in progress that is critical to the System's research universities. By national standards, the System's research is substantial, but it can be grown. Research is an engine to grow Georgia's economy. It is good, and it is getting better. Through programs such as the graduate research assistants and the Distinguished Scholars Program, the System is drawing more National Academies of Engineering and Science faculty members. Some System programs and institutions are already nationally recognized, and more will be. What is taking place in Georgia is absolutely incredible, said Dr. Papp. He recognized that there is still room for improvement and growth, but he felt that this was certain to occur under the research leadership teams at the research universities.

Chair Leebern asked whether the Regents had any questions or comments.

Regent Coles asked when the System accepts money from industry for its research whether it is creating partnerships with industry and whether it is getting fair value for its research.

Dr. Papp asked whether anyone from the institutions would care to respond to this question.

President Adams responded that through the University of Georgia Research Foundation, UGA often takes equity positions in companies. He noted that any research money that UGA earns is put back into research. UGA led the region in patents and technology transfer last year and received approximately \$3.8 million of the System's total \$6 million in research income for the year. He noted that the Georgia green peanut has captured the market, resulting in revenue to UGA that is turned

back into agricultural research. UGA follows industry standards and has a very strong business model. He said that UGA has been handling this very well.

President Patton stated that GSU's Assistant to the Vice President for Research, Vincent Laterza, had already worked for many other University System of Georgia institutions as well as Emory University. He asked Mr. Laterza to address Regent Coles' question.

Mr. Laterza stated that since 1980, the universities were able to maintain ownership of all intellectual property funded by the government. Since that time, standards have evolved, and there are now organizations such as the Association of University and Technology Managers that help research universities benchmark how they are doing and assess the partnerships they are making. Last year, Emory posted \$26 million in revenue, most related to pharmaceuticals, which have the highest value and royalties. He agreed with Dr. Papp that the issue of faculty having to raise funds for research has a drastic impact on negotiations. Having worked in the technology transfer offices of UGA, GIT, Emory, and GSU, he understands the influence of industry on research funding. Because industry often puts up the research funding, it often benefits most from the arrangement. He said that this is just the economic reality of the environment. Georgia is moving in a positive direction with its Seed Fund and the ATDC because there is much promise in taking early-stage technologies and having the universities and the state add value to it to leverage more from the business sector. Right now, it is a buyer's market benefiting the companies that have up-front funding. However, the universities are getting a reasonable return on their investment. He concluded that the universities could do better if they were able to provide more initial funding themselves.

President Clough added that the Bayh-Dole Act of 1980 said that any intellectual property generated by government-funded research remains the property of the institution. So, universities have ample opportunities to exercise the intellectual properties from any federally funded research, and most research funding comes from the federal government, as Dr. Papp had mentioned. President Clough noted that in the case of industry research collaborations, each industry has a different approach. GIT's Associate Vice Provost for Research and Georgia Tech Research Corporation General Manager, Jilda D. Garton, is very active at the national level examining these issues. GIT tries to get around some of the complications by working with industry at the highest level. He noted that GIT has some great strategic partnerships, including General Electric, where it is able to negotiate with the top level management a package of relationships not only in terms of research, but also related to intellectual properties and continuing and lifelong education. Instead of having multiple negotiations about multiple projects with one company, GIT attempts to get umbrella agreements to work with the company at its highest level to cover a bundle of benefits that come to the company from the institution.

Regent Coles remarked that he asked the question because as the Board continues to experience tightening budgets, this might be a source of future revenue for the System.

Regent Howell thanked Dr. Papp, the Chancellor, and Board Chair Harris for having this presentation to the Board. He said that the System should improve its focus on research even if the primary focus of the System is to create a more educated Georgia. Research is an integral portion of what the System does, and it deserves serious attention and consideration. He thanked the representatives from the research universities for attending this meeting.

Dr. Papp added that the quality of undergraduate and graduate education is greatly enhanced by research activities at the institutions.

Regent Howell asked what is the name of the organization that the research universities were going to join in 2003.

Dr. Papp responded that it is the American Association of Universities.

Regent Carter asked what unified effort the Board has to move forward with the growth of this revenue source.

Dr. Papp stated that in February 2002, the Board heard a presentation from Dr. Edward E. David, Jr. of The Washington Advisory Group, LLC (“WAG”) about the commercialization and licensing of intellectual property. He urged the Regents to go back to the WAG report, though he stated that he did not agree with all of its recommendations and conclusions. He reminded the Board that the research efforts in Georgia are only 30 years old, and the System competes with universities that have been actively engaged in national level research for 50 to 100 years. He said that the question becomes in what direction the Board wants to take this effort. Returning to his original discussion of the types of research, Dr. Papp warned that if universities are pushed for financial reasons into commercialization efforts, the basic research that this country bases its economic growth might disappear.

Regent Carter asked what would be the pros and cons of encouraging the System’s state and regional universities into research.

Chancellor Meredith stated that every institution cannot do everything. Research universities must pay for good research faculty, which can be quite costly. It is a good investment, but if every institution were to compete for good research faculty, it would dilute the focus of the existing research institutions. That is why institutions have mission statements and are focused on different priorities.

Regent White thanked Dr. Papp and the representatives of the research universities for this presentation.

Chancellor Meredith remarked that the System’s research universities have been very successful at

recruiting esteemed faculty and researchers. It has been the commitment of the state and the System to ensure that resources are in place to support this effort. As the economy takes a downturn, institutions must make budget cuts. An infrastructure is required to have the base support for this level of research. It remains to be seen what will be the impact of the budget cuts on research.

Responding to the Chancellor's remark about investing up-front resources, President Rahn stated that there are equipment and facilities expenses associated with recruiting a top researcher who is charged with the responsibility of developing a research program. It is equally challenging to retain truly top-ranked talent. Other universities and industry actively seek the individuals who are leading research productivity at all times. So, it is critically important that research universities be able to continue to deliver on the kinds of support necessary to grow research programs. After two to three years, an institution is generally at risk of losing its most talented researchers, in which case the university has lost its investment. The return on investment really comes after the initial investment period when a program is actually up and running.

Regent Howell asked to whom researchers would be lost, since the entire nation is experiencing an economic downturn.

President Clough responded that this is a good question. In addition to how late the System got into research, it was also very late getting into capital formation. GIT is among the least endowed research universities in the nation. The Universities of Michigan, Virginia, and California, Berkeley, have several billion dollars in endowments to fall back on, but when the state portion of the University System of Georgia's research universities' budgets are cut, they do not have the cushion to depend upon that many competing institutions have. Furthermore, if the System were to signal nationally that the state would recapture the money generated by research, its capacity to attract top researchers would be gone. If this economic downturn continues, the System will not be able to retain the kind of researchers that it has made huge investments in bringing to this state. The signals the Board, presidents, and legislature sends regarding research will have a very important effect on how the System is viewed by its competitors and potential researchers. The momentum must be kept through these times to position the System for the long term. The worst thing the System could do is to try to capture every dollar generated by research because it is self-defeating and will affect the System's ability to recruit and retain good researchers.

Additionally, it was noted the fact that everyone is experiencing an economic downturn is precisely why the System should be more aggressive. UGA lost four researchers this year. Two scientists went to Germany, and two are going to Canada. So, despite financial troubles, institutions are still looking for targeted recruitment.

Chair Leebern asked how an institution gauges the value of prospective researchers.

President Clough responded that on one level, research universities are trying to recruit the scholars

of tomorrow. In that regard, an institution works hard to recruit the very best young faculty. GIT has had 72 National Science Foundation (“NSF”) career award winners, which is an award given to the faculty in engineering and science deemed to be the best and brightest in teaching and research. MIT has had only 62 NSF career award winners. On another level, universities are trying to recruit research “super stars,” and this requires an even better package of benefits and intangibles. In this case, you recruit not just one individual, but an entire team of researchers the researcher wants to bring to the institution. The University System of Georgia has been able to recruit very good researchers because it has been perceived as being on the move. The Board has been very helpful in ensuring a good salary structure. The Georgia Research Alliance (the “GRA”) has been helpful in providing some of the necessary package components. For example, the GRA provides matching funds or monies for equipment or renovations. Recruiting a top researcher is a protracted process, and it is a process that involves recruiting not only that individual but also his spouse and research team. The researcher is already at an institution where he is doing very well and has suitable facilities. He does not want to come to an institution that is a step down from that level. So, the institution must provide a lateral transfer that enables the researcher to hit the ground running. The leverage factor can be huge. For example, about seven years ago, GIT recruited Rao Tummala as Director of the Packaging Research Center. He brought together a team and won the National Science Foundation Center of Excellence grant for electronic packaging. This researcher alone has leveraged the state’s investment 40 to 1. He and his team have generated \$50 million or more based upon a relatively small investment in one individual. The right people can bring leadership and young faculty so that the system works as a whole.

President Rahn added that thematic organization of research helps an institution build on its existing strengths rather than creating entirely new programs.

Regent McMillan remarked that it is very good to have presidents and their staff available to answer questions. He would like to see this more often.

Regent Hunt commented that this might be a good time to finance research facilities through privatization.

Regent Howell asked the presidents how the Board could improve its efforts in supporting their research endeavors.

President Patton responded that the institutions need facilities. He noted that it takes six years to get a building approval to the funding stage. There needs to be a way to bring buildings online almost immediately in order to attract top researchers. The time it takes to build a facility in the traditional mode puts the institutions at a competitive disadvantage with many other states. The foundations are helpful, but they are somewhat limited in their abilities. It would be very helpful if the Board would look for new ways to fund buildings, such as privatization or encouraging changes at the Georgia State Finance and Investment Commission.

President Adams thanked the Board for helping the institutions already through privatization. He said that every research facility built during his presidency at UGA has been done privately. He also complimented the Chancellor for involving the presidents more with the Board. Finally, on the list of the 50 best buys in higher education, UGA was the cheapest. At a time when the state cannot provide tax revenues, the research universities need more flexibility in establishing tuition rates. While UGA needs to maintain access and does not want to become expensive, it also cannot be the cheapest institution and still compete at the highest level and maintain the best faculty.

President Clough remarked that for a number of years, the institutions have been working with the Board to get health insurance for graduate students. The University System of Georgia is at a disadvantage compared to other top research institutions in that they do not offer health insurance for their graduate students. Competing for top graduate students is almost as important as competing for top researchers. This is a challenge that has not been funded in the budget request, but it should not be forgotten, as it leaves the System in a noncompetitive posture. He added that going through the Office of the Attorney General to build facilities is also difficult. The University System Office staff understands that there are multiple levels of approval in the process. Because the process is so difficult, GIT has offered to pay the salary of an individual working in the Office of the Attorney General to specifically work on GIT issues. If the Board could find some ways to speed up the inefficient decision structure of the facilities process, it would greatly benefit the research universities in particular.

President Rahn stated that this presentation had highlighted that the bulk of the basic and applied research is occurring at the four research institutions. The future of the state in terms of high-technology and high-impact economic development really rests on the advancement of this enterprise. It is core to the mission of the University System of Georgia. He stressed that research, education, and service are not different missions, but rather, they are one. The Board needs to approach the research component of the mission as absolutely essential. Research is not something that can be sacrificed for the sake of another component of the mission. Research is in itself economic development. MCG has set an aggressive target of 20% research growth per year for the next five years. If it does so, it will generate 800 to 1,000 new jobs in Augusta. The Board must engage in a robust educational process for the entire state.

Chair Leebern thanked Dr. Papp, the presidents, and the Regents for this very informative discussion. He then thanked Dr. Papp for 30 years of dedicated service to the University System of Georgia. The Regents joined Chair Leebern in a round of applause for Dr. Papp. Seeing that there were no further questions, Chair Leebern adjourned the meeting of the Strategic Planning Committee as a Committee of the Whole and returned the chairmanship to Board Chair Harris.

Chair Harris added his appreciation to the Associate Vice Chancellor for Academic Affairs and Co-Facilitator of the Georgia P-16 Initiative, Jan Kettlewell, and the Executive Director of the Georgia

Student Finance Commission, Glenn Newsome. He also thanked Dr. Papp and the presidents for their very informative discussion.

UNFINISHED BUSINESS

There was no unfinished business at this meeting.

NEW BUSINESS

Chair Harris announced that there would be no December 2002 meeting of the Board of Regents. He then asked for a motion to authorize Chancellor Meredith to take any actions necessary on behalf of the Board between this meeting and the January 2003 Board meeting with such actions to be ratified by the Board at the August meeting. With motion properly made, variously seconded, and unanimously adopted, the Board approved this authorization.

PETITIONS AND COMMUNICATIONS

Regent Howell reiterated that there would be no December 2002 meeting of the Board. He announced that the next Board meeting would take place on Tuesday, January 7 and Wednesday, January 8, 2003, in the Board Room in Atlanta, Georgia.

Chancellor Meredith asked the Senior Vice Chancellor for Academics and Fiscal Affairs to approach the Board. He said that one of the reasons he came to Georgia was the abundance of talent in the University System of Georgia and the University System Office. He noticed that Georgia was stealing great talent from other institutions and other states, but now other states have started to steal from Georgia. Florida realized that the University System of Georgia had just the right person for the Chancellorship of its Division of Colleges and Universities: our Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp. Dr. Papp will begin his Chancellorship on January 1, 2003, but Chancellor Meredith was moving slowly to fill this position "just in case." Dr. Papp began his career as the only member of the faculty of the Georgia Institute of Technology ("GIT") whose primary focus in both teaching and research was international affairs. In the early 1990s, he became the founding Director of The Sam Nunn School of International Affairs at GIT. Soon, he was promoted to Executive Assistant to the President of GIT and was heavily involved in the 1996 Olympics. In 1997, Dr. Papp was tapped to serve as Interim President of Southern Polytechnic State University. After that, he spent a year as Director of Educational Programs for Yamacraw. In 2000, Dr. Papp was selected to be Senior Vice Chancellor for Academics and Fiscal Affairs. Despite the extensive responsibilities of this position, Dr. Papp found time to write a sixth edition of his textbook, *Contemporary International Relations*, and coedit his second and third volumes of the *Information Age Anthology*. Dr. Papp has also published over 60 journal articles and book chapters. His departure will be a tremendous loss to the University System of Georgia and the University System Office. Dr. Papp would be getting married just after Thanksgiving and would begin his new

life in Florida in January. Chancellor Meredith said that he really appreciated Dr. Papp's dedication and friendship. He wished Dr. Papp the very best but reminded him that his position as Senior Vice Chancellor had not yet been filled.

Dr. Papp thanked Chancellor Meredith. He said he came to Georgia in 1973 fresh out of graduate school. He expected to be in Georgia for a few years and then work at the Pentagon, and 30 years have since passed. He remarked that the University System of Georgia and its people are wonderful folks. He hoped the Regents appreciate the quality of people in the System. He thanked the Regents for the opportunity to work with them over the years and said that he looked forward to continuing to work with the University System of Georgia from Florida.

On behalf of the Board, Chair Harris thanked Dr. Papp for his 30 years of service to the University System of Georgia. He has been a great asset to the System, and the Regents hated to see him go.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 11:45 a.m. on November 20, 2002.

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

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