

**3MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
270 Washington St., S.W.
Atlanta, Georgia
January 15-16, 2008**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, January 15, 2008, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent Allan Vigil, called the meeting to order at 10:03 a.m. Present on Tuesday, in addition to Chair Vigil, were Vice Chair William H. Cleveland and Regents Kenneth R. Bernard Jr., James A. Bishop, Hugh A. Carter Jr., Robert F. Hatcher, Felton Jenkins, W. Mansfield Jennings Jr., James R. Jolly, Donald M. Leebern Jr., Elridge W. McMillan, Doreen Stiles Poitevint, Willis J. Potts Jr., Wanda Yancey Rodwell, Benjamin J. Tarbutton III, and Richard L. Tucker.

INVOCATION

Regent Wanda Yancey Rodwell gave the following invocation. "Heavenly Father, we come before you this morning thanking you for your precious blessings and another day to fulfill your will. We ask that you direct and guide us this day and help us to be wise and prudent leaders of this great University System. I ask this morning that you continue to push and prod us to seek to do what is right for each and every student and faculty member and administration within this System. Help us to serve as their champions as they pursue their highest educational goals. Finally this morning, I ask that you bless this University System Office and the staff here as we work to keep Georgia at the forefront of education. Thank you for everything and all things that you do for us. Amen."

SAFETY BRIEFING

The Assistant Vice Chancellor for Compliance and Operations, Sandra L. Neuse, gave the Regents and audience a briefing of basic safety information in the event of an emergency.

ATTENDANCE REPORT

The attendance report was read on Tuesday, January 15, 2008, by the Secretary to the Board, Julia M. Murphy, who announced that Regent Patrick S. Pittard had asked for and been given permission to be absent on that day.

REMARKS FROM THE CHANCELLOR

Thank you, Chairman Vigil. Our agenda for this meeting, as well as for this year, is going to be very full. Let me, as I always do, remind you that we do value your feedback. It guides us as we plan

future Board meetings, and we do listen to your concerns. For example, in response to your comments, my Board reports to you will be a lot shorter this year than they have been in the past. We are also looking at ways to reduce some of the redundancy in the feedback process, including online surveys and confidential interviews and things of that nature to keep the process fresh. We do appreciate your feedback.

In that same vein, I and the rest of the team appreciated your active participation during the recent Board retreat. Again, we thank Regent Bishop for his hospitality and for helping to facilitate and arrange a lot of the wonderful settings and venues that we enjoyed. The team and I are truly impressed and value the degree of engagement of this Board in the very important issues that lay in front of us.

The one item on our agenda today I do want to highlight is the report from our consultant on the need to expand physician training in Georgia. We have a lot of difficult and, I believe, historic decisions that we are going to make in this area. However, one thing is clear: Georgia simply cannot stand still in terms of addressing this state's acute need for more doctors, particularly in underserved areas. Today's report will be a key and important step in our efforts to increase the number of physicians we train. We will seek your acceptance of this report as we incorporate its findings into our planning process.

The Medical College ("MCG") has a mission of educating health care professionals. Doctors and nurses need to be able to understand visually the human anatomy. So, it's appropriate that as we talk about expansion of physician training, our current art exhibit is from MCG. This is an exhibit of educational posters by students from the graduate program in Medical Illustration as part of a course in advanced medical illustration techniques. The Medical Illustration Graduate Program is one of only four accredited programs in the country. I encourage all of you to visit the exhibit on a break or at the end of our meeting.

As you are by now quite aware, this week also marks the opening of the General Assembly session. As they say, it has opened with a "bang." As always, we will be very engaged in supporting the Governor's budget recommendations for the System. There are a number of significant issues on the table for the General Assembly and we will be seeking the Board's assistance, where appropriate, during the course of the session. We spoke during the retreat about building our capability here at the System Office. In that regard there are two new people on our team; they are new but very accomplished already. To assist him, Tom Daniel has a new staff person, Ms. Amanda Seals, whom, I am sure, he will be introducing to all of you. Amanda comes to us with a high level of experience in both the executive and legislative branches of state government and will most certainly prove to be a valuable asset to our External Affairs office. She will be a familiar face to many of you from your visits to the capitol. I just hope she can keep up with Tom's legendary work ethic during the session. Another new member of the System Office staff is Vice Chancellor Dr. Melinda Spencer. Melinda will be Susan Herbst's chief of staff for Academic Affairs. She comes to us from the University at Albany, State University of New York, where she served as vice provost for administration and planning. Melinda's education and work have focused on higher education administration

and institutional planning and analysis. She also will be a valuable addition to Dr. Herbst's team as we focus on core academic issues related to the Strategic Plan.

Finally, let me end my report with a moment of silence in memory of former House Speaker Thomas B. Murphy. The Speaker was a strong supporter of higher education and the University System during his long tenure. His presence under the dome paralleled years of growth and progress in this System. And, the Murphy family has designated the University of West Georgia Foundation as a recipient of donations to be used to construct a replica of the Speaker's Capitol office on the West Georgia campus. Please join me in this moment of silence. (There was a moment of silence.) Mr. Chairman, that concludes my report. Let the record and the feedback forms note that it was responsive to your concerns about length.

Let me also take a moment to recognize and introduce two University System students who are attending today's meeting. Anu Parvatiyar is a fourth year biomedical engineering and economics student at Georgia Tech (Georgia Institute of Technology). When we all went to school, biomedical engineering may not have existed, so we do not have a full appreciation for how difficult it is. Born in India, Anu is a graduate of Parkview High School in Lilburn. She has been very active at Georgia Tech, including service on the student government association, where she currently serves as the president, and the Georgia Tech Ambassadors. She also has been on the Tech cheerleading squad, which allows her to enjoy one of her favorite southern pastimes – watching football. What you will find very interesting is that she developed a new course involving international civic engagement. This course allows students in multidisciplinary teams to use their technical and academic talents to work on projects in developing cities worldwide. The first team of 25-30 students is focusing on a city in Central America. The goal is to eventually send several classes of students at one time to multiple cities. That is a very impressive accomplishment for one her age.

Speaking of age, let me introduce Eddie Lee Lovett Jr., a native of Augusta, who has been on the college fast track. At the age of 16, he enrolled in the Georgia Academy of Aviation Mathematics and Engineering Science program at Middle Georgia College. This fall, after two years at Middle Georgia, Eddie plans to transfer to Georgia Tech. Currently, at the tender age of 17, he is chair of the student government association and a member of your student advisory council. He also serves as a tutor at the 21st Century Learning Center in Bleckley County and assists students at his former high school in Augusta by advising them on college. As we discuss graduation outcomes, I think Anu and Eddie do represent models of the types of individuals we seek. Please join me in not only welcoming them, but in thanking them for all they do on their campuses.

PRESENTATION: ACCREDITATION AND THE SOUTHERN ASSOCIATION OF COLLEGES AND SCHOOLS

Chairman Vigil asked the Chief Academic Officer & Executive Vice Chancellor, Susan Herbst, to introduce the guest speaker, Dr. Belle S. Wheelan. Dr. Herbst stated that accreditation is one of the most important tests for institutions within the University System of Georgia and for every campus in higher education

throughout the nation. It is vitally important that System campuses meet the high standards of accrediting agencies in addition to System's unique strategic initiatives and programs. Dr. Belle S. Wheelan is currently the president of the Commission on Colleges of the Southern Association of Colleges and Schools ("SACS"). She is the first ever African American and the first woman to serve in this capacity. Her career spans 33 years. After receiving her doctorate from the University of Texas at Austin, she has served as a faculty member, a provost, a president of Northern Virginia Community College before serving as Secretary of Education to Governor Mark Warner of Virginia. Dr. Herbst stated that as Dr. Wheelan is extremely busy, she is enormously grateful that she was able to attend this meeting.

Dr. Wheelan thanked Chairman Vigil, Chancellor Davis and the Board for their official invitation and thanked Dr. Beheruz N. Sethna, President of the University of West Georgia, and Ms. Julia M. Murphy, Secretary to the Board, for being instrumental in this visit. She added that she was always happy to talk about accreditation, especially since one of the System's institutions, Georgia Gwinnett College ("GGC") was just approved for a candidacy visit and should be a full member of SACS very soon.

Recently, there has been a lot of talk in the nation about accreditation. It did not start out that way. When the U.S. Secretary of Education, Margaret Spellings, put together the Commission on the Future of Higher Education, also known as the Spellings' Commission, accrediting organizations were low on the totem pole. Suddenly, these organizations surfaced as the solution to all of the problems in higher education. This has provided some impetus for people to better appreciate and understand the accreditation process. Established in 1895, SACS is the second oldest regional accrediting body in the country. The organization started on the idea that a free people can and ought to govern themselves and that the system that they use should be systematic, flexible, and representative of the people who are being evaluated. SACS fought very hard with the federal government to allow the organization to keep that system, which has worked for a long time. Accreditation is a process that happens once every ten years. SACS, however, is about to embark on a five-year report so that they can strengthen institutions before they get to the point of being in danger of sanctions or warning. Dr. Wheelan noted this simple act of touching bases with institutions before time for the 10-year process reminds them of the rules and keeps them from having to scramble to come into compliance at the end.

There are two major purposes of accreditation. One is to show the general public that the institution has purpose and that it is appropriate to higher education. Accreditation not only shows that the institution has a mission and a purpose, but that there are resources and programs and services that are sufficient to carry out that mission. That is the quality piece. Accreditation also shows that an institution has clearly specified educational objectives that are germane to that particular mission. This has been one of the foci of the Spellings Commission and that is, "How do you know the students are learning what you say they are suppose to learn when they graduate. What are your educational objectives?" The challenge that SACS has is that the variety of higher educational institutions means there are a lot of different missions, unlike K-12. Even in the University System of Georgia there is great variety from community and technical colleges, to universities that research

oriented and baccalaureate or masters level. As a result, trying to identify a standard set of educational objectives, other than “graduating all students”, is just not very practical. Therefore, SACS leaves it up to every institution, state its expectations for student learning outcomes, based on its mission.

Prior to 2002, there were about 400 compliance statements to which each institution had to demonstrate compliance. Self-studies could be five or six volumes for each particular institution depending on how intricate the program was. SACS’ membership, about 800 institutions in eleven southern states from Virginia to Texas, not including Arkansas, got together and changed from those 400 compliance statements to a process of principles of accreditation that did not get to the nitpicky, “how many books are on your library shelf” type of questions. SACS now has about 83 compliance statements that are called “Principles of Accreditation.” The basic philosophy or premise of this entire process is that members will be open and honest about what they do. Dr. Wheelan emphasized that SACS is not in the business of closing down an institution, but instead wants to make it as strong as possible. Hence, hiding information from a visiting committee serves no purpose. She also pointed out that, if an institution is not forthcoming, there is always someone in the institution that has the “institutional skeletal key” who will let the committee know the truth when it comes to the campus. It is also a hope that the institution will be thoughtful and principled in the decisions that it makes about, not only in the information it shares, but in the educational objectives that it has set, and the way they measure student learning outcomes. These items should flow and relate to mission and not be thrown together just for the purpose of the accreditation process. It is a rigorous application of the process during which no stone is left unturned. The Compliance Certification and On-site Committee processes are very thorough because SACS needs to know about all of the warts and moles in addition to the successes that are going on at the institution.

As an aside, Dr. Wheelan stated that SACS is a private membership organization that does not have to respond to open records requests for general information; although they can be subpoenaed. Thus there is no reason for an institution not to be open and honest with the On-Site Committee when they come to do the evaluation. SACS is asking the institutions to trust that it will take the information the institution provides and be fair in its evaluation and that the institution, in-turn, will take the SACS evaluation seriously.

Accreditation is a voluntary process. There are over 3,000 institutions nationwide that function every day with students that are not accredited by anyone. Although there is nothing that keeps an institution from functioning without accreditation, students at unaccredited institutions are not eligible for financial aid. In this sense, accreditation is similar to a “good housekeeping seal of approval.” Dr. Wheelan pointed out that although SACS has been in the business since 1895 in its region, it was not until the 1950s that regional accrediting bodies and now national accrediting bodies, which came along later, have paired up with the federal government. This was done because when people were coming back from the war in the 1950s they were going back to school. In order to maintain quality control over where GI Bill funds would be spent, the federal government partnered with the accrediting bodies. Due to this partnership accrediting bodies now have to be recognized and reaffirmed by the US Department of Education (“DOE”) every five years. The ten-year accreditation process for institutions is a voluntary, peer review process. Neither Dr. Wheelan nor her staff receives a vote. Their main responsibility is to move the process along and the

Commission gets the vote. The Commission is comprised of 77 voting members from the 11 states. Every state has at least 4 members and the others are based on the number of institutions within the state. Everyone has a public member, people who are not employed by institutions of higher education, from each of those states so that there is some outside input going into the process. It is those 77 members that actually decide on the status of an institution.

There are four sections to the Principles of Accreditation. The first one is the section of integrity. Although it cannot be readily defined, it is one of those things that SACS can tell when information is presented. For example, one institution, prior to Dr. Wheelan's arrival as president of the COC, was dropped from membership because of a lack of integrity. Member institutions are encouraged to work together to establish and share best practices among themselves. The institution in question information from another institution and did not even change the other institution's name in the report when it was presented to SACS. The institution was subsequently reinstated, but it sent a shock through the entire region that something like that would be done.

SACS also has 12 core requirements that are more synonymous with its previous 400 "must statements." For example, each institution must have: a governing board, academic programs, and enough faculty to keep the institution running. An additional criterion is the quality enhancement plan ("QEP"), which is an activity that involves everyone in the institution and is focused on student learning. This plan demonstrates to SACS whether or not students are truly the reason why an institution exists. It shows what the institution is doing to ensure that students are learning, being productive, and leaving with some skills. One SACS institution was concerned about the performance of students in an introduction to mathematics course because it is a basic foundation for every academic program in the institution. The students were failing at high rates and the institution realized that this would not work because it impacts the graduation rate and the licensure passage rate because students are not prepared to keep moving through the program are not going to be able to get certified or get a job. As part of a QEP, this institution redid the entire Mathematics 101 course. They brought faculty from all over the institution, not just math faculty, together to talk about what they expected students to be able to do when they get out of the course. They then came up with their student learning objectives and ways to assess whether or not students met them. They also made changes to the curriculum based on an item analysis of what students were missing on the assessment. New tutors were hired and trained and additional materials and resources were provided in the student learning lab. The institution also identified the space on campus that they needed and wrapped everything in the institution around this particular project. At the end of the semester there was a 20% increase in the retention rate of students in those courses and they were now getting good solid Cs and Bs instead of Ds and low Cs in completing that course. Every institution is asked to develop a QEP that has something to do with student learning in their particular institution. A lot of institutions are dealing with developmental education and how to increase the success rate of students. A lot of them are looking at ways to get students to transfer from a community college to a senior institution and make sure that they graduate. There are a lot of different projects an institution can implement based on its mission to ensure student learning. The comprehensive standards are the

details of the core requirements. For example, there is a core requirement that not only states that an institution must have a board, but explains that it must have at least five members who are free from political influence and duress. It also states that the CEO cannot be a member of the board. Another comprehensive standard focuses on the qualifications and evaluation of board members and how to dismiss one. The comprehensive standards feed off of those core requirements.

There are also some federal requirements. Some of the core requirements and comprehensive standards are also federal requirements, but there are some federal requirements that were not previously included that are now a part of the principles. For example, institutions have to put the name of the Southern Association of Colleges and Schools' Commission on Colleges in all publications so students know who to contact when they want to complain about what the institution is doing, or to show the "seal of approval" agency under which the institution functions. Federal requirements also ask for graduation rates and licensure completion rates, a transparency piece discussed in the Spellings' Commission.

The process itself provides an assessment of an institution's effectiveness in fulfilling its mission. It shows that it is in compliance with the principles of accreditation, and that it is devoted to ensuring quality of student learning. It also serves to stimulate the evaluation and continuous improvement of a given institution. Dr. Wheelan said that is another reason they are going back in after year five to see the progress that has been made in the last five years and whether or not a QEP is working or needs to be tweaked. It also provides continuing accountability to the public. Many employers will not hire people who have degrees from institutions that are not accredited by some organization recognized by the DOE. Likewise, many of System institutions will not accept credits from students who went to institutions that are not accredited by an organization recognized by the DOE because there is no way of knowing anything about the quality of program that is being provided.

In the ten-year process, SACS is looking at ten years, but the process itself occurs in about a two-year span. Part of the challenge that Dr. Wheelan currently faces is preparing institutions for reaffirmation because they have not read the affirmation, which was not in place ten years ago when they came through the process. Therefore, most institutions do not realize that SACS have made some changes. One of the classics that Dr. Wheelan defends is the old policy regarding faculty qualifications. At one time, SACS required that anyone who taught a class at an institution of higher education accredited by SACS had to have a master's degree and 18 graduate hours in whatever they were teaching. Since there were so many exceptions, this requirement was changed to allow the institutions to defend and explain the qualifications of the people they hire. For example, if an institution wants to hire a retired bank president who has worked in the banking industry for 30 years to teach introductory banking or business courses, but only has a bachelor's degree, the institution can justify hiring the person based on expertise and experience. Hence, SACS now uses a qualifier that states the organization "prefers" that the institution gives credence to academic preparation, but recognizes that there are other ways that people can gain expertise than just sitting in a classroom. SACS' current requirement is that an institution has qualified faculty and can demonstrate to a visiting committee that they are, indeed, qualified.

The official process then begins with completion of the compliance certification. SACS sends out a form with the principles of accreditation and asks institutions to demonstrate compliance. This includes providing a copy of enabling legislation, showing that there is a board evaluation, appropriate academic programs and qualified faculty. Institutions are now limited to only 100 pages in this compliance certification, although they can have hot links to additional items they would like SACS to witness. This reduces the amount of paper used in the process as well as the storage requirements needed for the larger volumes that SACS used to receive. That report is then sent to the off-site committee, a group of 15-20 people who come together to look at three like institutional certifications. That way, SACS ensures consistency that research people are looking at research institutions, that community college people are looking at community college institutions. The one caveat is that no one within a state looks at institutions within that state. So no one from Georgia will ever evaluate an institution in Georgia. That off-site committee will determine whether the institution is in compliance in the various areas. If the committee is unable to tell whether or not the institution is in compliance in an area, they may request additional information or require another committee to visit it. That report is then sent back to the president of that institution with comments that highlight any problem areas. The president then has the opportunity to send back a report to clean up any shortcomings that the institution may have. Dr. Wheelan stated that this is something new to the process. In the past, before they sent in their self-studies, institutions would pray a lot and then they would come to the annual meeting to find out whether they were reaffirmed or not. This new step in the process gives them an opportunity to go in and make changes for improvement before a final decision is made. That Off-site Committee report and the focused report are then sent to a 9-12 member on-site committee that will go to institution. Their main purpose is to look at and discuss the QEP, but they will also look at any noncompliance issues that came from the Off-site Committee. The On-site Committee also verifies some things that are federal requirements while on campuses. The final report from the committee then goes to the Compliance and Reports Committee of the full Commission, which is another 20 people. Dr. Wheelan reiterated that no one votes on or discusses an institution from their own state, adding that when a conversation about a school in their state comes up, they leave the room. The Compliance and Reports Committee makes a recommendation to the Executive Council and the final commission on whether this institution should be reaffirmed with or without reports; whether it should be placed on warning, on probation, or dropping it from membership. Dr. Wheelan added that she was pleased to report that none of the University System of Georgia's institutions is on sanction with SACS.

The significance of the accreditation process is that the national conversation has indicated that it is important for citizens to have access to a variety of affordable institutions in order to be able to prepare themselves for life in the 21st century. Dr. Wheelan noted that there has been a lot of conversation about student loans and private loans and the legislation that has resulted in the Congress to clean that up. Accountability in those student learning outcomes has also gotten a lot of attention. She asked the question, "How does the public know that the institution is worth going to if it does not provide statistics such as its graduation rate, job placement rate, and pass rates for national literacy examinations?" She stated that some of SACS' senior institutions have less than a 50% graduation rates, makes them hard to market. This reinforces the need for continuous improvement and identification of the student learning outcomes and ways to measure to ensure that

students are really getting what they need. Because SACS is accountable to DOE it has become the focus of a lot of the national conversation. Since the DOE has a direct link to SACS and SACS has a direct link to the institutions the DOE have tried to force SACS to put in new parameters for accreditation such as setting a minimum graduation rate for every institution it accredits. Dr. Wheelan stated that SACS has fought this and other changes vehemently, explaining that if SACS set a minimum graduation rate, most of its institutions would be out of business because none of them have good numbers for graduation. However, these same institutions have excellent job placement rates. While SACS has recognized that it is important, and has strengthened the institution's response to it, it has stayed away from what the DOE calls "bright line indicators of performance."

The other reason why accreditation and this national conversation are important is that higher educational institutions are now in a global market. Dr. Wheelan stated that institutions in Georgia used to worry about the performance of institutions in Alabama and North Carolina and how Georgia's students would compete with them. That is not an issue anymore. The new concern is whether or not people from other parts of the world are outperforming U.S. students, subsequently changing who is in charge of this world economy. When General Motors is no longer the number one producing automotive dealer, worry sets in because for a very long time the U.S. was number one in the global economy. There are also changes in the labor markets. There are jobs now that did not exist years ago, and institutions have to be assured that students are prepared to take those jobs. Additionally, the Internet has caused a major explosion in the knowledge base. There are more knowledge based jobs now than there are physical strength jobs than ever before. It is imperative that students are prepared to work in those fields that are making innovations in technology and finding new ways to do things. Those science and mathematics skills are extremely important in every career field now. Also, there is an increase in the demand for high skills to the point that people are going to be extremely competitive in the salaries that they are demanding which will obviously pass on to consumers. The bottom line is, accrediting bodies and their member institutions have to make sure that students are prepared to take on those positions. It will approach national crisis proportions when there are not enough students able to go in and take over the jobs.

In response to a question from Regent McMillan regarding the role of the governing board in the accreditation process, Dr. Wheelan, stated that it is important for board members to understand the process and be responsive, if needed, to the On-site and Off-site Committees. She stated that SACS is actually hosting a workshop on the role of the board versus the role of the administration in the spring for small private institutions, though any institution can attend. She added that the Board of Regents is unique in that it represents a System and it is the individual institutions that are accredited. Because of that and because the presidents tend to report to the Chancellor and not directly to the Board, often times when a team comes in, an institution will choose to have the Chancellor's staff come in and represent the thinking of the Board. She added that some institutions would actually ask the Board members to come. However, the process has changed and SACS no longer spends a lot of time directly talking to Board members unless there is a crisis going on in that particular institutional relationship. As it is an open process, Dr. Wheelan said that she would hope that the presidents are keeping the Board informed, adding that Regents are welcome to attend any

visit to which they have been invited. Regarding Regent McMillan's second question about the difference or commonality among the various regional accrediting groups, Dr. Wheelen stated that the processes are different but the basic tenets are the same. Each accrediting body looks at quality and student learning outcomes. Since she has been in her position as president, SACS has adopted policies that will strengthen relationships between the regional accrediting groups. Dr. Wheelen stated that many of the accrediting groups are comfortable enough with the measurements and assessments uses that if an institution in one of the other regional groups opens a campus within the SACS region, they would accept the other agencies accreditation of the campus and not require it to go through the SACS process and vice versa. Overall, there is a lot more collegiality and a lot more uniformity than there ever has been before, but the processes are different.

Regent Leebern thanked Dr. Wheelen for an extremely informative presentation and noted that her wonderful reputation preceded her. He stated that institutions in the University System of Georgia take their SACS visits extremely seriously. He added that having been asked to come to an accreditation visit by one of the members of the Commission, he could attest that they are also extremely prepared, asking good questions that makes each institution and the System stronger. Dr. Wheelen thanked Regent Leebern for his kind words and stated that many of the Systems presidents, provosts, and faculty members are involved as visiting team members. She thanked the presidents and their staffs for adding value to the process. She also recognized President Michael F. Adams of the University of Georgia as a former chairman of the Commission, noting that she still calls upon him regularly for his expertise. She thanked the Board for their support of Chancellor Davis and the institutions and all of the effort they put into being a Board member, adding, "What you do means all the difference in the world."

There were no further questions.

Chairman Vigil took a moment to recognize Senator Ed Tarver from Augusta who attended the Board meeting.

APPROVAL OF MINUTES

Motion properly made and duly seconded, the minutes of the Board of Regents meetings held on November 13 and 30, 2007, were unanimously approved as distributed.

PRESENTATION: MEDICAL EDUCATION EXPANSION PROPOSAL

Chairman Vigil asked the Senior Vice Chancellor for Health and Medical Programs & President of the Medical College of Georgia ("MCG") to introduce the subject of the Medical Education Expansion and the guest speaker. Dr. Rahn said it was a privilege to do so and thanked Chancellor Davis for recognizing the medical illustration art exhibit in his opening remarks. He stated that the Graduate Program in Medical Illustration focuses on training individuals who will be able to make very complex biologic and physiologic processes understandable through various visual media of video and graphics, adding that it is one of the best programs in the U.S.

Dr. Rahn stated that the initiative is complex and tremendously important. The team's responsibility to the Regents was to examine its capacity to produce physicians through the University System of Georgia, specifically the Medical College of Georgia; to assess projected physician workforce needs, and then recommend strategies for the best way to close the gap between projected need and current educational capacity. The team has set an aggressive timeline for this initiative and engaged a nationally recognized consultant, an engagement that has produced recommendations about the future of public medical education in the state of Georgia. Because of the importance and magnitude of this undertaking, Dr. Rahn and the team were pleased that Tripp Umbach, a national leader in conducting market feasibility and economic impact analysis for leading academic medical campuses was awarded the contract. This engagement was managed primarily by the Dean of the School of Medicine at the Medical College of Georgia, D. Douglas Miller. The Dean of the School of Medicine is the person who is principally responsible for the program leading to the M.D. degree. The team also had robust interactions and ongoing collaboration with President Michael F. Adams at the University of Georgia as well as with practicing physicians, alumni, hospitals, and health systems around the state.

Paul Umbach is the founder and president of Tripp Umbach, a national research and planning firm that has completed more than 1,000 consulting assignment since 1990. The Mayo Clinic, Ford Motor Company, 3M, and Cornell University, some of the nation's most prestigious organizations have benefited from Tripp Umbach's expertise. In addition to our consultation, over the past four years, Tripp Umbach has provided consulting services to five other academic medical campuses for proposed medical schools or expansions of existing firms. Additionally, the firm has conducted a feasibility study to develop an independent allopathic school to be located in northeastern Pennsylvania in Stranton. Since 1995, Tripp Umbach has completed three national studies measuring the economic impact of all 125 medical schools and more than 400 major teaching hospitals for the Association of American Medical Colleges. Tripp Umbach has consulted with 50 of the top 100 hospitals and health systems listed in the 2007 *US News World Report's* list of best hospitals. With this base of experience, you can see why Paul Umbach is viewed nationally as one of the most qualified individuals and his firm is one of the most qualified firms to asses the feasibility and economic impact of new or expanded medical schools and hospital campuses. Mr. Umbach is considered one of the nation's leading community health researchers and planners, having completed community health assessments in more than 200 locations.

In essence, this is a discussion about training and educating doctors. Dr. Rahn stated that one of the key components to training doctors is delivering both good news and tough news. The good news is that Georgia allocated the resources to hire the best firm possible to undertake this study. The tough news is that this is a very significant challenge. The approaches that will be necessary are in some regard new. They require developing new partnerships and new collaborations. Yet the University System has to do that going forward because it is the best way to leverage its existing resources and to innovate where Georgia's economic development success has always occurred. Dr. Rahn stated that this Board has a history of making tough bold decisions when necessary, and that he believes this consultative engagement and report to will help inform the decision-making going forward. He then asked Mr. Paul Umbach to give the Board the good news and the tough news about medical education in Georgia.

Mr. Umbach greeted the members of the Board of Regents and thanked them for the opportunity to present this report and for their interest in the topic as Georgia looks to the future and determines what kind of medical education system it needs and the fruits of that system going forward. As all of the Regents had received the report previously, Mr. Umbach stated that he would take them through it. The study began in September in 2007. Although Mr. Umbach and his team planned only six trips to Georgia, he noted that they had already made 13 since September 1. The Tripp Umbach team has spent time in every part of the state and has been in contact with 300-400 people during that time. Mr. Umbach said that they enjoyed that time and were able to work on their objectives. These objectives as listed below are just the starting point for the work plan that the team put together. They are as follows.

- Identify the best locations statewide for expanding public supported medical education.
- Identify the most cost effective strategies for the statewide expansion of MCG School of Medicine through partnerships with other organizations.
- Recommend the best plan for expanding the MCG school of Medicine in order to maximize future physician workforce supply and to increase economic development throughout the State of Georgia.

The name of the Tripp Umbach report is *A Roadmap for Medical College of Georgia School of Medicine and Statewide Partners*. Hence, they focused a lot on the second objective, looking for the best and most cost effective way to work with the partners that are out there. Tripp Umbach has worked on approximately 500 major healthcare assignments over the years and has been involved with medical education expansion in nine different locations in the U.S. including Georgia. In this study, Tripp Umbach was able to benefit from its 10-year relationship with the Association of American Medical Colleges (“AAMC”). Through that relationship they are able to have databases that include all 125 medical schools as well as the databases that Tripp Umbach has created for about 400 teaching hospitals. Having access to these databases helped the team benchmark and compile some very compelling data that shows where Georgia stands when compared to other medical schools in the country. While working on this project, the firm had the opportunity to work on other projects throughout the country. They are currently doing a parallel process in Connecticut.

The three key findings from the report presented to the Board at this meeting were as follows.

1. Medical Education Expansion is required immediately to insure the health and safety of Georgians.
2. Dramatic simultaneous expansion in Augusta, Athens, Albany, and Savannah must occur to educate 1,200 students by 2020.
3. Economic Impact of MCG School of Medicine will double from \$1.6 billion to \$3.2 billion and the state will receive \$2.54 in tax revenue for every \$1.00 it invests in the statewide expansion plan.

Mr. Umbach stated that although the plan is far reaching with a 12 year horizon, the decisions to move forward with expanding medical education have to be made immediately. Additionally,

without the immediate simultaneous expansions in the designated area, MCG will not be able to educate 1,200 students by 2020. Finally, although there are few things in government that actually allow a return on the investments that are made, medical education, however, is one of those things. Mr. Umbach stated that his expansion plan would more than pay for itself. Bottom line, there is a drought of physicians in Georgia and it will become a crisis by 2020 unless there is immediate coordinated action.

The physician drought is also a national issue. Dr. Richard A. “Buzz” Cooper., a professor of Medicine at the Hospital of the University of Pennsylvania, put the magnitude of the drought in perspective this way. He said that his grandchildren’s grandchildren will never live in a country with an adequate supply of physicians. Dr. Cooper estimates that there will be a shortage of 200,000 physicians nationwide. The more conservative estimate from the federal government is 56,000. It is estimated that Georgia will have a shortage of more than 2,500 physicians expected by 2020, 1,500 in underserved areas. The annual cost of providing later stage medical care at emergency departments will be more than \$5 billion annually. These costs will effect everyone from people who buy health insurance to people that have higher co-pays. Additionally, Georgia can no longer rely on out-of-state or international doctors as it has in the past because the drought of physicians is a national issue. Doctors who once came to the U.S. from other countries are returning to their countries of origins at increased rates, while out-of-state physicians are coming into Georgia at decreased rates. Based on the state’s current number of medical students and residencies, there will be even fewer physicians than today caring for 3 million more Georgia residents in 2020. Over the past two years, Georgia slipped in rank from 37th out of 50 states in the number of physicians per capita to 40th out of 50 states. The firm prepared models and projections which showed that at the current rate of graduating students, the current number of statewide residencies, the population growth trends, and the aging physician workforce, Georgia will rank last in the United States in physicians per capita by 2020 without investment in the state’s medical education system. Based on its research Tripp Umbach recommends that Medical College of Georgia School of Medicine expand statewide to 1,200 students by 2020, from 745 students currently, an increase of approximately 60%. This is the minimum number needed by 2020 to keep pace with Georgia’s medical education needs. This report does not speak to the private medical schools in Georgia. This report was for the expressed purpose of evaluating the expansion of MCG. Mr. Umbach noted, however, that there are expansions going forward in the private institutions as well. This needed expansion involves schools throughout the state and there is also discussion of some additional schools.

Medical education, research and clinical expansion must be immediate and dramatic in scope and all aspects of the plan must occur simultaneously. The plan requires significant expansion in Augusta, which will continue to serve as the long-term foundation for a single state operated medical school. From its evaluation of the national models, Tripp Umbach is convinced that a single state operated medical school is important. Also, the partnership that is being developed with UGA should have a memorandum of understanding that will be a guiding force in allowing these two institutions to operate as a single medical school under the accreditation of MCG. About 10 years ago, the Board of Regents made an historic decision to create a memorandum of

understanding between GIT and Emory University in biotechnology. That program is now the second leading program of its kind in the world. Agreements like that which build strong partnerships will serve the state very well. Medical College of Georgia School of Medicine will also develop and operate a new four-year campus in Athens in partnership with the University of Georgia as well as two clinical campuses anchored in Albany and Savannah. Additional annual funding is needed to strengthen the School of Medicine as it expands statewide. As a point of clarification, Mr. Umbach stated that the \$10 million request in the report is for MCG to be able to have working capital each year during the 12 years of this expansion. This will allow them to be able to hire the best faculty, strengthen their centers of excellence and key programs, and strengthen their research so that they can handle the extra stress on the school as it goes statewide. Mr. Umbach believes that this extra money will strengthen the institution in its statewide mission.

Mr. Umbach directed the Regents' attention to a map which showed where students would be by 2020. These figures are provided in the table below.

Location	Proposed Students by 2020
Augusta	900 (4 year program)
Athens	240 (4 year program)
Albany	30 (3 rd & 4 th year program)
Savannah	30 (3 rd & 4 th year program)

There are four recommendations to this plan. The first recommendation is three-fold, calling for significant expansion of medical education and research in Augusta, the development of a new campus in Athens in partnership with the University of Georgia, and third and fourth year programs in Albany and Savannah. The state's investment in MCG over the last 150 or so years and the opportunity to develop an expanded medical class in Augusta makes it a very important first step to review. Expanding its current class from 190 first year students to 240 first year students by 2017, the maximum student class based on clinical capacity, will require active partnerships and participation from all of the hospitals in the area. To do the expansion that Tripp Umbach is promoting for Augusta, there will be 60 more medical students who will need sites for clinical training. It will become a requirement in the Augusta region to have the maximum number of medical students which the firm believes is 240 per class for the first and second year. For this to work, all of the hospitals in the area must be engaged in providing that training. This would make Augusta the single richest community in the U.S. for the number of medical students. There would be no other place in America with this number of medical students per capita. Currently, there are only three schools of medicine in the country that have a larger class than 240 medical students. The expansion program in Augusta also requires capital investment in a new medical/dental education facility, with funding by 2010. The firm recommends a joint medical and dental facility and believes there is about a \$20 million cost savings to the state as well as educational program efficiencies by having the new medical facility in Augusta coupled with the new dental program. Tripp Umbach also recommends a minimum investment by the state of Georgia of \$10 million in 2008 to develop an initial medical education facility and to recruit a regional dean and key faculty at the Athens campus. The program in Athens is seen as an MCG program, holding the accreditation in

partnership with UGA. State funding in 2008 will be required for the accreditation of the Athens campus with 40 first year students as early as 2009 and no later than 2010. Following that the Health Sciences Campus at the Navy School Property will need to be developed in 2012, allowing for expansion to a class of 60 students by 2017. The accreditation of the Athens program would be MCG's accreditation but a strong working partnership with UGA is critical to the success of this campus. Mr. Umbach stated that the Athens campus provides the opportunity to begin immediately, adding that the firm recommends developing an initial permanent facility that would allow the program to begin and research to grow. This recommendation also calls for the development of accredited regional campuses for third and fourth year students in Albany and Savannah in Partnership with regional healthcare systems and that a total of 30 third and fourth year students be educated at residential campuses in both Albany and Savannah over the next seven years. Tripp Umbach evaluated other places in the state and believes that Rome, Columbus, and possibly some other sites may be able to educate third and fourth year students as well after 2020.

The second recommendation is that the MCG and the UGA must create a dynamic medical research partnership to increase their relatively similar numbers in NIH research. Currently both institutions have about \$40 million in federal funding. This partnership would add about 15% to that amount through a partnership in biotechnology research and drug development. The third recommendation is for MCG and UGA to develop a dynamic statewide public health partnership to meet the health and safety needs of all Georgians. Since both organizations are statewide and have the opportunity to work in all 159 counties in Georgia. The public health opportunities that could be established in their marriage could provide a tremendous amount of health and safety resources to all Georgians. Additionally, they could focus their collective resources on critical statewide health needs such as obesity, diabetes and geriatrics. This is just the beginning of a very dynamic opportunity that they have working together. The final recommendation is that the State of Georgia must expand graduate medical education in step with expansion of medical education at the MD Level. This plan calls for a minimum of 104 new residency positions are required by 2020 to support medical education expansion. However, beyond that, the firm believes that a minimum of 200 positions are needed by 2020 to assure an adequate supply of new physicians. Georgia would need 2,000 more residents to reach U.S. average per capita. Georgia's fair share would be almost twice as many as it currently has. Currently, Georgia has approximately 2,000 residencies, half of which are in one hospital. Georgia does not have the type of residencies or the residencies that are matching what students want to pursue in medicine, nor are they geographically dispersed where the state is getting the maximum benefit out of educating students and allowing them to go into Georgia residencies. Tripp Umbach's research shows that while two out of three people remain in the state where they complete their residency, only about half remain if they only complete their residency in that state. The way to get to the fullest number is when people do both their undergraduate and graduate medical education in the state. It is at that point that the highest number of people remain in the state. MCG does a wonderful job of educating Georgians. Almost 100% of MCG's students come from Georgia. The Tripp Umbach plan states that if Georgia citizens can graduate from MCG and go into Georgia residencies this provides the highest chance of keeping them in the state.

Mr. Umbach reviewed a chart that showed the 12 year schedule for investing in the expansion of

medical education facilities. It calls for more than \$200 million over the next 12 years. Although there are a lot of buildings and capital requests listed, the rule of thumb in building and developing a new medical school in America is that there is a \$3 million capital investment for every person sitting in the first medical school class. Therefore if a new medical class of 50 students is expected for the first year, about \$150 million in funding is needed. This \$200 million plan expands medical education by 60% in Georgia, makes a statewide investment in many places, and builds for the future. The Navy School property is a wonderful opportunity for the state of Georgia, for very little money, to be able to have a place to expand medical education. The Gilbert Manor property in Augusta provides MCG with an opportunity to expand medical education there. Mr. Umbach stated that he has toured the campuses at Albany and Savannah and other places around that state that will allow the System to be positioned from 2020 onward to grow medical education in the state.

In regards to the economic impact of following this plan, Mr. Umbach quoted from the AAMC 2005 Economic Impact Study: “There is no other single investment that can positively impact quality of that can positively impact quality of life and economic development life and economic development more than medical education.” He then referred the Regents to an illustration that showed the benefits of the statewide expansion program. It illustrated that medical education expansion as the base forms the foundation for medical growth in students in the proposed locations, which in turn grows clinical programs at regional hospitals which ties up to the economic impact. Additionally, the MCG/UGA research initiative will also add significant economic impact in research growth. From 2005, MCG’s total economic impact, including MCG Hospital was about \$1.6 billion. The combined economic impact of all of the medical schools in Georgia with their teaching hospitals was \$10 billion. Therefore about 16% of the state’s total economic impact comes from MCG. Based on U.S. per capita averages in the \$.5 trillion academic health industry, Georgia should be at \$15 billion. The Tripp Umbach plan projects MCG’s economic impact growing from \$1.6 billion to \$3.2 billion by 2020. This overall impact will include growth in the following areas: commercialization, new physician practices, teaching hospitals, and medical education. Currently, there are only about 70 new physician practices per year with an economic impact of approximately \$91 million. By 2020 the number of doctors is projected to increase to 180 with an economic impact of \$234 million. Additionally through MCG’s partnership with UGA and other statewide partners, commercialization will increase from \$25 million to \$360 million by 2020. Compared to other places in the country, Georgia will be in a much stronger economic position with this expansion plan. Mr. Umbach stated that jobs will grow by about 10,000 new jobs direct and indirect between 2007 and 2020. Government revenue will grow as well, doubling to almost \$300 million. The final chart discussed by Mr. Umbach showed the current base support for medical education by 2010, 2015, and 2020. It illustrated the investment in excellence funding, the \$10 million proposed by the firm to strengthen MCG. Those funds would be for MCG’s statewide expansion. The chart also showed tax benefits for the state and the state’s return on investment.

In closing, Mr. Umbach stated that he began the presentation with strong statements about the drought of physicians, the costs to the state and a lot of facts and figures about medical education in Georgia being a critical issue. He chose to end by stating that Georgians now have an objective statewide plan to produce both the statewide plan to produce both the doctors they need and a

stronger economy. He added that the overview that he has given and the report that was provided to the Regents is an executive report, a summary document. He added that all of the facts, figures, and data that support the findings are available and would be delivered to the Regents. He then asked for any questions.

In response to Regent Carter's question, Mr. Umbach stated that underserved areas have felt the physician drought the longest. Towns of 500 and several thousand currently do not have doctors. However, as this escalates, towns of 15,000 will not have doctors and there will be too few doctors in towns of 30,000. Bringing doctors to these underserved areas will require policy decisions and statewide partners in just about every area imaginable to encourage physicians not only to be educated at MCG through this expansion, but even more so to stay in the state. Mr. Umbach stated that research has shown that one factor in where a doctor will choose to practice is family. For a male doctor, it is the location of his mother-in-law and for a female doctor, the location of her mother. Therefore, with the right encouragement, support, and residencies close by medical students from small towns will stay and practice in those towns. One of the things included in this plan is the opportunity to disperse medical education to places closer to where people live. Conceivably, people in the future could pick a third and fourth year residential campus in Albany because they are from Southwest Georgia. Mr. Umbach's hope for this plan is that this would just be the medical education expansion component. He added that a lot of other pieces would be brought together to make sure the underserved areas receive the boost in doctors that they need.

Regent Potts asked Mr. Umbach to build on his earlier statements about clinical capacity limits. Mr. Umbach explained that medical education requires other people to be engaged. There have to be patients, doctors who train the residents and facilities like hospitals and clinics where the training occurs. Because of that, there are limits to how many students can be trained because of the number of patients. In the models that the Tripp Umbach team develops for their clients, they consider the amount of opportunity a student has to get clinical training. This is why they recommend that more than one hospital is engaged in medical education training. The team also considers the type of patient population, including the number of patients and the number and types of cases available to allow medical students to have those experiences. The plan calls for adding 60 more places where students can get this experience. Mr. Umbach explained that at certain breaking points, a market does not have enough doctors or facilities to provide medical education that can be accredited. One the things that is very important is that MCG is up for its seven-year accreditation with the Liaison Committee on Medical Education ("LCME") and they have to show that the quality of education will still be there in this increased sized market. He stated that there is currently the capacity for 240 students with room for about 200 third year and 200 fourth year students to stay within the Augusta region for their training. To go beyond that is not only to go where no other community has gone, but also to go to a place where MCG will lose its accreditation. Therefore clinical capacity is one of the main things that the LCME is going to evaluate in the accreditation process. Since the Athens area is new to the field of medical education there are currently no residencies in the area. The area does, however, have three principle hospitals, one large hospital in Gainesville and two hospitals in Athens, that have the willingness to participate in medical education. There is not a requirement that residents teach medical students. That actually came about out of economics as it was more

economical for residents, those still receiving their own medical training to train medical students. A better quality model, in Mr. Umbach's opinion is what is being developed in Athens. That model calls for board certified, practicing physicians, possibly hospitalists that work in the hospitals to actually take on the training of medical students in Athens. Over time there will be the development of residencies in the Athens area. As these residencies develop there will be a large economic benefit to the state because people who go to those residencies in the Athens area will hopefully stay in Georgia. Mr. Umbach stated that there does not need to be residencies in place to provide medical education. Therefore, the team believes that MCG's program and partnership with UGA can move forward, with doctors on the ground providing the medical education training. Additionally, the way the LCME accreditation works, makes it impossible for the program in Athens to begin without the parent accreditation in Augusta within the timeframe allotted. It will need this initial accreditation before it can be granted the opportunity for separate accreditation. The LCME looks at the strength of the parent program in determining whether it will grant the expansion program. For this reason, it is imperative to strengthen the base of MCG and make it as strong as possible. Quality education is needed to support this statewide expansion.

Assuming that MCG produces more than 16% of medical graduates in the state, Regent Jolly asked why the medical school's economic impact is only 16%. Mr. Umbach stated that the academic medicine industry has three parts: clinical, research, and medical education. Clinical growth is obtained through "superstar" hospitals and health systems that attract patients from across the country and around the world. For example, the University of Pennsylvania Medical Center ("UPMC") has a transplant program that attracts patients worldwide. Conversely, 3 million people go to the Mayo Clinic each year for clinical care in a town of about 80,000. The second and largest piece of the economic engine is research. When an organization like Emory University has very large research funding, the economics that spend out of that are also very large. Although it can be said that MCG is relatively modest in its research, \$40 million is a significant amount of money in the economy, but it also needs to grow. The third piece of the puzzle economically is medical education which has the lowest amount of economic impact. As a result of that, MCG is very strongly focused toward medical education for the citizens of Georgia but has not realized its true economic impact. This plan allows clinical, research, and medical education growth to collectively double the economic impact.

For Regent Hatcher, Mr. Umbach clarified some of the financial schedules that he had shown. He stated that the \$10 million in excellence funding listed in "Return on Investment" chart is a per year appropriations item, not from capital funds. He further explained that the Athens campus will cost about half as much as the national average for educating medical students because of the relatively inexpensive Navy School property and the partnership with UGA. Although the national average for educating medical students is approximately \$240,000 per student each year, the Athens budget is around \$100,000 per student each year. MCG is also well below that national average, educating medical students at about \$140,000 per student each year. Georgia already has a very efficient program for educating medical students. The \$10 million in excellence funding that the firm recommends will help to grow this program statewide and create even more research and educational excellence. Mr. Umbach stated that these dollars are needed on top of the current available funding

for MCG. Additionally, Mr. Umbach clarified that the “Return on Investment” schedule only shows a snapshot of operating costs for each year and not total figures or capital funds.

Regent Carter cited the reports statistics that show the number of Georgians that wish to pursue a career in medicine is at an all time low with less than two qualified applicants available each year for every first year MD class seat. He asked how the expansion would affect the quality of the applicant pool. Mr. Umbach stated that the statistic does not account for Georgians to apply and attend medical school and complete their residencies out-of-state. These people then usually practice medicine in other places. By strengthening MCG’s program in this dynamic statewide partnership, Mr. Umbach believes that more Georgians will want to stay in state and the number of qualified applicants will increase with the new program. Mr. Umbach’s hope is that this program would be so far reaching that it would be an encouragement to any Georgian who wants to study medicine. He added that it is very critical that everyone understands that the study of medicine is becoming less and less a career choice for students and there has to be encouragement at the junior high, high school and college level to encourage students to go into the practice of medicine. Mr. Umbach cited new studies that show some younger people do have an interest in the profession of medicine. However, these potential doctors, both male and female, expressed lifestyle decisions that would allow them to work 20% less than older generations and doctors who are currently practicing. The flip side of that is that 20% more doctors than previously calculated will need to be produced to make up for the lifestyle differential. Therefore, Mr. Umbach believes the best thing to do is move forward with a strong plan and encourage young Georgians to choose to study medicine in Georgia.

In response to Regent Rodwell’s questions about the future sites in Rome and Columbus briefly mentioned in his presentation, Mr. Umbach stated that these sites could be considered for possible expansion after 2020. Although this report maps out expansion through 2020, there will be a continuous need to grow and produce more than the 1,200 students projected for 2020. An additional four year program may not be needed, but, Mr. Umbach predicts more training sites will be needed for third and fourth year students. One reason for this is that national data shows that private schools expand medical education at a much slower rate than public schools because the economics of medical education do not generate the same revenue as research and clinical growth. Mr. Umbach’s understanding of the market shows that as Georgia continues to grow post 2020 there will need to be more third and fourth year students trained. This may mean adding more third and first year students in Albany and Savannah first, but in the report, he wanted to show that this dynamic is beyond 2020.

Regarding the residency program question posed by Regent Bernard, Mr. Umbach stated that without expanded residencies, Georgia will not breed the physicians it needs. The firm believes that the proper plan is to expand medical education in step with expanding residencies. He stated that it would be a real danger to only expand residencies at this time because the current residencies are filling up with people both from Georgia, out-of-state and around the world. The better program would be to have students already engaged in a program where they can move right into residency positions that are connected to the medical school and then move right into practice in the region. That is the best program and has been proven to be twice as effective than just expansion of residencies. Dr. Rahn then addressed Regent Bernard’s questions about the applicant pool and how

MCG would handle the application and admissions processes at the alternative sites. Dr. Rahn stated that one the important aspects of the partnership between UGA and MCG is the ability to work collaboratively to expand that applicant pool. UGA is everywhere and draws from everywhere. MCG's students come from around 140 counties. MCG and UGA have had discussions among their leaders at the academic level to determine what to do to promote the expansion of the applicant pool from the areas of the state that need the physician workforce the most. That is an area that MCG is very interested in exploring and developing, and Dr. Rahn believes there are some great possibilities there. With regards to administration of the admissions process, Dr. Rahn pointed out that MCG has administered the nursing program through a two-campus model for a long time. There is a single application process through which students indicate their preference of campus. That is managed according to accreditation standards as a single process. They would work out how they would make that happen with the expansion. He reiterated that they are trying to do things in a way that maintains the highest academic level and is as efficient and friendly to the students as possible.

Regent Tarbutton thanked Mr. Umbach for preparing the report and stated that the Board was pleased to receive it and would take it under consideration. There were no additional questions.

RECOGNITION OF GUESTS

Chairman Vigil asked Secretary to the Board, Julia M. Murphy to recognize guests. Secretary Murphy stated that former Board Chair, Regent Emerita Juanita Baranco had been in attendance and brought cookies to share with the Regents. Before leaving she asked Ms. Murphy to read the following note. "While Regent McMillan will note that I am not always on time, my good friend Regent Leebern would say my timing is impeccable."

Secretary Murphy also welcomed and thanked legislative guests on behalf of the Board. Legislators in attendance at this meeting included Vice Chairman of Appropriations for the Higher Education Subcommittee, Representative Bob Smith of Watkinsville, Representative Quincy Murphy of Augusta , and Representative Doug McKillip of Athens.

At approximately 11:55 a.m., Chair Vigil adjourned the Regents for lunch and announced that they would report to their regular Committee meetings at 1:00 p.m.

CALL TO ORDER

The Board of Regents of the University System of Georgia met again on Wednesday, January 16, 2008, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent Allan Vigil, called the meeting to order at 9:03 a.m. Present on Wednesday, in addition to Chair Vigil, were Vice Chair William H. Cleveland and Regents Kenneth R. Bernard Jr., James A. Bishop, Hugh A. Carter Jr., Robert F. Hatcher, Felton Jenkins, W. Mansfield Jennings Jr., James R. Jolly, Donald M. Leebern Jr., Doreen Stiles Poitevint, Willis J. Potts Jr., Wanda Yancey Rodwell, Benjamin J. Tarbutton III, and Richard L. Tucker.

INVOCATION

Regent Wanda Yancey Rodwell gave the following invocation. “Heavenly Father, ignite the System with your Holy Spirit. Infuse wisdom and understanding in our students, instructors, and administrators. May the standard of excellence remain through out our institutions of higher learning; cause our educational System to be preeminent in the world. I humbly pray this morning that you send your Spirit into the hearts and minds of all who make policies, laws, and rulings that directly affect education. Help each of us to make decisions that are just and good, and I pray this morning that the decisions we make today will be by your guidance. Father, we ask this prayer in your name. Amen.”

SAFETY BRIEFING

The Director of Safety and Security, Bruce Holmes, gave the Regents and audience a briefing of basic safety information in the event of an emergency.

ATTENDANCE REPORT

The attendance report was read on Wednesday, January 16, 2008, by Secretary Julia M. Murphy, who announced that Regents Elridge W. McMillan and Patrick S. Pittard had asked for and been given permission to be absent on that day.

PRESENTATION: UNIVERSITY SYSTEM OF GEORGIA FOUNDATION, INC. GALA

Chairman Vigil asked Regent Richard L. Tucker, the Chair of the University System of Georgia Foundation, Inc. (“USGFI”), to give an update on the Regents Awards for Excellence in Education Celebration, also known as the “Gala”. Regent Tucker stated that the Foundation is in the process of collecting sponsorships and that they have done very well thus far on corporate sponsorships. He said that at the last accounting, about half of the Regents had made their pledge and commitment and added that there was time for others to do so over the next 60 days. Regent Tucker also said that all of the planning was taking place and that there would be a foundation meeting at the conclusion of the Board meeting to select award winners. He added that they look forward to a very successful event.

RECOGNITION OF GUEST: SENATOR SETH HARP

The Senior Vice Chancellor for External Affairs, Thomas E. Daniel, introduced Senator Seth Harp, the Chair of the Senate Higher Education Committee. He stated that Senator Harp has been a great help to the University System of Georgia and ask everyone to welcome him to the podium.

Senator Harp stated that after tumultuous vote about guns in the legislature the day before, he was tempted to bring his .45 to ensure that he was allowed to speak at an appropriate time. Seriously, he added that he hopes that legislature is able to make the gun bill more sensible and reasonable than it

currently is. Senator Harp thanked the Regents for their service, noting the great respect he has for what the Board does. He said that his background is unique in that he is an alumnus of that East Alabama Male College at Auburn, Alabama and represents Columbus, Georgia in the Senate. Hence, he sits on the state line and follows daily develops in higher education in both states, which gives him great insight. He stated that he was extremely pleased to have a Board of Regents with which to work because they serve as a wonderful filter for the legislators. He stated that the Board brings to the legislators leadership and good ideas as well as serving as a filter for those ideas. Senator Harp stated that it is great to have the Board's input and thoughts on higher education, adding that he, personally, does not like to legislate and dictate to the Board. Instead, he likes to see the Senate Higher Education Committee be reactive to what the Regents think are the appropriate initiatives and directions that will benefit all of the universities and colleges in Georgia. He stated that he thinks that it is critically important because some of his fellow legislators have active agendas and his committee sits on some legislation that comes through. Senator Harp said that he would continue to do that when he does not have the blessing of the Regents because he thinks it is important to defer to the Board.

Senator Harp brought three ideas before the Board which were gendered over the past year through his travels to numerous national conferences and state legislature conferences including the National Conference of State Legislators ("NCSL"), the National Conference of College Boards ("NCCB") in New York, and the Southern Regional Education Board ("SREB") of which he is a delegate. He stated that these ideas were also developed as a result of his work on several study committees including the Senate Study Committee on the Shortage of Doctors and Nurses in Georgia. One thing that the Study Committee on the Shortage of Doctors and Nurses noticed is that while the Medical College of Georgia ("MCG") is doing a marvelous job of educating people, 48% of the graduates leave Georgia. Senator Harp asked the Board to consider raising the tuition at MCG to be comparable with Mercer University and Emory University, the other two major medical colleges in the state, and then provide a no interest loan for the difference. He noted that this idea was presented to him by several physicians in the Columbus area. He recommended that the loan be waived if the person resides and practices medicine in Georgia after graduating. This would allow graduates who stay in Georgia to pay the same tuition that they would normally pay, a tremendous bargain compared to Mercer University and Emory University, while charging others a tuition rate more on par with the market. Senator Harp reiterated that he would defer to the Board on any final decision, but noted that is untenable for the legislators to spend that much money to educate doctors who leave the state and do not provide Georgians with the medical services for which they are paying.

Under the provisions of the No Child Left Behind Act ("NCLB"), the federal statute that is trying to uplift all of our public K-12 programs, there is a requirement of a statistical analysis of the various programs existing in public education to indicate whether or not they are working. Senator Harp stated that he was shocked to find that, nationally, the master's of education program is being reported to have no impact on assisting children in K-12 matriculate and successfully graduate from high school. He noted that he had previously mentioned this to Mr. Daniel who conveyed it to the Chancellor and believes there are studies presently underway. He asked the Board to consider narrowing the master's of education program to individuals selecting a career tract in public higher education instead of allowing it to be an add on to boost the scale of compensation for teachers.

Senator Harp couched his last item around the possible coming recession. This idea, which came from the National Conference of State Legislatures (“NCSL”), involves the equivalency payment that the state makes per student to colleges and universities. Senator Harp asked the Board to consider paying the institutions for course completion instead of by initial course enrollment. He explained that this would not mean that the students have to pass the course, but that they have gone through the entire semester. Currently, the payments are being made on the basis of enrollment without taking the course that students, drop, add, or withdraw from before the end of the semester. Senator Harp stated that the money that would be saved by making this change, as reported by the NCSL were in the hundreds of millions of dollars. Saving of that magnitude would possibly make funds available to the System for other projects and capital construction, an area that Senator John J. Wiles has reviewed closely.

Senator Harp thanked the Regents again for their service and stated that he stands ready to assist them. He said that the Board is very ably represented by Mr. Daniel and the Executive Director for Government Relations, Amanda D. Seals, but stated that they could bring any issues to the Assembly as well. He stated that if the Regents can get the job done through regulation, he would prefer to stay out of the business of the Board, but he would assist in legislative efforts if needed.

Although there were no questions for Senator Harp, Regent Bernard pointed out that the Senator is a marine who has done well for himself as a state legislator. He added that he believes that Senator Harp should not only be thanked for his work as a Senator, but that he should also be commended for his service to his country. Senator Harp thanked Regent Bernard and the audience applauded.

PRESENTATION: AN UPDATE ON THE RESEARCH ENTERPRISE IN GEORGIA

The Associate Vice Chancellor for Planning and Implementation, Shelley C. Nickel, introduced Mr. C. Michael Cassidy, the President and Chief Executive Officer (“CEO”) of the Georgia Research Alliance (“GRA”). At the Eggs and Issues Breakfast the day before, Governor Perdue announced the creation of the Georgia Research Alliance Venture Capital Fund, which will allow the state to partner with the private sector to provide early stage financing for companies developed from ideas produced at Georgia’s research universities. The state’s \$10 million investment is expected to be matched by three to one dollars from the private sector for a total of \$40 million. Governor Perdue also noted that the GRA is one of the state’s most successful public-private partnerships and that this fund is the next step in it realizing the state’s ultimate success. GRA has been part of the fabric of research and economic development since Governor Joe Frank Harris’s administration. With an investment of over \$700 million in public-private dollars and over 50 eminent scholars, GRA has leveraged over \$2 billion in federal and private investment and formed a foundation for the creation of over 100 companies. Mr. Cassidy has been with GRA almost since its inception although he was mentored in his early years by H. Wayne Hodges, the Vice Provost for the Enterprise Innovation Institute at the Georgia Institute of Technology (“GIT”) which is Georgia’s technology incubator. Mr. Cassidy’s presentation is aligned with Goal 3 of the Strategic Plan which seeks to increase research and economic development within the University System.

Mr. Cassidy thanked Ms. Nickel and expressed his appreciation for the things Senator Harp and his committee have done for GRA. He thanked the Regents for the opportunity to update them on GRA's progress since his last visit on February 2, 2005. Through his presentation, Mr. Cassidy hoped to show the Regents that GRA is very much in support of advancing the Board's strategic planning agenda as well as advancing its mission and the mission of the University System.

The mission of GRA is to create opportunities to grow Georgia's economy. As an economic organization, part of the State's economic development team and part of the University System of Georgia's team, GRA has a very unique and distinctive way of going about creating these opportunities in the state. It revolves around recruiting enterprising scientists to its member universities, brokering partnerships among universities, fostering research collaborations between universities and Georgia companies, and sparking new initiatives that will constantly fuel these new opportunities to grow the state's economy. This means helping partner institution's conduct more cutting edge research, more discoveries in the universities driving more ideas that can be built into new businesses to create jobs and to create wealth and contribute overall to an increase in the state's economy.

The GRA Index is a snapshot of the return on Georgia's investment in an intellectual capital economic development strategy. Within the last few weeks, the number of eminent scholars has increased from 58 to 59 due to a recent recruitment at the University of Georgia. These scholars are involved in driving frontier research across the University System of Georgia. GRA has worked with the universities to develop 18 nationally recognized Centers of Research Excellence. These centers generate a lot of income for the state as well as for member institutions. The total impact of this drives a lot of new research across the universities. The state of Georgia has invested around \$600 million through the GRA in the institutions since 1990. This has allowed tremendous leveraging capability to attract federal grants and additional private investment from both industry and philanthropy totaling about \$2 billion, a five-fold return on investment. Over 100 companies have been created around the research results and this is just a portion of what happens in the system. There have also been over 4,000 jobs created. Mr. Cassidy stated that this is not the same as going out and recruiting a company like Ikea, and comparing the two would be like comparing apples and oranges. He stated that technology jobs are usually developed more slowly as it takes time to ramp up, and there are a lot of failures along the way. He added that the jobs already created are the tip of the iceberg as more companies are developed around the research results in the universities. Additionally, there are a lot of companies being aided by investigators across GRA partner campuses, and a lot of discoveries in the labs that are finding their way out into the formation of new companies.

There are six institutions that make up the Georgia Research Alliance, four of which are a part of the University System of Georgia. In addition to the System's research institutions, Georgia Institute of Technology ("GIT"), Georgia State University ("GSU"), Medical College of Georgia ("MCG"), and the University of Georgia ("UGA"), the alliance also includes Clark Atlanta University and Emory University. These six institutions conduct the lion's share of academic research in Georgia. Since 1990, Mercer University and the Morehouse School of Medicine have become much more engaged in federally funded research as well. The GRA continues to reevaluate the mix of institutions with

which it works and currently funds some projects at the Mercer University School of Pharmacy and works with the Morehouse School of Medicine on some key programs. While these two institutions are not members of the GRA, they are partners in what GRA is doing and make an important contribution to the research enterprise of the state.

GRA is an independent nonprofit organization. It is not an agency of the state or an office of the Board of Regents. The organization was created by the private sector by corporate leadership in 1990 and continues to enjoy strong support from the business community. Mr. Cassidy stated that GRA has a lean seven person staff, but also engages a number of consultants to help in several different areas. He recognized Mark Sanders who was in attendance, adding that Mr. Sanders and Tom Daniel and other staff at the Capitol. The organization itself is funded privately through the foundations associated with the member institutions. There are also several other foundations that are invested in the GRA as well as large companies in the corporate sector. Mr. Cassidy said that the GRA's approximately \$1 million budget was relatively small considering the scope of the mission and their efforts, but pointed out that the state invests between \$30 to 40 million a year in the programs that the GRA defines. Mr. Cassidy then recognized Regent Leebern as a great contributor to the organization's work, citing his contribution in a fundraising campaign that the GRA launched a few years ago.

Mr. Cassidy reiterated that the GRA has tremendous leadership from the private sector, adding that he believes their Board of Trustees is one of the strongest boards in the nonprofit sector in the state of Georgia. David M. Ratcliffe, the Chairman, President and CEO of Southern Company, is the Chair of the GRA Board of Trustees. Mr. Cassidy mentioned that Regent Leebern served on their Board for well over 10 years and stated that they would need the Chancellor to look at other opportunities to have some cross-linkages in the future. In addition to other private sector CEOs, board chairs, and presidents, Mr. Cassidy stated that the presidents of the six member institutions make up the rest of the Board of Trustees. He said that although the dynamic at their board meetings is very interesting, it is collegial, and they have gotten a lot of good things done with the organization.

The strategies of GRA include identifying and recruiting the best scientific leadership to drive frontier research in the partner universities; developing very robust and often expensive physical infrastructure to enhance the competitiveness of the universities in securing major grants and contracts. Mr. Cassidy stated that when an entity recruits the best people and drives them to do the best work, it must supply them with the best tools. This is one of the gaps that the GRA tends to fill. The GRA also has very robust programs that aid in commercializing the results of research discoveries to build sustainable, growth-oriented companies in Georgia. All of these things work to position Georgia as a leader by communicating the collective results and impact of the university research enterprise and projects a very positive image for the state.

GRA's strategy to recruit leadership revolves around the eminent scholars program. GRA works with the Board of Regents and the state to establish permanent endowments to recruit faculty in leadership positions to Georgia. The state of Georgia invests half of that endowment, \$750,000, which is

channeled through a line item at the Board of Regents. The GRA is responsible for programming those funds on a campus and then the member university is responsible for finding \$750,000 in matching funds. That establishes a \$1.5 million permanent endowment, a permanent investment. The endowment generates income which is then used to fund programs of the scholars. The universities must also find funding for support staff needed for the scholars. Mr. Cassidy pointed out that although it is very expensive to bring top talent to Georgia, it is what drives GRA. Great people generate great results. Mr. Cassidy stated that GRA not only works with universities to identify great academic researchers, but to find those who are also willing to participate in the commercialization of their research. A good number of the current scholars have a background of working with industry and bring a new thought process into the university concerning how to marry the academic research experience with the needs of the corporate sector. The goal is to create 100 permanently endowed chairs across member campuses. There are currently 59.

The selection criteria for the eminent scholars includes tremendous academic research leadership capabilities; entrepreneurial record; strong publications, ability to make connections across external universities, government agencies and industry; and the scientific relevance of their work.

Mr. Cassidy stated that having very strong criteria and the vision to shoot high has allowed GRA to accomplish great things. By assisting System institutions recruit faculty who are members of the National Academy, GRA is supporting the strategic plan goal to raise the overall quality of faculty. The System needs more faculty, particularly in its key research institutions, that are recognized and are members of the National Academies of Science and Engineering or the Institute of Medicine. Mr. Cassidy referred to this as the gold standard for quality, adding that GRA is now turning its attention to trying to raise the bar in the work that eminent scholars are doing on campuses. Among the current eminent scholars, many are recipients for international awards and serve on editorial boards, all qualifications of great faculty. GRA is trying to help the Board drive these numbers on campuses.

Mr. Cassidy gave the Regents a snapshot of the impact that 58 of the current 59 eminent scholars have had over the past three years. He emphasized that the figures shown did not reflect the full University System, but only the six GRA partner institutions which include the System’s four research institutions. Those figures are as follows.

Impact of GRA Eminent Scholars			
Research	2005	2006	2007
• Sponsored research (millions)	\$129	\$150	\$200
• Faculty, post docs, technicians	1,475	1,532	1,611
Translation			
• Invention disclosures filed	283	181	101
• Patent applications filed	63	109	77
Commercialization			
• License agreements negotiated	29	23	15
• Projects with companies	155	206	221

These figures show that there is a lot of financial impact generated by the eminent scholar program which is being translated into opportunities to create new businesses and create new jobs in the state. McKinsey & Company did some work for GRA about a year ago looking at the overall impact of the scholars program. The example from the University of Georgia (“UGA”) which looked at funding from the National Institutes of Health (“NIH”) showed that approximately 30% of NIH funding at UGA in 2005 was attributable to 14 Eminent Scholar faculty members. Recruiting more top-end scholars on the cutting edge of research will increase the funding of projects on campuses. Mr. Cassidy noted that this same chart could also be done for each member institution. Eminent scholars also contribute directly to commercialization. To this end, GRA targets faculty to come in as eminent scholars who have an interest in being part of a corporate experience. Seventeen scholars are participating directly in new company start-ups and working directly with the corporate sector. Mr. Cassidy asked the Board to imagine for a moment that in the next few years a vaccine for HIV/AIDS was discovered and manufactured in the state of Georgia. He then asked how it would make them feel, adding that these are the types of things that are happening across the System as a result of bringing in top notch investigators.

About every other year GRA publishes a fact book about all of its eminent scholars; this spring they will be publishing the new edition. Mr. Cassidy said he would make sure that each Board member receives a copy so that they can read about the backgrounds of the scholars and their research interest and, most of all, why they chose to come to Georgia and be a part of this. Mr. Cassidy stated that the scholars come from across the country and all over the world and choose to come to Georgia because of the experience that is being offered to them here.

Physical infrastructure is very important to the work that GRA does and very expensive. GRA’s goal is to generate revenues as measured by federal funding for research. This has been a challenge as much of the business in which GRA and its partners are involved is biotechnology, life science and medical science oriented, all expensive industry. Therefore, a big portion of the funding that the state provides to the GRA each year is to fuel this very unique infrastructure and develop very unique laboratories across the campuses. GRA’s participation also builds confidence among faculty so that they are more willing to go after the funding for large projects. For example, about four years ago GRA noticed that its eminent scholars and other faculty were not going after the big federally funded programs. Their concern was the new infrastructure the campus would need if they won the award such as retrofitting facilities, additional staff, and new equipment. With the budget challenges that everyone was experiencing at the time, there was some concern that even if a campus won one of these large programs the funding was not available to put the infrastructure in place to execute it. GRA designed its Centers for Research Excellence programs around that issue to build confidence among faculty that if they were successful in winning the large programs, the GRA would be there to work with the universities and help provide that gap funding to build up these capabilities. This effort resulted in eight major center awards this past year, representing a record \$140 million in funding coming into the state. These recent award winning centers have some common characteristics. Most of them represent multi-university collaborations, which is how science is done today and what the federal government and foundations are looking for, interdisciplinary, collaborative research.

These are collaborations that did not happen a decade ago. Many of these centers are led by eminent scholars. They are involved in frontier research and have the qualifications and capabilities to lead big programs. All of the centers are highly competitive several are 1 of only 5 in the nation. Thus GRA is doing things at the leading edge and helping University System institutions to be more competitive and go after the big opportunities.

A large number of the centers also relate to Next-Generation Vaccines and Therapeutics Initiative, which is a new initiative that Governor Perdue helped GRA launch about a year ago to bring focus to one particular area of science. These big centers are important to drive the enterprise. In response to an earlier question from Regent Potts on Georgia's progress in the field of bio-energy, Mr. Cassidy discussed the DOE Bio-energy Science Center. This is a program that was led at UGA. It is a \$25 million DOE award to UGA in collaboration with GIT. Both institutions are working as part of a large subcontract with Oak Ridge National Labs in Tennessee. The award is one of three that was awarded last year nationwide and will probably be one of three going forward it is a \$126 million initiative for DOE, a large share of it coming into Georgia because of the types of talent that exists here. Mr. Cassidy stated that he believes that one day pine trees and other things that are grown in Georgia will be converted into energy and everyone would look back and say that investigators in Georgia's universities were major contributors to a whole new source of energy and, potentially, a whole new industry for the state. Another large center mentioned by Mr. Cassidy is the Center of Excellence for Influenza Research and Surveillance which is led by UGA and Emory University. Mr. Cassidy stated that universities that did not pay much attention to each other a decade ago are now collaborating in a new center.

In its efforts to commercialize research, GRA has developed VentureLab, a process designed to build companies around university research. Through VentureLab, GRA builds a team of experts, serial entrepreneurs and eminent scholars and faculty to look at technology and scientific discovery through the lens of "how could that become a business." This last year, there were 120 of those kinds of field experiments in the labs. Out of that came about 12 companies that have already moved into the system as incubators either at GIT, UGA, MCG, or Emory University. There is a lot that goes on between those two points but cumulatively it has been a very successful program. There are about 68 companies that have been formed directly out of the research results. For those of you who are versed on how this stuff happens on the campuses, possibly more than half of these companies relate back to something that was found in the laboratory that had not even gone through the process of an invention disclosure. An invention disclosure is when a faculty member thinks he/she has something that may have some future commercial value and they disclose that through an administrative process on campus. By putting people in the labs that look at science projects through the lens of "how can this research become technology that a business can be built around," GRA has opened up a whole new world. It is a great program, which enjoys tremendous support estimated at about \$.5 billion in private equity. The VentureLab seed grants work in the following three phases.

Phase I – A pre-company grant providing up to \$50,000 to the university to evaluate the market/technical risks of a discovery and develop a preliminary business plan

Phase II – Follow-on funding up to \$100,000, awarded to the university to continue developing the technology and to achieve company formation. GRA requires the project/company to have matching funds to support the project

Phase III – A mechanism to provide up to \$250,000 via a non-collateralized loan with favorable repayment terms. To be eligible, a company must have local management in place and a license from the university

VentureLab is a system approach to growing a company around ideas that are found in the laboratory. It is working very well, but the big challenge is early stage venture capital, that first round of \$500,000 to \$1.5 million in private equity. It is very complicated and in short supply in our community. The deals are getting funded, but the money is coming from out-of-town and there is always the fear and risk of the out-of-town investor deciding to move the company out of state. With this in mind, GRA had conversations with Governor Perdue over the past year about a new and novel approach to how to jump start this with a public-private partnership. This led to the creation of the Georgia Research Alliance Venture Capital Fund, which Governor Perdue announced on Tuesday, January 15, 2008. The fund, Alliance Ventures, LLC, will operate independently from the GRA; and while the state will have a role in it, three-fourths of the money will be raised in the private sector and managed, governed and overseen by private investors that are investing in the fund. The Governor has proposed to the legislature to put out \$10 million as a catalyst to bring the other private investors in and form a fund of at least \$40 million dollars focused solely on the projects that are coming up through the VentureLab process. It will be focused solely on ideas generated in the universities. We think this is a good first step and we hope that others will come in and co-invest along side us and that we will be able to develop a whole new venture capital community here in Georgia to fuel the discoveries that will come many years out. One of GRA's Board members, Frederick E. Cooper, the Chairman of Cooper Capital, LLC, has been led this development. Mr. Cooper has a lot of background in corporate finance and venture capital. Now that the Governor has announced the fund, Mr. Cassidy said that GRA will begin to look at the specifics of developing the fund. He added that he looks forward to visiting with the Board sometime next year with an update on how this project is filling a very challenging gap in the overall process of building new companies around university research.

A few years ago, GRA observed that two-thirds of its investment is in biotechnology. Georgia, however, is not viewed nationally as having big opportunities for biotechnology. Although GRA does not agree with that assessment, it did recognize that biotechnology is a cluttered field from an economic developer's standpoint. Since places like California, Massachusetts, and New Jersey that have an established reputation, GRA needed to pick a few areas where Georgia can be recognized as being the "go-to" place in the country. Through a very intensive process including university presidents and two large national consulting firms GRA looked at the intersection of opportunities in the marketplace and capabilities that it has in the universities. Georgia's "Big Bang" Initiative in Next-Generation Vaccines and Therapeutics, is what rose to the top. Mr. Cassidy stated that these were not vaccines that one would remember from childhood, but a whole new class of vaccines that manage the immune system and deal with chronic disease. Merck & Co. Inc.'s blockbusting vaccine,

GARDASIL®, which prevents the Human Papillomavirus or cervical cancer, is an example of one of these. New discoveries around cancer, neurological, and heart diseases relate back to the immune system, the bodies natural process of dealing with disease. GRA believes that there are very big markets with a lot of probability for profit in those areas. It is also a big area of funding at the NIH, with the Bioshield legislation and the Department of Homeland Security this is priority for the federal government and we want to capitalize on that. As we did an inventory across our campuses, there is about \$0.5 billion worth of infrastructure and approximately 100 investigators already in place in the state that relates right into this particular technical area. We have never thought about trying to package that all together and make a statement about what is going on in Georgia and that is part of what we are doing with this new initiative. We are bringing focus to that particular scientific discipline, making new investments through an additional \$10 million in funding that the Governor recommended for us last year for us to launch this program. It was very successful with the legislature so we are looking forward to sustaining that over the next several years, recruiting more eminent scholars, building more physical infrastructure, connecting the dots, building and attracting companies, etc. We think all of those things will fall into place when Georgia becomes the place that everyone wants to be in this area of science. Also the proximity of the Center for Disease Control and Prevention (“CDC”) is another important tool in this type of program. Georgia is also one of six locations that the Department of Homeland Security is considering to site a \$0.5 billion, 500-person staff National Bio and Agro-Defense Facility (“NBAF”). It is the human equivalent of New York’s Plum Island. Progress thus far has been good with four new eminent scholars being recruited in this area. GRA has already recruited its first National Academy member in this area. GRA is developing some new and important infrastructure across the campuses through collaboration programs and is in the process of putting a program together with the CDC to encourage CDC and university investigators to come together around some of these opportunities.

Finally, GRA is committed to promoting a positive image for Georgia. Unfortunately, with all of the great things going on in the state through the work of the Regents, GRA, and the state, Georgia’s reputation is not at the level that it needs to be. To counteract this GRA works with the System Office staff and the staff of Department of Economic Development to make sure that Georgia is projecting a very positive image out of all of the work that its organizations and agencies are doing. Mr. Cassidy noted that the GRA has enjoyed some very good press for the state this past year in publications such as *The Christian Science Monitor*, *Nature Magazine*, and *The Arizona Republic*. Other states are now using GRA as a model. Over the past year three states created similar alliances: the Louisiana Research Alliance, the Arkansas Research Alliance and the Rhode Island Research Alliance. Mr. Cassidy stated that Georgia has a good head start because these other states have not yet found a way to bring together corporate, academic, and governmental leadership. The point is GRA is building a very good reputation and people are starting to build their own models off of what Georgia is doing. Also this past year, an organization called the State Science and Technology Institute, the national professional organization that represents programs like GRA across the country, had a competition and gave out six awards for best practices. GRA won two of these, one for the eminent scholars program and expanding research capacities in the universities and one for the VentureLab program for best practices in commercializing research.

Although the national experts are discussing GRA specifically, organizations such as the U.S. Council on Competitiveness, the Carnegie Mellon Center for Economic Development and the Milken Institute all have a common theme: universities are the key driver of economic development in the future. As everything is about the knowledge economy, Mr. Cassidy stated that GRA and Board are in a very exciting business, and he believes, the right business. Other states are also recognizing the importance and role of university research and development in economic development and are aggressively competing. Some of them are listed below.

State	Announced
New York	\$3 billion Empire State Innovation Fund, providing investment over 10 years to support research in physical sciences, biosciences, engineering and medicine. To lead the research efforts, commissioners call for the recruitment of 250 eminent scholars
Virginia	Governor unveils a \$1.65 billion bond package for higher education needs that includes support for researchers and research facilities aimed at R&D and commercialization
Texas	Garnering more than 60% of the votes, Proposition 15 was approved, authorizing the state to issue \$3 billion over 10 years for grants to fund cancer research
Washington	The Life Science Discovery Fund, a state agency that operates like a foundation, authorized to use \$350 million in tobacco settlement funds over a 10-year period to support life science research

As evidenced by the examples above, it is getting very competitive; therefore GRA cannot lose sight of where it is, where it wants to go and who its competitors are going to be. Mr. Cassidy emphasized that GRA is in good position and has momentum. He invited the Regents to review GRA’s annual report, aptly title, “What It Means to Have Momentum,” at their convenience and to think about periodically incorporating an eminent scholar into one of the meetings hear about the exciting things that are happening on the campuses.

In response to questions from various Regents, Mr. Cassidy stated that it would not be fair to compare the \$10 million in venture capital approved by Governor Perdue to the venture capital that California and Massachusetts are putting towards research. Those two states combined control about two-thirds of the nation’s venture capital, the other third is spread out. He stated that to fill the gap some states, like Georgia, are trying to take the lead role as a catalyst. States like Pennsylvania and North Carolina have put \$50-60 million dollars into venture capital opportunities. North Carolina competed about \$60 million in tobacco funding through its Gold Leaf Foundation, which is the same as Georgia’s One Georgia Foundation, in the private sector. The state accepted bids from qualified venture fund managers to manage pieces of that \$60 million so at the end of the day there is probably several hundred million in venture capital at work. Mr. Cassidy stated that he is very pleased with this initial \$10 million investment, which will be structured such that if it shows signs of success early on, the state would be invited to participate in raising the amount of its investment. GRA will now have to wait for the private sector’s response. Although \$40 million may not sound like a lot of money for venture capital, Mr. Cassidy asserted that with the fairly narrow technical focus that GRA

has chosen, it is a very good amount. What GRA is trying to do is help the state generate a return on previous investments it has made in infrastructure. So in terms of a continuum, Mr. Cassidy believes this is an excellent start.

In response to questions from Regent Hatcher, Mr. Cassidy stated that the timetable for reaching the goal of 100 eminent scholars is approximately 2020. This is based on GRA's average of two to three recruitments per year for the last four to five years. He noted that it is difficult to manage too many of the high end recruitments at once, though they may be able to use partnerships with organizations such as the Cancer Coalition to get some additional recruits. The largest roadblock to the process, which the university presidents might cite, is the \$750,000 that has to be raised by the institution. Regent Leebern added that the presidents of the research institutions, Dr. Michael F. Adams or UGA, Dr. G. Wayne Clough of GIT, Dr. Carl V. Patton of GSU and Dr. Daniel W. Rahn of MCG are often able to raise the \$750,000, but for whatever reason are not always able to get the state to match it. Mr. Cassidy took this opportunity to mention that a \$1.5 million endowment is no longer very competitive, citing that GRA was recently involved in competition with a faculty member at one of the System's institutions who was eyeing a \$5 million endowed chair at an institution in Florida. The faculty member stayed at GIT for a number of reasons, but \$2 to \$3 million chairs are not uncommon at this high end. Mr. Cassidy asked the Regents to factor that in as they think about how to build on the current endowment moving forward. He added that although GRA has avoided asking the state to up its portion, the conversation needs to come up in the next couple of years.

Regent Leebern also congratulated Mr. Cassidy on how he and his staff have been able to leverage the funds that GRA has received. He stated that with the global competition for eminent scholars and the need for venture capital, the key word is collaboration. He applauded GRA for being about to build those partnerships, foster those collaborations and attract distinguished scholars to Georgia. He stated that GRA has come a long way in a short amount of time, noting that the Research Triangle Park in North Carolina has been around for a very long time and it too had to build momentum in the beginning. Regent Leebern was most excited about the rise in licensing agreements over the past years and asked everyone to take note of what Mr. Cassidy has been able to do with the GRA. He also recognized Annie Hunt Burris for her contributions in recruiting scholars.

Regarding Regent Jolly's questions about ownership of companies generated through the VentureLabs program, Mr. Cassidy stated that the investors own the company. He explained that the scientific originator signs a disclosure with the institution when he feels that he has something, such as a molecule, that could be patentable. The foundation associated with the university then may decide to invest in the cost of patenting the discovery. If the scholar decides to launch a company and finds a group of investors to assist, that company then executes a license with the university for rights to use that discovery. When the patent was issued, it was issued to the university. The Board of Regents owns it, but the university has the responsibility of licensing it and receives a fee for that license. The molecule then goes over into the company and gets an injection of roughly \$1 billion to create a new drug that comes from venture capital or an initial public offering ("IPO"). If at some point a new drug is successfully brought to the market, a stream of royalty payments are made back to the university foundation and the investigator gets a share of it. All of this is regulated by Board

policy which specifies how it is divided by the investigator, the department, and the university. However, at the end of the day, the company that is created is owned by the investors that capitalize it. Mr. Cassidy also stated that there are policies which govern how much ownership the investigator can have in a company if he decides to invest in it himself. GRA tries to keep that a relatively small amount to prevent conflicts of interest and commitment.

There were no further questions or comments.

PRESENTATION: SYSTEMWIDE PROJECT ON ENERGY MANAGEMENT

The Associate Vice Chancellor for Planning and Implementation, Shelley C. Nickel, introduced President Michael F. Adams of the University of Georgia (“UGA”) to present the findings of the Systemwide Project on Energy Management, which he led. Ms. Nickel stated that this Systemwide project, one of 12 president-led projects in support of the strategic plan, supports Goal 6 of the strategic plan, which focuses on working as a System to become more efficient. This is a very important and timely project because of Georgia’s water shortage and increased prices of gasoline.

President Adams thanked the President and Chief Executive Officer of the Georgia Research Alliance, C. Michael Cassidy, for what he does because it impacts what UGA is able to do. The one thing I would add by way of clarification, to go back to Regent Jolly’s very perceptive question about ownership of the companies, we ranked 10th in America this past year for the first time in licensing revenues, the highest that we have ever been. But in addition to this Board, I have six other boards that I get the pleasure of working, one of which is the Research Foundation Board. Every university does it differently, but our policy is that any funds generated through research are reinvested back into research.

There is no doubt that the cost of all forms of energy has jumped tremendously in the 21st century. We are still, in our nomenclature, still viewing things as 20th century animals, but we are eight years beyond Y2K now and there is probably nothing, with the possible exception of 9/11, that has sort of shaken this century as much as energy costs. We have had substantial shocks due to Middle East events, significant gulf hurricanes, increased competition for fossil fuels largely led by the economic rebirths in both Russia and China. I have said to our people and I made a speech to the Energy Conference at the University about two months ago, that I remember in California in the mid-1980s when sustainability, energy and general environmental issues were considered fringe issues. They are now mainstream issues in both parties. We all have a responsibility to save money for the System, our institutions, and the state by minimizing the use of energy and other natural resources. President Adams discussed a chart which showed the NYMEX Crude Oil Futures from December 2006 to December 2007. He noted that although the price has not hit \$100 per barrel is has risen dramatically over the last year. President Adams explained that energy prices have had a major impact on campus operations at USG institutions, and utility costs have risen much more quickly than formula funding. To demonstrate this point, he presented a chart that showed UGA’s actual energy costs versus its funding formula support. He noted that the state provides 75% of the support assuming that the other 25% comes from tuition. However, in all cases, the actual amount paid by UGA is much higher than even the full formula amount, leaving UGA to pay the difference. He stated that all campuses have had to use other funds to cover the gap and the larger institutions feel

the brunt of the effects. President Adams stated that although the presidents are grateful for Senator Seth Harp and the System's partners in the legislature and everything they have been able to do, the increases in costs of both utilities and healthcare have caused the cost of running the institutions to far exceed the full formula funding. Thus, these high costs have expanded the options considered for minimizing energy demand and alternative energy supplies.

In April, the task force sent Chancellor Davis a Sustainable Energy Management Plan that could be used to improve UGA as well as provide flagship leadership for the System. One of UGA's experts on these issues, primarily Dr. Thomas Adams of UGA's Faculty of Engineering Outreach to take the lead working with faculty and staff at other System institutions and Board of Regents staff. Through the Chancellor's coordination and direction, President Adams has been able to call for a new energy management structure at the UGA and the System-level. At the campus level, urges the development of an energy sustainability and efficiency plan under the leadership of a campus energy manager and committee. The task force is attempting to get baselines not only at the campus-level, but at the building or complex level. President Adams stated that in his research he has found no pattern for how these institution's energy plans are put together. There are buildings and complexes that are not singularly monitored and campuses that have great difficulty in citing what their baseline energy usage was ten years ago. Therefore the team is now trying to establish energy audits for campus building, complexes and overall accounting systems for energy usage and then give back to the campuses some guidelines for best practices. The most important benchmarks have come through building audits and overall accounting systems for water and sewage usage as well as energy and to put in place some investments in sustainability. President Adams indicated that he would like to see the institutions be able to keep some significant portion of the money they save, noting that is a great incentive for buy-in. He recommended providing a revolving loan program to help System members, especially smaller institutions, finance energy management upgrades. This program would be financed with a cash outlay for the first 3-5 years. After that, universities and the system would split costs: institutions would return 50% of their energy savings achieved through efficiency projects to the System office to underwrite the loan program. President Adams used a chart to demonstrate that although energy efficiency at UGA has grown over the last ten years, the cost of energy has also grown. Although the campus has grown by over 1 million square feet of space during that time, the energy costs have leveled off. Despite these savings, President Adams pointed out that the total cost of energy usage has continued to go up. If UGA had not already put conservation measures in place, he estimated that actual costs would have been at least 30-40% higher than what the chart indicates.

President Adams stated that all institutions in the System need an energy management coordinator with a strong background in engineering and contracting. That person and his or her staff should have the expertise to visit System campuses and assist with front-end energy audits and help advise campuses on devising strategic plans for energy management. He stated that UGA would do this with existing staff to keep from adding to its overhead. President Adams also stated that campuses would need to do a better job of pre-qualifying contractors who take energy standards in construction into consideration. Additionally, the System must provide technical assistance to campuses considering

alternative contracts or sources of energy; research and publicize grant opportunities in this area, and help the energy coordinator on campus who, in UGA's case also happens to report to the chief physical-plant person. The base custodial-services staff member on campus has to understand that when he leaves at night to turn out all nonessential lights. Some of this is monitoring, but a large part is also education and buy-in.

In order for this to work at the System and campus-levels, the following must be in place: the energy management structure, education and training, base audits and physical plant investments in sustainability. President Adams stated UGA is getting to the point where the return on these conservation efforts is not going to be as great as it has been in the last two or three years because there is a point of diminishing returns. He stated that when energy was cheap, it did not pay to caulk windows, to monitor during holidays, and set standards of heat at 68 degrees instead of 72 degrees. However, with the rise of energy costs per square feet, the System's institutions must do something substantial. For a campus such as UGA which runs the second largest transportation system in the state, second only the Metropolitan Atlanta Rapid Transit Authority ("MARTA"), these changes can have a great impact. UGA has converted off of their main line, 47 B-20 buses to bio-fuel, resulting in savings of approximately one-third in energy costs. In their motor pool there are approximately 400 bio-diesel fueled vehicles including President Adams own vehicle which is diesel/bio-diesel based. Additionally, smaller electric golf cart style vehicles are being used for Information Technology ("IT") staff as they move around the campus. Previously, if there was a computer issue on campus they would go in with a large panel truck carrying any equipment they might need. Now, they use the electric cars to make an initial assessment and only use the larger truck when necessary. The housekeeping staff is also now using these electric cars.

President Adams stated that his team recognizes that in a System this diverse, a one-size-fits-all approach will not work as few places other than UGA and the Georgia Institute of Technology ("GIT") have the level of engineering of expertise found on these campuses. UGA will particularly bear some responsibility for assisting the smaller institutions understand and develop the expertise to implement sustainability programs. At UGA, energy consumption has decreased from 2006 to 2007, despite addition of buildings and renovation of square footage. Although there are no numbers on this, President Adams believes that UGA is more efficient than other research universities nationally, especially when it comes to fossil fuels. He pointed out that they are investing heavily in energy-saving measures, using \$4 million of their major repair and rehabilitation fund ("MMR") money in 2007 to fund projects streamlined and directed toward energy reduction. Over the last five years, UGA has committed \$15 million in plant funds, the physical plant budget, and MRR allocations to renovation projects that incorporate energy savings into broader plans. Other institutions have taken responsibility for their own initiatives. The building temperature standards at the University of West Georgia ("UWG") are possibly the most aggressive in the state. The electronic energy management systems at Georgia Perimeter College are superior to most of the two year schools. Additionally, the sensors for actuating lights and equipment, and the operations and maintenance planning/training at Valdosta State University may be the best in the System at the moment. Hence, there are examples of success across the System already over the past year that are far beyond what President Adams states that he may have envisioned 15 months ago.

In regards to water usage and conservation, President Adams stated that water and energy usage are related more than one would think. He stated that UGA has been very proactive, as was the city of Athens, about restricting water usage before the current level of crisis. UGA has met the Governor's target of reducing water usage by 10% over year-ago levels. Clarke County reduced water usage by 17%, UGA has reduced it by 21% and that is with an increase in enrollment. The biggest challenge is not the residence halls or dining halls. Only 7% of water goes to the residence halls while 34% goes to research. Since the biggest users of water at UGA are faculty, they have had to look at the cost-benefit analysis of research projects including the various projects it has involving agronomy, horticulture, turf grass, and the irrigation park in Camilla. President Adams stated that every department, residence halls, and the athletic association has had to reduce its water usage. He stated that even after the "beating" he took for refusing to water the field at Sanford Stadium, he stands by the decision. He added that asking for exceptions would lead to a slippery slope, pointing out that they lost have lost research at the botanical gardens due to the reductions. Other campuses are taking up the challenge. Two or three weeks after UGA was blasted for not watering the field, so was GIT. Both UGA and GIT have begun to gather water from their chiller condensers to be used for specific grounds watering. Dalton State College has led the way in the installation of low flow devices for fixtures. President Adams also briefly mentioned that it worked with the Athletic Association so that at one of its games they had "designated flushers" in the stadium bathrooms. He stated that these efforts coupled with the students taking on the challenge in the residence hall probably had more to do with immediate education of how serious the issue was at the University than anything else that was done.

To address broader environmental concerns, Clayton State University retrofitted its student center and performing arts venue to get rid of older, inefficient heating and chilling equipment while Augusta State University has established a Green Committee to review energy use. In the last ten years, UGA has converted more than 1.5 million square feet of impermeable parking lots to greenspace. In Athens, one pays taxes on water runoff based on concrete or asphalt square footage. Athens is a little ahead of the rest of the state in this matter, but it is coming to other counties as well. UGA made the decision to cooperate rather than fight and has made more progress than first envisioned.

In closing, President Adams stated that it is his hope that the Regents and the System will make those kinds of hard decisions. He stated that decisions regarding the environment are not just good for the bottom line, but also good for the soul. Greenspace is a much better look for a campus than 9 million acres of asphalt parking lots. He added that UGA would continue to commit staff time to help institutions with energy management and use MRR and capital budget funds to support energy efficiency and management and asked the Board to encourage it as well by providing incentives such as the revolving loan fund for institutions.

In response to a question from Regent Jenkins, President Adams stated that the amount of the revolving loans fund has not yet been determined although he recommended \$2 million as a possible initial investment. An institution could then be given a loan as an incentive to implement a sustainable energy plan or upgrade and report back to the Board on their energy cost savings return.

President Adams noted that most energy efficiency programs now show returns within three years. After setting up the initial revolving loan fund and reviewing the reports, the Board could then decide whether or not to invest more in the program. Chancellor Davis added that all of the Systemwide projects would come with a price tag and that no funding would be determined until the System receives its final allocation from the state. He stated that a loan fund would be established, although he did not yet see the magnitude of it. Part of the challenge the University System faces is that, constitutionally, it cannot enter into contracts for more than a one-year period at a time.

This keeps the System and its institutions from taking advantage of the services of companies that do energy efficiency renovations on a standard performance contract basis because these are generally multiple-year contracts. The revolving loans that the System makes available to its institutions, however, will be set up similar to the performance contract as there are no constraints on the length of internal loans.

President Adams answered Regent Tarbutton's question regarding tailoring requests for proposals ("RFP") to include the type of energy efficient equipment mentioned in his presentation in both System funded and public-private construction. He stated that UGA has been doing that for the last five years. The Paul D. Coverdell Center for Biomedical and Health Sciences, for example, allows for full recovery possibility of all water runoff as well as low flush toilets, energy efficient windows. He stated that the challenge, to which the Vice Chancellor for Facilities, Linda M. Daniels, could also attest, is allowing committee rule on construction projects. President Adams explained that every committee wants the maximum amount of space for its dollar, which often means choosing between program space needs and the cost of quality construction. He added that he wants UGA to build with 100-year models not 30-year models, and that conversion has to be made in some of their construction. Although the System is doing a lot better and RFPs are being written with much more of energy efficient criteria in mind, he warned that one has to be cautious about when contracting because there are some shysters in the energy savings business. Overall, President Adams believes the System is becoming more sensitive to it, especially the larger schools that have huge staffs and the capability to implement the changes. He said that as these institutions better positioned to make improvements on their own, the System staff is needed to assist other schools get projects or help the larger institutions to see things that they might have missed as well.

There were no further questions.

EXECUTIVE AND COMPENSATION COMMITTEE

The Executive and Compensation Committee met on Tuesday, January 15, 2008, at approximately 12:40 p.m. in room 7019. Committee members in attendance were Chair Allan Vigil, Vice Chair William H. Cleveland, and Regents Robert F. Hatcher, James R. Jolly, Donald M. Leebern Jr., Willis J. Potts Jr. and Richard L. Tucker. University System of Georgia staff members who were also present included Chancellor Erroll B. Davis, Secretary to the Board Julia M. Murphy, the Chief Operating Officer, Robert E. Watts, the Senior Vice Chancellor for External Affairs, Thomas E. Daniel, the Chief Academic Officer & Executive Vice Chancellor, Susan Herbst, the Associate Vice

Chancellor for Legal Affairs, J. Burns Newsome, and the Executive Assistant to the Chancellor, Demetra Morgan. Chair Vigil reported to the Board that the Committee reviewed one item which required no action. Items 2 and 3 were withdrawn by the Committee.

1. Information Item: Presidential Search Committee Updates and Search Process

System Office Staff presented information to the Regents regarding the Presidential Search Process. An update on current Presidential Search Committees was also provided.

2. Information Item: Future Issues

Withdrawn: This item was withdrawn by the Committee.

3. Information Item: Executive Session

Withdrawn: This item was withdrawn by the Committee.

The Committee meeting adjourned at 1:20 p.m.

COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs met on Tuesday, January 15, 2008, at approximately 1:20 p.m. in the Board Room. Committee members in attendance were Chair Willis J. Potts Jr., Vice Chair Elridge W. McMillan, and Regents Kenneth R. Bernard Jr., W. Mansfield Jennings, Jr., James R. Jolly, Doreen Stiles Poitevint, and Wanda Yancey Rodwell. The Vice Chair of the Board, Regent William H. Cleveland, the Chief Academic Officer & Executive Vice Chancellor, Susan Herbst, and the Vice Chancellor for Academic Planning and Programs, Sandra S. Stone were also in attendance. Chair Potts reported to the Board that the Committee had reviewed 27 items, 25 of which required action. Item 26 was deferred until the scheduled February 2008 Board meeting and Item 27 was a walk-on item. Additionally, 76 regular faculty appointments were reviewed and recommended for approval. Out of the aggregate, 70 actions concerned part-time retiree appointments. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

I. Academic Affairs Update

The Chief Academic Officer & Executive Vice Chancellor, Susan Herbst, discussed current activities concerning revisions to the core curriculum and the academic advising presidential report. In addition, new staff will be introduced.

II. USG Fall Enrollment, Retention, and Graduation Update

The Associate Vice Chancellor for Research & Policy Analysis, Cathie Mayes Hudson, provided an overview of fall enrollment statistics for the university system.

1. Revision of *The Policy Manual*, Section 803.0901, Program Modification

Approved: The Board approved a revision to *The Policy Manual*, Section 803.0901, Program Modification, effective January 16, 2008.

Background and Rationale: The proposed policy revision was first introduced to the Board in October 2007 as an information item for review and discussion. The intent of the policy revision is to provide a differentiation between general termination of a program and program termination based on a change in institutional mission or academic priorities that would result in permanent removal of a program. The revisions have been reviewed by the University System Chief Academic Officers, attorneys, and others. To complement the revised policy as it will appear in the Board *Policy Manual*, a set of guidelines will be included in the *Academic Affairs Handbook*.

Understandings: The proposed policy, section 803.0901: Program Modification, constitutes a significant revision of the previous policy. Proposed revisions follow. Please note that the strikethrough texts represent deletions from the current version, and the bold, highlighted texts represent additions.

<i>Current Policy</i>	<i>Revised Policy</i>
<p data-bbox="224 892 730 924">Policy 803.0901 Program Modification</p> <p data-bbox="186 934 771 1438">As part of its broad constitutional authority to manage the University System of Georgia, the Board of Regents may exercise its authority to modify programs offered by the System generally or at various institutions of the System. Such modification may be a part of a change of institutional mission and may result in discontinuation of programs or reduction in size thereof. A program modification of such magnitude that requires the termination of tenured faculty members will be implemented only after completion of a study, with institutional administrative and faculty participation, by the Chancellor's staff.</p> <p data-bbox="186 1480 771 1659">The Chancellor will report the results of that study to the Board along with recommended guidelines under which program modification will be effected (BR Minutes, 1982-83, p. 254).</p>	<p data-bbox="868 892 1372 924">Policy 803.0901 Program Modification</p> <p data-bbox="820 934 1437 1470">As part of its broad constitutional authority to manage the University System of Georgia, the Board of Regents may exercise its authority to modify programs offered by the System generally or at various institutions of the System. Such modification may be a part of result from a significant a change of institutional mission or academic priorities and may result in discontinuation of programs or reduction in size thereof. which may be influenced by long-term declines in degree program productivity. These changes may result in permanent termination of academic programs or permanent and significant reduction in size thereof.</p> <p data-bbox="820 1480 1437 1690">A program modification of such magnitude that requires the termination of tenured faculty members will be implemented only after completion of a study, with institutional administrative and faculty participation, by the Chancellor's staff.</p> <p data-bbox="820 1732 1437 1789">The Chancellor will report the results of that study to the Board along with recommended</p>



guidelines under which program modification will be effected (BR Minutes, 1982-83, p. 254).
The University System chief academic officer shall issue procedures on program modification.

2. Revision of *The Policy Manual*, Section 402, Undergraduate Admissions

Approved: The Board approved a revision to *The Policy Manual*, Section 402, Undergraduate Admissions, effective January 16, 2008.

Background and Rationale: During the October 2007 Board meeting, some proposed admission changes were depicted in a chart that reflected changes in graduation requirements at the high school level and corresponding changes at the postsecondary level for the entering class of 2012. This is the first iteration of the full policy concerning undergraduate admissions with the exception of one section concerning joint enrollment. The joint enrollment section reflects that students may be dually enrolled in a University System of Georgia institution while simultaneously attending high school and earning credit within both systems. To complement the revised policy as it will appear in the Board *Policy Manual*, a set of guidelines will be included in the *Academic Affairs Handbook*.

Understandings: The proposed policy, section 402: Undergraduate Admissions, constitutes a significant revision of the previous policy. Proposed revisions follow. Please note that the strike-through texts represent deletions from the current version, and the highlighted texts represent additions.

CURRENT POLICY

402 UNDERGRADUATE ADMISSIONS

Every student admitted as an undergraduate in any University System institution must meet the requirements for one of the categories listed below and must meet any additional requirements that may be prescribed by the institution. Applicants should be advised that meeting minimum requirements will not guarantee admission at any institution. Institutions may set additional and/or higher requirements than listed here. Except as explicitly permitted in this policy manual, any exceptions to these admissions policies may be made only with written approval of the Chancellor. Students must submit transcripts of all secondary and college work and must follow the application procedures specified by the institution to which they are applying.

402.01 ADMISSION REQUIREMENTS FOR PROGRAMS LEADING TO THE BACCALAUREATE DEGREE

These policies apply to first time freshmen as well as to those who have not earned the equivalent of 30 semester hours of transferable college credit.

402.0101 FRESHMAN REQUIREMENTS

Students applying for freshman admissions to a University System institution must meet the following criteria:

College Preparatory Curriculum. Completion of the University System of Georgia's College Preparatory Curriculum ("CPC") requirements and graduation from a high school accredited by a regional accrediting association (such as the Southern Association of Colleges and Schools) or the Georgia Accrediting Commission or from a public school regulated by a school system and state department of education. Students applying to any institution must present credit for 16 specified CPC units.

The 16 specified University System CPC courses are:

- a. **MATHEMATICS:** 4 college preparatory Carnegie units of Mathematics, including Algebra I, Algebra II, and Geometry.
- b. **ENGLISH:** 4 college preparatory Carnegie units of English which have as their emphasis grammar and usage, literature (American, English, World), and advanced composition skills.
- c. **SCIENCE:** 3 college preparatory Carnegie units of Science, with at least one laboratory course from the life sciences and one laboratory course from the physical sciences.
- d. **SOCIAL SCIENCE:** 3 college preparatory Carnegie units of Social Science, with at least one course focusing on United States studies and one course focusing on world studies.
- e. **FOREIGN LANGUAGE:** 2 college preparatory Carnegie units in the same foreign language emphasizing speaking, listening, reading, and writing.

In addition to these minimum requirements, students are encouraged to take additional academic units in high school to improve their probability for admission and success.

Freshman Index. A designated score on the Freshman Index ("FI"), which is based on a combination of a student's SAT I or ACT assessment scores and high school grade point average (HSGPA). The Freshman Index is:

$$\begin{aligned} \text{FI} &= 500 \times (\text{HSGPA}) + \text{SAT I Verbal} + \text{SAT I Math} \\ &\text{OR} \\ \text{FI} &= 500 \times (\text{HSGPA}) + (\text{ACT Composite} \times 42) + 88 \end{aligned}$$

The minimum FI required for admission to a research university is 2500; regional university--2040; state university--1940; and a state or two-year college--1830.

In addition to the FI, students must have a minimum SAT I Verbal score of 430 and Mathematics score of 400 (or ACT equivalent) for admission to a university (research, regional, or state). Students

without these minimum scores but with SAT I scores of at least 330 Verbal and 310 Mathematics may be considered for admission to a two-year college but will be required to exempt or exit learning support ("LS") in the areas of deficiency.

Institutions may set higher requirements for admission. Students meeting the minimum FI requirements are not guaranteed admission.

a. EXCEPTIONS TO FRESHMAN ADMISSION REQUIREMENTS FOR SPECIAL GROUPS OF STUDENTS

Students may also be admitted as freshmen based on alternative evidence of college readiness. Following are modified or additional requirements for specific groups of applicants:

1. LIMITED ADMISSIONS CATEGORY

In recognition of the fact that a limited number of students do not meet established standards but do demonstrate special potential for success, institutions are authorized to grant admission to a limited number of such students. Institutions will use multiple measures whenever possible, such as interviews, portfolios, and records of experiential achievements, for students being considered for Limited Admission. The number of students who may be granted Limited Admissions will be restricted based on institutional sectors, with two-year colleges allowed the highest percentage for Limited Admissions. The FI required for Limited Admission to a research university is 2020; regional university, 1830; and state university, 1790.

Nontraditional freshmen will not be included in the Limited Admissions percentage allowed for each institution.

In addition to the FI, Limited Admissions students must have a minimum SAT I Verbal score of 430 and Mathematics score of 400 (or ACT equivalent) for admission to a university (research, regional, or state). Students with SAT I (or ACT equivalent) scores of at least 330 Verbal and 310 Math may be considered for Limited Admission to a two-year college but will be required to exempt or exit LS in the areas of deficiency.

At research, regional, and state universities, students granted Limited Admission must also have completed the 16-unit College Preparatory Curriculum ("CPC"). At state and two-year colleges, students may be considered for Limited Admission if they have a high school diploma or GED and meet the minimum SAT/ACT score requirements. A GED is acceptable only if the student's high school class has graduated. Certificates of attendance or special education diplomas are not acceptable.

PRESIDENTIAL EXCEPTIONS: Presidents of University System institutions may grant exceptions to the CPC and FI requirements for Limited Admissions if the student shows promise for academic success in college and has at least a high school diploma or GED

credential. Institutions will be required to report to the Senior Vice Chancellor for Academics and Fiscal Affairs on those students granted Presidential Exceptions. Presidential Exceptions must be included as part of the institution's maximum percentage for Limited Admissions.

Students who enter under the Limited Admissions category (including Presidential Exceptions) must make up any CPC deficiencies in accordance with University System procedures. They must also be screened, as applicable, for placement in LS courses using the CPE or COMPASS administered by a University System institution and must meet University System criteria for exemption or exit of learning support in reading, English, and mathematics. (For students transferring from a Commission on Colleges ["COC"]-accredited DTAE technical college, comparable scores from the DTAE technical college may be used according to guidelines issued by the Senior Vice Chancellor for Academics and Fiscal Affairs.)

2. ALTERNATIVE REQUIREMENTS FOR HOME-SCHOOLED STUDENTS AND GRADUATES OF NONACCREDITED HIGH SCHOOLS

Applicants from home schools or graduates of nonaccredited high schools may validate the CPC in an alternative way. SAT I scores and satisfactory documentation of equivalent competence in each of the CPC areas at the college-preparatory level may be used in lieu of the FI and Carnegie unit requirements of the CPC.

A student whose SAT I Composite (Verbal plus Mathematics) (or ACT equivalent) score is at or above the average SAT I score of the previous year's fall semester first-time freshmen admitted to the University System institution to which he or she is applying and who has completed the equivalent of each of the CPC areas as documented by a portfolio of work and/or other evidence that substantiates CPC completion qualifies for consideration for admission. Students in this category must also meet the minimum SAT I Verbal requirement and the minimum SAT I Mathematics requirement (or ACT equivalent) for the sector to which they apply.

Applicants who achieve designated scores on each of the following SAT II Subject Tests in a CPC area will be considered to have demonstrated equivalent CPC competence and do not need to submit additional documentation in that area: English Writing, Literature, Math IC or Math IIC, American History & Social Studies, World History, Biology, and one of the following: Chemistry or Physics.

Students admitted in this category with satisfactory documentation of CPC competence in all areas will not be counted in the institution's Limited Admissions (including Presidential Exceptions) category. Those with qualifying SAT I scores and documentation of partial CPC completion may be admitted on the same basis and with the same conditions as other students with CPC deficiencies.

3. ADMISSION OF STUDENTS WITH OUTSTANDING SCORES

Students who demonstrate very high academic ability by achieving a composite SAT I Composite (Verbal plus Math) score in the upper five percent of national college-bound seniors according to the most recent report from the College Board and who show other evidence of college readiness may be admitted under this section. (An ACT score which is equivalent to this SAT I score may also be used.) Institutions must carefully evaluate such students to determine their ability to benefit from college coursework. Students must satisfy any CPC deficiencies in areas other than English or mathematics through college coursework.

Students admitted in this section will not count in an institution's Limited Admissions exceptions.

4. ADMISSION OF INTERNATIONAL STUDENTS

Freshman international students may be admitted in another admissions category or may be admitted in a separate category for international students under procedures established by the University System of Georgia. If these students do not meet the alternative admission procedures established under the University System of Georgia, they might be considered as Presidential Exceptions.

5. ADMISSION OF STUDENTS WITH DISABILITIES

Because the core curriculum of each institution requires students to complete college-level courses in English, mathematics, social science, and science, all students must complete the high school CPC in these areas. Students with disabilities that preclude the acquisition of a foreign language may petition for admission without this CPC requirement according to procedures established by the System. Students with disabilities are expected to meet the sector's minimum SAT I or ACT score requirements but should request the appropriate testing accommodations from the agencies administering the SAT I or ACT.

6. JOINT ENROLLMENT/EARLY ADMISSION OF HIGH SCHOOL STUDENTS

The University System of Georgia recognizes the need to provide academically talented high school students with opportunities for acceleration of their formal academic programs. This recognition has led to the development of two organized programs: (1) a joint enrollment program in which a student, while continuing his/her enrollment in high school as a junior or senior, enrolls in courses for college credit and (2) an early admissions program in which the student enrolls as a full-time college student following completion of the junior year in high school. The minimum admissions standards for both the joint enrollment and early admissions programs have been developed to allow certain advanced students to receive both high school and college credit for some courses. Procedures for admission, course selection, and instruction can be found in sections 301.01-301.06 of the Academic Affairs Handbook. (BR Minutes, September 2004)

7. RESIDENTIAL PROGRAMS

The University System of Georgia offers residential programs for gifted, talented, and motivated students at two institutions: the Advanced Academy of Georgia at the State University of West Georgia and the Georgia Academy of Mathematics, Engineering, and Sciences at Middle Georgia College. Admissions and program requirements are established by the individual institutions. (BR Minutes, September 2004)

8. EARLY COLLEGE

Early Colleges enhance students' opportunities to accelerate their education by participating in a joint high school/college program. Each Early College represents an approved partnership between a Georgia public school system and a University System of Georgia college or university. Students in University System of Georgia recognized Early Colleges are eligible for enrollment in college courses while they are enrolled in the Early College. (BR Minutes, September 2004)

402.0102 UNDERGRADUATE ADMISSION REQUIREMENTS FOR TRANSFER STUDENTS

Students with fewer than 30 transferable semester credit hours must meet the freshman admission requirements at the institution to which they are transferring. Students who have earned 30 or more semester hours must have completed any learning support and CPC deficiency requirements if transferring from a System institution. Depending on the sector of the institution to which students transfer, students must meet the transfer grade point average, as indicated in the following table:

MINIMUM SYSTEM ADMISSION STANDARDS FOR TRANSFER STUDENTS		
SECTOR	30 – 59 * SEMESTER CREDITS	60 or MORE SEMESTER CREDITS
Research Universities	At least 2.3 GPA** and have met all LS and CPC requirements	At least 2.3 GPA
Regional and State Universities	At least 2.0 GPA** and have met all LS and CPC requirements	At least 2.0 GPA
State and Associate Degree Colleges	Eligible to continue or return to sending institution	Eligible to continue or return to sending institution

* Transferable Hours are defined as hours which would be acceptable by the receiving institution according to the University System's and the receiving institution's prevailing policies. Excluded are institutional credit courses, CPC deficiency makeup courses, and vocational courses. These hours should include transferable hours earned at all postsecondary institutions attended.

**Transfer GPA is defined as the GPA calculated on all transferable hours (see previous definition) plus all attempted but unearned hours at regionally accredited institutions in courses applicable to transfer programs at the receiving institution.

Students completing non-transfer associate degrees (e.g., Associate of Applied Science, Associate of Science in various health areas, and Associate of Applied Technology) at regionally accredited institutions will be evaluated on an individual basis to determine their eligibility for admission.

Priority Consideration. In addition to the minimum transfer standards listed above, students must meet higher System and/or institutional standards to be considered for priority transfer admission. Institutions must give priority consideration for admission to students transferring from another University System institution who meet these established standards. Students meeting these higher standards would be ensured of receiving priority consideration for admission. In addition, transfer students must be given the same consideration as native students in determining program admissibility.

402.0103 NON-TRADITIONAL FRESHMEN

In order to make the University more accessible to citizens who are not of traditional college-going age and to encourage a higher proportion of Georgians to benefit from life-long learning, institutions may admit as many non-traditional students as is appropriate based on institutional mission, academic programs, and success in retaining and graduating non-traditional students. The number of non-traditional students an institution enrolls will not be counted against the percent of Limited Admissions allowed each institution. Institutions may set additional criteria for admission of non-traditional students.

A. Non-Traditional Freshmen

Non-traditional freshmen are defined as individuals who meet all of the following criteria:

1. Have been out of high school at least five years and whose high school class graduated at least five years ago.
2. Hold a high school diploma from an accredited or approved high school as specified in Section 402.0101 or have satisfactorily completed the GED.
3. Have earned fewer than 30 transferable semester credit hours.

All non-traditional freshmen must be screened for placement in learning support courses using the CPE or COMPASS administered by a University System institution and must meet University System criteria for exemption or exit of learning support in reading, English, and mathematics. (For students transferring from a Commission on Colleges (COC)-accredited DTAE college, comparable scores from the DTAE college may be used according to guidelines issued by the Senior Vice Chancellor for Academics and Fiscal Affairs.) As an alternative, an institution may allow non-traditional freshmen who have within the past seven years posted SAT scores of at least 500 in both Verbal and Mathematics or ACT scores of at least 21 on both English and Mathematics to exempt the CPE/COMPASS placement test.

B. Non-Traditional Transfers

Non-traditional transfer students are defined as individuals who meet all of the following criteria:

1. Have been out of high school at least five years or whose high school class graduated at least five years ago.

2. Have earned 30 or more transferable hours of college credit (as defined in section 402.0101).

A non-traditional transfer student can be admitted, according to the institution's policy, if his/her transfer GPA is below the transfer standard for the institution's sector. These students do not count against the number of Limited Admissions allowed for transfer students at that institution. Institutions should require placement criteria as appropriate.

402.0104 PERSONS AGED 62 OR OVER

Pursuant to the provisions of the Georgia Constitution, the University System of Georgia establishes the following rules with respect to enrollment of persons 62 years of age or older in programs of the University System. To be eligible for enrollment under this provision such persons:

- a. Must be residents of Georgia, 62 years of age or older at the time of registration, and shall present a birth certificate or other comparable written documentation of age to enable the institution to determine eligibility.
- b. May enroll as a regular or auditing student in courses offered for resident credit on a "space available" basis without payment of fees, except for supplies, laboratory or shop fees.
- c. Shall meet all System and institution undergraduate or graduate admission requirements; however, institutions may exercise discretion in exceptional cases where circumstances indicate that certain requirements such as high school graduation and minimum test scores are inappropriate. In those instances involving discretionary admission institutions will provide diagnostic methods to determine whether or not participation in Learning Support will be required prior to enrollment in regular credit courses. Reasonable prerequisites may be required in certain courses.
- d. Shall have all usual student and institutional records maintained; however, institutions will not report such students for budgetary purposes.
- e. Must meet all System, institution, and legislated degree requirements if they are degree-seeking students.
- f. May not enroll in dental, medical, veterinary, or law schools under the provisions of this policy.

402.02 ADMISSION REQUIREMENTS FOR UNDERGRADUATE PROGRAMS NOT LEADING TO THE BACCALAUREATE DEGREE

402.0201 ADMISSION TO CAREER PROGRAMS

Admissions requirements for career certificates and career degrees (Associate of Applied Science degrees and Associate of Science degrees in allied health areas) depend upon the extent to which the general education component is based on Core Curriculum courses. There are two sets of admissions requirements (specified in Academic Affairs Handbook, Section 3.02.01): 1) for programs with a

Core-based general education component (allowing more than 12 semester hours of Core curriculum course work) and 2) for programs with non-Core general education components (allowing 12 or fewer semester hours of Core Curriculum coursework).

Students admitted in the career degree or certificate category who have not completed a career degree may apply for admission to programs that lead to a baccalaureate degree if they meet regular or Limited Admission requirements. Students admitted in this category can be admitted into a program leading to a baccalaureate only if a) on admission to the institution they would have met the requirements for regular or Limited Admission or b) they show exceptional promise and are admitted as a Presidential Exception. Students admitted in this category must fulfill all learning support and CPC requirements.

402.0202 ADMISSION OF STUDENTS TO CERTIFICATE PROGRAMS AT DESIGNATED VOCATIONAL DIVISIONS

Students admitted to vocational divisions at Bainbridge College, Clayton College & State University, Coastal Georgia Community College, and Dalton State College are not required to meet the CPC and FI standards for regular or Limited Admissions; however, they are required to meet the admissions standards established by the Department of Technical and Adult Education for the same or similar programs, and they must meet prerequisite requirements for Core Curriculum courses. A student seeking admission to a transfer program must meet the requirements for freshman or transfer admissions.

402.0203 ADMISSION OF NON-DEGREE STUDENTS

a. Institutions may permit students to enroll as non-degree students for a maximum of 12 semester credit hours (including institutional credit). Students may not enroll in any course for which there is a learning support prerequisite unless they have been screened for and have exempted the relevant learning support course.

b. Institutions may permit students who have earned the baccalaureate degree from a regionally accredited institution to enroll as non-degree students in courses with no limitation on the number of hours of undergraduate credit these students can earn.

402.0204 ADMISSION OF TRANSIENT STUDENTS

An applicant who is enrolled in one college or university and who wishes to take courses temporarily in another college or university shall submit the documents outlined in the Academic Affairs Handbook.

402.0205 ADMISSION OF AUDITORS

Students who submit evidence of graduation from a high school as specified in Section 402.0101 or a GED certificate may register as auditors. Under extraordinary circumstances, the president may waive the requirement of high school diploma or equivalent. Students registered as auditors shall be required to pay the regular tuition and fees for enrollment.

402.03 ADDITIONAL ADMISSIONS POLICIES

402.0301 IN GENERAL

In addition to the general admissions policies described above, each unit of the University System may increase the requirements, entry levels, and/or testing procedures for general admission to the institution or to special programs at the undergraduate or graduate levels provided they do not conflict with University System of Georgia policies. Institutions should make available appropriate admissions information to students.

402.0302 REFERRAL OF STUDENTS TO OTHER INSTITUTIONS

Institutions should actively assist Georgia applicants who have been denied admission to find another institution which more appropriately matches their academic credentials.

402.0303 RIGHT TO REFUSE ADMISSION

An applicant may be declared eligible for admission, registration, enrollment or re-enrollment at a University System institution only after satisfying all requirements established by the University System of Georgia and the institution concerned. The institution shall have the right to examine and appraise the character, personality and qualifications of the applicant. In order that this examination and appraisal may be made, the applicant shall furnish to the institution such biographical and other information, including references, as may be required.

Each unit of the University System reserves the right to refuse admission to a non-resident of Georgia, to an applicant whose admission would cause the institution to exceed its maximum capacity, to an applicant whose request for admission is only to a program that is already filled, to an applicant whose transcript(s) are from an unaccredited institution or who is otherwise ineligible for admission.

402.0304 RIGHT TO LIMIT ADMISSIONS

The Chancellor may limit the number of students admitted to an institution.

402.0305 SOCIAL SECURITY NUMBERS

The social security number shall be required from all entering students for a permanent and lasting record. When possible, an alternative number will be assigned and used by institutions for all purposes which do not require the social security number. In no event shall grades be posted by using the social security number. The University System of Georgia is dedicated to insuring the privacy and proper handling of confidential information pertaining to students and employees.

REVISED POLICY

402 UNDERGRADUATE ADMISSIONS

Every student admitted as an undergraduate in any University System institution must meet the requirements for one of the categories listed below and must meet any additional requirements that may be prescribed by the institution. Applicants should be advised that meeting minimum

requirements will not guarantee admission at any institution. Institutions may set additional and/or higher requirements than listed here. Except as explicitly permitted in this policy manual, any exceptions to these admissions policies may be made only with written approval of the Chancellor. Students must submit transcripts of all secondary and college work and must follow the application procedures specified by the institution to which they are applying.

402.01 ADMISSION REQUIREMENTS FOR PROGRAMS LEADING TO THE BACCALAUREATE DEGREE

These policies apply to first time freshmen as well as to those who have not earned the equivalent of 30 semester hours of transferable college credit.

402.0101 FRESHMAN REQUIREMENTS

Students applying for freshman admissions to a University System institution must meet the following criteria:

~~College Preparatory Curriculum~~ **Required High School Curriculum**. Completion of the University System of Georgia's ~~College Preparatory Curriculum ("CPC")~~ **Required High School Curriculum ("RHSC")** requirements and graduation from a high school accredited by a regional accrediting association (such as the Southern Association of Colleges and Schools) or the Georgia Accrediting Commission or from a public school regulated by a school system and state department of education. Students applying to any institution must present credit for 16 specified ~~CPC~~ units. **Students who graduate from high school in 2012 or later must present credit for 17 specified units.**

The 16 (**17 for students who graduate in 2012 or later**) specified University System ~~CPC~~ courses **units** are:

- a. MATHEMATICS: 4 ~~college preparatory Carnegie~~ units of Mathematics, including Algebra I, Algebra II, and Geometry. **For students who graduate from a Georgia Public School in 2012 or later, the 4 units of Mathematics must include a course at the level of Math 3 or higher).**
- b. ENGLISH: 4 ~~college preparatory Carnegie~~ units of English which have as their emphasis grammar and usage, literature (American, English, World), and advanced composition skills.
- c. SCIENCE: 3 ~~college preparatory Carnegie~~ units of Science, with at least one laboratory course from the life sciences and one laboratory course from the physical sciences. **Students who graduate Fall 2012 or later must have 4 units of science. Georgia Public High School graduates must have at least one unit of biology; one unit of physical science or physics; one unit of chemistry, earth systems, environmental science or an AP science course.**
- d. SOCIAL SCIENCE: 3 ~~college preparatory Carnegie~~ units of Social Science, with at least one course focusing on United States studies and one course focusing on world studies.
- e. FOREIGN LANGUAGE: 2 ~~college preparatory Carnegie~~ units in the same foreign language

emphasizing speaking, listening, reading, and writing. **2 units of American Sign Language may be used to satisfy this requirement.**

In addition to these minimum requirements, students are encouraged to take additional academic units in high school to improve their probability for admission and success.

Freshman Index. A designated score on the Freshman Index ("FI"), which is based on a combination of a student's SAT I or ACT assessment scores and high school grade point average (HSGPA). The Freshman Index is:

$$\text{FI} = 500 \times (\text{HSGPA}) + \text{SAT I Verbal} \text{ **SAT Verbal/Critical Reading** } + \text{SAT I Math}$$

OR

$$\text{FI} = 500 \times (\text{HSGPA}) + (\text{ACT Composite} \times 42) + 88$$

The minimum FI required for admission to a research university is 2500; regional university--2040; state university--1940; and a state or two-year college--1830.

In addition to the FI, students must have a minimum SAT I Verbal score of 430 and Mathematics score of 400 (or ACT equivalent) for admission to a university (research, regional, or state). Students without these minimum scores but with SAT I scores of at least 330 Verbal and 310 mathematics may be considered for admission to a two-year college but will be required to exempt or exit learning support ("LS") in the areas of deficiency.

Institutions may set higher requirements for admission. Students meeting the minimum FI requirements are not guaranteed admission.

a. EXCEPTIONS TO FRESHMAN ADMISSION REQUIREMENTS FOR SPECIAL GROUPS OF STUDENTS

Students may also be admitted as freshmen based on alternative evidence of college readiness. Following are modified or additional requirements for specific groups of applicants:

1. LIMITED ADMISSIONS CATEGORY

In recognition of the fact that a limited number of students do not meet established standards but do demonstrate special potential for success, institutions are authorized to grant admission to a limited number of such students. Institutions will use multiple measures whenever possible, such as interviews, portfolios, and records of experiential achievements, for students being considered for Limited Admission. The number of students who may be granted Limited Admissions will be restricted based on institutional sectors, with two-year colleges allowed the highest percentage for Limited Admissions. The FI required for Limited Admission to a research university is 2020; regional university, 1830; and state university, 1790.

Nontraditional freshmen will not be included in the Limited Admissions percentage allowed for each institution.

In addition to the FI, Limited Admissions students must have a minimum ~~SAT I Verbal~~ **SAT Verbal/Critical Reading** score of 430 and Mathematics score of 400 (or ACT equivalent) for admission to a university (research, regional, or state). Students with SAT I (or ACT equivalent) scores of at least 330 Verbal and 310 Math may be considered for Limited Admission to a two-year college but will be required to exempt or exit LS in the areas of deficiency.

At research, regional, and state universities, students granted Limited Admission must also have completed the 16-unit ~~College Preparatory Curriculum ("CPC")~~. **Required High School Curriculum (Students who graduate in 2012 or later must have completed 17 units)**. At state and two-year colleges, students may be considered for Limited Admission if they have a high school diploma or GED and meet the minimum SAT/ACT score requirements. A GED is acceptable only if the student's high school class has graduated. Certificates of attendance or special education diplomas are not acceptable.

PRESIDENTIAL EXCEPTIONS: Presidents of University System institutions may grant exceptions to the ~~CPC~~ **Required High School Curriculum units** and FI requirements for Limited Admissions if the student shows promise for academic success in college and has at least a high school diploma or GED credential. Institutions will be required to report to the Senior Vice Chancellor for Academics and Fiscal Affairs on those students granted Presidential Exceptions. Presidential Exceptions must be included as part of the institution's maximum percentage for Limited Admissions.

Students who enter under the Limited Admissions category (including Presidential Exceptions) must make up any ~~CPC deficiencies~~ **Required High School Curriculum units** in accordance with University System procedures. They must also be screened, as applicable, for placement in LS courses using the ~~CPE or COMPASS~~ **a placement test** administered by a University System institution and must meet University System criteria for exemption or exit of learning support in reading, English, and mathematics. (For students transferring from a Commission on Colleges ["COC"]-accredited DTAE technical college, comparable scores from the DTAE technical college may be used according to guidelines issued by the Senior Vice Chancellor for Academics and Fiscal Affairs.)

2. ALTERNATIVE REQUIREMENTS FOR HOME-SCHOOLED STUDENTS AND GRADUATES OF NONACCREDITED HIGH SCHOOLS

Applicants from home schools or graduates of nonaccredited high schools may validate the ~~CPC~~ **Required High School Curriculum** in an alternative way. SAT-I scores and satisfactory documentation of equivalent competence in each of the ~~CPC~~ areas at the college-preparatory level may be used in lieu of the FI and ~~Carnegie~~ **Required High School Curriculum** unit requirements of the ~~CPC~~.

A student whose SAT ~~I~~ Composite (~~Verbal~~ **Verbal/Critical Reading** plus Mathematics) (or ACT equivalent) score is at or above the average SAT I score of the previous year's fall semester first-time freshmen admitted to the University System institution to which he or she is applying and who has completed the equivalent of each of the ~~CPC~~ areas as documented by a portfolio of work and/or other evidence that substantiates ~~CPC~~ completion **of the Required High School Curriculum** qualifies for consideration for admission. Students in this category must also meet the minimum SAT ~~I~~ ~~Verbal~~ **Verbal/Critical Reading** requirement and the minimum SAT ~~I~~ Mathematics requirement (or ACT equivalent) for the sector to which they apply.

Applicants who achieve designated scores on each of the following SAT II Subject Tests in a ~~CPC~~ area will be considered to have demonstrated equivalent ~~CPC~~ competence and do not need to submit additional documentation in that area: English Writing, Literature, Math IC or Math IIC, American History & Social Studies, World History, Biology, and one of the following: Chemistry or Physics.

Students admitted in this category with satisfactory documentation of ~~CPC~~ competence in all areas will not be counted in the institution's Limited Admissions (including Presidential Exceptions) category. Those with qualifying SAT ~~I~~ scores and documentation of partial ~~CPC~~ completion of the **Required High School Curriculum** may be admitted on the same basis and with the same conditions as other students with ~~CPC~~ deficiencies.

3. ADMISSION OF STUDENTS WITH OUTSTANDING SCORES

Students who demonstrate very high academic ability by achieving a composite SAT ~~I~~ Composite (~~Verbal~~ **Verbal/Critical Reading** plus Math) score in the upper five percent of national college-bound seniors according to the most recent report from the College Board and who show other evidence of college readiness may be admitted under this section. (An ACT score which is equivalent to this SAT ~~I~~ score may also be used.) Institutions must carefully evaluate such students to determine their ability to benefit from college coursework. Students must satisfy any ~~CPC~~—**Required High School Curriculum** deficiencies in areas other than English or mathematics through college coursework.

Students admitted in this section will not count in an institution's Limited Admissions exceptions.

4. ADMISSION OF INTERNATIONAL STUDENTS

Freshman international students may be admitted in another admissions category or may be admitted in a separate category for international students under procedures established by the University System of Georgia. If these students do not meet the alternative admission procedures established under the University System of Georgia, they might be considered as Presidential Exceptions.

5. ADMISSION OF STUDENTS WITH DISABILITIES

Because the core curriculum of each institution requires students to complete college-level courses in English, mathematics, social science, and science, all students must complete the ~~high school CPC in these areas~~ **Required High School Curriculum in these areas.** Students with disabilities that preclude the acquisition of a foreign language may petition for admission without this ~~CPC~~ requirement according to procedures established by the System. Students with disabilities are expected to meet the sector's minimum SAT-~~I~~ or ACT score requirements but should request the appropriate testing accommodations from the agencies administering the SAT-~~I~~ or ACT.

6. **DUAL ENROLLMENT**/ JOINT ENROLLMENT/EARLY ADMISSION OF HIGH SCHOOL STUDENTS

The University System of Georgia recognizes the need to provide academically talented high school students with opportunities for acceleration of their formal academic programs. This recognition has led to the development of ~~two~~ **three** organized programs: **(1) a dual enrollment program in which a student, while continuing his/her enrollment in high school, enrolls in a course/courses for both high school and college credit;** ~~(1)~~ **(2)** a joint enrollment program in which a student, while continuing his/her enrollment in high school as a junior or senior, enrolls in courses for college credit and ~~(2)~~ **(3)** an early admissions program in which the student enrolls as a full-time college student following completion of the junior year in high school. The minimum admissions standards for ~~both~~ the **dual enrollment**, joint enrollment and early admissions programs have been developed to allow certain ~~advanced~~ students to receive both high school and college credit for some courses. Procedures for admission, course selection, and instruction can be found in sections 301.01-301.06 of the Academic Affairs Handbook. (BR Minutes, September 2004)

7. RESIDENTIAL PROGRAMS

The University System of Georgia offers residential programs for gifted, talented, and motivated students at two institutions: the Advanced Academy of Georgia at the State University of West Georgia and the Georgia Academy of Mathematics, Engineering, and Sciences at Middle Georgia College. Admissions and program requirements are established by the individual institutions. (BR Minutes, September 2004)

8. EARLY COLLEGE

Early Colleges enhance students' opportunities to accelerate their education by participating in a joint high school/college program. Each Early College represents an approved partnership between a Georgia public school system and a University System of Georgia college or university. Students in University System of Georgia recognized Early Colleges are eligible for enrollment in college courses while they are enrolled in the Early College. (BR Minutes, September 2004)

402.0102 UNDERGRADUATE ADMISSION REQUIREMENTS FOR TRANSFER STUDENTS

Students with fewer than 30 transferable semester credit hours must meet the freshman admission requirements at the institution to which they are transferring. Students who have earned 30 or more semester hours must have completed any learning support and CPE **Required High School Curriculum** deficiency requirements if transferring from a System institution. Depending on the sector of the institution to which students transfer, students must meet the transfer grade point average, as indicated in the following table:

MINIMUM SYSTEM ADMISSION STANDARDS FOR TRANSFER STUDENTS		
SECTOR	30 – 59 * SEMESTER CREDITS	60 or MORE SEMESTER CREDITS
Research Universities	At least 2.30 GPA** and have met all LS and CPE RHSC requirements	At least 2.30 GPA
Regional and State Universities	At least 2.00 GPA** and have met all LS and CPE RHSC requirements	At least 2.00 GPA
State and Associate Degree Colleges	Eligible to continue or return to sending institution	Eligible to continue or return to sending institution

* Transferable Hours are defined as hours which would be acceptable by the receiving institution according to the University System's and the receiving institution's prevailing policies. Excluded are institutional credit courses, CPE **Required High School Curriculum** deficiency makeup courses, and vocational courses. These hours should include transferable hours earned at all postsecondary institutions attended.

**Transfer GPA is defined as the GPA calculated on all transferable hours (see previous definition) plus all attempted but unearned hours at regionally accredited institutions in courses applicable to transfer programs at the receiving institution.

Students completing non-transfer associate degrees (e.g., Associate of Applied Science, Associate of Science in various health areas, and Associate of Applied Technology) at regionally accredited institutions will be evaluated on an individual basis to determine their eligibility for admission.

Priority Consideration. In addition to the minimum transfer standards listed above, students must meet higher System and/or institutional standards to be considered for priority transfer admission. Institutions must give priority consideration for admission to students transferring from another University System institution who meet these established standards. Students meeting these higher standards would be ensured of receiving priority consideration for admission. In addition, transfer students must be given the same consideration as native students in determining program admissibility.

402.0103 NON-TRADITIONAL FRESHMEN

In order to make the University more accessible to citizens who are not of traditional college-going age and to encourage a higher proportion of Georgians to benefit from life-long learning, institutions may admit as many non-traditional students as is appropriate based on institutional mission, academic programs, and success in retaining and graduating non-traditional students. The number of non-traditional students an institution enrolls will not be counted against the percent of Limited Admissions allowed each institution. Institutions may set additional criteria for admission of non-traditional students.

A. Non-Traditional Freshmen

Non-traditional freshmen are defined as individuals who meet all of the following criteria:

1. Have been out of high school at least five years and whose high school class graduated at least five years ago.
2. Hold a high school diploma from an accredited or approved high school as specified in Section 402.0101 or have satisfactorily completed the GED.
3. Have earned fewer than 30 transferable semester credit hours.

All non-traditional freshmen must be screened for placement in learning support courses using the ~~CPE or COMPASS~~ **a placement test** administered by a University System institution and must meet University System criteria for exemption or exit of learning support in reading, English, and mathematics. (For students transferring from a Commission on Colleges (COC)-accredited DTAE college, comparable scores from the DTAE college may be used according to guidelines issued by the Senior Vice Chancellor for Academics and Fiscal Affairs.) As an alternative, an institution may allow non-traditional freshmen who have within the past seven years posted SAT scores of at least 500 in both ~~Verbal~~ **Verbal/Critical Reading** and Mathematics or ACT scores of at least 21 on both English and Mathematics to exempt the ~~CPE/COMPASS~~-placement test.

B. Non-Traditional Transfers

Non-traditional transfer students are defined as individuals who meet all of the following criteria:

1. Have been out of high school at least five years or whose high school class graduated at least five years ago.
2. Have earned 30 or more transferable hours of college credit (as defined in section 402.0101).

A non-traditional transfer student can be admitted, according to the institution's policy, if his/her transfer GPA is below the transfer standard for the institution's sector. These students do not count against the number of Limited Admissions allowed for transfer students at that institution. Institutions should require placement criteria as appropriate.

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Pursuant to the provisions of the Georgia Constitution, the University System of Georgia establishes the following rules with respect to enrollment of persons 62 years of age or older in programs of the University System. To be eligible for enrollment under this provision such persons:

- a. Must be residents of Georgia, 62 years of age or older at the time of registration, and shall present a birth certificate or other comparable written documentation of age to enable the institution to determine eligibility.
- b. May enroll as a regular or auditing student in courses offered for resident credit on a "space available" basis without payment of fees, except for supplies, laboratory or shop fees.
- c. Shall meet all System and institution undergraduate or graduate admission requirements; however, institutions may exercise discretion in exceptional cases where circumstances indicate that certain requirements such as high school graduation and minimum test scores are inappropriate. In those instances involving discretionary admission institutions will provide diagnostic methods to determine whether or not participation in Learning Support will be required prior to enrollment in regular credit courses. Reasonable prerequisites may be required in certain courses.
- d. Shall have all usual student and institutional records maintained; however, institutions will not report such students for budgetary purposes.
- e. Must meet all System, institution, and legislated degree requirements if they are degree-seeking students.
- f. May not enroll in dental, medical, veterinary, or law schools under the provisions of this policy.

402.02 ADMISSION REQUIREMENTS FOR UNDERGRADUATE PROGRAMS NOT LEADING TO THE BACCALAUREATE DEGREE

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Admissions requirements for career certificates and career degrees (Associate of Applied Science degrees and Associate of Science degrees in allied health areas) depend upon the extent to which the general education component is based on Core Curriculum courses. There are two sets of admissions requirements (specified in Academic Affairs Handbook, Section 3.02.01): 1) for programs with a Core-based general education component (allowing more than 12 semester hours of Core curriculum course work) and 2) for programs with non-Core general education components (allowing 12 or fewer semester hours of Core Curriculum coursework).

Students admitted in the career degree or certificate category who have not completed a career degree may apply for admission to programs that lead to a baccalaureate degree if they meet regular or Limited Admission requirements. Students admitted in this category can be admitted into a program leading to a baccalaureate only if a) on admission to the institution they would have met the requirements for regular or Limited Admission or b) they show exceptional promise and are admitted as a Presidential Exception. Students admitted in this category must fulfill all learning support and CPC requirements.

402.0202 ADMISSION OF STUDENTS TO CERTIFICATE PROGRAMS AT DESIGNATED VOCATIONAL DIVISIONS

Students admitted to vocational divisions at Bainbridge College, Clayton College & State University, Coastal Georgia Community College, and Dalton State College are not required to meet the CPC and FI standards for regular or Limited Admissions; however, they are required to meet the admissions standards established by the Department of Technical and Adult Education for the same or similar programs, and they must meet prerequisite requirements for Core Curriculum courses. A student seeking admission to a transfer program must meet the requirements for freshman or transfer admissions.

402.0203 ADMISSION OF NON-DEGREE STUDENTS

a. Institutions may permit students to enroll as non-degree students for a maximum of 12 semester credit hours (including institutional credit). Students may not enroll in any course for which there is a learning support prerequisite unless they have been screened for and have exempted the relevant learning support course.

b. Institutions may permit students who have earned the baccalaureate degree from a regionally accredited institution to enroll as non-degree students in courses with no limitation on the number of hours of undergraduate credit these students can earn.

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An applicant who is enrolled in one college or university and who wishes to take courses temporarily in another college or university shall submit the documents outlined in the Academic Affairs Handbook.

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Students who submit evidence of graduation from a high school as specified in Section 402.0101 or a GED certificate may register as auditors. Under extraordinary circumstances, the president may waive the requirement of high school diploma or equivalent. Students registered as auditors shall be required to pay the regular tuition and fees for enrollment.

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402.0301 IN GENERAL

In addition to the general admissions policies described above, each unit of the University System may increase the requirements, entry levels, and/or testing procedures for general admission to the institution or to special programs at the undergraduate or graduate levels provided they do not conflict with University System of Georgia policies. Institutions should make available appropriate admissions information to students.

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Institutions should actively assist Georgia applicants who have been denied admission to find another institution which more appropriately matches their academic credentials.

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An applicant may be declared eligible for admission, registration, enrollment or re-enrollment at a University System institution only after satisfying all requirements established by the University System of Georgia and the institution concerned. The institution shall have the right to examine and appraise the character, personality and qualifications of the applicant. In order that this examination and appraisal may be made, the applicant shall furnish to the institution such biographical and other information, including references, as may be required.

Each unit of the University System reserves the right to refuse admission to a non-resident of Georgia, to an applicant whose admission would cause the institution to exceed its maximum capacity, to an applicant whose request for admission is only to a program that is already filled, to an applicant whose transcript(s) are from an unaccredited institution or who is otherwise ineligible for admission.

402.0304 RIGHT TO LIMIT ADMISSIONS

The Chancellor may limit the number of students admitted to an institution.

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The social security number shall be required from all entering students for a permanent and lasting record. When possible, an alternative number will be assigned and used by institutions for all purposes which do not require the social security number. In no event shall grades be posted by using the social security number. The University System of Georgia is dedicated to insuring the privacy and proper handling of confidential information pertaining to students and employees.

3. Revision of *The Policy Manual*, Section 305, Grading System

Approved: The Board approved a revision to the Board *Policy Manual*, Section 305, Grading System, effective January 16, 2008.

Background and Rationale: Proposed revisions to the grading policy are provided to clearly articulate grade point averages, calculations, and the use of rounding or truncating to two digits beyond the decimal point. This is the first iteration of revisions concerning the grading policy. A parallel information item will be presented in the Committee on Organization and Law. To complement the revised policy as it will appear in the Board *Policy Manual*, a set of guidelines will be included in the *Academic Affairs Handbook*.

Understandings: The proposed policy, Section 305: Grading System, constitutes a significant revision of the previous policy. Proposed revisions follow. Please note that the strike-through texts represent deletions from the current version, and the highlighted texts represent additions.

CURRENT POLICY

305 GRADING SYSTEM

All institutions of the University System of Georgia shall be on a 4.0 grade point average system.

The following grades are approved for use in institutions in the determination of the Grade Point Average:

Grade	Grade Point Average
A	Excellent (4.0)
B	Good (3.0)
C	Satisfactory (2.0)
D	Passing (1.0)
F	Failure (0.0)
WF	Withdrew (0.0)

The following symbols are approved for use in the cases indicated, but will not be included in the determination of the grade point average.

"I" This symbol indicates that a student was doing satisfactory work but, for non-academic reasons beyond his/her control, was unable to meet the full requirements of the course. The requirements for removal of an **"I"** are left to the respective institutions; however, if an **"I"** is not satisfactorily removed after three academic terms of residence, the symbol **"I"** will be changed to the grade **"F"** by the appropriate official.

"IP" These symbols indicate that credit has not been given in courses that require a **"CP"** continuation of work beyond the term for which the student signed up for the course. The use of these symbols is approved for dissertation and thesis hours and project courses. With the exception of Learning Support or Developmental Studies courses, and Regents' Test remediation courses, these symbols cannot be used for other courses. These symbols cannot be substituted for an **"I"** (BR Minutes, 1988-89, pp. 77-78; 1990-91, p. 61).

"W" This symbol indicates that a student was permitted to withdraw without penalty. Withdrawals without penalty will not be permitted after the mid-point of the total grading period (including final examinations) except in cases of hardship as determined by the appropriate official of the respective institution.

"WM" This symbol indicates a student was permitted to withdraw under the Board of Regents policy for military service refunds ([704.0401](#)) The use of this symbol indicates that this student was permitted to withdraw without penalty at any time during the term. (BR Minutes, October 2001.)

"S" This symbol indicates that credit has been given for completion of degree requirements other than academic course work. The use of this symbol is approved for dissertation and thesis hours, student teaching, clinical practicum, internship, and proficiency requirements in graduate programs. Exceptions to the use of this symbol for academic course work must be submitted to the Chancellor for approval.

"U" This symbol indicates unsatisfactory performance in an attempt to complete degree requirements other than academic course work. The use of this symbol is approved for dissertation and thesis hours, student teaching, clinical practicum, internship, and proficiency requirements in graduate programs. Exceptions to the use of this symbol for academic course work must be submitted to the Chancellor for approval.

"V" This symbol indicates that a student was given permission to audit this course. Students may not transfer from audit to credit status or vice versa. Students may register, however, on a credit basis for a course that has previously been audited (BR Minutes, 1989- 90, p. 146).

"K" This symbol indicates that a student was given credit for the course via a credit by examination program approved by the respective institution's faculty. (CLEP, AP, Proficiency, etc.) "K" credit may be provided for a course the student has previously audited if the institutional procedures for credit by examination are followed (BR Minutes, 1989-90, p. 146). Institutions are permitted to use other than the Uniform Grading System for the purpose of grading student progress in Learning Support or Developmental Studies (BR Minutes, 1974-75, pp. 109-11).

Cumulative Grade Point Average. The cumulative grade point average in each institution of the University System of Georgia will be calculated by dividing the number of hours scheduled in all courses attempted in which a grade of A, B, C, D, F or WF has been received into the number of grade points earned on those hours scheduled. The cumulative grade point average will be recorded on the student's permanent record. Institutional credit shall in no way affect the cumulative grade point average.

Other averages may be computed by each institution for internal uses as may be required.

REVISED POLICY

305 GRADING SYSTEM

All institutions of the University System of Georgia shall be on a **4.00** grade point average system, **calculated to and truncated at two significant digits.** The following grades are approved for use in institutions in the determination of the Grade Point Average:

Grade	Grade Point Average
A	Excellent (4.00)
B	Good (3.00)
C	Satisfactory (2.00)
D	Passing (1.00)
F	Failure (0.00)
WF	Withdrew (0.00)

The following symbols are approved for use in the cases indicated, but will not be included in the

determination of the grade point average.

"I" This symbol indicates that a student was doing satisfactory work but, for non-academic reasons beyond his/her control, was unable to meet the full requirements of the course. The requirements for removal of an **"I"** are left to the respective institutions; however, if an **"I"** is not satisfactorily removed after three academic terms of residence, the symbol **"I"** will be changed to the grade **"F"** by the appropriate official.

"IP" These symbols indicate that credit has not been given in courses that require a **"CP"** continuation of work beyond the term for which the student signed up for the course. The use of these symbols is approved for dissertation and thesis hours and project courses. With the exception of Learning Support or Developmental Studies courses, and Regents' Test remediation courses, these symbols cannot be used for other courses. These symbols cannot be substituted for an **"I"** (BR Minutes, 1988-89, pp. 77-78; 1990-91, p. 61).

"W" This symbol indicates that a student was permitted to withdraw without penalty. Withdrawals without penalty will not be permitted after the mid-point of the total grading period (including final examinations) except in cases of hardship as determined by the appropriate official of the respective institution.

"WM" This symbol indicates a student was permitted to withdraw under the Board of Regents policy for military service refunds ([704.0401](#)) The use of this symbol indicates that this student was permitted to withdraw without penalty at any time during the term. (BR Minutes, October 2001.)

"S" This symbol indicates that credit has been given for completion of degree requirements other than academic course work. The use of this symbol is approved for dissertation and thesis hours, student teaching, clinical practicum, internship, and proficiency requirements in graduate programs. Exceptions to the use of this symbol for academic course work must be submitted to the Chancellor for approval.

"U" This symbol indicates unsatisfactory performance in an attempt to complete degree requirements other than academic course work. The use of this symbol is approved for dissertation and thesis hours, student teaching, clinical practicum, internship, and proficiency requirements in graduate programs. Exceptions to the use of this symbol for academic course work must be submitted to the Chancellor for approval.

"V" This symbol indicates that a student was given permission to audit this course. Students may not transfer from audit to credit status or vice versa. Students may register, however, on a credit basis for a course that has previously been audited (BR Minutes, 1989- 90, p. 146).

"K" This symbol indicates that a student was given credit for the course via a credit by examination program approved by the respective institution's faculty. (CLEP, AP, Proficiency, etc.) **"K"** credit

may be provided for a course the student has previously audited if the institutional procedures for credit by examination are followed (BR Minutes, 1989-90, p. 146).

Institutions are permitted to use other than the Uniform Grading System for the purpose of grading student progress in Learning Support or Developmental Studies (BR Minutes, 1974-75, pp. 109-11).

Cumulative Grade Point Average. The cumulative grade point average in each institution of the University System of Georgia will be calculated by dividing the number of hours scheduled in all courses attempted in which a grade of A, B, C, D, F or WF has been received into the number of grade points earned on those hours scheduled. The cumulative grade point average will be recorded on the student's permanent record. Institutional credit shall in no way affect the cumulative grade point average.

Other averages may be computed by each institution for internal uses as may be required.

4. Establishment of a Doctor of Nursing Practice, Georgia Southern University

Approved: The Board approved the request of President Bruce Grube that Georgia Southern University ("GSOU") be authorized to establish a Doctor of Nursing Practice program, effective, effective January 16, 2008.

Abstract: GSOU sought approval to establish a Doctor of Nursing Practice program. The degree is an applied, practice-focused program for advanced practice nurses. Degree preparation includes training in the direct care of individual patients, managed care for individuals and populations, administration of nursing systems, and the development and implementation of health policy. Consistent with the institution's mission status of offering applied doctoral programs, the program is submitted in an effort to produce advanced practice nurses who can utilize disciplinary skills and knowledge to provide expert nursing care in a variety of settings. The program is different from a Doctor of Philosophy or Doctor of Nursing Science degree in that such programs prepare nurse scholars who examine, shape, and refine the discipline and health care within changing delivery systems.

Need: The program responds to the economic development plans of the region in terms of quality health care delivery and is a response to the University System of Georgia's Task Force on Health Professions Education Findings and Recommendations. The program also responds to the American Association of Colleges and Nursing position statement concerning how graduates engage in evidence-based clinical prevention and health services for individuals, groups, and populations.

Objectives: Nurses prepared in doctor of nursing practice programs master a blend of clinical, organizational, economic, and leadership skills that enable them to critique nursing and other clinical scientific findings. Graduates of such programs also design programs of care delivery that are locally acceptable, economically feasible, and significantly health care outcomes.

Curriculum: The program will be housed within the School of Nursing. The post Master of Science in Nursing, Doctor of Nursing Practice program requires a minimum of 40 credit hours and is offered on a full-time basis over two years.

Projected Enrolment: The institution anticipates enrollments of 10, 10, and 10 students during the first three years of the program.

Funding: The program will be supported through the establishment of new courses. President Grube has provided reverification that funding for the program is available at the institution.

Assessment: The Office of Academic 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 an External Master of Plant Protection and Pest Management Offered by the University of Georgia in Tifton, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ("UGA") be authorized to establish its existing Master of Plant Protection and Pest Management degree as an external program in Tifton, effective January 16, 2008.

Abstract: UGA sought approval to establish its existing Master of Plant Protection and Pest Management degree as an external program in Tifton, Georgia. The Master of Plant Protection and Pest Management is an advanced degree currently offered only on the Athens campus. A similar program is needed in Tifton and would provide several benefits to UGA's College of Agricultural and Environmental Sciences. Due to professional and family responsibilities, several county agricultural extension agents and other working professionals in South Georgia who would be interested in the program are unable to travel to Athens to complete course requirements. Offering the aforementioned degree in Tifton would expand opportunities for individuals in this area who have indicated a preference for such an applied advanced degree. The Master of Plant Protection and Pest Management would provide a second graduate degree option for undergraduates in Tifton who major in Agriscience and Environmental Systems. The opportunity to offer a graduate program in Tifton would enable students to complete their course work with minimal disruption to their research activities. Several field facilities are available on-campus and nearby for use in applied, hands-on instruction. Tifton's ideal location in the heart of Georgia's diverse and economically important agricultural industry would give students valuable opportunities for the internship requirement of the program. Offering the Master of Plant Protection and Pest Management in Tifton would extend opportunities to qualified students who might not otherwise have access to such an academic degree.

Delivery Method and Need: The admission standards for the program would be the same as those for students who attend classes at the home campus. A local advisory committee in Tifton would work closely with the advisory committee in Athens. The advisory committee based in Tifton will help develop the curriculum, direct students enrolled at Tifton, and aid in making the final decisions

on student admittance for those seeking acceptance into the program. Students in the program will have access to UGA's library resources in Tifton and at the immediately adjacent campus of Abraham Baldwin Agricultural College. In addition, UGA students in Tifton have access to the same web-based library databases, interlibrary loan programs, and other resources that are available to students on the Athens campus.

Projected Enrollment: The institution anticipates enrollments of 10 to 15 students during the first three years of the distance delivery of the program.

Funding: The program will be supported through existing courses and existing faculty resources. President Adams has provided reverification that funding for delivery of the program is available at the institution.

Assessment: Student learning outcomes at the culmination of the program will be assessed by a formal end-of-program written exam, as well as submission of a written internship report. The program will be assessed through the institutional program review process and through monitoring the success of graduates in finding and retaining jobs in field. The Office of Academic 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.

6. Establishment of an External Specialist in Education with a Major in Media Offered via Multiple Technologies, University of West Georgia

Approved: The Board approved the request of President Beheruz N. Sethna that the University of West Georgia ("UWG") be authorized to establish its existing Specialist in Education with a major in Media as an external degree to be offered via multiple technologies, effective January 16, 2008.

Abstract: UWG sought approval to offer its existing Specialist in Education with a major in Media as a distance education program due to the growing number of graduate students admitted who live further away from campus than expected and who have other time constraints that inhibit the feasibility of traveling to Carrollton. Program assessment data, both formative and summative, revealed that initial online classes offered through the program were well received by students who met curriculum objectives effectively. UWG asserts that a need exists for additional media specialists in the region to be placed in schools that can effectively integrate technology into the curriculum and assist with making informed school improvement efforts.

Delivery Method and Need: A few face-to-face (e.g., one to three) meetings are required in most of the classes. Students meet at the beginning of the semester on campus to be introduced to the course, instructor, other students, and to become familiar with online technologies used for the courses. Students will be required to complete the majority of their courses by distance education. The admission requirements are the same as those for students who seek courses that are solely offered

on campus. Because some courses are more difficult to deliver online than others and students have diverse learning styles and needs, optional face-to-face sessions are provided for students. Several courses require that students come to class during the middle and end of the semester to take midterm and final exams. Based on increased enrollments with the introduction of online course offerings and studies conducted by the International Society for Technology in Education, UWG determined that the enhanced use of technology in the media program would further facilitate student academic success.

Projected Enrollment: The institution anticipates an initial cohort of 60 to 75 students for the program.

Funding: The program will be supported through existing courses and existing faculty resources. President Sethna has provided reverification that funding for delivery of the program is available at the institution.

Assessment: The Office of Academic 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.

7. **Establishment of an External Master of Science with a Major in Computational Science and Engineering Offered by Georgia Institute of Technology via Multiple Technologies, Georgia Institute of Technology**

Approved: The Board approved the request of President G. Wayne Clough that Georgia Institute of Technology ("GIT") be authorized to establish its existing Master of Science with a major in Computational Science and Engineering as an external degree to be offered via multiple technologies, effective January 16, 2008.

Abstract: GIT sought approval to offer its existing Master of Science with a major in Computational Science and Engineering through the institution's distance learning center. The institution's College of Computing and Distance Learning and Professional Education Office contracted for a market demand survey to assess demand for graduates of computational science and engineering programs. The results indicate that a demand exists for the program to be offered externally. Graduates of the program will be able to integrate and apply principles from mathematics, science, engineering, and computing in order to innovate and create computational models and apply simulations to solve real-world problems.

Delivery Method and Need: A few face-to-face (e.g., one to three) meetings are required in most of the classes. Required core courses will be offered through GIT's distance learning program. Several elective courses, though not all, will also be available through multiple technologies. The faculty in the College of Computing will work with students choosing this external degree format to advise them on their course options and specialties, especially as to which courses may require on campus

activity. Students will be provided opportunities to take courses both on and off campus to complete this program. Admission to the program is the same as for students selecting the full, on-campus program.

Projected Enrollment: The institution anticipates an initial cohort of 10 to 15 students for the program.

Funding: The program will be supported through existing courses and existing faculty resources. President Clough has provided reverification that funding for delivery of the program is available at the institution.

Assessment: The Office of Academic 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.

8. Substantive Change and Merger of Master of Education and Specialist in Education Programs, Georgia Southwestern State University

Approved: The Board approved the request of President Kendall Blanchard that Georgia Southwestern State University ("GSWU") be authorized to substantively change and merge existing Master of Education and Specialist in Education programs, effective January 16, 2008.

Abstract: GSWU sought approval to collapse existing Master of Education programs into one Master of Education degree in Curriculum and Instruction with three concentrations: Early Childhood Education, Special Education, and General Content Education (all fields). The following is a list of current Master of Education programs:

Master of Education – Early Childhood Education
Master of Education – Middle Grades Education
Master of Education – Health and Physical Education
Master of Education -- Secondary Mathematics
Master of Education -- Secondary History
Master of Education – Reading Education

In addition, GSWU requests approval to collapse the Specialist in Education with a major in Early Childhood Education and the Specialist in Education with a major in Middle Grades Education into one Specialist in Education degree in Learning and Leading with concentrations in Early Childhood Education, Special Education, and General Content Education (all fields).

All candidates currently matriculating in the aforementioned programs will be allowed to complete their degrees. In the meantime, the programs will be deactivated as steps are taken to ensure timely progression toward degree completion.

9. Ratification of the Substantive Change of Communication Sciences and Disorders Discipline, Armstrong Atlantic State University

Approved: The Board ratified Chancellor Erroll B. Davis' approval of Armstrong Atlantic State University's ("AASU") request to substantively change programs offered in Communication Sciences and Disorders. At its November 2007 meeting, the Board of Regents authorized Chancellor Davis to take any actions necessary on behalf of the Board during the month of December with such actions to be ratified by the Board at the January meeting. This ratification supports action taken by the Chancellor in a letter dated December 4, 2007.

Abstract: AASU requested approval to substantively change the curriculum of degrees offered in Communication Sciences and Disorders and to expand the graduate program in this discipline. To that end, the following changes were approved during the recess:

- Conversion of the Bachelor of Science in Education with a major in Communication Sciences and Disorders to the Bachelor of Science with a major in Communication Sciences and Disorders;
- Conversion of the Master of Education with a major in Communication Sciences and Disorders to the Master of Science with a major in Communication Sciences and Disorders; and
- Expansion of the Master of Science with a major in Communication Sciences and Disorders from 36 semester hours to a maximum of 60 semester hours.

Upon moving the programs from the College of Education to the College of Health Professions, the disciplinary area, which is housed in the Speech-Language Pathology Department, sought and quickly gained American Speech-Language-Hearing Association accreditation. The revised degree nomenclature and curriculum more adequately reflect the current curriculum of students in this discipline. Revisions to the curriculum constitute a change in the sciences and mathematics, and students are required to take a track designated for clinical health majors. In addition, the degrees are now in line with other programs offered through the College of Health Professions. The waiver to degree length for the master's program was requested in order to maintain currency with comparable programs in the region and allow students to be trained more thoroughly. As the scope of practice expands in this area, students will be required to have coursework in several content areas such as swallowing disorders or dysphagia, dialect and language differences, and counseling persons with communication disorders.

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

The administrative and academic appointments were reviewed by the Chair of the Committee on Academic Affairs and approved by the Board. The full list of approved appointments is on file with the Office of Faculty Affairs in the Office of Academic Affairs.

11. Revision of Institutional Statutes, Waycross College

Approved: The Board approved the request of President David A. Palmer that Waycross College (“WC”) be authorized to revise its institutional statutes, effective January 16, 2008.

Abstract: WC has engaged in a process to review and revise its institutional statutes. The revision follows the institutional governance structure, organization, and committees and councils of the institution. Revised sections of the statutes were approved by the faculty and staff. WC sought approval from the Board for recent amendments to the statutes. Changes to the statutes incorporate recent changes in Board policy.

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

12. Establishment of the Jane Willson Professorship in the Arts, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to establish the Jane Willson Professorship in the Arts, effective January 16, 2008.

Abstract: UGA sought approval to establish the Jane Willson Professorship in the Arts in the Franklin College of Arts and Sciences. The Willson Professorship in the Arts was fully funded by a gift from Jane Willson in support of the arts at the University of Georgia. The professorship will be awarded to an outstanding full professor in the arts within the Franklin College. The holder of this special faculty position will be widely recognized at a national level for creative activity in the arts and will have a strong record of teaching and service to the University. The professorship is supported by an endowment of \$254,837. The funding amount exceeds the minima requirement of \$200,000 for professorships established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

Biosketch: Jane and the late Harry Willson, while not graduates of the University of Georgia, developed strong ties to the University and have been supportive of educational and civic activities throughout the state. They founded, among other businesses, Sunnyland Farms, which is based in their hometown of Albany, Georgia and is the largest mail order pecan products business in the country. Jane earned a Bachelor of Arts degree from Wellesley College in 1945. Harry earned a Bachelor of Arts degree from Emory University in 1941 and a Master of Business Administration degree from Harvard University in 1943. The Willsons have four children: Bill, Arthur, Larry, and Jane. The Willsons shared a passion for making the world a better, safer, and happier place for humanity.

13. Establishment of Two Haines Family Distinguished Professorships in Field Botany, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to establish two Haines Family Distinguished Professorships in Field Botany in the Franklin College of Arts and Sciences, effective January 16, 2008.

Abstract: UGA sought approval to establish two Haines Family Distinguished Professorships in Field Botany in the Franklin College of Arts and Sciences. Per the planned gift agreement, the first Haines Family Distinguished Professorship will be designated for below ground botany to support the study of plant biology below the surface of soil-land. The second Haines Family Distinguished Professorship will be designated for above ground botany to support the study of plant biology above the surface of soil-land. The individuals named to these professorships will have outstanding national reputations in field botany. The professorships are supported with a total fund balance of \$1,030,915 for the two Haines Family Distinguished Professorships (\$515,251 for below ground field botany and \$515,664 for above ground field botany). The funding amounts accorded for each professorship exceed the minima requirement of \$200,000 for professorships established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

Biosketch: The aforementioned professorships are funded by a gift made by the late Dr. Bruce L. Haines to honor his father and mother. University of Georgia scientist, Bruce Lee Haines, was a private man whose life revolved around his research on plant ecology and who enjoyed discussing science with graduate students and fellow faculty. Haines, who held a doctorate in botany from Duke University, joined UGA in 1974 as a research associate in botany and was an associate professor of botany when he passed away in February 2007. Dr. Haines made a bequest to honor his father and mother, who held botany degrees from The University of California, taught science in high school and junior college, and who instilled an early love of science and nature in Haines and his two sisters.

14. Establishment of the University of Georgia Foundation Professorship in the College of Public Health, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (“UGA”) be authorized to establish the University of Georgia Foundation Professorship in the College of Public Health, effective January 16, 2008.

Abstract: UGA sought approval to establish the University of Georgia Foundation Professorship in the College of Public Health. The special professorship was funded entirely by the University of Georgia Foundation. The individual named to this professorship shall be a senior faculty member identified through a national search. The duties of the appointed professor will be teaching graduate courses, conducting research, and participating in public service by promoting health in human populations within the state and around the world. The professorship is supported by an endowment of \$307,906. The funding amount exceeds the minima requirement of \$200,000 for professorships

established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

15. Establishment of the Athletic Association Professorship in Math and Science Education, 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 Athletic Association Professorship in Math and Science Education, effective January 16, 2008.

Abstract: UGA sought approval to establish the Athletic Association Professorship in Math and Science Education in the Department of Math and Science Education of the College of Education. The professorship was fully funded by a gift from the University of Georgia Athletic Association. The professorship will allow the College of Education to attract a national research professor in mathematics and science education and will be filled following a national search. The holder will be appointed at the rank of associate professor or full professor. The Athletic Association Professorship will help strengthen and meet challenges in this field as well as benefit K-12 mathematics and science education in Georgia and nationally. The professorship is supported by an endowment of \$250,000. The funding amount exceeds the minima requirement of \$200,000 for professorships established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

Additional Details: The University of Georgia conducts a broad program of intercollegiate athletics which includes 20 sports (e.g., 11 women’s teams, 9 men’s teams). The University is a member of the Southeastern Conference and the National Collegiate Athletic Association, and abides strictly by the regulations and policies of these groups. The Board of Directors of the Athletic Association, composed of faculty, alumni, and student representation with the president of the University as Chairman, has general control of internal policies of the University relating to all phases of intercollegiate athletics.

16. Establishment of the Thomas Clark Dowden Professorship, 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 Thomas Clark Dowden Professorship, effective January 16, 2008.

Abstract: UGA sought approval to establish the Thomas Clark Dowden Professorship in the Department of Telecommunications, Grady College of Journalism. This professorship was funded by a repurposing of an existing gift from Tom Dowden to increase the faculty endowment of the college and the university. The Gift Acceptance Committee approved repurposing of the Dowden Center for Telecommunication Students Fund to establish the Dowden Professorship. The Dowden Professor will hold the rank of associate professor or full professor and will direct research on social, political, and economic issues involving media in the converged landscape. The professorship is supported by

an endowment of \$347,922. The funding amount exceeds the minima requirement of \$200,000 for professorships established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

Additional Details: A pioneer in cable media, Tom Dowden is a Grady College and UGA alumnus (A.B.J., 1962; M.A. in Political Science, 1964) and founder and director of Dowden Communications. He is an emeritus chairman and member of the Peabody Awards Board and emeritus University of Georgia Foundation trustee. Mr. Dowden received Grady's John Holliman Award for Lifetime Achievement in 1990. Evoking intellectual pioneership, it is appropriate that the Dowden Professorship set its sights on a vital research, teaching and service mission for media at a time in which pioneering thought is the norm. In so doing, the professorship honors the original purposes of the Dowden Center and extends these objectives via the intellectual energy and entrepreneurship of the Dowden Professor.

17. Establishment of the Otis A. Brumby, Jr. Distinguished Professorship in First Amendment Law, 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 Otis A. Brumby, Jr. Distinguished Professorship in First Amendment Law, effective January 16, 2008.

Abstract: UGA sought approval to establish the Otis A. Brumby, Jr. Distinguished Professorship in First Amendment Law in the School of Law. The Brumby Distinguished Professor will hold a joint appointment with the Grady College and the School of Law. The special faculty position will be housed in the School of Law and will support teaching, research, and public service in the area of First Amendment Law. The candidate will be identified through a search process. The distinguished professorship is supported by endowment accounts with the Arch Foundation of the University of Georgia and the University of Georgia Foundation. As of December 11, 2007, combined fund balances for the two accounts totaled \$654,460. The funding amount exceeds the minima requirement of \$400,000 for distinguished professorships established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

Additional Details: Mr. Otis Brumby received his early education at the Capital Page School in Washington, D. C. and graduated from the University of the South in Sewanee, Tennessee in 1962. He was admitted to the State Bar of Georgia in December 1964 and received his Bachelor of Laws ("LLB") degree from the University of Georgia School of Law in 1965. Mr. Brumby is president and publisher of the Marietta Daily Journal and Neighbor Newspapers, Inc. which publishes two daily and 28 community newspapers in 11 counties of metropolitan Atlanta. This distinguished professorship is a tribute to Mr. Brumby's strong personal and professional beliefs in the First Amendment and the freedoms it affords American citizens.

18. Establishment of the Michael E. Tennenbaum Family Chair and Georgia Research Alliance Eminent Scholar in Energy Sustainability, Georgia Institute of Technology

Approved: The Board approved the request of President G. Wayne Clough that Georgia Institute of Technology (“GIT”) be authorized to establish the Michael E. Tennenbaum Family Chair and Georgia Research Alliance Eminent Scholar in Energy Sustainability, effective January 16, 2008.

Abstract: GIT sought approval to establish the Michael E. Tennenbaum Family Chair and Georgia Research Alliance Eminent Scholar in Energy Sustainability. The holder of the special, endowed position will foster a seminal research and instructional program in the emerging energy area. The chair is supported by an endowment of \$1.5 million. The funding amount exceeds the minima requirement of \$500,000 for chairs established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

Biosketch: The special faculty position is made available through the generosity of Michael E. Tennenbaum and the Georgia Research Alliance. Mr. Tennenbaum is an investment banker and senior managing partner of Tennenbaum Capital Partners. He is also a trustee emeritus of the Georgia Tech Foundation. In addition to his leadership of Tennenbaum Capital Partners, Michael Tennenbaum is chairman of PEMCO Aviation Group, chairman of Anacomp, vice-chairman of Party City Corp. and former vice chairman of Investment Banking of Bear, Stearns and Co., Inc. where he served in various capacities for 34 years.

19. Establishment of the Bobby Lee Cook Professorship, Georgia State University

Approved: The Board approved the request of President Carl V. Patton that Georgia State University (“GSU”) be authorized to establish the Bobby Lee Cook Professorship, effective January 16, 2008.

Abstract: GSU sought approval to establish the Bobby Lee Cook Professorship in the College of Law. The Bobby Lee Cook Professorship will highlight the College of Law’s focus on teaching and scholarly research that bridges theory and practice. The holder of the Bobby Lee Cook Professorship shall be engaged in highly visible teaching, research, and service, or administrative activities consistent with the purpose of the professorship and his or her own academic interests. The professorship will enhance the visibility of the College of Law and underscore the importance of law both as an academic discipline and a profession. The professorship is supported by an endowment of \$285,000. The funding amount exceeds the minima requirement of \$200,000 for professorships established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

Biosketch: Bobby Lee Cook, a prominent Georgia attorney who specializes in civil, criminal and municipal law, was born in 1927 in Lyerly, Georgia. He was educated at Vanderbilt University and the University of Alabama School of Law and has been a member of the Georgia bar since 1949. He is a member of the following professional associations: Lookout Mountain Bar Association, American Bar Association, State Bar of Georgia (Chairperson: Georgia Criminal Justice Committee,

1979 – 1980; Criminal law Advisory Committee, 1979 – 1980), Roscoe Pound Foundation, Georgia Association of Criminal Defense Lawyers, Georgia Association of Plaintiff’s Attorneys, The Association of Trial Lawyers of America, Trial Lawyers for Public Justice, The Academy of Florida Trial Lawyers, Texas Trial Lawyers Association, and the California Attorneys for Criminal Justice. Mr. Cook has received numerous awards and citations for his work. His law office is located in Summerville, Georgia. Recently, Mr. Cook made several significant donations to the Georgia State University College of Law.

20. Establishment of the Mark and Eveyln Trammell Chair in Tax Law, Georgia State University

Approved: The Board approved the request of President Carl V. Patton that Georgia State University (“GSU”) be authorized to establish the Mark and Evelyn Trammell Chair in Tax Law, effective January 16, 2008.

Abstract: GSU sought approval to establish the Mark and Evelyn Trammell Chair in Tax Law at the College of Law. The Mark and Evelyn Trammell Chair in Tax Law will be the cornerstone of the College of Law’s Tax Law program and its nationally acclaimed Tax Clinic. The holder of the Mark and Evelyn Trammell Chair shall be engaged in highly visible teaching, clinical education, research, and service or administrative activities consistent with the purpose of the endowed chair and his or her own academic interests. The chair will benefit the communities served by Georgia State University by providing leadership in the discipline of tax law. The chair is supported by an endowment of \$552,000. The funding amount exceeds the minima requirement of \$500,000 for chairs established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

Biosketch: The Mark and Evelyn Trammell Foundation has made several leadership gifts to Georgia State University’s College of Law Tax Clinic. These gifts reflect the late Trammell’s interest in education and in assuring that persons from all walks of life are fairly represented in their dealings with tax administration systems. Mark and Evelyn Trammell were Atlanta residents who experienced success in business and pursued charitable interests during their lifetimes. Philip C. Cook, a partner at Alston & Bird, LLP, is Chairman of the Board of Trustees of the foundation.

21. Establishment of the Catherine C. Henson Professorship, Georgia State University

Approved: The Board approved the request of President Carl V. Patton that Georgia State University (“GSU”) be authorized to establish the Catherine C. Henson Professorship, effective January 16, 2008.

Abstract: GSU sought approval to establish the Catherine C. Henson Professorship at the College of Law. The Catherine C. Henson Professorship will highlight the College of Law’s focus on teaching and scholarly research that bridges theory and practice. The holder of the Catherine C. Henson Professorship shall be engaged in highly visible teaching, research, and service or administrative activities consistent with the purpose of the professorship and his or her own academic interests.

The professorship is supported by an endowment of \$212,000. The funding amount exceeds the minima requirement of \$200,000 for professorships established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

Biosketch: Catherine C. Henson is the founder and president of the Georgia School Council Institute, a nonprofit organization that facilitates collaboration among parents, educators and members of the business community to improve Georgia's public schools. She is a graduate of Georgia State University's College of Law, and an advocate for the improvement of public education as a parent, educator and member of the business community. Ms. Henson served on the State Board of Education from 1999 to 2003 and was the first woman to be elected Chairman of the Board. At the forefront of education reform, she served on the Georgia Education Reform Study Commission in 1999 and 2000, and on the Closing the Achievement Gap Commission in 2001 and 2002. Early in her career, Ms. Henson taught seventh grade English in upstate New York. Ms. Henson serves on the boards of directors of the Georgia Chamber of Commerce, the Board of Visitors of Georgia State University University's College of Law, the Foundation of Southern Polytechnic State University, the Georgia Partnership for Excellence in Education, and the Tech High Charter School. For several years *Georgia Trend* magazine has named Ms. Henson one of the 100 most powerful and influential Georgians. She has established an endowed scholarship and is contributing toward an endowed professorship at Georgia State University's College of Law.

22. Conversion of the Roy Witherington, M.D. Endowed Chair in Urology to the Roy Witherington, M.D. Distinguished Chair in Urology, Medical College of Georgia

Approved: The Board approved the request of President Daniel W. Rahn that the Medical College of Georgia ("MCG") be authorized to convert the existing Roy Witherington, M.D. Endowed Chair in Urology to the Roy Witherington M.D. Distinguished Chair in Urology, effective January 16, 2008.

Abstract: MCG sought to convert the Roy Witherington, M.D. Endowed Chair in Urology to the Roy Witherington, M.D. Distinguished Chair in Urology. The Medical College of Georgia's Foundation has in excess of \$1 million in this fund to cover the conversion to "Distinguished Chair" status. The funding amount meets the minima requirement of \$1,000,000 for distinguished chairs established at the research and regional university levels as stipulated in *The Policy Manual*, Section 803.0402.

23. Revised Academic Program Degree Waivers, Southern Polytechnic State University

Approved: The Board approved the request of President Lisa A. Rossbacher that Southern Polytechnic State University ("SPSU") be approved to appropriately reflect program hour requirements according to the list below for specific engineering technology and other programs, effective January 16, 2008.

Abstract: In order to reconcile SPSU's waiver approvals with the credit hour totals being used by the Georgia Student Finance Commission, the following new hours are requested for Board approval:

Hours Approved

	<u>Old</u>	<u>New</u>
Bachelor of Architecture (5 year program)	150	152
B.S. with a major in Industrial Engineering Technology	128	130
B.S. with a major in Apparel/Textile Engineering Technology	128	130
B.S. with a major in Civil Engineering Technology	128	130
B.S. with a major in Computer Engineering Technology	128	130
B.S. with a major in Electrical Engineering Technology	128	130
B.S. with a major in Mechanical Engineering Technology	128	130
B.S. with a major in Construction Management	128	130
B.S. with a major in Surveying and Mapping	128	130
B.S. in Software Engineering	128	130
B.S. with a major in Telecommunications Engineering Technology	128	130
B.S. in Construction Engineering	128	130
B.S. with a major in Mechatronics Engineering	128	130
B.S. in Systems Engineering	128	130

The credit hour revisions reflect curriculum requirements for the aforementioned disciplinary areas as offered under a baccalaureate degree.

24. Revised Academic Program Degree Waivers, Valdosta State University

Approved: The Board approved the request of President Ronald M. Zaccari that Valdosta State University (“VSU”) be approved to appropriately reflect program hour requirements according to the list below for specific education programs, effective January 16, 2008.

Abstract: In order to reconcile VSU’s waiver approvals with the credit hour totals being used by the Georgia Student Finance Commission, the following revised hours are requested for Board approval:

- All Bachelor of Science in Education in Secondary Teaching programs, 126 hours
- Bachelor of Fine Arts with a major in Art Education , 132 hours
- Bachelor of Music with a major in Music Education, 133 hours
- Bachelor of Science in Education in Business Education, 126 hours

The credit hour revisions reflect curriculum requirements for the aforementioned disciplinary areas as offered under a baccalaureate degree.

25. Creation of a Faculty Assembly, South Georgia College

Approved: The Board approved the request of President Tori Lilly that South Georgia College (“SGC”) be approved to establish a faculty assembly, effective January 16, 2008.

Abstract: SGC sought approval to establish a faculty assembly in order to promote the growth and general welfare of the college. The change in governance was adopted by the faculty of South Georgia College for the benefit of the institution. The bylaws provide details concerning the power and duties, organization, and amendments of the faculty assembly. The faculty assembly will have the authority to consider, advise, and recommend to the Vice President for Academic Affairs or, if appropriate, through the Vice President for Academic Affairs to the President, policies and procedures in matters which concern the general welfare of the faculty including, but not limited to issues concerning promotion and tenure, priorities for the college budget and development plan, changes in physical facilities, criteria for the selection of campus administrative officers, and policies concerning student life and responsibilities.

A copy of the faculty assembly bylaws will remain on file in the Office of Academic Affairs.

26. Information Item: Report on Master of Business Administration Programs in the University System

Deferred: The discussion of the Master of Business Administration programs in the University System that was to be led by the Vice Chancellor for Academic Planning and Programs, Sandra S. Stone, was deferred until the Board's regularly scheduled February 2008 meeting.

27. Information Item: Report on the International Baccalaureate Curriculum

The Vice Chancellor for Academic Planning and Programs, Sandra S. Stone, provided an overview of the International Baccalaureate Curriculum.

Walk-on: This item was added by unanimous consent as a walk-on item to the Committee's agenda.

The Committee meeting adjourned at approximately 2:10 p.m.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

The Committee on Finance and Business Operations met on Tuesday, January 15, 2008, at approximately 1:35 p.m. in the Board Room. Committee members in attendance were Chair Robert F. Hatcher, Vice Chair Hugh A. Carter Jr., and Regents James A. Bishop, Felton Jenkins, Donald M. Leebern Jr., Benjamin J. Tarbutton III and Richard L. Tucker. The Chair of the Board, Regent Allan Vigil and the Interim Vice Chancellor for Fiscal Affairs, Usha Ramachandran, were also in attendance. Special guests in attendance included: the Senior Vice President & Chief Financial Officer for Health System Administration at the Medical College of Georgia, Dennis R. Roemer, and the Vice President & General Counsel at the Medical College of Georgia, Virginia Roddy. Chair Hatcher reported to the Board that the Committee reviewed three items, two of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

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

Approved: The Board approved renewal of the Master Affiliation Agreement and all Associated Agreements for fiscal year 2008 (July 1, 2007 through June 30, 2008) between the Medical College of Georgia (“MCG”) and MCG Health, Inc. (“MCGHI”) regarding the operation of MCG Hospitals and Clinics, with amendments. A copy of the proposed agreements is on file in the office of Fiscal Affairs.

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

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

The Associated Agreements include the Master Lease; the Clinical, Educational and Research Services Agreement (“CERSA”); the Operations and Services Agreement (“OSA”); the Personnel Agreement; the Asset Transfer Agreement detailing the assets and liabilities to be transferred; and the MCGHI/PPG Agreement. All of these agreements, with the exception of the Master Lease whose term is 10 years, are renewable at the end of each fiscal year, with approval of the Board of Regents and the Board of Directors of MCGHI. The Affiliation Agreement provides for both parties to propose amendments to the agreements that may be negotiated with the renewal.

Major changes include:

Total funding for Graduate Medical and Dental Education has been set at \$22,738,861.08 for fiscal year 2008, from \$21,447,224.89 in fiscal year 2007.

The number of dental residents funded by MCGHI has been expanded. Over the next three years, MCGHI will begin to receive reimbursement for these costs from the federal government.

MCGHI will provide new funding to assist MCG with governmental relations. Also, MCG and MCGHI have re-balanced the proportional funding from MCGHI for certain publications, to reflect the amount of coverage MCGHI receives in those publications.

2. **Addition to *The Policy Manual*, Section 713, Board of Regents’ Retiree Health Benefit Fund Investment Policy**

Approved: The Board approved an addition to *The Policy Manual*, Section 713, Board of Regents’ Retiree Health Benefit Fund Investment Policy, to become effective immediately.

Background: Under new Governmental Accounting Standards Board (“GASB”) rules, the Board of Regents is required to report annually on the accrued actuarial liability of other post employment benefits (e.g., life and health insurance benefits) provided to system retirees. Currently, that liability is approximately \$2.1 billion. Under GASB rules, the Board is permitted to make annual contributions to fund that liability over a set time period (e.g. 30 years). GASB further recommends that organizations establish separate trust funds for the deposit of contributions and premiums and the payment of the liability and claims for retirees. By state law, a benefit fund provides the Board with the flexibility to also invest in equities.

In 2007, the Georgia General Assembly approved legislation establishing a retiree benefit fund for the Board of Regents health insurance program. Since that time, steps have been taken to establish separate accounts and develop an investment policy. The proposed investment policy has both short and long term objectives. The short-term objectives are based on the assumption that, initially, contributions to the fund, other than retiree premiums, will be limited. This means that fund resources will be needed primarily to pay claims costs and, therefore, the investment strategy envisions use of short-term fixed income asset and cash equivalent investments to maintain liquidity in the fund while earning a reasonable return. The long-term objective assumes that at some future date resources in the fund will be such that greater diversification of the investment portfolio will be possible and that greater returns can possibly be realized.

The approved addition to *The Policy Manual* is below.

713 BOARD OF REGENTS’ RETIREE HEALTH BENEFIT FUND INVESTMENT POLICY

A. PURPOSE

The Board of Regents’ Retiree Health Benefit Fund (“the Benefit Fund”) is established by Georgia state law to provide a steady stream of support for the mission of the Benefit Fund. As such its assets are to be invested in a prudent manner that seeks to ensure the Benefit Fund assets grow to support the spending requirements of the Benefit Fund. The minimum funding requirements of O.C.G.A. 47-20-10 shall not apply to prefunding, in whole or in part, of anticipated future costs of providing other post-employment benefits as defined by Governmental Accounting Standards Board Statements Number 43 and Number 45 for retired employees of a political subdivision including those presently retired and those anticipated to retire in the future, as provided in O.C.G.A. 47-20-10.1.

This investment policy provides a set of guidelines that govern the investment of these assets.

The guidelines include asset allocation, allowable investments, quarterly standards and performance standards overall and by specific category.

B. GENERAL OBJECTIVES

Investments will be made for the sole benefit of the Board of Regents Retiree Health Insurance Benefit Fund. Specifically the portfolio should be guided by the following objectives:

1. The assets must be invested with the skill, care and diligence that a prudent investor would use in a similar capacity.
2. The Benefit Fund should seek to earn the projected spending rate plus inflation over a full market cycle (generally 48-60 months).
3. The Benefit Fund should seek to outperform relevant market indices over a full market cycle.

C. RESPONSIBILITIES

The Board of Regents has oversight regarding all trust fund decisions. The Board has delegated the oversight role to the Finance and Business Operations Committee. This Committee has the responsibility to ensure that the Benefit Fund assets are managed:

1. For the exclusive benefit of the Retiree Health Insurance Benefit Fund
2. Prudently and in compliance with applicable laws and regulation, and
3. Effectively so that the assets will increase over time (on an inflation adopted basis).

The Committee, with the consent of the Board, has the power to appoint professional money managers to execute the Benefit Fund's investment strategy.

Responsibilities include developing investment goals, objectives and performance measurement standards which are consistent with the needs of the Benefit Fund, communicating the investment goals, objectives and standards to the professional money manager including any material changes that may subsequently occur; and determining how the Benefit Fund assets should be allocated among asset classes. The Committee will also review and evaluate the results of the professional money manager in the context of mutually accepted standards of performance.

D. MONITORING OF OBJECTIVES

The Retiree Benefit Fund will be monitored for adherence to investment philosophy, returns relative to objectives and investment risk (as measured by asset concentration, exposure to extreme economic conditions and volatility). The Committee will conduct periodic reviews of the professional money manager in order to confirm that the factors underlying the performance expectations remain in place. The Committee shall meet with the professional money manager at least semi annually.

E. SHORT-TERM INVESTMENT PORTFOLIO

The Benefit Fund's short-term portfolio should seek to provide preservation and enhancement of capital. The Fund will need liquidity and income annually and therefore will only accept minimal short-term volatility in those assets providing income; however a portion of short-term assets may be invested for the longer term, and volatility in these asset categories is to be expected and managed. The short-term investment objective is to consistently outperform selected weighted market indices and is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style such as the Georgia One fund, or the Georgia Extended Asset Pool.

The long-term investment objective for the Fund's short-term portfolio is to achieve an average annual total rate of return in excess of the inflation rate (as measured by the Consumer Price Index) *plus* 1% for the aggregate investments under this investment policy evaluated over rolling three to five year periods, net of investment management and advisory fees. This is based on targeting allocations in fixed income assets and cash equivalents to meet the current period plan obligations, as outlined in the investment statement. A secondary objective to be considered is diversification and risk management. A third objective is to invest principally in liquid and marketable instruments consistent with anticipated cash requirements.

F. LONG-TERM INVESTMENT PORTFOLIO

The Fund's long-term investment portfolio should seek to provide annual income growing in line with inflation with the secondary investment objective to seek growth of principal over time. The Fund will need liquidity and income annually and therefore will only accept minimal short-term volatility in those assets providing income, however the majority of assets are to be invested for the long-term, and some volatility in these asset categories is to be expected and managed.

The long-term investment objective for the Trust's long-term portfolio is to achieve an average annual total rate of return in excess of the inflation rate (as measured by the Consumer Price Index) *plus* 5% for the aggregate investments under this Investment Policy Statement evaluated over rolling three to five year periods. This return, which is to be net of investment management and advisory fees, is based on targeting allocations in equities, fixed income and other assets and cash equivalents, as outlined in the investment statement. The short-term investment objective is to consistently outperform selected weighted market indices. The overall short-term objective is the preservation and enhancement of capital. A secondary objective to be considered is diversification and risk management. A third objective is to invest principally in liquid and marketable instruments.

3. **Information Item: Update on the University System of Georgia Health Insurance Program**

The Interim Vice Chancellor for Fiscal Affairs, Usha Ramachandran, provided an update on the University System of Georgia ("USG") health insurance program. The update included the

introduction of the new Vice Chancellor for Health and Life Benefits, an enrollment summary for all health insurance plans, including the new USG High Deductible Healthcare Plan (“HDHP”), and information on the release of the USG health insurance Request for Proposal (“RFP”) for plan year 2009.

4. Information Item: Medical College of Georgia Health Systems, Inc. Project 2008

The Interim Vice Chancellor for Fiscal Affairs, Usha Ramachandran, provided a brief overview of the Medical College of Georgia Health Systems Inc. (“MCGHI”) Project 2008, a plan to update facilities and equipment for the benefit of the Medical College of Georgia academic programs.

The Committee meeting adjourned at approximately 1:52 p.m.

COMMITTEE ON INFORMATION AND INSTRUCTIONAL TECHNOLOGY

The Committee on Information and Instructional Technology met on Tuesday, January 15, 2008, at approximately 1:40 p.m. in room 7059, the Training Room. Committee members in attendance were Chair W. Mansfield Jennings Jr. and Regents James R. Jolly, Elridge W. McMillan, Doreen Stiles Poitevint, Willis J. Potts Jr. and Wanda Yancey Rodwell. Chair Jennings reported to the full Board on Wednesday that the Committee had reviewed one item, which required no action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Update on Information and Instructional Technology Services and Operations

A number of changes have occurred following the transition last July to permanent leadership in the Office of Information and Instructional Technology “OIIT”. The Vice Chancellor for Information and Instructional Technology & Chief Information Officer, Thomas L. Maier, provided an update on OIIT 2.0, the name given to the reorganization designed to transform OIIT into a service focused organization. Dr. Maier also introduced his new senior leadership team composed of the Associate Vice Chancellor for Services, Kris A. Biesinger, and the Associate Vice Chancellor for Operations, John R. “Reid” Christenberry.

All three individuals presented portions of updates on the status of major projects underway such as Georgia ONmyLINE, Student System Consolidation, and PeopleSoft Financials enhancements. In addition, areas of significant risk and opportunity facing OIIT and the University System going forward were highlighted.

The Committee meeting adjourned at approximately 2:20 p.m.

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, January 15, 2008, at approximately 2:57 p.m. in room 7019, the Chancellor's Conference Room. Committee members in attendance were Chair James R. Jolly and Regents W. Mansfield Jennings, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Jr., Wanda Yancey Rodwell, and Benjamin J. Tarbutton III. The Board Vice Chair, Regent William H. Cleveland and the following staff members were also in attendance: the Associate Vice Chancellor for Legal Affairs, J. Burns Newsome, Assistant Vice Chancellor for Legal Affairs, Kimberly Ballard-Washington, Vice Chancellor for Academic Planning and Programs, Sandra S. Stone, Assistant Vice Chancellor for Academic Affairs, Dorothy Zinsmeister, the Assistant Vice Chancellor for Faculty Affairs, Linda M. Noble, Assistant Vice Chancellor for the Georgia Public Library Service, J. Lamar Veatch., and the Director of the Northwest Regional Library, Joe Forsee, . Chair Jolly reported to the Board on Wednesday that the Committee reviewed seven (7) items, all of which required action. Within Item 1, the Committee had eight (8) applications for review. In accordance with H.B. 278, Section 3 (amending O.C.G.A. § 50_14_4), an affidavit regarding this Executive Session is on file with the Chancellor's Office. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Applications for Review

At approximately 3:10 p.m. on Tuesday, January 15, 2008, Chair James R. Jolly called for an Executive Session for the purpose of discussing personnel matters, and academic records of students. With motion properly made and variously seconded the Committee members who were present voted unanimously to go into Executive Session. Those Regents were as listed above. Also in attendance were the Associate Vice Chancellor for Legal Affairs, J. Burns Newsome, Assistant Vice Chancellor for Legal Affairs, Kimberly Ballard-Washington, Vice Chancellor for Academic Planning and Programs, Sandra Stone, and Assistant Vice Chancellor for Academic Affairs Dorothy Zinsmeister, and the Assistant Vice Chancellor for Faculty Affairs, Linda M. Noble.

At approximately 3:59 p.m., Chair Jolly reconvened the Committee meeting in its regular session and announced that the following items were discussed in Executive Session.

- a. In the matter of file no. 1940, at the University of Georgia (UGA), concerning academic dishonesty of a student, the committee recommended that the application for review be denied.
- b. In the matter of file no. 1941, at Albany State University (ASU), concerning the alleged failure of ASU to follow Board of Regents Policies for admission of transfer students, the committee recommended that the application for review be denied.
- c. In the matter of file no. 1942, at the University of Georgia (UGA), concerning denial of a student's request for readmission to the Graduate School and the Master of Science Degree Program at UGA, the committee recommended that the application for review be denied.

- d. In the matter of Dr. Rob Johnson, at the Georgia Institute of Technology (GIT), concerning allegations of scientific and scholarly misconduct of his supervisor and improper procedures for resolution of an employee dispute, the committee recommended that the application for review be denied.
- e. In the matter of file no. 1947, at the Georgia Institute of Technology (GIT), concerning sanctions imposed on a student as a result of allegedly violating GIT's Student Code of Conduct, the committee recommended that the application for review be denied.
- f. In the matter of Mr. Eugene Ellis, Jr., at the University of Georgia (UGA), concerning termination of employment, the committee recommended that the application for review be denied.
- g. In the matter of file no. 1922, at Valdosta State University (VSU), concerning administrative withdrawal of a student, the committee recommended that the Board grant the application for review.
- h. In the matter of Dr. A. Rahman M. Zaghoul, at the Georgia Institute of Technology (GIT), concerning non-reappointment, the committee recommended that the application for review be denied.

2. Georgia Public Library Service Procedures: Delegation of Authority to Chancellor

Approved: The Board delegated to the Chancellor authority to adopt and implement procedures for the Georgia Public Library Service ("GPLS").

Background: At the Chancellor's direction, the State Librarian will receive comment, through public meetings and other forms of public communication, to effectuate the broadest possible participation by the public library community and its users in public discussion concerning GPLS procedures. It is recommended that the Board authorize the Chancellor to take those actions which he believes necessary and proper with regard to the adoption and implementation of GPLS procedures.

3. Approval of the Georgia State University Mutual Aid Agreement with the Atlanta Police Department

Approved: The Board approved the following mutual aid agreement between Georgia State University and the Atlanta Police Department, effective January 16, 2008.

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

4. Approval of the Georgia State University Mutual Aid Agreement with the Fulton County Sheriff's Office

Approved: The Board approved the following mutual aid agreement between Georgia State University and the Fulton County Sheriff's Office, effective January 16, 2008.

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

5. Approval of the Georgia State University Mutual Aid Agreement with the Fulton County Marshall's Office

Approved: The Board approved the following mutual aid agreement between Georgia State University and the Fulton County Marshall's Office, effective January 16, 2008.

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

6. Approval of the Georgia State University Mutual Aid Agreement with the Fulton County Police Department

Approved: The Board approved the following mutual aid agreement between Georgia State University and the Fulton County Police Department, effective January 16, 2008.

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

7. Approval of the Georgia State University Mutual Aid Agreement with the Alpharetta Police Department

Approved: The Board approved the following mutual aid agreement between Georgia State University and the Alpharetta Police Department, effective January 16, 2008.

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

The Committee meeting adjourned at approximately 4:00 p.m.

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, January 15, 2008, at approximately 1:25 p.m. in the Board Room. Committee members in attendance were Chair Richard L. Tucker, Vice Chair Benjamin J. Tarbutton III, and Regents James A. Bishop, Hugh A. Carter Jr., Robert F. Hatcher, Felton Jenkins, Donald M. Leebern Jr. Chairman of the Board, Allan Vigil, and the Vice Chancellor for Facilities, Linda M. Daniels, were also in attendance. Chair Tucker reported to the Board that the Committee reviewed 16 items, 15 of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Demolition, Ground Lease and Rental Agreement, Student Housing, Georgia Southern University

Approved: The Board declared approximately 5.27 acre tract of improved real property on the campus of Georgia Southern University (“GSOU”), to be no longer advantageously useful to GSOU or other units of the University System of Georgia but only to the extent and for the purpose of allowing this real property to be ground leased to Georgia Southern University Housing Foundation Four, LLC (the “LLC”) for the purpose of providing student housing facilities containing approximately 1,001 beds.

The Board authorized the execution of ground leases, including necessary access, use, and construction easements and encroachments, between the Board of Regents, Lessor, and the LLC, Lessee, for the above-referenced approximately 5.27 acres of real property on the campus of GSOU for a period not to exceed 32 years (not to exceed 30 years from the date the LLC obtains a certificate of occupancy for all approximately 1,001 student housing beds and providing a construction period of not more than two years) with an option to renew for up to an additional five years should there be debt outstanding at the end of the original ground lease term, for the purpose of providing approximately 1,001 student housing beds, and site amenities.

The Board authorized the execution of a rental agreement between the LLC, Landlord, and the Board of Regents, Tenant, for the above-referenced housing facilities and site amenities for the period commencing on the first day of the first month after the LLC obtains a certificate of occupancy but not earlier than August 1, 2009, and ending the following June 30 at a rent not to exceed \$3,650,000 per year annualized with options to renew on a year-to-year basis for up to 30 consecutive one-year periods (the total not to exceed 30 years from the date the LLC obtains a certificate of occupancy for all approximately 1,001 student housing beds) with rent increasing no more than 3% for each option period exercised.

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

The Board authorized the execution of site licenses between the LLC, Licensee, and the Board of Regents, to allow early site access to mobilize and commence site work.

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

The Board declared Johnson Hall, Olliff Hall, Winburn Hall, ROTC Building and Building 805 on the campus of GSOU to be no longer advantageously useful to GSOU or other units of the University System of Georgia and authorize the demolition and removal of these buildings.

The Board requested the Governor to issue an Executive Order authorizing the demolition and removal of these buildings from the campus of GSOU.

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

Understandings: In October 1997, the Board passed a student housing policy that requires the preparation of a comprehensive plan for student housing together with a financial plan to support housing program objectives. GSOU has developed a comprehensive plan that is consistent with the policy.

In October 2007, the Executive Director for Real Estate Ventures, Marty Nance presented an information item concerning the need to replace and obtain additional student housing at GSOU through a privatization process.

The GSOU housing plan requires the demolition of Johnson Hall, Olliff Hall and Winburn Hall containing a total of 950 student housing beds. The approximately 1,001 new students housing beds replace these 950 beds demolished. During the construction of the new approximately 1,001 student housing beds, GSOU plans to give priority housing to freshman.

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

2. Rental Agreement, Student Housing, Georgia Southern University

Approved: The Board authorized the execution of a rental agreement between the Georgia Southern University Housing Foundation Four, LLC (the “LLC”), Landlord, and the Board of Regents, Tenant, for an approximately 10.7 acre tract of real property containing 472 student housing beds located at 1701 Chandler Road, and known as Campus Courtyard Apartments, and site amenities for the period commencing on August 1, 2008 and ending the following June 30 at a rent not to exceed \$1,101,000 per year annualized with options to renew on a year-to-year basis for up to 30 consecutive one-year periods (the total not to exceed 30 years from the date of initial occupancy) with rent increasing no more than 3% for each option period exercised.

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

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

Understandings: In October 1997, the Board passed a student housing policy that requires the preparation of a comprehensive plan for student housing together with a financial plan to support housing program objectives. Georgia Southern University (“GSOU”) has developed a comprehensive plan that is consistent with the policy.

In October 2007, the Executive Director for Real Estate Ventures, Marty Nance presented an information item concerning the need to obtain additional student housing at GSOU through a privatization process.

The LLC has a purchase contract for the Campus Courtyard Apartments located adjacent to the campus. The LLC will make improvements to this housing complex to provide 472 apartment style student housing beds. These beds will be used by GSOU to reduce the impact of the reduction of beds resulting from the demolition of Johnson, Olliff, and Winburn Halls.

At the end of the term of the rental agreement for Campus Courtyard, the real property, all improvements, and any accumulated capital reserves will become the property of the Board of Regents.

3. Authorization of Budget Modification, Project BR-66-0607, Alumni House & Welcome Center, Georgia Southern University

Approved: The Board modified the budget of Project No. BR-66-0607, Alumni House and Welcome Center, Georgia Southern University, to increase the total project budget from \$3,240,000 to \$3,490,000.

Understandings: The Alumni House & Welcome Center project, approved by the Board in October 2007 is currently in design. Recent construction material cost increases have contributed to the

overall cost increase of the project. The Stated Cost Limitation (the “SCL”) will increase from \$2,360,000 to \$2,610,000.

Funding of this cost increase of approximately \$250,000 will be from Georgia Southern Foundation funds.

	<u>June 2007</u>	<u>Now</u>
Total project cost	\$3,240,000	\$3,490,000
Construction Cost (Stated Cost Limitation)	\$2,360,000	\$2,610,000

4. Revision of Policy Manual, Section 901.06 Delegation of Authority

Approved: The Board approved a revision to the Board Policy Manual, Section 901.06, Delegation of Authority, effective January 16, 2008.

Understandings: The approved policy, Section 901.06, Delegation of Authority, constitutes a significant revision of the previous policy. Approved revisions follow that will clarify delegation of authority for real property transactions. Please note that the bold, highlighted texts represent additions.

Modified: This item was modified prior to the committee meeting to clarify that the delegation is only when the Board has authorized action or previously delegated authority, and to clarify that the Chancellor may designate a person in writing. Modified text shown in italics.

<i>Current Policy</i>	<i>Revised Policy</i>
Policy 901.06. Delegation of Authority	Policy 901.06. Delegation of Authority
For the purposes of the Board of Regents Policy Manual Section 900, unless specifically designated otherwise, the Chancellor’s designee shall be the University System chief facilities officer.	For the purposes of the Board of Regents Policy Manual Section 900, unless specifically designated otherwise, the Chancellor’s designee shall be the University System chief facilities officer and any other person designated by the Chancellor in writing from time to time. Where the Board has authorized action or has previously delegated authority the Chancellor, the Chancellor’s designee, and the University System chief facilities officer shall be authorized and empowered, in the name and on behalf of the Board of Regents of the University System of Georgia, to take or cause to be taken any and all such further action as, in the judgment of such officials, may be necessary, proper, convenient or

	<p>required in connection with the execution and delivery of such instruments, documents or writings in order to carry out the intent of authority granted and authority delegated for all public private venture transactions and all real property transactions of the University System of Georgia. Such authorization may not be further delegated to individual institutions of the University System of Georgia.</p>
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5. Appointment of Program Management Firm, Architectural Firm, Construction Management Firm, for Project J-132, School of Dentistry, Medical College of Georgia

Approved: The Board appointed the first-named program management firm, architectural firm and construction management firm listed below for the identified project and authorized the execution of contracts with the identified firms. Should it not be possible to execute contracts with each top-ranked firm, staff will then attempt to execute contracts with other listed firms in rank order.

Following public advertisement, qualifications-based selection processes for a program management firm, architectural firm, and construction management firm were held in accordance with Board of Regents procedures. The following recommendations are made:

Project No. J-132, School of Dentistry, Medical College of Georgia

Project Description: The 269,000-square-foot building will replace the existing physically and clinically obsolete building and provide the necessary educational, clinical and administrative spaces to support an increase in pre-clinical dental education enrollment, as well as an increase in the graduate dental education residency programs. The building will include general classrooms, seminar rooms, wet and dry laboratories, conference rooms, dental clinics with 307 operatories, administrative offices and technology support spaces.

Total Project Cost	\$128,000,000
Construction Cost (Stated Cost Limitation)	\$ 90,000,000

Number of program management firms that applied for this commission: 11

Recommended program management firms in rank order:

- 1) Gleeds, Atlanta, Georgia
- 2) Staubach, Atlanta, Georgia
- 3) Jacobs, Atlanta, Georgia

Number of architectural firms that applied for this commission: 10

Recommended architectural firms in rank order:

- 1) Lord Aeck & Sargent, Atlanta, Georgia
- 2) Heery International, Inc., Atlanta, Georgia
- 3) Bohlin Cywinski Jackson, Philadelphia, Pennsylvania

Number of construction management firms that applied for this commission: 9

Recommended construction management firms in rank order:

- 1) BE&K Building Group, Atlanta, Georgia
- 2) R. J. Griffin & Company, Atlanta, Georgia
- 3) Barton Malow Construction Services, Roswell, Georgia
- 4) Whiting-Turner Contracting Company, Atlanta, Georgia

6. Appointment of Architectural Firm, Project BR-30-0704, Innovative Learning Resource Center, Georgia Institute of Technology

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

Following public advertisement, a qualifications-based selection process for an architectural firm was held in accordance with Board of Regents procedures. The following recommendation is made:

Project No. BR-30-0704, Innovative Learning Resource Center, Georgia Institute of Technology

Project Description: The 230,000-square-foot Innovative Learning Resource Center will be in the academic heart of the Georgia Institute of Technology campus creating an undergraduate community focused on integrating technology with innovative teaching and experiential learning and provide a full array of academic student support functions. The building will include an Experiential Learning Center that contains foundation labs, demonstration classrooms, and project team space; the Educational Innovation Center that contains educational and imaging technology labs; the Undergraduate Commons; the Discovery Court, Productivity and Multimedia Lab; dining services; and general use classrooms and student support space.

Total Project Cost	\$85,000,000
Construction Cost (Stated Cost Limitation)	\$63,350,000

Number of architectural firms that applied for this commission: 18

Recommended firms in rank order:

- 1) Bohlin Cywinski Jackson/Facility Design Group Inc., Philadelphia, Pennsylvania/Atlanta, Georgia
- 2) Mack Scogin Merrill Elam Architects, Atlanta, Georgia
- 3) Perkins + Will, Atlanta, Georgia
- 4) Perry Dean Rogers Partners Architects/ Houser Walker Architecture, Boston, Massachusetts/Atlanta, Georgia

7. **Appointment of Design-Build Firm, Project BR-31-0801, Parking Deck, Southern Polytechnic State University**

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

Following public advertisement, a qualifications-based selection process for a design-build firm was held in accordance with Board of Regents procedures. The following recommendation is made:

Project BR-31-0801, Parking Deck, Southern Polytechnic State University

Project Description: A three- to four-level parking structure for approximately 800 vehicles.

Total Project Cost	\$15,300,000
Construction Cost (Stated Cost Limitation)	\$13,000,000

Number of design-build firms that applied for this commission: 11

Recommended firms in rank order:

- 1) H. J. Russell & Company, Atlanta, Georgia
- 2) Donley's LLC, Richmond, Virginia
- 3) Batson-Cook Company, West Point, Georgia

Understandings: This project was approved by the Board in October 2007 as a Georgia Higher Education Facilities Authority ("GHEFA") project. Funding will be by GHEFA or other privatized funding.

8. Appointment of Design-Build Firm, Project BR-84-0803, Parking Deck, Dalton State College

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

Following public advertisement, a qualifications-based selection process for a design-build firm was held in accordance with Board of Regents procedures. The following recommendation is made:

Project BR-84-0803, Parking Deck, Dalton State College

Project Description: A two-level parking structure for approximately 400 vehicles.

Total Project Cost	\$6,000,000
Construction Cost (Stated Cost Limitation)	\$4,900,000

Number of design-build firms that applied for this commission: 11

Recommended firms in rank order:

- 1) H. J. Russell & Company, Atlanta, Georgia
- 2) Donley's LLC, Richmond, Virginia
- 3) Batson-Cook Company, West Point, Georgia

Understandings: This project was approved by the Board in October 2007 as a Georgia Higher Education Facilities Authority ("GHEFA") project. Funding will be by GHEFA or other privatized funding.

9. Appointment of Design-Build Firm, Project BR-88-0801, Parking Deck, Gainesville State College

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

Following public advertisement, a qualifications-based selection process for a design-build firm was held in accordance with Board of Regents procedures. The following recommendation is made:

Project BR-88-0801, Parking Deck, Gainesville State College

Project Description: A two-level parking structure for approximately 300 vehicles.

Total Project Cost	\$4,500,000
Construction Cost (Stated Cost Limitation)	\$3,700,000

Number of design-build firms that applied for this commission: 11

Recommended firms in rank order:

- 1) H. J. Russell & Company, Atlanta, Georgia
- 2) Donley's LLC, Richmond, Virginia
- 3) Batson-Cook Company, West Point, Georgia

Understandings: This project was approved by the Board in October 2007 as a Georgia Higher Education Facilities Authority ("GHEFA") project. Funding will be by GHEFA or other privatized funding.

10. Appointment of Architectural Firm, Project BR-81-0801, Student Center, Darton College

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

Following public advertisement, a qualifications-based selection process for an architectural firm was held in accordance with Board of Regents procedures. The following recommendation is made:

Project BR-81-0801, Student Center, Darton College

Project Description: An approximately 50,000-square-foot-addition and partial renovation to the existing student center on campus will provide space for student activities, student services, food service, and bookstore.

Total Project Cost	\$15,100,000
Construction Cost (Stated Cost Limitation)	\$11,200,000

Number of design-build firms that applied for this commission: 12

Recommended firms in rank order:

- 1) Yielding Wakeford & McGee Architects, P.C., Albany, Georgia
- 2) Lyman Davidson Dooley, Inc., Marietta, Georgia
- 3) Richard Wittschiede Hand, Atlanta, Georgia

Understandings: This project was approved by the Board in October 2007 as a Georgia Higher Education Facilities Authority (“GHEFA”) project. Funding will be by GHEFA or other privatized funding.

11. Appointment of Architectural Firm, Project BR-50-0802, Student Housing, Georgia State University

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

Following public advertisement, a qualifications-based selection process for an architectural firm was held in accordance with Board of Regents procedures. The following recommendation is made:

Project BR-50-0802, Student Housing, Georgia State University

Project Description: A freshman student housing facility with approximately 325 student housing beds in two and four bedroom configurations.

Total Project Cost	\$15,200,000
Construction Cost (Stated Cost Limitation)	\$10,500,000

Number of design-build firms that applied for this commission: 12

Recommended firms in rank order:

- 1) Cooper Carry, Atlanta, Georgia
- 2) HADP Architecture, Inc. Atlanta, Georgia
- 3) Jova Daniels Busby, Atlanta, Georgia

Understandings: This project was approved by the Board in October 2007 as a Georgia Higher Education Facilities Authority (“GHEFA”) project. Funding will be by GHEFA, other privatized funding, or institutional funding.

12. Appointment of Design-Build Firm, Project BR-64-0803, Student Center / Stadium, Fort Valley State University

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

Following public advertisement, a qualifications-based selection process for a design-build firm was held in accordance with Board of Regents procedures. The following recommendation is made:

Project BR-64-0803, Student Center / Stadium, Fort Valley State University

Project Description: This project consists of the replacement of existing 7,000 seats at Wildcat stadium with new stadium seating, press box, and restrooms.

Total Project Cost	\$5,500,000
Construction Cost (Stated Cost Limitation)	\$4,500,000

Number of design-build firms that applied for this commission: 2

Recommended firms in rank order:

- 1) Pinnacle Prime Contractor, Inc., Valdosta, Georgia
- 2) Harmon Construction, Inc., Macon, Georgia

Understandings: This project is a portion of the \$13 million project that was approved by the Board in October 2007 as a Georgia Higher Education Facilities Authority (“GHEFA”) project. Funding will be by GHEFA or other privatized funding.

Renovation of the Student Center and additional stadium facilities will be designed by an architectural firm and constructed by a construction management firm. Further authorization by the Board will be requested.

13. Information Item: Annual Reporting Per Board Policy. Section 900

Recent *Policy Manual* Section 900 revisions require annual reporting in relation to various delegated responsibilities. The Vice Chancellor for Facilities, Linda M. Daniels, provided an update on the status of the reporting process.

The Committee meeting adjourned at approximately 1:36 p.m.

CHANCELLOR’S STATE OF THE SYSTEM ADDRESS

Chancellor Davis gave his State of the System Address to the Board, which was as follows:

Thank you very much Mr. Chairman. It is that time of the year again where people do a lot of reporting. You are going to have a State of the System report this morning, a State of the State this afternoon and a State of the Union later this month. If you are, at this point in the cycle, unfortunate enough to still be an investor in equities you will be receiving annual reports. Those are always occasioned by a two or three page glossy letter where she or he describes what went on for the year

and, of course, takes credit for the work of others and explains why they did not meet objectives, if they did not meet them. As I was putting together my remarks, I had in front of me an annual report from one of my dear deceased friends, Jack Puehlicher, who was the head of the M&I Bank in Wisconsin. Jack's report to the shareowners essentially said, "We tried a lot of things this year. Some of them worked, some of them did not. On balance, it was a good year. Thank you very much for your support." That was one of the better annual report letters that I have read, but since words are our currency, I decided I would spend just a tad longer than Jack did, conveying to you the state of this System. I will, however, use his words. We tried a lot of things. Some did work, some did not, but, on balance, things went rather well and we are in good shape. Let me expand upon that just a little bit.

Next month will mark my second anniversary as Chancellor. As I look back on those two years and what we have been engaged in, we have worked together not only to assess the System's capabilities, but also to enhance those capabilities, and to develop plans to move the System to higher levels of performance. Thanks to your work over a year and half period, we now have a new Strategic Plan and we are executing according to that plan. As you saw today, the things that we bring before you, the presentations, our actions, are going to be increasingly couched in terms of how they relate to our Strategic Plan. We also have strengthened our System and its capabilities with the addition of a number of very talented individuals about whom I am quite excited. Running the System as a true System was a challenge you gave me and it has been a focus of mine over the last two years. Last year we celebrated the "lessons of history" of our 75th anniversary and it reminded us of how a strong system better serves this state. But we also must make things run better as a System. That is a subtle, but critical point. Last year, I outlined the main goals upon which we would focus our efforts to run as a better System. Those goals have not changed. Bear with me while I repeat the goals I discussed last year: it is important to remind ourselves and to use them to gauge our progress and record our activity.

Our primary mission is to educate. Our first goal is to admit more students. We are doing that. We continue to grow and our fall 2007 enrollment was an all-time System record high of 270,022 students. This represented a 3.9 % increase from fall 2006 to fall 2007. It also represented an additional 10,077 students in the system. That is the equivalent of adding another Valdosta (State University) or (University of) West Georgia. So, we grew by a large university this year. Our second goal is to keep those students in school and progressing, and the third is to graduate more students. We talked about leading indicators and lagging indicators. The first leading indicator on graduation rates is retention rates. Our latest first-year retention report, covering fall 2006 to fall 2007, indicates we are essentially holding steady on retention at just under 73% for our institutions. That is a number that will be compared nationally. However, we also look our System number. While it is 73% at our institutions, it is 78% for our System. Our students do move around within the System, and while that may penalize an individual institution's statistic, it is a statistic that we keep our eye on from a System perspective because based on how one views the future, we may see even more movement between our institutions. What is positive is about that statistic is that, although we held steady, it is applied to a much larger cohort of freshmen. Our freshman retention rate increased from 37,900 to almost 40,000 from the previous year. We also see some real improvement in graduation rates for

the most current six-year cohort, which entered the System in fall 2001. The institution-specific rate increased from 49% last year to 51% this year; the Systemwide rate increased from 56% to 58%. That was a critical hurdle for us. This is the first time in our history that institution-specific, six-year graduation rates have ever exceeded 50%. We are now graduating, within a six-year period more than half of the students who enroll in our System. To put this in context, the most recent national institution-specific six-year rate, for the entering cohort of 1999, was 55.8%, placing Georgia 37th in the nation. If all other states stayed exactly at the same rate over the last two years, the new USG rate would put us at 33rd in the nation, right below Texas. But, as all of you who are engaged in commerce know, while you are attempting to get better, your competitors are attempting to get better as well. Although we do not yet have updated data on our competitors, let me state that even if they do stay the same, moving from 37th to 33rd is not exactly something to celebrate. It is movement in the right direction but is not good enough for us in this state and we will keep the focus on in this area.

Clearly, we are making important and measurable progress toward these three goals: we are enrolling more students; we are keeping more students in college; and we are graduating more individuals to contribute to Georgia's economic and intellectual growth and quality of life. The Strategic Plan's goals, as you know, maintain our focus on these three critical and central measures of our effectiveness. In meeting these three goals, I also noted last year that the University System's challenge is not to just do this for a small, elite cohort of students, but to educate more and more Georgians to higher levels than in the past.

In order to meet our goals, we will continue to keep our focus on increasing access, maintaining affordability, and providing clear accountability for our actions and for the use of the resources we have been given. On the first two, access and affordability, we are doing well. Our fall enrollment report indicates we continue to see strong enrollment gains, particularly, at our two-year access institutions and our state colleges. Two-year college enrollment grew from fall 2006 to fall 2007 at a 6% rate and the state college increase was almost 9%. As we look at the composition of those students, African-American enrollment increased by more than 5%. We have 65,000 African-American students who represent 24% of total University System enrollment. Hispanic enrollment in the System continues to increase at double-digit rates, with an almost 13% jump, to 8,800 students in fall 2007. The total minority enrollment in our System stands at about the 40% level.

In terms of affordability, our guaranteed tuition plan continues to create, I believe, tremendous educational value for our students. At the comprehensive university level, Georgia continues to be the most affordable state in the 16-state Southern Regional Education Board for public higher education tuition. We also rank near the top nationally in terms of affordability. I like to say we have the best of both worlds, that is, low tuition and high quality. Whether we can sustain that at current tuition levels will remain a challenge and a source of contention between the System the Office and the campuses, but we will continue to maintain our focus on reasonable college costs. In the third area of accountability, I think the past year has shown the System continues to make progress. We are an increasingly transparent organization and continue to provide strong measures of accountability to our customers and our funding partners. That we enjoy a strong level of public

support is abundantly clear. It is clear from the data and from the facts. For example, last year, Governor Perdue recommended and the General Assembly approved, a record \$2.1 billion state appropriation to operate this System. We also received \$276 million for construction and renovation of our facilities, for this fiscal year. This represented a 10.5% increase over FY07 and represented the largest increase in state funding for the University System in the last 12 years. As I have noted in various editorial board meetings and in public appearances, this is extraordinary when compared to many other states and systems. We have strong support for our mission, and we do need to continue to thank the Governor and the members of the General Assembly for their collective attention to and continuing support for public higher education in Georgia. That attention and support is having a significant, positive influence on the educational attainment of thousands of citizens and on the economic condition of hundreds of cities across the state.

We do, however, have our challenges. As we have worked to be transparent, we also have clearly indicated that we have to address some serious challenges in the operation of this \$5.7 billion enterprise. Looking at the academic side of the house, my personal assessment is that we have thousands of truly outstanding faculty at work on our campuses. These faculty members are highly dedicated and challenge our students to learn, but more importantly, to create new knowledge and ideas to take into the world. Thanks to our faculty, I feel that we do create a transformative experience for our students in our classrooms and labs. I meet constantly with student groups. I have probably met with between 75 and 90 student groups over the last two years, and I have yet to hear a single complaint about the quality of teaching in our System. I think that is an outstanding tribute to our faculty and what we do in our classrooms.

Our level of risk management however, is not at the consistent quality of our academic commitment. It is no understatement to say that 2007 surfaced a number of challenges to the System. These can be grouped into generalized challenges and specific challenges. Let me briefly look at the specific challenges first. The first challenge is to manage explosive growth and our growing funding needs. As I noted, our Strategic Plan has a focus on both capacity and on the nature of the core academic experience. A second challenge is to address faculty compensation. In order to continue to strengthen the quality of faculty and staff and to keep excellent performers in the System, we simply have to pay people at market rates. We cannot wish for, hope for, and get, world class outcomes without competitive salaries. It is no less important in the public sector than it is in the private sector. But, I also have said, we cannot approach this from a point of view that says, "We're bright and good-looking, so, give us the money." It does not work that way. Everyone has to understand and meet rational expectations for performance and for adding value to the people of this state. We also need to understand that as we increase transparency, we should expect that expectations from our customers and our funding partners will also increase.

Another challenge is to get past the unnecessarily complex politics of medical expansion. The issue of more doctors and of more nurses and of more health professionals is not a local issue. This is a statewide issue. Any delay in increasing the production of more health professionals puts the health of Georgia's population at risk. While we have been debating where doctors should be trained over the two years, Georgia has slipped from 37th to 40th in doctors per capita. We must move forward

with a comprehensive, statewide plan to meet these needs, and we must move forward without delay. We do have a plan in place and we do now have a roadmap that will allow us to do that. The generalized challenges I see can be grouped into two areas. First is the need to execute our plans with discipline. The second generalized challenge is to simply run the enterprise with a higher degree of accountability by management and leadership at every level. If we do not meet these two challenges, we lose the ability to follow through on our plans and thus will undermine, if not lose, public support for our work.

What can we say and do about execution and management? First, it is our job as managers and leaders to rapidly fix things that go wrong. However, I believe our greatest leadership responsibility is to make sure things do not go wrong in the first place. If we are smart enough to solve problems, we are smart enough to prevent them as well. To achieve this however, may require a slight shift in our overall leadership focus. We focus a great deal of attention on our academic mission – as we absolutely should and must. However, we also must focus a growing amount of attention on the need to create a pervasive culture of continuous improvement and thorough risk management throughout the System. Issues such as P-cards and tuition residency violations are not the problems; they are merely indicators of the need to improve our overall risk management. We must understand as a System that the public will not trust us to do the good and great things expected of us if they cannot trust us to do the routine and the mundane.

Looking ahead, I believe the year 2008 will be another year of academic excellence and intellectual discovery. But, it will also be a year of focused plan execution and a year in which we continue our push for higher levels of transparency and accountability at every level. This state and its citizens have been very generous to the University System in terms of providing resources. While it is a matter of constant debate between me and my colleagues, my view is that the level of resources we receive is not our primary challenge. Our primary challenge is the proper and strategic use of those resources. That is why we must execute our plans with discipline and focus. As Jim Collins, the author of Good to Great, notes, these are not business principles. These are leadership principles. Our System projects, as they move forward, will begin to address some of these specific and generalized challenges. Our Strategic Plan will help us focus on execution. This System is continuing to add tremendous value to this state, as it always has. We are transforming the lives of thousands of individuals, and in the process, strengthening this state and this nation as well. I am very fond of saying that we create the middle class, and no vibrant democracy can be sustained without a growing and vibrant middle class. That is what we do and we receive strong support from our funding partners. We are making good progress toward our goals of enrolling more students, keeping those students in college and graduating more students. Finally, we must, and we will, create a culture that understands and manages with excellence to prevent problems that undermine our ability to keep making progress on our larger goals.

In summary, the State of the System today is good when measured against a number of key indicators. We do excellently in spots, but, as always, we can do better overall, particularly in how we manage both our operations and the resources that have so generously flowed to us. And, we will do that. I want to thank this Board, our presidents, the faculty and staff at our 35 degree-granting

institutions and Skidaway, for their dedication and unceasing efforts to transform lives and strengthen this state. Your work as Regents continues to provide the vital direction for our efforts. I wish I could share with you the contagious enthusiasm we have about the outcomes from our planning session. Your dedicated efforts continue to help shape the destinies of thousands of individuals. You truly help to transform lives. This is the work we do, transforming lives. It is a tremendous task, but it is one we all undertake with both great joy and great resolve, and one with tremendous rewards for all. Thank you.

UNFINISHED BUSINESS

There was none.

NEW BUSINESS

There was none.

PETITIONS AND COMMUNICATIONS

Secretary Julia M. Murphy announced that Governor Perdue's State of the State address was scheduled for 2:00 p.m. in room 341 at the Capitol building. To accommodate those who wished to view the Governor's address, it was arranged with his office and Georgia Public Broadcasting to broadcast the State of the State address in the boardroom. She invited Board members, System staff and guests to attend the live webcast of the Governor's address. Secretary Murphy also announced that Chancellor Davis' budget address to the Joint Appropriations Committee was scheduled for at 10:00 a.m. on Wednesday, January 23, 2008. She stated that Regents who planned to attend would meet for coffee and a briefing before being escorted to the Capitol by the Executive Director for Government Relations, Amanda D. Seals.

She stated that the next regular meeting of the Board is scheduled for February 12th and 13th, in the Atlanta Boardroom and that the schedule of Board meetings for the 2008 calendar year may be found on the website. As a special note, Secretary Murphy stated that the April Board meeting would be on the campus of Columbus State University, and, on behalf of the Board, she congratulated President Frank Brown and his staff for the events they are hosting in this, their 50th Anniversary Year. She added that the Board looks forward to bringing its meeting to the CSU campus in April to continue the celebration.

Ms. Murphy also stated that she would move forward with the regalia plans so that Regents may have the opportunity to order their own regalia to have on hand for University System events as needed.

COMMITTEE OF THE WHOLE: EXECUTIVE AND COMPENSATION

Withdrawn: This item was withdrawn by the Committee.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 11:30 a.m. on Wednesday, January 16, 2008.

s/ _____
J. Burns Newsome
Interim Secretary, Board of Regents
University System of Georgia

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