

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
270 Washington St., S.W.
Atlanta, Georgia
March 9 and 10, 2004**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, March 9 and Wednesday, March 10, 2004, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent Joe Frank Harris, called the meeting to order at 1:00 p.m. on Tuesday, March 9. Present on Tuesday, in addition to Chair Harris, were Vice Chair Joel O. Wooten, Jr. and Regents Connie Cater, William H. Cleveland, Michael J. Coles, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Martin W. NeSmith, Doreen Stiles Poitevint, Wanda Yancey Rodwell, J. Timothy Shelnut, and Allan Vigil.

ATTENDANCE REPORT

In Secretary Gail S. Weber's absence, the attendance report was read on Tuesday, March 9, 2004, by Chair Joe Frank Harris, who announced that Regents Hugh A. Carter, Jr., Donald M. Leebern, Jr., Patrick S. Pittard, and Glenn S. White had asked for and been given permission to be absent on that day.

APPROVAL OF MINUTES

Motion properly made and duly seconded, the minutes of the Board of Regents meeting held on February 3 and 4, 2004, were unanimously approved as distributed.

SPECIAL PRESENTATION: UPDATE ON ICAPP®

Chair Harris stated that the Intellectual Capital Partnership Program ("ICAPP®") mobilizes and leverages the University System of Georgia's intellectual capital and resources to provide specialized educational needs for industry on a project-by-project basis. The overarching goal is to attract high-quality, knowledge-based jobs to Georgia. He said the program is one of the System's great success stories. He then introduced the Executive Director of the Office of Economic Development, Joy Hymel. Ms. Hymel was selected to replace Annie Hunt Burriss, when Ms. Burriss went to work for Governor Sonny Perdue. Ms. Hymel earned a Bachelor of Science in Industrial Engineering from the Georgia Institute of Technology, and she brings over 20 years of business and economic development experience to ICAPP®. Chair Harris then called upon Ms. Hymel to make her presentation to the Board.

Ms. Hymel thanked the Regents and the Chancellor for their support of ICAPP[®] and introduced the staff of the Office of Economic Development, as follows: the Director of ICAPP[®] Operations, Terry Durden; the Business Affairs Manager, Sharon Duhart; the Director of the Georgia Lifelong Education and Economic Development Services (“Georgia LEADS”), Phil Allen; the ICAPP[®] Advantage Program Director, Will Hearn; the GeorgiaHIRE Director, Kristie Couch; and Administrative Assistant JoLyn Minor.

Ms. Hymel said ICAPP[®], the University System’s economic development program, is about creating jobs for Georgians. She noted that more than 2,800 ICAPP[®] graduates have benefited from the program since it was conceived in 1996, and since that time, ICAPP[®] has funded \$21 million in new projects with a match of over \$16 million from the private sector. She explained that ICAPP[®] was created when Governor Zell Miller and the University System of Georgia worked together to address the special needs of businesses that were having trouble finding qualified workers. One early ICAPP[®] success story involved the Columbus-based firm of Total System Services (“TSYS”), which continues to thrive with the help of an ICAPP[®] project involving Columbus State University (“CSU”). To date, 1,311 Georgians have been educated and given jobs with TSYS through this project.

Ms. Hymel said that among ICAPP[®]’s key strengths is its flexibility in meeting business needs and its ability to respond quickly. The three areas of focus include access to college-educated talent, access to the latest research from the University System, and access to business and operations advice. ICAPP[®] provides Georgia businesses with college-educated talent through the ICAPP[®] Advantage program, a public-private partnership that provides accelerated education, educating knowledge workers that are in high demand and low supply.

Through GeorgiaHire.com, a free, Web-based recruiting tool created for Georgia businesses by the Office of Economic Development, students and graduates of 57 of the state’s public and private colleges and universities can be matched against the needs of employers. Ms. Hymel quoted Carol Lee, Vice President of FusionPoint Technology Solutions (“FusionPoint”) in Macon, as saying that most recent graduates would not know to apply to a small company like hers, but with the help of GeorgiaHIRE, she can contact students and graduates across the University System, as well as at many private institutions in Georgia via her computer. She recently hired three Georgia Institute of Technology (“GIT”) engineers to work at FusionPoint. GeorgiaHIRE currently has more than 12,800 student/alumni resumes online, and a July 2003 survey of the employers who have used GeorgiaHIRE to recruit employees revealed that more than 54% of them hired someone they had found with this tool.

In addition, Ms. Hymel said, ICAPP[®] helps Georgia companies keep current with the latest research through its partnership with the Georgia Research Alliance. ICAPP[®] also helps campus technology transfer offices by making sure that they are structured to enable technology transfers to be accomplished as profitably as possible. Another program component, the ICAPP[®] Catalog of Centers, Institutes and Special Programs, catalogs all research that is being done across the

University System. In terms of access to business and operational advice, Ms. Hymel said ICAPP[®] connects companies with the resources of GIT's Economic Development Institute and the University of Georgia's ("UGA") Small Business Development Center, both of which have 17 offices scattered throughout Georgia.

Among the program's recent successes is the ICAPP[®] Health Professionals Initiative, which Ms. Hymel said represents the University System's power to address a critical workforce need in Georgia. Like the rest of the nation, Georgia has a severe shortage of healthcare professionals, she said. According to the Georgia Department of Community Health, the state has a 12% vacancy rate for nurses in general and a 16% vacancy rate for nurses in nursing homes. The projected vacancy rate for healthcare providers in Georgia for the year 2020 is over 40%, while the national average is 29%. Ms. Hymel said the ICAPP[®] Health Professionals Initiative was launched in 2002. The state has invested \$3.1 million, and a private match of \$3.65 million has been secured. By the end of the program's funding cycle in 2006, ICAPP[®] will have created more than 600 jobs for Georgians as nurses, medical technologists, and pharmacists through programs at 16 System institutions, she said. The employers that participate in this public-private partnership are located in 22 counties throughout the state. By December 2004, ICAPP[®] will have placed 572 nurses in jobs in Georgia. The program has been able to meet the demands of the health professions in Georgia quickly and efficiently, using the power of the University System, Ms. Hymel said, noting that the program was up and running within three months of being funded. She showed the Regents a map identifying where the participating System institutions are located.

ICAPP[®], Ms. Hymel noted, has the power to bring together collaborative partnerships at the local level. All of the partners involved come in through the local institution; each USG institution has an ICAPP[®] liaison officer; and the partners represent the local community.

In other recent highlights of the ICAPP[®] program, Ms. Hymel said the new ICAPP[®]/UGA Regulatory Affairs Graduate Certificate Program was announced in January. This enables students to obtain graduate certificates in either quality control or quality assurance through UGA's College of Pharmacy. Georgia's bioscience industry leaders told ICAPP[®] they were forced to look outside the state in order to hire graduates with an expertise in how to shepherd a product through the Food and Drug Administration regulatory process because they could not find qualified Georgia graduates. Ms. Hymel said ICAPP[®] brought seven private bioscience industry partners together with UGA's College of Pharmacy to implement the program. She expects more than 50 certificates to be awarded over the next two years. Ms. Hymel said Georgia LEADS leverages the assets of the System's continuing education programs.

Another highlight of the ICAPP[®] program is its work with two particular companies. Executives at Savannah-based VeriSign, Inc., a back-office, customer billing system for the cell phone industry, contacted ICAPP[®] about a shortage of Java programmers in the Savannah region. ICAPP[®] responded by putting together a customized education program for VeriSign employees involving Armstrong Atlantic State and Georgia Southern Universities. ICAPP[®] also is involved with NCR Corporation

("NCR"), which has donated more than \$4 million in software to Georgia Southern University ("GSOU") and Georgia Southwestern State University ("GSSU"). The NCR project, which Ms. Hymel said Regent NeSmith was instrumental in setting up, is giving System students real-world business application of retail/point of sale hardware and software. It also is helping to nurture the software-development industry in rural Georgia, she noted. GSOU has hired seven students full-time to do update software applications. GSOU received its first royalty check for approximately \$10,000 this year, and it expects significant royalties in 2005. GSSU has hired two recent graduates to redevelop software for retail sales applications. One of these applications, which involves using a kiosk to pay utility bills, is being marketed to Russia.

Ms. Hymel also discussed the commercialization of research through the ICAPP[®] program. ICAPP[®] recently commissioned a study to evaluate the University System's commercialization of research programs and recommend improvements. GIT and UGA already have software systems with which to catalog and manage their intellectual property. Based on the study's recommendations, ICAPP[®] recently awarded funding to Georgia State University and the Medical College of Georgia to purchase such software. The ability to catalog and track intellectual property will better enable these institutions to commercialize their research and thus create a revenue stream.

Ms. Hymel also talked about the study ICAPP[®] commissioned to quantify the value of a University System of Georgia education and the ICAPP[®] Catalog of Centers, Institutes and Special Programs, which provides a window to all of the research expertise and programs within the University System and is searchable online. The Office of Economic Development has recently created its ICAPP[®] brochures and Web site and developed an informational DVD for marketing. Ms. Hymel invited the Regents to visit www.ICAPP.org to learn more.

In terms of economic impact, Ms. Hymel said that since ICAPP[®] was launched in 1996, more than 6,600 additional jobs have been created in Georgia, whether direct, indirect, or induced. For every dollar invested in ICAPP[®], there's a \$12 return to the state of Georgia, according to a study done by UGA's Carl Vinson Institute of Government. The state has invested \$17.5 million in ICAPP[®] programs since 1996, and more than \$40 million has come back to the state as a result, and \$3 million has come back to local governments, researchers found.

What's ahead for ICAPP[®]? Ms. Hymel said ICAPP[®] is part of the statewide effort to see that Georgia has a role to play in the new nanotechnology initiative. (The \$45 million Governor Perdue is investing in a nanotechnology center at GIT is the first major step). In addition, ICAPP[®] is part of a statewide committee looking into the future of technology jobs (keeping an eye on the current controversy over outsourcing). Ms. Hymel said her staff also continue to support from an economic development perspective Governor Perdue's Military Affairs Coordinating Committee, which is looking at the Base Realignment and Closure Act of 2005. Another area of focus for 2004 will be the Innovation Centers initiative Governor Perdue launched in 2003. The Innovation Centers form a partnership of private industry, the University System, the Department of Technical and Adult Education ("DTAE"), and federal and state authorities that focuses on the development of centers

of excellence around the state. So far, the Savannah and Warner Robins/Macon centers have come on line. The next to do so will be Columbus. ICAPP[®] also is looking into how to increase the number of nursing faculty in the state.

After debuting the new ICAPP[®] DVD for the Board of Regents, Ms. Hymel noted that, as a University special funding initiative, the Governor has proposed that ICAPP[®] receive a \$2.4 million reduction in funding in the fiscal year 2005. This is slightly more than half of the current ICAPP[®] budget, or 51.25%. How will this affect ICAPP[®] programs throughout the state? Ms. Hymel said ICAPP[®] will not be able to educate 334 people in the Health Professionals Initiative. There will be no money in fiscal year 2005 for new ICAPP[®] partnership programs, so there will be no new private-sector investment coming through, and existing partnerships will be reduced by 7.5%. Rural development efforts at Middle Georgia and East Georgia Colleges and GSOU will need to be reduced. The Georgia Southwest Consortium was eliminated in the fiscal year 2005 budget cuts. As the cuts stand now, ICAPP[®] will not be able to fund the TSYS project at CSU, nor will there be funds to study any future workforce needs or continue the technology transfer efforts at our four research institutions. Those will need to be put on hold.

Chair Harris invited the board's questions or reactions to Ms. Hymel's presentation.

Chancellor Meredith commented that, although some people do not believe that the University System has suffered because of the budget reductions in recent years, program after program has reported cutbacks such as Ms. Hymel had outlined and that every corner of the state will suffer as a result, not just the University System.

Regent Hunt inquired whether the DVD would resemble past efforts more than the present, if the budget cuts go through as proposed.

Ms. Hymel said she anticipates being able to report new developments concerning the nanotechnology initiative and progress with the Health Professionals Initiative at this time next year, but may not have any new partnership projects to share with the Regents.

Regent NeSmith commented that he does not know of many other programs in the System that have such a high return on the money spent on them. He inquired whether the TSYS project would be eliminated altogether.

Ms. Hymel replied that the cuts will prevent ICAPP[®] from providing the funding currently given to the project, which supports a computer software license at CSU that TSYS employees use for educational purposes.

Regent NeSmith expressed the hope that this will not affect the University System's relationship with TSYS, and Ms. Hymel agreed with his sentiment, noting that this particular budget item had been deleted and added back to the fiscal year 2004 budget numerous times.

Chancellor Meredith said System employees do an incredible job of leveraging dollars, citing ICAPP®'s 12:1 return as an example. He noted that, with the restructuring of Lottery funds this year, the University System will be losing Education, Technology, and Construction Trust funds, used for technology infrastructure. For several years, the University System has received \$15 million a year for this purpose with the understanding that the System would leverage those funds on a 1:1 basis. As a result, the System has had \$30 million a year to work on technology infrastructure, not just for the University System, but also for DTAE and the Department of Education. That money is now going away, not just the \$15 million in state funds, but also the \$15 million that would have been leveraged with those funds. The Chancellor said that when University System officials talk about a \$330 million cut to the System, they are not even counting the loss of matching and leveraged funds. The cumulative impact of all these cuts is enormous.

Chair Harris thanked Ms. Hymel for her informative presentation. At approximately 1:40 p.m., he adjourned the Regents into their regular Committee meetings.

CALL TO ORDER

The Board of Regents of the University System of Georgia met again on Wednesday, March 10, 2004, in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Chair of the Board, Regent Joe Frank Harris, called the meeting to order at 9:00 a.m. Present on Wednesday, in addition to Chair Harris, were Vice Chair Joel O. Wooten, Jr. and Regents William H. Cleveland, Michael J. Coles, Julie Hunt, W. Mansfield Jennings, Jr., James R. Jolly, Elridge W. McMillan, Martin W. NeSmith, Patrick S. Pittard, Doreen Stiles Poitevint, Wanda Yancey Rodwell, J. Timothy Shelnut, and Allan Vigil.

INVOCATION

The invocation was given on Wednesday, March 10, 2004, by Regent James R. Jolly.

ATTENDANCE REPORT

The attendance report was read on Wednesday, March 10, 2004, by Secretary Gail S. Weber, who announced that Regents Hugh A. Carter, Jr., Donald M. Leebern, Jr., and Glenn S. White had asked for and been given permission to be absent on that day. Regent Connie Cater was also absent.

COMMITTEE ON INFORMATION AND INSTRUCTIONAL TECHNOLOGY

The Committee on Information and Instructional Technology met on Tuesday, March 9, 2004, at approximately 10:45 a.m. in the Sixth Floor Training Room, room 6041. Committee members in attendance were Chair Michael J. Coles and Regents James R. Jolly, Jr. and Doreen Stiles Poitevint. Board Chair Joe Frank Harris was in attendance as an Ex-Officio member of the Committee. Also in attendance were Regents Julie Hunt, J. Timothy Shelnut, and Allan Vigil, as well as Chancellor Thomas C. Meredith. Chair Coles reported to the full Board on Wednesday that the Committee had reviewed two items, one of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Implementation of Phase I, Consolidation of Banner Hosting Services

Approved: The Board approved Phase I of the implementation plan to consolidate hosting services for the Banner student information system.

At the Committee's November 2003 meeting, the Senior Program Director for Global Education Solutions at SunGard SCT, Andrew G. Nagorski, presented to the Committee a report on the feasibility of consolidating hosting services for the Banner student information system independently operated by 32 University System institutions. The findings in the report suggested that consolidation to a single site model would be the most appropriate solution.

At this meeting, the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, and the Vice Chancellor for Information and Instructional Technology and Chief Information Officer, Randall A. Thursby, presented the plan for the initial phase of consolidation, which will include a limited number of institutions that have voluntarily requested SCT Banner hosting services. The plan includes descriptions of benefits and costs as well as a suggested timeline for Phase I.

Chair Michael J. Coles urged the staff to consider expanding the consolidation effort beyond the ten institutions and the five-year time period used in development of the cost-benefit analysis presented.

2. Information Item: Updating of Campus Information Technology Security Plans

Section 712.03 Institutional Responsibilities(B) of The Policy Manual states, "Each institution shall develop, implement, and maintain a computer security plan which follows guidelines provided by the Office of Information Technology. Institutions should submit the plan to the Office of Information Technology for review and approval." While all University System institutions have plans in place, many need to be updated to reflect the current environment and associated challenges. The Vice Chancellor for Information and Instructional Technology and Chief Information Officer, Randall A. Thursby, provided an outline of the process underway to update these plans, the guidelines to be employed and progress on institutional information technology audits to review current conditions. He indicated that all institutions are to submit their updated computer security

plans to the University System Office by December 31, 2004.

AUDIT COMMITTEE

The Audit Committee met jointly with the Committee on Finance and Business Operations on Tuesday, March 9, 2004, at approximately 11:30 a.m. in the Sixth Floor Training Room, room 6041. Committee members in attendance were Vice Chair Connie Cater and Regents Julie Hunt, Martin W. NeSmith, and Joel O. Wooten, Jr. Regents Cater, Hunt, and NeSmith are also on the Committee on Finance and Business Operations, which was also represented by Regents Michael J. Coles and James R. Jolly. Board Chair Joe Frank Harris and Chancellor Thomas C. Meredith were also in attendance. Regent Shelnut reported to the full Board on Wednesday that the Committee had reviewed one item, which did not require action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Information Item: Annual Financial Report (Joint Meeting With Committee on Finance and Business Operations)

The Vice Chancellor for Fiscal Affairs, William R. Bowes, and the Associate Vice Chancellor for Internal Audits, Ronald B. Stark, provided the annual financial report on the University System of Georgia. Mr. Bowes began the presentation by thanking Accountant Sandra Kisselburg for creating the report, which had been distributed to the Regents. He explained that the report was necessary because of the 2002 implementation of the Sarbanes-Oxley Act and General Accounting Standards Board (“GASB”) Statements 34 and 35. Mr. Bowes presented the Statement of Revenues, Expenditures, and Changes in Net Assets (“SRECNA”), which presents the revenues received by institutions, both operating and non-operating; expenses paid, which are also catalogued as operating and non-operating; and any other revenues or expenses received or spent by institutions and the impact on net assets. The SRECNA reflected a positive year with an increase in net assets of \$179.3 million. However, the increase in expenses of \$340.3 million exceeded the increase in operating revenues of \$260 million. The operating loss therefore increased by \$80.3 million. Non-operating revenues decreased by approximately \$128.5 million in state appropriations. Thus, the total increase in net assets was \$119.2 million less in fiscal year 2003 than in fiscal year 2002.

Next, Mr. Stark presented the Statement of Net Assets. He reported that fiscal year 2003 current assets, primarily fluctuations in cash, investments, and accounts receivable, dropped \$83 million since fiscal year 2002. As the University System’s appropriations dropped, it consumed more of the assets it had. Capital assets increased \$336 million. This was attributed to \$129 million of completed construction projects being turned over from Georgia State Finance and Investment Commission and correction of prior year errors in conversion to GASB accounting. Looking ahead to next year, Mr. Stark said that the University System will have approximately 100,000 fewer assets to inventory, control, and account for. Continuing education revenue, technology fee revenue, and indirect cost recovery funds will no longer lapse. This will allow the System to smooth out the highs and lows in the economy, do a much better job of planning its needs, and allowing it to set

aside funds for large purchases that cannot be funded with one year or revenue. GASB Statement 39 will require all campuses to discretely report the financial statement of their significant foundations and affiliated organizations. This will be discussed more in future meetings. No other significant transactions effected changes in the year-to-year comparison.

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

The Committee on Finance and Business Operations met twice on Tuesday, March 9, 2004. First, it met jointly with the Audit Committee at approximately 11:30 a.m. in the Sixth Floor Training Room, room 6041, to review Item 9. Then, the Committee on Finance and Business Operations convened again at approximately 1:50 p.m. in the Board Room to discuss the remainder of the agenda items. Committee members in attendance were Regents Connie Cater, Michael J. Coles, Julie Hunt, Martin W. NeSmith, and J. Timothy Shelnut. Chancellor Thomas C. Meredith was also in attendance. Regent Shelnut reported to the Board on Wednesday that the Committee had reviewed a total of nine items, six of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Revision of The Policy Manual, Section 802.0805 Military Leave With Pay

Approved: The Board approved revisions to Section 802.0805 Military Leave With Pay of the Policy Manual as presented below, effective March 10, 2004.

Background: A number of University System of Georgia employees have been ordered to active military duty during the past few years.

The proposed revisions to this policy ensure that 1) Section 802.0805 is internally consistent in its text references to military leave with pay being based upon a federal fiscal year cycle (October 1 – September 30) rather than upon a calendar year and 2) periods of ordered active military duty which overlap the ending and beginning of a federal fiscal year cycle result in covered employees’ receiving their appropriate level of benefits.

O.C.G.A. § 38-2-279[e] states that an employee who receives orders for active military duty shall be deemed to have a leave of absence with pay for the period of such ordered military duty, not to exceed a total of 18 workdays in any one federal fiscal year (October 1 – September 30).

Example 1: A University System of Georgia employee is ordered to active military duty effective October 1, 2003. His/her active military service ends effective September 30, 2004. This employee would be entitled to 18 days of military leave with pay.

Example 2: A University System of Georgia employee is ordered to active military duty July 1, 2003. His/her active service ends effective June 30, 2004. In this example, the employee would be entitled to 36 days of military leave with pay.

In both examples, a University System of Georgia employee is ordered to active military duty and he/she provides one year of active military service. In the second example, the employee's active military duty transcends portions of two different federal fiscal years. The statute requires that the employer provide 18 workdays of military leave with pay to an employee ordered to active military duty during any one fiscal year (October 1 – September 30).

Previous Policy

Section 802.0805 MILITARY LEAVE WITH PAY

Ordered Military Duty. For the purpose of this policy, ordered military duty shall mean any military duty performed in the service of the State or the United States, including but not limited to service schools conducted by the armed forces of the United States. Such duty, performed for a period or periods not exceeding a total of 30 days in any one calendar year, shall be deemed "ordered military duty" regardless of whether the orders are issued with the consent of the employee (BR Minutes, 1990-91, p. 173).

Leave of Absence. An employee who receives orders for active military duty shall be entitled to absent himself or herself from his or her duties and shall be deemed to have a leave of absence with pay for the period of such ordered military duty, and while going to and returning from such duty, not to exceed a total of eighteen (18) work days in any one federal fiscal year and not exceeding eighteen (18) work days in any one continuous period of absence (as authorized by Georgia Law O.C.G.A. § 38-2-279 [e]). At the expiration of the maximum paid leave time, continued absence by the employee shall be considered as military leave without pay. The employee shall be required to submit a copy of his or her orders to active military duty (BR Minutes 1990-91, pp. 173-174).

Emergency Leave of Absence. Notwithstanding the foregoing leave limitation of (18) days, in the event the Governor declares an emergency and orders an employee to State active duty as a member of the National Guard, such employee while performing such duty shall be paid his or her salary or other compensation as an employee for a period not exceeding thirty (30) days in any one federal fiscal year and not exceeding 30 days in any one continuous period of such State active duty service (BR Minutes, 1990-91, p. 174).

Payment of Annual Leave. After an employee has exhausted his/her paid military leave, an institution may pay the employee for his/her accumulated annual leave (BR Minutes, 1990-91, p. 174).

Revised Policy

Section 802.0805

MILITARY LEAVE WITH PAY

Ordered Military Duty. For the purpose of this policy, ordered military duty shall mean any military duty performed in the service of the State or the United States, including, but not limited to, service schools conducted by the armed forces of the United States. Such duty, ~~performed for a period or periods not exceeding a total of 30 days in any one calendar year,~~ shall be deemed “ordered military duty” regardless of whether the orders are issued with the consent of the employee (BR Minutes, 1990-91, p. 173).

Leave of Absence. An employee who receives orders for active military duty shall be entitled to absent himself or herself from his or her duties and shall be deemed to have a leave of absence with pay for the period of such ordered military duty, and while going to and returning from such duty, not to exceed a total of 18 workdays in any one federal fiscal year ~~and not exceeding eighteen (18) work days in any one continuous period of absence (October 1 – September 30) (as authorized by Georgia Law O.C.G.A. § 38-2-279[e]).~~ At the expiration of the maximum paid leave time, continued absence by the employee shall be considered as military leave without pay. The employee shall be required to submit a copy of his or her orders to active **military** duty (BR Minutes 1990-91, pp. 173-174).

Emergency Leave of Absence. Notwithstanding the foregoing leave limitation of 18 days, in the event the Governor declares an emergency and orders an employee to State active duty as a member of the National Guard, such employee while performing such duty shall be paid his or her salary or other compensation as an employee for a period not exceeding 30 days in any one federal fiscal year, ~~and not exceeding 30 days in any one continuous period of such State active duty service (BR Minutes, 1990-91, p. 174).~~

Payment of Annual Leave. After an employee has exhausted his/her paid military leave, an institution may pay the employee for his/her accumulated annual leave (BR Minutes, 1990-91, p. 174).

2. Revision of The Policy Manual, Section 802.0808 Miscellaneous Leave

Approved: The Board approved revisions to Section 802.0808 Miscellaneous Leave of the Policy Manual Section, particularly as it pertains to the Fair Labor Standards Act (“FLSA”), as presented below, effective March 10, 2004.

Background: Under current policy, an exempt employee who is absent from work for less than one scheduled workday and who has insufficient leave to cover his/her partial day of absence is placed on FLSA leave with pay for the period of the absence. The existing policy was adopted to avoid the disqualification of a position's exempt status.

The U.S. Department of Labor has issued a special ruling that permits a public employer, in certain circumstances, to deduct this type of FLSA leave from its exempt employee's leave bank in hourly increments as well as to deduct the cost for such leave in hourly increments from an exempt employee's salary without affecting the salary basis of pay (29 CFR 541.5d).

The section reads, in part, as follows:

29 CFR Section 541.5d **SPECIAL PROVISIONS APPLICABLE TO EMPLOYEES OF PUBLIC AGENCIES**

- (a) An employee of a public agency who otherwise meets the requirements of Section 541.118 shall not be disqualified from exemption under Section 541.1, 541.2, or 541.3 on the basis that such employee is paid according to a pay system established by statute, ordinance, or regulation, or by a policy or practice established pursuant to principles of public accountability, under which the employee accrues personal leave and sick leave and which requires the public agency's employee's pay to be reduced or such employee to be placed on leave without pay for absences for personal reasons or because of illness or injury of less than one work day when accrued leave is not used by an employee because:
- (1) permission for its use has not been sought or has been sought and denied;
 - (2) accrued leave has been exhausted; or
 - (3) the employee chooses to use leave without pay.

Previous Policy

Section 802.0808 MISCELLANEOUS LEAVE

- a. FLSA. When exempt employees are absent from work for less than one scheduled workday and their accumulated leave is insufficient to cover the partial day of absence, they shall be placed on FLSA leave with pay for the period of absence (BR Minutes, 1991-92, p.23).

- b. Court Duty. Court duty leave with pay shall be granted to regular employees for the purpose of serving on a jury or as a witness. Such leave shall be granted upon presentation of official orders from the appropriate court.
- c. Voting. Employees of the University System are encouraged to exercise their constitutional right to vote in all federal, state, and local elections. If election polls are not open at least two (2) hours before or two (2) hours after an employee's normally scheduled work shift, sufficient leave time must be granted to permit the employee to vote. In this instance, an institution should grant the employee a two-hour block of time in which to vote, if needed (BR Minutes, April 2002).
- d. Military Physical Examination. Any regular employee required by Federal law to take a military physical examination shall be paid for any time lost to take such an examination.
- e. Personal Leave. At the discretion of the president of an institution personal leave of absence without pay for periods not to exceed one year may be approved. Such approval personal leave shall allow the employee the right to elect to continue group insurance benefits.
- f. Leave for Organ and Marrow Donation. Each employee who serves as an organ donor for the purpose of transplantation shall receive a leave of absence, with pay, of thirty days. Each employee who serves as a bone marrow donor for the purpose of transplantation shall receive a leave of absence, with pay of seven days. Leave taken under this provision shall not be charged against or deducted from an employee's accrued annual or sick leave. Such shall be included as service in computing any retirement or pension benefits. This provision shall apply only to an employee who actually donates an organ or marrow and who presents to the appropriate supervisor a statement from a licensed medical practitioner or hospital administrator that the employee is making an organ or marrow donation (BR Minutes, 2002-03, p. ____).
- g. Other Leave. In the event of inclement weather or any emergency which requires leaves of absence of employees, the president of a System institution may declare leave with or without pay (BR Minutes, 1992-93, p. 135).

Revised Policy

Section 802.0808

MISCELLANEOUS LEAVE

- a. FLSA. When an exempt employees are absent from work for less than one scheduled workday and their accumulated leave is insufficient to cover the partial day of absence, they shall be placed on FLSA leave with pay for the period of absence (BR Minutes, 1991-92, p.23) the employer will:

- (1) deduct the cost for such leave in hourly increments from an exempt employee's salary; or
- (2) place the exempt employee on leave without pay, if so requested by the exempt employee.

Such action by the employer will not disqualify the exempt status of the employee's position (29 CFR 541.5d).

- b. Court Duty. Court duty leave with pay shall be granted to regular employees for the purpose of serving on a jury or as a witness. Such leave shall be granted upon presentation of official orders from the appropriate court.
- c. Voting. Employees of the University System are encouraged to exercise their constitutional right to vote in all federal, state, and local elections. If election polls are not open at least two hours before or two hours after an employee's normally scheduled work shift, sufficient leave time must be granted to permit the employee to vote. In this instance, an institution should grant the employee a two-hour block of time in which to vote, if needed (BR Minutes, April 2002).
- d. Military Physical Examination. Any regular employee required by federal law to take a military physical examination shall be paid for any time lost to take such an examination.
- e. Personal Leave. At the discretion of the president of an institution, personal leave of absence without pay for periods not to exceed one year may be approved. Such approved personal leave shall allow the employee the right to elect to continue group insurance benefits.
- f. Leave for Organ and Marrow Donation. Each employee who serves as an organ donor for the purpose of transplantation shall receive a leave of absence with pay of 30 days. Each employee who serves as a bone marrow donor for the purpose of transplantation shall receive a leave of absence with pay of seven days. Leave taken under this provision shall not be charged against or deducted from an employee's accrued annual or sick leave.

Such shall be included as service in computing any retirement or pension benefits. This provision shall apply only to an employee who actually donates an organ or marrow and who presents to the appropriate supervisor a statement from a licensed medical practitioner or hospital administrator that the employee is making an organ or marrow donation (BR Minutes, 2003).

- g. Other Leave. In the event of inclement weather or any emergency which requires leaves of absence of employees, the president of a System institution may declare leave with or without pay (BR Minutes, 1992-93, p. 135).

3. Creation of the Medical College of Georgia School of Nursing Faculty Practice Group, Inc.

Approved: The Board approved the request of President Daniel W. Rahn of the Medical College of Georgia (“MCG”) to designate the Medical College of Georgia School of Nursing Faculty Practice Group, Inc. (“SNFPG”) as a cooperative organization pursuant to and in accordance with Section 1905 Cooperative Organizations of The Policy Manual.

The Board also approved the request to create the SNFPG as proposed by the attached articles of incorporation and bylaws of the SNFPG.

Background: MCG is an academic medical center and has always had as an integral part of its mission the provision of patient care services. In order to recruit and retain national caliber faculty in the current healthcare environment, the faculty must be able to provide patient care to maintain and enhance their clinical skills. Additionally, MCG must be able to provide competitive compensation for these faculty members who have the option of working in a non-academic setting at higher salaries. At the same time, the institution must be able to align faculty workload and effort to the resources provided. The creation of this cooperative organization will allow MCG School of Nursing faculty to participate in the provision of healthcare within the academic environment and will also allow them to generate additional revenue from clinical practice that can be utilized for salary enhancement. Most importantly, it will allow the School of Nursing to align resources so that clinical revenue is used to support academic growth and enhance the teaching, research, and clinical missions of the School of Nursing.

MCG has created two cooperative organizations that have operated to the institution’s benefit for more than 30 years. They are the Physician Practice Group for School of Medicine faculty and the MCG Dental Foundation for School of Dentistry faculty. The proposed SNFPG is modeled after these existing cooperative organizations.

4. Creation of the Medical College of Georgia Allied Health Sciences Practice Group, Inc.

Approved: The Board approved the request of President Daniel W. Rahn of the Medical College of Georgia (“MCG”) to designate the Medical College of Georgia Allied Health Sciences Practice Group, Inc. (“AHSPG”) as a cooperative organization pursuant to and in accordance with Section 1905 Cooperative Organizations of The Policy Manual.

The Board also approved the request to create the AHSPG as proposed by the attached articles of incorporation and bylaws of the AHSPG, as shown in Appendix I.

Background: MCG is an academic medical center and has always had as an integral part of its mission the provision of patient care services. In order to recruit and retain national caliber faculty in the current healthcare environment, the faculty must be able to provide patient care to maintain and enhance their clinical skills. Additionally, MCG must be able to provide competitive compensation for these faculty members who have the option of working in a non-academic setting at higher salaries. At the same time, the institution must be able to align faculty workload and effort to the resources provided. The creation of this cooperative organization will allow the School of Allied Health Sciences faculty to participate in the provision of healthcare within the academic environment and will also allow them to generate additional revenue from clinical practice that can be utilized for salary enhancement. Most importantly, it will allow the School of Allied Health Sciences to align resources so that clinical revenue is used to support academic growth and enhance the teaching, research, and clinical missions of the School of Allied Health Sciences.

MCG has created two cooperative organizations that have operated to the institution’s benefit for more than 30 years. They are the Physician Practice Group for School of Medicine faculty and the MCG Dental Foundation for School of Dentistry faculty. The proposed School of Allied Health Sciences Practice Group is modeled after these existing cooperative organizations.

5. Designation of the Associate Vice Chancellor for Human Resources as Plan Administrator for the Board of Regents of the University System of Georgia’s Healthcare and Dental Plan Options

Approved: The Board approved the designation of the Associate Vice Chancellor for Human Resources, William H. Wallace, Jr., as plan administrator of the healthcare and dental plan options of the Board of Regents of the University System of Georgia.

Background: The Board of Regents is vested with the legal responsibility to serve as the plan administrator for its respective Systemwide healthcare and dental plan options. The Board of Regents is currently responsible for the administration of two self-insured health benefit plans, two fully-insured health maintenance organization (“HMO”) health benefit plans, and a self-insured dental benefit plan pursuant to authority granted in the Georgia Constitution, in O.C.G.A. §20-3-31 and in O.C.G.A. § 20-3-51.

The Board, which is the plan administrator for purposes of the code, has all the powers and

authority expressly conferred upon it. The Board has the sole right to interpret and construe the plans as well as to determine any disputes that may arise thereunder. In exercising these powers and authority, the Board will at all times exercise good faith, apply standards of uniform application, and refrain from arbitrary action. The Board may employ attorneys, agents, and actuaries, as it finds necessary or advisable, to assist in carrying out its duties.

The Board may designate an individual to serve as the plan administrator for its healthcare and dental programs and carry out any of the Board’s powers, authority, or responsibilities. Any delegation must be set forth in writing.

6. Acceptance of Gifts for the Georgia Institute of Technology

Approved: The Board accepted on behalf of the Georgia Institute of Technology (“GIT”) gifts-in-kind from the following corporations:

<u>Company</u>	<u>Value</u>	<u>Items</u>	<u>Department</u>
IBM Corporation	\$296,381	Various computer equipment including application servers and workstations	College of Computing
Hewlett-Packard Corporation	\$467,514	Various computer equipment and components	The Wallace H. Coulter Dept. of Biomedical Engineering

Background: Board policy requires that any gift to a University System of Georgia institution with an initial value greater than \$100,000 must be accepted by the Board of Regents. GIT has advised that there are no material costs associated with the acceptance of these gifts.

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

The Vice Chancellor for Fiscal Affairs, William R. Bowes, and the Associate Vice Chancellor for Human Resources, William H. Wallace, provided an update on the University System of Georgia health insurance program. Mr. Wallace reported that the University System of Georgia offers four different healthcare plan options. Two of the healthcare plan options are self-insured (preferred provider option [“PPO”]/PPO consumer choice healthcare plan and indemnity healthcare plan), and two of the healthcare plan options are fully insured (BlueChoice health maintenance organization [“HMO”] and Kaiser Permanente HMO). The System has adopted a strategic position that each respective healthcare plan option will generate sufficient revenue to independently cover its costs.

Simply stated, the plan reserves of one System healthcare plan option do not subsidize the costs incurred by another healthcare plan option. A healthcare plan must have sufficient funding to cover the costs of its members' claims, its vendor administrative fees, and its members' incurred-but-not-reported ("IBNR") claims. A fiscally sound healthcare plan reserve will have sufficient monies to cover two months of average claims expenditures above and beyond IBNR costs as well as sufficient funds to cover all vendor administrative fees.

Prior to 2002, the System negotiated its HMO vendor contracts with Blue Cross Blue Shield and with Kaiser, independently and separately, from the state health benefit plan. In practically every instance, the System secured lower employee and employer premium costs than did the state health benefit plan. Representatives of the University System Office continue to have individual meetings with various members of the Georgia General Assembly to demonstrate the benefit of maintaining the independence of the Board of Regents healthcare plans separate and apart from the state health benefit plans. Based upon information obtained from the System's claims administrator on November 17, 2003, the data support that the University System of Georgia has the lowest annual cost per healthcare plan contract of any of the state-offered commercial healthcare plans. The average annual cost per contract for a PPO healthcare plan participant is \$4,521.91 (as of October 31, 2003); the average annual cost per contract for an indemnity healthcare plan participant is \$4,464.75 (as of October 31, 2003). The Performance Audit Division of the Georgia Department of Audits and Accounts is currently reviewing various employee benefits programs administered by different State of Georgia agencies. The performance audit and its subsequent written report of findings and recommendations will be presented to the members of the Georgia General Assembly in June 2004. The performance audit team will compare University System healthcare and dental plans with those administered by the state health benefits plan (healthcare) and the Georgia Merit System (dental).

Findings will also be compared and benchmarked against similar types of regional and national data. Board of Regents healthcare and dental plans will likely be favorably reported to the members of the Georgia General Assembly. Currently, discussions regarding a contract extension with WellPoint, the current healthcare and dental claims administrator for the state health benefits plan, are underway. The staff anticipate that contract discussions and negotiations will result in a favorable outcome.

The University System of Georgia continues to strive to be fiscally responsible and constituent oriented in its provision of its employee benefits programs. The System applies sound business practices and actuarially sound protocols in its healthcare plan management decisions. Within a period of four years, the staff have presented documentation that confirms that the System's strategic initiatives have been successful in returning its healthcare plan reserves to a position of current fiscal stability.

8. Information Item: Second Quarter Revenue and Expenditure Report, Fiscal Year 2004

The Vice Chancellor for Fiscal Affairs, William R. Bowes, presented to the Committee the second quarter financial report for the University System of Georgia for the period ending December 31, 2003, which is on file with the Office of Fiscal Affairs. The report includes tables that compare actual and budgeted revenues and expenditures through December 31, 2003 for educational and general funds, auxiliary enterprise funds, and student activity funds.

9. Information Item: Annual Financial Report (Joint Meeting With Audit Committee)

The Vice Chancellor for Fiscal Affairs, William R. Bowes, and the Associate Vice Chancellor for Internal Audits, Ronald B. Stark, provided the annual financial report on the University System of Georgia. Mr. Bowes began the presentation by thanking Accountant Sandra Kisselburg for creating the report, which had been distributed to the Regents. He explained that the annual presentation of the report to the Board stemmed from the 2002 implementation of the Sarbanes-Oxley Act and General Accounting Standards Board (“GASB”) Statements 34 and 35. Mr. Bowes presented the Statement of Revenues, Expenditures, and Changes in Net Assets (“SRECNA”), which presents the revenues received by institutions, both operating and non-operating; expenses paid, which are also catalogued as operating and non-operating; and any other revenues or expenses received or spent by institutions and the impact on net assets. The SRECNA reflected a positive year with an increase in net assets of \$179.3 million. However, the increase in expenses of \$340.3 million exceeded the increase in operating revenues of \$260 million. The operating loss therefore increased by \$80.3 million. Non-operating revenues decreased by approximately \$128.5 million in state appropriations.

Thus, the total increase in net assets was \$119.2 million less in fiscal year 2003 than in fiscal year 2002.

Next, Mr. Stark presented the Statement of Net Assets. He reported that fiscal year 2003 current assets, primarily fluctuations in cash, investments, and accounts receivable, dropped \$83 million since fiscal year 2002. As the University System’s appropriations dropped, it consumed more of the assets it had. Capital assets increased \$336 million. This was attributed to \$129 million of completed construction projects being turned over from Georgia State Finance and Investment Commission and correction of prior year errors in conversion to GASB accounting. Looking ahead to next year, Mr. Stark said that the University System will have approximately 100,000 fewer assets to inventory, control, and account for. Continuing education revenue, technology fee revenue, and indirect cost recovery funds will no longer lapse. This will allow the System to smooth out the highs and lows in the economy, do a much better job of planning its needs, and allowing it to set aside funds for large purchases that cannot be funded with one year or revenue. GASB Statement 39 will require all campuses to discretely report the financial statement of their significant foundations and affiliated organizations. This will be discussed more in future meetings. No other significant transactions effected changes in the year-to-year comparison.

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, March 9, 2004, at approximately 2:15 p.m. in the Board Room. Committee members in attendance were Chair Martin W. NeSmith, Vice Chair J. Timothy Shelnut, and Regents Connie Cater, Michael J. Coles, and Julie Hunt. Chancellor Thomas C. Meredith was also in attendance. Chair NeSmith reported to the Board on Wednesday that the Committee had reviewed 16 items, 13 of which required action. Item 9 was withdrawn. With regard to Item 5, Chancellor Meredith remarked that he was appointing a task force that would include representatives from both Armstrong Atlantic State University and Savannah State University, as well as the Senior Vice Chancellor for Support Services, Corlis Cummings, and the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp. The task force would try to find ways for those two institutions to work in a more cooperative fashion. The Chancellor said that he would also ask a few Regents to serve in an advisory capacity on the task force and that he himself may also get involved, if necessary. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. **Appointment of Architectural Firm, Project BR-30-0402, Nanotechnology Research Center Building, Georgia Institute of Technology**

Approved: The Board appointed the first-named architectural firm listed below for the identified major capital outlay project and authorize the execution of a contract with the identified firm at the stated or negotiated cost shown for this project. Should it not be possible to execute a contract with the top-ranked firm, staff would then attempt to execute a contract with the other listed firms in rank order. Following current practice for the selection of architects, the following recommendation is made:

**Project No. BR-30-0402, Nanotechnology Research Center Building,
Georgia Institute of Technology**

Project Description: This building will be approximately 150,000 gross square feet and will include building/infrastructure, cleanroom suites, operations space, and research laboratory space. Program components will include a 30,000-square-foot ballroom-style, tri-level cleanroom with Class 10, 100, and 1000 flexible, state-of-the-art capabilities with associated support setup and support labs. Design and construction will be delivered via a fast-track construction procurement method. Associated site activities will include removal of the Electronics Research Building and the Frank H. Neely Nuclear Research Center and relocation of several utilities.

Total Project Cost	\$80,000,000
Construction Cost (Stated Cost Limitation)	\$55,954,000
A/E (Fixed) Fee	\$ 5,107,000

Number of A/E firms that applied for this commission: 4

Recommended A/E design firms in rank order:

- 1) M+W Zander, Chicago, Illinois
- 2) HDR Architecture, Inc., Alexandria, Virginia
- 3) IDC Architects, Greenville, South Carolina

2. Appointment of Construction Manager, Performing and Visual Arts Center, Phase II, University of Georgia

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

Following a selection process for a construction manager, the following recommendation is made:

Project No. J-34, Performing and Visual Arts Center, Phase II, School of Art, University of Georgia

Project Description: Construction of a new 208,000-gross-square-foot building dedicated to the visual arts, including painting and drawing, sculpture, graphic arts, photography, printmaking, interior design, and other disciplines, as well as related administrative functions. The project is in the Board of Regents fiscal year 2005 capital budget and will require \$36,572,000 in state bond funds. The project has already received \$2,700,000 in state bond funds for design.

Total Project Cost	\$39,272,000
Construction Cost (Stated Cost Limitation)	\$31,500,000

Number of construction management firms that applied for this commission: 12

Recommended firms in rank order:

- 1) Brasfield & Gorrie, LLC, Atlanta, Georgia
- 2) The Beck Group, Atlanta, Georgia
- 3) Manhattan – The Flagler Division, Atlanta, Georgia

3. Authorization of Project, Reconfiguration of Parking Lot, Georgia Southern University

Approved: The Board authorized Project, Reconfiguration of Parking Lot, Georgia Southern University (“GSOU”) with a total project budget of \$2,870,000, using auxiliary services funds.

Understandings: The subject parking lot is a main commuter lot adjacent to Russell Union building. The lot is currently used for commuter, staff, and residential parking. The renovation will address pedestrian safety and vehicular circulation and access, as well as parking efficiency and supply.

GSOU will construct the renovations in three phases based on the availability of funding. This project is consistent with GSOU’s physical master plan.

The total construction cost is estimated at \$2,600,000 (\$2,405 per parking space).

4. Authorization of Project, Early Learning Center, Albany State University

Approved: The Board authorized Project, Early Learning Center, Albany State University (“ALSU”) with a total budget of \$1,300,000 using Title III and United States Department of Education funds.

Understandings: The project consists of approximately 8,100 gross square feet of new construction for the Early Learning Center (the “Center”). The Center will provide hands-on teaching laboratories for students enrolled in Early Childhood Education and Development classes, including psychology, nursing, and education students. The Center will also provide a facility for conducting research in this field.

The location of the Center will be determined as a part of the architectural programming and design effort in response to known and anticipated planning criteria.

The construction cost for the Center is estimated to be \$1,000,000 (\$132 per square foot).

If authorized by the Board, the University System Office staff and ALSU will proceed with selection of professional consultants in accordance with the Building Project Procedures Manual of the Board of Regents.

5. Authorization of Project, Ground Lease, and Rental Agreement for Student Recreation Center, Armstrong Atlantic State University

Approved: The Board authorized a project for the Student Recreation Center (“SRC”), Armstrong Atlantic State University (“AASU”), Savannah, Georgia, with a total project budget of

approximately \$3.0 million. In Committee, Regent Cater voted in opposition to this action. At the full Board meeting on Wednesday, March 10, Regent McMillan abstained from voting on this item.

The Board declared approximately 1.2 acres of real property on the campus of AASU no longer advantageously useful to AASU or other units of the University System of Georgia but only to the extent and for the purpose of allowing this real property to be leased to Armstrong Atlantic State University Educational Properties, Inc. (the "Foundation") for the purpose of constructing and owning the SRC of approximately 36,100 square feet.

The Board authorized the execution of a ground lease between the Board of Regents, Lessor, and the Foundation, Lessee, for the above-referenced approximately 1.2 acres of real property on the campus of AASU for a period not to exceed 20 years for the purpose of constructing and owning the SRC facility of approximately 36,100 square feet.

The Board also authorized the execution of a rental agreement between the Foundation, Landlord, and the Board of Regents, Tenant, for approximately 36,100 square feet for the period commencing on the first day of the first month after the Foundation obtains a certificate of occupancy for the improvements and ending the following June 30 at a monthly rent of \$18,750 (\$225,000 per year annualized/\$6.23 per square foot per year) with options to renew on a year-to-year basis for 19 consecutive one-year periods at the same rent rate.

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

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

Understandings: The proposed SRC will be located adjacent to and will be designed to be integral to the old gym, which was constructed in 1965. AASU enrollment for fall 2003 was 6,653, and of this number, 560 were students residing on campus. Priority for use of the currently available recreational space is given to physical education and athletics. A recent survey found that only approximately ten hours a week were available for open recreation.

Operating expenses, including utilities, janitorial services, and maintenance, are estimated to cost \$120,000 per year.

Comments: Ms. Edna Jackson, Mr. John Clark, and Dr. Percy Mack represented the Savannah State University National Alumni Association at this meeting. They argued that AASU is encroaching on the mission of Savannah State University ("SSU") and urged the Board to examine the historical development of both institutions' missions.

Regent Connie Cater asked the Chancellor to clarify whether there was in fact a desegregation plan for SSU that outlined the institutions' respective missions.

Chancellor Thomas C. Meredith said that he had asked the Senior Vice Chancellor for Support Services, Corlis Cummings, to thoroughly research this issue. He then called upon her to give a brief report on the original desegregation plan.

Ms. Cummings reported that the final desegregation plan approved by the court and the Department of Health, Education, and Welfare ("HEW") was a very broad and encompassing document, but in the course of her research, she did not find any evidence that the plan mandated that AASU remain a commuter campus.

Ms. Jackson said that the representatives from SSU were not opposing the proposed project. Rather, they are concerned that the residential program at AASU will have a negative impact on enrollments at SSU.

President Thomas Z. Jones and Mr. Brian Foster represented AASU at this meeting and spoke specifically about the project on the agenda.

6. Lease Agreement, 176 Fifth Street, Atlanta, Georgia Institute of Technology

Approved: The Board declared approximately 0.17 acre of real property on the campus of the Georgia Institute of Technology ("GIT"), Atlanta, Georgia, no longer advantageously useful to GIT or other units of the University System of Georgia but only to the extent and for the purpose of allowing this tract of real property to be leased to the GIT chapter of Delta Chi Housing Corporation ("Delta Chi") for the purpose of constructing and operating fraternity housing for the benefit of the students at GIT.

The Board authorized the execution of a lease agreement with Delta Chi for the above-referenced 0.17 acre of real property located on the campus of GIT for a period up to 5 years for construction and then 40 years at a rent rate of \$1 per year, with the option to renew for an additional 40 years at fair market rent rate, for the purpose of constructing and operating fraternity housing for the benefit of students at GIT.

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

Understandings: Delta Chi currently owns and operates a fraternity house on contiguous real property at 170 Fifth Street, which houses 12 GIT students.

Delta Chi will construct a facility on this real property to house an additional 12 GIT students as

consideration for this lease.

This lease is consistent with the GIT master plan as part of the Greek sector residential neighborhood.

7. Amendment to Rental Agreement, 1070 Culpepper Drive, Conyers, University of Georgia

Approved: The Board authorized the execution of an amendment to the rental agreement between A. R. Barksdale, Inc., Landlord, and the Board of Regents of the University System of Georgia, Tenant, increasing office space located at 1070 Culpepper Drive, Suite Numbers 100, 300, and 400, Conyers, Georgia, from approximately 4,740 square feet to 7,440 square feet for the period November 1, 2003, through June 30, 2004, at a monthly rent of \$5,030 (\$60,360 per year annualized/\$8.11 per square foot per year) with options to renew on a year-to-year basis for an additional three consecutive one-year periods at the same rent rate for use of the University of Georgia.

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

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

Understandings: Space has been rented at this location for the Georgia Traffic Injury Prevention Institute since October 1, 2002.

The space currently rented is not large enough for the necessary training to be conducted, which requires room to accommodate a number of child safety seats and hands-on activities.

Operating expenses, including janitorial services and utilities, are estimated to cost \$13,700 per year for the entire space. Rent and operating expenses will be paid from a grant from the Governor's Office of Highway Safety.

8. Amendment to Ground Lease for Phase II Housing, Georgia College & State University

Approved: The Board amended the ground lease approved and modified in October 2001 and March 2002, respectively, for Georgia College & State University ("GCSU") as follows:

- Increase the number of beds from 1,583 to 2,253.

- Increase the acreage to 41.494 acres.
- Decrease easement areas on West Campus for utilities and drainage to 10.552 acres.
- Include the renovation of Bell Hall.
- Approve the transfer of the ground lease entered into between the Board, as Lessor, and Georgia College & State University Foundation, LLC, as Lessee, from Georgia College & State University Foundation, LLC to Georgia College & State University Foundation III, LLC, as Lessee.

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

Understandings: The Board approved and modified in October 2001 and March 2002, respectively, the privatization of 1,583 student housing beds at GCSU. Since that time, 354 beds have been occupied on West Campus. Parkhurst, Foundation, Adams, and Wells Halls are new residential buildings on the main campus that have been completed. The Sanford Hall renovation will be completed in May 2004. Another residential building, Napier Hall, will be completed in December 2004.

Enrollment at GCSU's Milledgeville campus currently exceeds the enrollment projected for 2007. The implementation of the freshman residency requirement for fall 2004 will place further demand on housing. Housing is integral to GCSU's identified mission as the state's four-year liberal arts university.

In November 2003, then Interim President David G. Brown presented GCSU's updated housing plan to the Committee. This plan calls for an additional 670 new and renovated student housing beds.

All the remaining terms of the ground lease, as approved and modified by the Board in October 2001 and March 2002, respectively, remain in effect.

9. Easement, Water Line Improvements, Georgia Southwestern State University

Withdrawn: This item was withdrawn prior to the Committee meeting.

10. Naming of Charles H. Kirbo Regional Center, Bainbridge College

Approved: The Board approved the naming of the new River Regional Center at Bainbridge College ("BC") the "Charles H. Kirbo Regional Center" in honor of the late Mr. Charles H. Kirbo.

Understandings: In 1971, Mr. Kirbo, a Decatur County native, donated more than 160 acres of real property for the creation of BC. Mr. Kirbo was a consistent supporter of BC from its inception, and his legacy of support remains through the Thomas M. and Irene B. Kirbo Charitable Trust of Bainbridge (the “Kirbo Trust”). The Kirbo Trust’s support at BC includes the Postsecondary Readiness Enrichment Program (“PREP”) and Phi Theta Kappa programs, generous donations to the Bainbridge College Foundation, Inc. (the “Foundation”), and most recently, a donation of \$400,000 toward the construction of the River Regional Center.

Mr. Kirbo was a leader not only in Bainbridge, but also on a state and national level. An attorney with King & Spalding LLP, Mr. Kirbo served as a very close adviser to former President Jimmy Carter during his terms as Governor and President.

Mr. Kirbo graduated from the University of Georgia Law School in 1939. He served in the U.S. Army for five years during World War II and attained the rank of Major. He was a fellow in the American College of Trial Lawyers. He was a trustee of The Carter Center and the Kirbo Trust. He was a board member of the Christian Church Foundation and the Atlanta Union Mission. He was quietly but actively involved in the preservation of the natural environment. Congressman John Linder said of Mr. Kirbo, “The world may never know the many great contributions he has made because of his great modesty.”

The Foundation and the BC community would like to honor Mr. Kirbo with the first named building at the college. The Charles H. Kirbo Regional Center is the first new building at BC in more than 30 years and is a fitting tribute to the man who meant so much to the inception of the college and who continues, even in death, to be a strong supporter.

11. Naming of William A. Crider, Sr. Field, South Georgia College

Approved: The Board approved the naming of the baseball field at George A. Cook Stadium, South Georgia College (“SGC”), the “William A. Crider, Sr. Field” in honor of the late Mr. William Ahtee Crider, Sr.

Understandings: William A. Crider, Jr. has been a strong supporter of SGC, providing funding for extensive baseball facility improvements and the scholarship program of the South Georgia College Foundation, Inc. (the “Foundation”). He has contributed \$150,000 toward the renovation of the baseball complex, in addition to having established a fully endowed scholarship with the Foundation. It is his wish to have the baseball field named the William A. Crider, Sr. Field to honor his father.

William A. Crider, Sr. was born in 1910 in Royston, Georgia, and at the age of eight, moved with his family to Coffee County, Georgia, where he spent the remainder of his life and was educated in the Coffee County school system.

He began his business career as a wholesale distributor of vegetables in South Georgia, later expanding the business into several other states and adding poultry and fish to his product line. After William Crider, Jr. was born, Mr. Crider focused his business exclusive on poultry. Together, he and his wife, Emma Lou Harrell Crider, began a chicken-processing business, which grew quickly, and Crider Poultry later merged with Douglas Foods, a subsidiary of Flowers Industries.

Mr. Crider was referred to as “the father of the poultry industry” in the Douglas area. His vision extended beyond business to the community he believed in. He became known for his generosity and ready willingness to help people and was widely regarded as a person of integrity and one who cared for others.

William A. Crider, Sr. passed away in 1971; his wife resides in Douglas.

12. Naming of the James E. Brown Center for Continuing Education, Dalton State College

Approved: The Board approved the naming of the new Continuing Education/Economic Development Building at Dalton State College (“DSC”) the James E. Brown Center for Continuing Education in honor of James E. Brown.

Understandings: Mr. Bob Shaw and Mr. Julian Saul of Shaw Industries have pledged \$1 million for the construction of the DSC Continuing Education/Economic Development Building. In recognition of this commitment, it was agreed that the new building should be named in honor of former Regent James E. Brown of Dalton, who served on the Board from 1987 to 1994.

Mr. Brown is a native of Dalton and has been an avid supporter of DSC since its opening in 1967. He has supported a wide variety of community institutions and initiatives. The long-time owner of Brown Printing Company, a large commercial enterprise which serves the carpet industry, Mr. Brown is widely recognized as one of Dalton’s leading citizens.

Mr. Brown led the Dalton State College Foundation, Inc.’s fund-raising efforts in the late 1990s to secure three \$500,000 contributions for the Eminent Scholars program in association with DSC’s mission change from a two-year institution to a state college. He also led the effort to purchase the land for the new continuing education building. He has been an ambassador for DSC over a span of almost 40 years, giving both his financial resources and his energy to the cause of higher education in general and to DSC in particular.

13. Exchange of Property, City of Statesboro, Georgia Southern University

Approved: The Board declared an approximately 0.70 acre tract of real property on the campus of

Georgia Southern University (“GSOU”), Statesboro, Georgia, 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 the exchange of this real property for approximately 0.45 acre of real property located in Statesboro, Georgia, owned by the City of Statesboro.

The Board conveyed title to approximately 0.70 acre of real property on the campus of GSOU for the use and benefit of the City of Statesboro for use as a road.

The Board accepted title to approximately 0.45 acre of real property located in Statesboro for the use and benefit of GSOU.

The legal details involved with the exchange of real property are subject to review and legal approval by the Office of the Attorney General.

Understandings: The City of Statesboro proposes to close Knight Drive in exchange for real property that will permit the extension of Harvey Street to Lanier Drive. This will allow consolidation of real property for the proposed site of GSOU’s phase II housing. Additionally, it will enhance traffic flow in this area.

Phase I environmental site assessments of both sites indicate that no significant environmental constraints are present.

This land transaction is consistent with the GSOU strategic housing plan.

14. Gift of Real Property, Warner Robins, Macon State College

Approved: The Board accepted a gift of approximately 71.5 acres of real property in Warner Robins, Georgia, from the Macon State College Foundation, Inc. (the “Foundation”) for the use and benefit of Macon State College (“MSC”).

Approved: The above-referenced gift of real property is subject to a reversion in the event that no improvements are erected on the above-referenced real property for the use by a postsecondary educational institution within 30 years of February 4, 2004.

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

The Board authorized the conveyance of right-of-way to the City of Warner Robins for approximately 8.78 acres of the above-referenced real property for use as roads.

The Board authorized the conveyance of a nonexclusive easement to the City of Warner Robins for

approximately 0.28 acre of the above-referenced real property for use for a water line.

The Board also authorized the conveyance of a nonexclusive easement to the City of Warner Robins for approximately 0.34 acre of the above-referenced real property for use for a gas line.

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

Understandings The Foundation received this vacant real property, which is contiguous to the MSC facility in Warner Robins, from the City of Warner Robins in February 2004.

A Phase I environmental site assessment indicates no significant adverse environmental issues are present at the site.

The appraised value of this property is \$1,108,250.

Estimated operating costs of \$5,000 per year, for maintenance and mowing, will be funded from the campus maintenance and operation budget.

15. Information Item: Housing Plan Presentation, Augusta State University

President William Bloodworth, Jr. of Augusta State University (AUSU) presented a plan to the Committee to build student housing at AUSU. President Bloodworth stated that the plan is aimed at supporting the university's mission and accommodating increased student enrollment. Highlights of the presentation included the following:

- AUSU's foundation intends to fully develop this project without the use of state funds.
- Housing at AUSU will give the students opportunity to form close personal relationships, develop deeper ties to the institution, and should result in higher levels of retention and graduation.
- The AUSU master plan indicates that significant future growth will occur at the campus on Wrightsboro Road since there is little opportunity for land acquisition at the Summerville campus site. AUSU has identified 24 acres of undeveloped land near the campus on Wrightsboro Road as the preferred site for student housing.
- A thorough due diligence review of the site has been performed, and the Augusta State University Foundation, Inc. has obtained formal "intent to purchase" agreements on the property.

- A market study has been performed by a professional consultant. The study surveyed over 1,600 AUSU students and determined that a demand for approximately 600 beds exists.
- This housing development will include 500 beds, security features, recreational amenities, electronic connectivity to the university, and a resident life program.
- It is proposed that the bond term to finance construction of the housing be 30 years so that rental rates can be kept as low as possible, allowing access to more students.

16. Information Item: Housing Plan Presentation, Albany State University

President Portia H. Shields of Albany State University (“ALSU”) presented information to the Committee concerning ALSU’s comprehensive housing plan. Highlights of the presentation included the following:

- ALSU has a historical residential mission that over the years has been key to enhancing academic achievement and helps in the areas of recruitment and retention.
- ALSU has a current enrollment of 3,681 students and has had a 2.8% annual growth rate since 1998.
- ALSU currently has an existing student housing count of 1,052 student beds. However, Andrews, Gibson, and Wiley Halls (three of the existing residence halls) are located within the flood plain and are scheduled for demolition according to the ALSU comprehensive long-range master plan. The average age of these three residence halls is 35 years old.
- Based upon a student survey conducted by ALSU, students prefer two-bedroom suites when given the choice between either two-bedroom or four-bedroom suites.
- The new student housing plan will provide 800 new student housing beds, which will actually mean a 12% increase of student housing beds after the demolition of the three existing residence halls located within the flood plain.

President Shields presented a sample conceptual layout of the proposed four-bedroom, two-bath suite. Finally, she presented the implementation strategy along with an action plan and schedule outlining the tasks to be completed.

COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs met on Tuesday, March 9, 2004, at approximately 1:45 p.m. in room 6041, the Training Room. Committee members in attendance were Chair William H. Cleveland, Vice Chair Wanda Yancey Rodwell, and Regents W. Mansfield Jennings, Jr., James R. Jolly, Elridge W. McMillan, Doreen Stiles Poitevint, Allan Vigil, and Joel O. Wooten, Jr. Board Chair Joe Frank Harris was also in attendance. Chair Cleveland reported to the Board that the Committee had reviewed 11 items, 9 of which required action. Additionally, Item 5 included 134 regular faculty appointments, which were reviewed and recommended for approval. One of the appointments had been corrected, and one had been withdrawn. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Establishment of a Major in African World Studies Under the Bachelor of Arts, Fort Valley State University

Approved: The Board approved the request of President Kofi Lomotey that Fort Valley State University (“FVSU”) be authorized to establish a major in African World Studies under the Bachelor of Arts, effective March 10, 2004.

Abstract: FVSU proposed the establishment of a major in African World Studies under the Bachelor of Arts. The major conceptualizes and broadens the study, research, and cultivation of knowledge concerning the existence of communities that are historically and culturally connected to Africa within world geopolitical contexts.

Need: The major will provide students with a broader understanding of persons of African descent in various regions, including South America and Asia. A survey of 185 students indicated that 77%, if provided the opportunity, would take courses in the study of the African world while 70% would minor in such a program of study.

Objectives: The objectives of the program are to access and utilize knowledge bases and perspectives that reflect African worldviews and to examine major assumptions, philosophies, and international discourse. The critical examination of the assumptions and views will be used to further develop understandings of African culture, geography, and customs.

Curriculum: The 120-semester-hour program will include such upper-level courses as Africa in Western Metanarratives, Origins of African Thought, African Cinema and Contemporary Society, African Literature in English, Diplomacy Simulations, and Women and Development in Africa. The major in African World Studies will include five concentration areas: Commercial Design, Criminal Justice, English Language and Literature, Geography, and Pre-Law.

Projected Enrollment: The institution anticipates enrollments of 15, 39, and 71 during the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution in addition to establishing new courses. President Lomotey 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 program. The program will be reviewed in concert with the institution's programmatic schedule of comprehensive program reviews.

2. Establishment of the Master of Food Animal Medicine, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ("UGA") be authorized to establish the Master of Food Animal Medicine, effective March 10, 2004.

Abstract: UGA proposed the establishment of a nonthesis Master of Food Animal Medicine. Transcending expertise levels associated with the Doctor of Veterinary Medicine degree, the program addresses the integrated beef, pork, and dairy production industries and focuses on herd health management with an emphasis on the control and eradication of diseases. This degree is designed for practicing veterinarians.

Need: Livestock production has undergone changes in the last decade. Currently, it is not possible to teach at the depth required to impart the business and population-based skills necessary to be effective in livestock production management. Veterinarians assume greater responsibility for the management of preventative health programs that affect the herd and work with other members of the production team, including economists, nutritionists, geneticists, and production staff. Veterinarians with advanced training in food animal medicine will acquire knowledge and expertise applicable for consideration of disease risk assessment, food safety and security, population medicine, public health, and epidemiology.

Objectives: The objectives of the master's program are to provide targeted training that prepares graduates for leadership in livestock production, animal pharmaceuticals, food processing, and government agencies responsible for state and national animal health protection and to provide scholarship and applied research instruction in food animal medicine at the master's degree level.

Curriculum: The 48-semester-hour program will include two case studies to be submitted for publication and clinical hours to be used working in a regulatory or corporate setting under the guidance of a faculty member or sponsoring veterinarian. Students will be required to take courses in food animal practice, epidemiology and statistics, and food animal clinical research.

Projected Enrollment The institution anticipates enrollments of two students during each of the first three years of the program.

Funding: The program will build upon and reconfigure existing courses that are currently offered by the institution in addition to establishing new courses. President Adams 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 program. The program will be reviewed in concert with the institution's programmatic schedule of comprehensive program reviews.

3. Establishment of a Master of Arts in Liberal and Professional Studies, Armstrong Atlantic State University

Approved: The Board approved the request of President Thomas Z. Jones that Armstrong Atlantic State University ("AASU") be authorized to establish the Master of Arts in Liberal and Professional Studies, effective March 10, 2004.

Abstract: The Master of Arts in Liberal and Professional Studies is designed to further professional development on the basis of language skills, critical thinking, and social and behavioral studies. Graduate liberal studies emphasize the interrelated nature of knowledge and liberal arts education. "Professional Studies" applies to students that obtain professional qualification on the basis of a liberal arts education.

Need: The need for the program was ascertained through an analysis of student achievement and professional development based on professional studies, surveys of current students, and consultation with professionals in the region. Research by the American Management Association shows that 85.2% of respondents rated conceptual skills high and 83.3% rated communication skills as important to organizations. A survey of graduating seniors indicates strong support for and interest in the degree for professional advancement.

Objectives: The objectives of the program include development of oral and written communication skills along with technological proficiency in an effort to improve mobility and upward advancement. Other assessments will be developed for research capabilities and cultural understanding.

Curriculum: The 30-semester-hour program will consist of a core of courses in professional ethics, critical thinking, and language skills and options in international studies, leadership studies, and women's studies that specifically address needs in the Savannah region.

Projected Enrollment: The institution anticipates enrollments of 10, 20, and 30 during the first three years of the program.

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

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

4. Redesignations of the Previously Approved Major in Exercise Science Under the Master of Arts to Become the Major in Exercise Science Under the Master of Science and of the Previously Approved Major in Communication Sciences and Disorders Under the Master of Science to Become the Major in Communication Sciences and Disorders Under the Master of Arts, University of Georgia

Approved: The Board approved the requests of President Michael F. Adams that the major in Exercise Science under the Master of Arts ("M.A.") be redesignated as the major in Exercise Science under the Master of Science ("M.S.") and that the major in Communication Sciences and Disorders under the Master of Science be redesignated the major in Communication Sciences and Disorders under the Master of Arts at the University of Georgia ("UGA"), effective March 10, 2004.

Abstract: In August 2003, the Board approved UGA's request to offer specific Master of Education majors under existing M.A. and M.S. degree designations. During the course of approval of these majors at UGA, the M.A. and M.S. designations of two degree programs were transposed. This action sets straight that transposition so that Exercise Sciences will be offered under the M.S. degree rather than under the M.A. degree and Communication Sciences and Disorders will be offered under the M.A. degree rather than the M.S. degree.

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

Approved as Modified: The administrative and academic appointments were reviewed by the Chair of the Committee on Education, Research, and Extension and approved by the Board. The full list of approved appointments is on file with the Office of Faculty Affairs in the Office of Academics and Fiscal Affairs. The list of appointments was modified in that one title was corrected and one position was withdrawn.

6. Establishment of the Vice President of Information Technology Position, Clayton College & State University

Approved: The Board approved the request of President Thomas K. Harden that Clayton College & State University (“CCSU”) be authorized to establish the position of Vice President of Information Technology, effective March 10, 2004.

Abstract: CCSU proposed to convert the position of Executive Director of the Office of Information Technology and Services to Vice President of Information Technology and Services. The executive director reported directly to the president, as does the new position of vice president. CCSU sought to convert the position to that of vice president in an effort to recruit individuals with the credentials, experience, and successive academic qualities required for the position. The vice president for information technology will serve as the chief information officer for the institution. The vice president will lead the Office of Information Technology and Services, which encompasses the areas of Administrative Systems, Client Services, Media and Printing Services, and Telecommunications and Networking.

7. Establishment of the William Suttles Chair of Religious Studies, Georgia State University

Approved: The Board approved the request of President Carl V. Patton that Georgia State University (“GSU”) be authorized to establish the William Suttles Chair of Religious Studies, effective March 10, 2004.

Abstract: GSU proposed the establishment of the William Suttles Chair of Religious Studies. The Georgia State University Foundation, Inc. has established an endowment whose principal account balance at December 31, 2003, was \$504,686.44. An additional operating budget of \$78,214.15 is available to provide a budget for the chair or to be reinvested in the principal.

The chair will support the growing demand for the scholarly study of religion at the university. Since 1991, the Religious Studies program has grown to over 45 courses with over 80 current undergraduate majors. Enrollments have more than doubled in the past three years. Its faculty, holding doctorates from institutions such as Harvard and Princeton Universities, have been awarded numerous national and federal grants and have been the recipients of university and statewide teaching awards. The chair would be housed in the Department of Philosophy.

Dr. Suttles, an alumnus of GSU, served the institution from 1942 to 1989, first as Assistant Registrar and Instructor of English and Speech and lastly as Acting President. Dr. Suttles rose through the faculty ranks to full professor, served as Chair of the Speech Department in the late 1950s, and held a wide range of university-level administrative posts, including Dean of Students and Vice President for Academic Affairs, in addition to the positions for which he was designated emeritus. Dr. Suttles provided dedicated leadership and service to GSU during its growth from a relatively small state college to a major research university. He is particularly remembered for his

vigorous pursuit of state and federal funding for the construction of the Natural Science Center. The establishment of the chair would be a fitting testimony to Dr. William Suttles, dedicated educator and President Emeritus, Professor Emeritus, and former Executive Vice President and Provost.

8. Establishment of the William J. Usery, Jr. Chair of the American Workplace, Georgia State University

Approved: The Board approved the request of President Carl V. Patton that Georgia State University (“GSU”) be authorized to establish the William J. Usery, Jr. Chair of the American Workplace, effective March 10, 2004.

Abstract: GSU proposed the establishment of the William J. Usery, Jr. Chair of the American Workplace in the Andrew Young School of Policy Studies. The Georgia State University Foundation, Inc. has received gifts in the amount of \$626,200 and has established an endowed account with the funds. The focus of the chair will be on increasing the awareness of economic changes taking place in the global marketplace and the need for the American workplace to adapt to these changes. Changes and issues germane to the chair’s focus include healthcare cost and coverage, displacement of workers by offshore jobs, workforce development, and labor’s share of the national economy.

William J. “Bill” Usery, Jr., a native of Hardwick, Georgia, has spent almost five decades in labor-management relations activity, having participated in hundreds of collective bargaining disputes in a variety of private industries as well as in the public sector. Mr. Usery has held five presidential appointments, three of which required senate confirmation: Assistant Secretary of Labor under President Richard Nixon, Special Assistant to the President for Labor Management Negotiations in two administrations, and Secretary of Labor under President Gerald Ford. For three years, he was national Director of the Federal Mediation and Conciliation Service, serving as the government’s chief mediator in every labor-management dispute of national significance.

Under Presidents Kennedy and Johnson, Mr. Usery was the industrial union representative on the President’s Missile Sites Labor Committee at the Kennedy Space Center in Florida and the Marshall Space Flight Center in Alabama. From 1993 to 1995, he served on the Commission of the Future of Worker-Management Relations and was appointed by President Bill Clinton as special mediator for the major league baseball dispute.

In 1985, Mr. Usery established the Bill Usery Labor Management Relations Foundation for the betterment of public awareness and understanding of labor-management relations, collective bargaining, and other human resource issues in the free enterprise system. In 1991, the foundation helped create Partners in Economic Reform, which is working with democratic labor and management to promote economic development and free collective bargaining in the New Independent States of the former Soviet Union.

Mr. Usery attended Georgia Military College and Mercer University and served in the Pacific Fleet of the U.S. Navy from 1943 to 1946. He has donated his official papers to the Southern Labor Archives at GSU.

9. Termination of the Bachelor of Science With a Major in Art Education and Bachelor of Science With a Major in Secondary Education, Georgia College & State University

Approved: The Board approved the request of President Dorothy Leland that Georgia College & State University (“GCSU”) be authorized to terminate the Bachelor of Science (“B.S.”) with a major in Art Education and the Bachelor of Science with a major in Secondary Education, effective March 10, 2004.

Abstract: GCSU proposed termination of the majors in Art Education and Secondary Education under the B.S. degree. The majors were deactivated and did not admit students for three to six years while existing cohorts matriculated through the respective programs. Consistent with the institution’s comprehensive program review plan, the majors are ready for termination. Termination of the majors will not have an adverse impact on faculty or students.

10. Information Item: Possible Academic Course and Program Offerings at the Cobb Galleria, Kennesaw State University

President Betty L. Siegel of Kennesaw State University (“KSU”) gave a presentation concerning the use of space at the Cobb Galleria for academic course and program offerings. The presentation focused on KSU’s interest in the Cobb Galleria area, the institution’s additional space needs, and the educational needs of Cobb County residents. With references to KSU’s headcount, enrollment growth, and comparative square footage, President Siegel suggested that the space be used to offer targeted master’s degrees and continuing education programs. In addition, other options include offering the university core curriculum and using the site for art classes and large venue events. Regent McMillan indicated that more discussion needs to take place between and among staff and institutions before the Regents are asked to make a decision on the request. Regent McMillan further stated, “In-depth analysis is required because what may be positive for one institution may not be positive for another.” Committee members posed questions concerning short-term and future impacts, ramifications for nearby institutions, costs, lease or buy arrangements, rent per square foot, physical proximity to the home institution, useful square footage, and prototype approximation of classroom area.

11. Information Item: Service Agreements

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

Georgia Southern University

Liberty County Government Develop a comprehensive recreation plan for Liberty County	12/1/03 - 12/31/04	\$34,270
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University of Georgia

Georgia Department of Education Manage, coordinate, and conduct approved training courses in schools and school systems and provide consulting services in developing and implementing professional development and technology plans	7/1/03 – 6/30/04	\$296,520
Georgia Department of Human Resources Process training approvals as required by daycare licensing regulations to develop and maintain database of trainers, their qualifications, available training, and related issues	10/1/03 0 9/30/04	\$142,000
Georgia Department of Human Resources Address problems relating to transmission of Salmonella enterica serotype Typhi from contaminated irrigation water to interior tissue of produce, contamination of Listeria monocytogenes in cheese, prevention of botulinum toxin production in canned vegetables, and other food-borne pathogens in food and water systems	11/1/03 – 10/31/04	\$130,749
Continue to develop and maintain a statewide inventory of identified archaeological sites in Georgia	7/1/03 – 6/30/04	\$30,000
Georgia Department of Natural Resources Analyze water quality of Duplin River for a variety of contaminants	11/25/03 – 11/24/04	\$2,000
Georgia Department of Technical and Adult Education Build on established common interests in the development and improvement of quality workforce education system in Georgia	10/1/03 – 6/30/04	\$198,595
Georgia Forestry Commission Develop a vegetated roof system designed to mitigate the storm water flow caused by urban surface cover and a geographic information system to predict effect of widespread vegetated roof cover in urban watershed	8/12/03 – 8/30/04	\$20,000
Northeast Georgia Regional Development Center Seek grassroots arts program funding for “Enchanting Modern: Ilonka Karasz, 1896-1981”	1/1/04 – 3/30/04	\$865
Northeast Georgia Regional Development Center	7/1/03 –	\$70,761

Provide nutrition education and assessment programs as specified in Title III F areawide Aging Plan FY 2004 Budget Amendment Update	6/30/04	
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Total Amount –March	\$ 925,760
Total Amount FY 2004 to Date	\$ 126,549,738
Total Amount FY 2003 to March	\$ 22,627,950
Total Amount FY 2003	\$ 25,349,678

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, March 9, 2004, at approximately 2:30 p.m. in room 7019, the Chancellor’s Conference Room. Committee members in attendance were Chair Joel O. Wooten, Jr., Vice Chair Elridge W. McMillan, and Regents William H. Cleveland, Doreen Stiles Poitevint, Wanda Yancey Rodwell, and Allan Vigil. Chair Wooten reported to the Board on Wednesday that the Committee had reviewed four items, three of which required action. Item 1 included nine 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

- a. The matter of Vicki Alexander, a former employee of the Georgia Institute of Technology, concerning her termination, was presented for information only.
- b. In the matter of Ricardo Hunt, a former employee of the Georgia Institute of Technology, concerning his termination, the application for review was denied.
- c. In the matter of Dennis Hooks, a former employee of the Georgia Institute of Technology, concerning his termination, the application for review was denied.
- d. In the matter of Aretha Hill at the University of Georgia, concerning her termination, the application for review was denied.
- e. In the matter of Gary Fallis at Georgia Southwestern State University, concerning his termination, the application for review was denied.

- f. In the matter of Gary Nicholson at Columbus State University, concerning his suspension, the application for review was denied.
- g. In the matter of Michael James Kinsey at Columbus State University, concerning his suspension, the application for review was denied.
- h. In the matter of Carolyn D. Ruppel at the Georgia Institute of Technology, concerning her suspension, the application for review was denied.
- i. In the matter of Lane Van Tassell at Georgia Southern University, concerning his salary and other grievances, the application for review was denied, except that the summer school salary issue was remanded to the president for reevaluation and reconsideration.

2. Approval of the Fort Valley State University Mutual Aid Agreement With the City of Fort Valley

Approved: The Board approved the following mutual aid agreement between Fort Valley State University (“FVSU”) and the City of Fort Valley, effective March 10, 2004.

Background: FVSU reached an agreement with the City of Fort Valley 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 36-69-2 (extraterritorial cooperation and assistance to local law enforcement agencies or fire departments; commander of operations). The mutual aid agreement follows a statutory format and was approved by the Office of Legal Affairs.

3. Approval of the Fort Valley State University Mutual Aid Agreement With Peach County

Approved: The Board approved the following mutual aid agreement between Fort Valley State University (“FVSU”) and Peach County, effective March 10, 2004.

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

4. Information Item: Board of Regents 2000-2003 Survey Results

The Senior Vice Chancellor for Support Services, Corlis Cummings, and the Associate Vice Chancellor for Legal Affairs, Elizabeth E. Neely, presented the results of a survey of litigation and

Department of Administrative Services claims experience for a five-year period in the University System. The survey showed that the Board of Regents is a defendant in a relatively low number of cases compared to other systems and compared to its scope of operations. The survey also showed that the Office of Legal Affairs is proactive in its preventive efforts.

CHANCELLOR'S REPORT TO THE BOARD

After the Committee meeting reports, Chancellor Meredith gave the following report to the Board:

Thank you, Mr. Chairman. In front of you is a copy of the new acronyms list. If you discover an acronym that is not included, please share it with the Secretary to the Board, Gail S. Weber, who ensures that the list stays up-to-date.

My first year here, we surveyed you to see how Board meetings were going from your perspective and whether there were changes to be made. Ms. Weber and I will soon send you another such survey to solicit your opinion again.

I want to thank the Regents and Committees for all their hard work. I am impressed as I sit in various Committees with the kind of detail with which you are dealing. Yesterday, we had two workshops before the Board meeting started. I thought they were extremely informative, and I want to thank the staff who put those programs together. The workshops were just outstanding, and I hope you found them to be helpful.

I want to introduce someone this morning. Georgia College & State University ("GCSU") has a mentorship program, and each semester, I have been fortunate to have a mentee. This semester, I am mentoring Mike Madison. He is a sophomore from Macon majoring in Management Information Systems. He is an outstanding young man with a promising future, and I have really enjoyed our time together. I took him to the O.K. Café last night to show him where the state's major decisions are really made. Mike is an archer who founded GCSU's archery team. Mike, we are glad you are here.

Before I continue, let me take a moment to say how deeply saddened we were when Macon State College ("MSC") President David A. Bell's wife, Nora, passed away in late January. Nora Kizer Bell, a caring and charismatic leader known for championing women's colleges, became the first female president of Wesleyan College ("Wesleyan") in Macon in 1997. Wesleyan, as you may know, is the nation's oldest women's college. Early in 2002, she made a difficult decision, leaving Wesleyan to become President of Hollins University ("Hollins"), a private women's college in Roanoke, Virginia. The Bells became a long- distance couple. Nora quickly became thoroughly involved with the Hollins community, so much so that just

a week or so after her death, a Hollins trustee and former board chair issued a challenge, promising to donate \$1 million to fund the establishment of the Nora Kizer Bell Endowed Chair in the Humanities if the other trustees could raise an additional \$2 million by the university's Founder's Day on February 19. It is a testament to the quality of Nora Bell's leadership and character during her short tenure at Hollins that this goal was met in a mere 15 days. David Bell, the outstanding president of Macon State College, attended Hollins' Founder's Day program and a service at Wesleyan held in tribute to his wife. He is here today, and I want to extend to him our deepest sympathy for his great loss. We are proud to have known Nora.

I'll begin the "good news" portion of my report this month by saying how pleased I am that Congressman Howard P. "Buck" McKeon of California has decided not to build into his Affordability in Higher Education Act a penalty clause relating to college tuition. In announcing his decision to remove the penalty provision, Representative McKeon said he was encouraged by voluntary steps taken recently by a number of major colleges and universities to curb tuition growth and by the willingness of the American Association of State Colleges and Universities to work with Congress to address the college-cost issue. As you may know, Representative Johnny Isakson afforded me the opportunity to spend considerable time with Representative McKeon last summer, helping him to see the situation we are in regarding tuition. I am deeply grateful to Representative Isakson for making this possible.

The Senior Vice Chancellor for Support Services, Corlis Cummings, delivered some welcome news recently. In April 2003, you approved a major revision of the University System's job title classification system, or "B Codes." This overhaul, completed last fall, greatly streamlined the number of position titles or categories in the System, to the relief of our human resources personnel. We are happy to report that the Tennessee Board of Regents has adopted our new job-category classification model. We are gratified that the "B Codes" have become a "best practice" for human resources professionals in higher education. Thanks, Corlis, for a job well done.

Moving out into the System, officials at the University of Georgia's ("UGA") College of Pharmacy have announced the creation of a Center for Drug Discovery to promote scientific research in infectious diseases and cancer. The center will incorporate faculty in multiple disciplines at UGA, the Medical College of Georgia, Georgia State University, the Georgia Institute of Technology, and Emory University. It will be headed by Professor Vasu Nair, head of UGA's Department of Pharmaceutical and Biomedical Sciences and a world-renowned researcher.

The State University of West Georgia ("UWG") is celebrating 32 consecutive years of having sent at least one team to the National Debate Tournament. Only a handful of colleges and

universities – including Dartmouth, Harvard, and Georgetown Universities – have accomplished this feat. In qualifying last month for the nationals, UWG placed first in the Southeast, ahead of UGA, Emory University, Wake Forest University, and others.

President Peter J. Sireno of Darton College (“DC”) was honored this month for advancing academic and administrative leadership by the Chair Academy. [The Chair Academy designs and promotes leading-edge training programs to advance organizational leadership.] President Sireno received the academy’s 2004 International Exemplary Leadership Award in honor of his many achievements during his 15-year tenure at DC.

The campus magazines at Gainesville College (“GVC”) and Coastal Georgia Community College (“CGCC”) continue to win top awards from the American Scholastic Press Association year after year. *Hoi Polloi*, published by GVC’s English Club, just won its eighth consecutive first-place award, while CGCC’s *Seaswells* was named the Outstanding Community College Literary Magazine of the Year for the fifth time in the past decade.

Down at Waycross College (“WC”), administrators, faculty, and students have been busy raking in all kinds of national and international recognition. Dr. Tonya Strickland, Associate Professor of English and reading, won the 2004 Faculty Technology Award from the American Association of Community Colleges. Phi Theta Kappa, the international honor society of two-year colleges, has selected WC President Barbara P. Losty to receive its prestigious Shirley B. Gordon Award of Distinction for her outstanding work in promoting the society’s goals.

Another annual salute to students of exceptional merit conducted at this time of year is Academic Recognition Day. The General Assembly honors one student from each of our 34 institutions who’s been hand-picked by their campus president with copies of House and Senate resolutions commending them on their superb academic success. We, too, wish to salute these 34 scholars for exemplifying the best of the University System of Georgia.

All of my time this month is not exclusively taken up with the budget. During March I’m conducting presidential evaluations. All 34 presidents are coming in to the University System Office, and we are reviewing, one-on-one, the individual accomplishments in both a quantitative and qualitative sense. It is proving to be a very informative process for both the presidents and myself. I am proud of the work going on at our institutions, and I think you will be even more proud as we continue to increase accountability via these evaluations.

Before turning the floor back over to Chair Harris, Chancellor Meredith asked the Senior Vice Chancellor for External Activities and Facilities, Thomas E. Daniel, to brief the Board on the ongoing legislative session.

Mr. Daniel reported that the fiscal year 2004 amended budget is in the hands of a conference committee. The House and Senate versions of this budget include the original reductions to the University System's base budget, which total approximately \$36 million in the "A" budget and about \$4.6 million in the "B" budget. The Governor's key recommendations concerning the Optional Retirement Plan and funding for Georgia Library Public Information Network for Electronic Services ("PINES") also are included, although there is some disagreement over how much funding to give PINES. Legislators have added some minor capital projects (all of which were part of the University System's original budget request), including \$5 million for a Georgia Southern University project, \$5 million for two projects at South Georgia College, and \$5 million for an academic building at the Gwinnett University Center. Also added was construction money for library projects, although there, too, the House and Senate differ on which ones to fund.

Mr. Daniel said he expected the House to act on the fiscal year 2005 budget early the next week. It includes a \$105 million reduction to the University System's base budget, but the Governor has recommended approximately \$130 million in new formula money, \$1.5 million for the Optional Retirement Plan, \$4.8 million for System retirees, \$5 million in enhancement funds for the Medical College of Georgia, \$1.25 million for PINES, and a salary increase for System employees. Some very good capital recommendations were included in the fiscal year 2005 budget. The Governor recommended five major capital projects, totaling \$86 million, and 24 minor projects, totaling \$52 million, from the Board's priority list. Mr. Daniel also expressed gratitude to the Governor for recommending \$60 million in bonds for major repairs and renovations to University System facilities (major repair and renovations funds). All of these items seem to have the support of both the House and the Senate.

Mr. Daniel noted the approach of "Crossover Day," the thirty-third day of the legislative session, by which bills must have passed at least one chamber. The Board of Regents staff and key campus officials have been monitoring more than 125 bills and resolutions throughout the session. He commended the Associate Vice Chancellor for Legal Affairs, Elizabeth E. Neely, for her dedication in this regard, noting that she combed through every piece of legislation related to the University System. He also commended the Special Assistant to the Vice Chancellor for Information and Instructional Technology, Jim Flowers, and the Director of Administration and Compliance Policy, Mark Demyanek for attending numerous committee meetings and the Associate Vice Chancellor for Strategic Research and Analysis, Cathie Mayes Hudson; the Special Assistant to the Chancellor, Usha Ramachandran; and the Senior Policy Advisor, Robert E. Watts, for following legislation related to the HOPE Scholarship program. The House and Senate have adopted different versions of HOPE reforms. Other proposed legislation engendering much debate during this session involves the cost of college textbooks, making textbooks available electronically, and retirement options.

Mr. Daniel closed by thanking the Board for making personal contact with local legislators on behalf of the University System, noting that this has had a positive impact on the System's legislative

objectives. He urged Board members and key campus officials to continue their efforts in this regard as the session winds down. At this point, April 2 is the target date for final adjournment of the General Assembly.

Chancellor Meredith commented that he has never worked with anyone who has as much credibility with the legislature as Mr. Daniel. He also praised the team of Board of Regents staff members and key campus liaisons Mr. Daniel leads for their countless hours devoted to gathering crucial information for the General Assembly, information that ultimately impacts legislation. It is a mark of the trust Georgia lawmakers have in the Board of Regents and its staff, he said.

Chancellor Meredith added that the budget cuts mentioned in Mr. Daniel's briefing represent only a portion of the funding the University System stands to lose. The University System seeks matching funds for many budget items, such as Intellectual Capital Partnership Program ("ICAPP[®]") projects, Education, Technology, and Construction Trust ("ETACT"), and the P-16 Initiative. When state funding for those items is eliminated, the matching funds also are lost. Regarding the Governor's recommendation to include a salary increase for System employees in the fiscal year 2005 budget, Chancellor Meredith mentioned that the Regents' staff is working to have modified a troubling clause limiting any individual's increase to \$1,600. This would adversely affect a number of key System officials. He also expressed concern that the University System has been asked to use part of its health insurance reserves to fund a rate increase in the employer's share of System health insurance premiums. Other state agencies with less healthy reserves have not been asked to do this, and though this maneuver has been couched in terms of a loan that will later be repaid to the System, there is no guarantee that this will happen, the Chancellor noted. He added that the state's depressed revenues have led to increased concerns about budget cuts. While University System presidents have been fiscally prudent, they continue to be challenged by climbing student enrollments. The System is doing the best it can do, he concluded.

Regent Coles inquired about prospects for the Eminent Scholars Program.

The Chancellor replied that 17 scholar positions have been funded with private dollars but are on hold until they can be matched with state funds. There has been little response to his suggestion that the state make a decision on whether or not to continue the program. Georgia was one of the leaders in this endeavor until it stopped funding the program. Other states have enjoyed substantial benefits from setting up similar programs.

Regent Coles commented that the Eminent Scholars Program has been an important fund-raising vehicle for institutions.

Chair Harris thanked Chancellor Meredith for his report and added the Board's appreciation for the outstanding leadership provided by Mr. Daniel with regard to the Georgia General Assembly, as well as the good communications with the Board provided by the Chancellor during the legislative session.

STRATEGIC PLANNING COMMITTEE, “COMMITTEE OF THE WHOLE”

Chair Harris next convened the Strategic Planning Committee as a Committee of the Whole and called upon the Chancellor to begin the presentation with some observations and comments on the 2002-2007 strategic plan.

Chancellor Meredith noted that significant progress has been made in achieving the plan’s 11 goals; however, a lot of work remains to be done. Some of the goals have had to be shelved for the time being due to budgetary constraints, and implementation of the statewide assessment intended to give the campuses direction through the next decade also has delayed. He called upon the Senior Vice Chancellor for Academics and Fiscal Affairs, Daniel S. Papp, to bring the Board up to date.

Dr. Papp said 46 of the 116 action steps in the strategic plan were initiated during year one, which was fiscal year 2003, while 27 were to be initiated during year two, or fiscal year 2004, leaving another 43 to be initiated over years three to five. Of the 46 initiated during year one, five were completed; work on another 25 continues; 12 were slowed, stopped, or not initiated because of budget reductions; and another four were slowed, stopped, or not initiated for other reasons. The five completed action steps are the implementation of a system for comprehensive program review, the establishment of a 4% target for study-abroad participation, the inclusion of the University System’s accountability indicators on the System Web site, the establishment of a requirement for architectural compatibility and quality in System facilities, and the development of a math initiative.

Among the action steps initiated in year one that represent continuing projects are the following:

- Encourage interdisciplinary learning;
- Develop programs in which four-year institutions offer four-year degrees at two-year institutions (“4-4-2 programs”);
- Develop strategic initiatives similar to the Intellectual Capital Partnership Program (“ICAPP[®]”);
- Refine and modify continuing education policies;
- Establish best practices reporting and awards;
- Meet regularly with Department of Education (“DOE”) representatives and the Department of Technical and Adult Education (“DTAE”); and
- Refine allocation methodology.

Dr. Papp said that, as a result of regular contact between the DOE and the Board of Regents' staff, the DOE has asked for input from the System on its planned revision of the K-12 curriculum.

Among the action steps on which work has slowed or stopped are the following:

- Create campus economic development units;
- Expand freshman-experience programs;
- Develop inter-institutional cooperatives and internships;
- Initiate the formula revision process; and
- Create a "think tank" to address statewide economic and political issues.

Dr. Papp noted that freshman experience programs have been invaluable in increasing retention rates. The System's overall retention rate is now above 80%. However, while no ground will be lost, the expansion of these programs has come to a halt.

Since the beginning of year two of the plan (fiscal year 2004), 27 new efforts have been initiated, Dr. Papp said, and work on some of the 25 efforts carried over from year one has been completed. He reported that fiscal year 2005 funding for the 4-4-2 programs seems likely to be eliminated. Some of those programs have been incredibly successful, and campus officials are being consulted about possible solutions to discontinuing them, Dr. Papp noted. Comprehensive program review of all programs has been suspended for the time being. However, programs with limited numbers of students continue to be reviewed. During fall 2003, the Board issued its first Best Practices Awards, which have been invaluable, both in bringing well-deserved recognition to the campuses and in sharing these practices Systemwide. Continuing efforts to refine the System's allocation methodology have provided the institutions with a better idea of how much money they will receive in the next fiscal year. The Assistant Vice Chancellor for Advanced Learning Technologies, Kris Biesinger, and others have set up a distance learning consortium in which several System institutions will collectively offer an online degree, cutting development costs and adding depth to the program. If all goes well, a collaborative online Bachelor of Science in Information Technology will be up for the Board's approval in April 2004. A Systemwide purchasing committee is being put in place by the Vice Chancellor for Fiscal Affairs, William R. Bowes. In addition, mentorship programs and flexible work schedules have been implemented. Student transferability will be improved via a program being readied by the Interim Assistant Vice Chancellor for Student Affairs, Tonya R. Lam, and the Vice Chancellor for Information and Instructional Technology and Chief Information Officer, Randall A. Thursby, in which students will be able to register for multiple courses at multiple institutions without having to undergo the transient registration process.

Dr. Papp said that, with five years to go in the strategic plan, there are 43 to 44 action steps yet to be initiated. Over the next few weeks, he said, the Regents will be provided with listings of the 20 to 25 items the Chancellor and the senior staff feel are most important. The Regents will be asked to narrow the list to five to ten items to be discussed at the April 2004 Board meeting. There are

some challenges to be faced, Dr. Papp concluded, but overall, rapid and effective progress has been made on most, if not all, of the action items in the strategic plan.

Regent Shelnut inquired as to the total number of items in the plan.

Dr. Papp replied that there are 11 different goals containing 116 action steps.

Regent Shelnut expressed concern about including so many steps in the plan, even if it covers a five-year period.

Dr. Papp said that, like the Chancellor, he feels some strategic direction is needed from the Board about which ones can be postponed.

Regent Pittard expressed agreement with Regent Shelnut, indicating that the actions cannot possibly all be accomplished in the current economic environment. He warned against choosing to pursue the items that have the most momentum rather than those with the biggest potential impact on the strategic plan and urged the Board to be realistic about what can be done and what cannot. Regent Pittard said that, in his view, it is more important to fully accomplish a few crucial objectives than to be left with a lot of partially completed ones.

Chancellor Meredith agreed.

Regent Vigil asked for clarification on the 4% target for study-abroad programs.

Dr. Papp explained that, historically, the target has been 4% of an institution's total undergraduate headcount. However, over the past few years, the national standard has shifted to 25% of the undergraduate degrees awarded.

Regarding revisiting the scope of the strategic plan, Regent McMillan said the mission statements of the System's institutions also need revisiting. The Board, he said, has a responsibility to give the institutions direction about what it expects of them, to ensure that what they do individually does not adversely impact other institutions in the System, and to curb those that attempt to be all things to all people. This, he noted, is the beauty of having a unified system.

Chancellor Meredith agreed, noting that this is what the statewide assessment is intended to address.

Returning to Regent Pittard's comments about the ambitions of the strategic plan, Regent Coles pointed out that the plan was formulated during a very different economic climate. It is time to re-address the plan, he concurred.

As part of the Board's continuing exploration of new and expanded educational opportunities

available to University System of Georgia students, Dr. Papp introduced the Vice Chancellor for Academic, Student, and Faculty Affairs, Frank A. Butler. Dr. Butler reminded the Board that they began hearing a series of presentations on the rich array of tools and strategies available to today's faculty members – alternatives and supplements to the traditional classroom experience – in January 2004. In February, the Board heard about cooperative education and internships available in the System. Today's topics would be the impact of distance learning tools and the study abroad programs that further enrich the academic lives of students and faculty.

To put the subject of distance education into perspective, Dr. Butler told the Regents that, nationally, enrollment in distance education more than tripled between 1995 and 2001, and 11% of all college students took at least one online course during fall 2002. In the University System, between 2000 and 2003, the percentage of course offerings that employ distance education tripled. The total number of sections delivered via distance learning in the University System is equal to the total sections available at Columbus State University. If all the distance education in the System were available from one institution, it would be the tenth largest unit in the System, Dr. Butler added.

Turning to study abroad programs, Dr. Butler said the previous goal for participation set by the Board – 2% of the System's student headcount – was reached in 2002. By 2007, this goal will increase to approximately 6,200 students.

Dr. Butler introduced the Vice President for Academic Affairs at Valdosta State University ("VSU"), Louis H. Levy, to deliver the presentation on distance learning.

Dr. Levy told the Board that VSU has made a big investment in distance education, and the percentages of participation and offerings are two to three times higher than they are in the rest of the University System as a result. Distance education provides students with increased educational opportunities and access, he noted, and it tends to influence courses taught traditionally as well. Three-fourths of all class sections offered at VSU include some form of high technology. While not a magic bullet for mediocre universities, e-learning can leverage resources to make good universities better, he said. Dr. Levy said the Internet is clearly the method of choice for delivery of e-learning. The Georgia Statewide Academic and Medical System ("GSAMS") is still important and in use across the System, but other systems, such as CDs, uplinks, and downlinks, have diminished. The Master of Public Administration ("M.P.A.") program at VSU is typical of the institution's distance education programs. It started out as a traditional program, but the military began asking VSU to offer these courses at Kings Bay Naval Base and Moody Air Force Base. At first, GSAMS was used to offer selected courses at those sites. Then, a few Internet-based courses were developed. Now, the degree can be earned entirely online. Meanwhile, the traditional program is still in place for those who wish to learn in the classroom. There are 100 M.P.A. majors, and the program graduates about 45 students each year. When 50% of a program's courses are offered via distance learning, permission must be sought from the Board of Regents and from the appropriate accrediting agency to offer it as a distance education program. Among the other programs at VSU utilizing distance

learning are the Doctor of Education program, in which all core liberal arts courses are now offered via the Internet. VSU and five other System institutions contribute to the eCore program, in which 1,200 students per semester participate.

As an example of the usefulness of distance education, Dr. Levy said sign language interns placed in rural South Georgia schools are being supervised effectively from the VSU campus. Implementation of distance learning must go hand-in-hand with an institution's mission. Connectivity is a big issue: VSU has gone wireless. Collaboration is also critical.

Next, Dr. Butler introduced the Associate Provost for International Programs at Georgia State University ("GSU"), John F. Hicks, for an update on international education.

Dr. Hicks said study abroad is a very important component of the effort to advance international relations for System institutions. GSU has 1,700 international students from 129 different countries. GSU also has 164 international scholars involved in teaching, academic research, and other academic pursuits. There are 22 very active international student associations that are involved with a multicultural organization and with American students. In response to a 1995 directive from the Board of Regents to internationalize and be more aggressive about integrating international components, GSU decided to invest some of its resources in expanding international involvement beyond its traditional relationships in Western Europe. These strategic initiatives are sizeable: a project that provides fiscal advisory services to Russia required approximately \$12 million; J. Mack Robinson's School of Business's work in training and development in South Africa was a \$5 million initiative; and a National Resources Center in Middle East Studies created in conjunction with Emory University was funded by the U.S. Department of Education at the level of \$750,000. Dr. Hicks emphasized the importance of senior university administrators in supporting these international activities. The president, deans, and other senior administrators make an effort to visit these international activities once or twice a year. GSU also is involved helping to develop tourism in Ghana and doing media and journalism training in the Middle East and North Africa. In Egypt, GSU has established a joint Master of Business Administration ("M.B.A.") program with Cairo University and is supporting the development of continuing education programs in international marketing and e-commerce with the Alexandria Institute of Technology in Alexandria, Egypt. Since 1997-1998, the university has invested \$600,000 in its international strategic initiatives and has been able to leverage approximately \$34 million in support for these initiatives from a number of agencies, foundations, and some private sector companies.

Key exchanges and collaborative relationships GSU is involved in include a one-year student exchange program with the University of Northumbria in England. This program won first place in the Board of Regents' Best Practices Awards competition last fall, Dr. Hicks reminded Board members. Another key relationship—with the European Teachers Exchange Network—gives GSU students training to become teachers an opportunity to practice teaching in a number of European countries. Another collaboration—this time with Kennesaw State University and Yangzhou

University in China — also involves teacher education. In addition, GSU's Andrew Young School of Policy Studies and the J. Mack Robinson College of Business are collaborating with the University of Pretoria in South Africa on programs in economics, public administration, and business. Among GSU's internationally focused business programs, one joint degree program combines an undergraduate degree in modern and classical languages with a master's degree in international business. This five-year program requires the student to complete an international internship lasting at least a semester. All of these international programs heighten the importance of learning languages, Mr. Hicks noted. GSU has doubled its language offerings since 1993 and expanded into nontraditional offerings such as Arabic, Chinese, Persian, and Hebrew. This fall, Swahili will be added.

Mr. Hicks said GSU has 22 study abroad programs throughout the world and plans to add five more in 2005, including a program in Brazil that will be offered collaboratively with Armstrong Atlantic State University. Over the last three years, the study abroad program has averaged about 365 students per year. Just before the events of September 11, 2001, and the SARS outbreak, participation had peaked at 430 students, but those numbers dipped during 2002 and 2003, as they did at institutions around the nation. However, Dr. Hicks said he anticipates a 30% increase in student participation this year. The university's 2007 goal for study abroad participation — 688 students — represents a 57% increase over the number of students who participated in 2002. That would be the largest increase among the University System's research institutions. Dr. Hicks attributed the growth in GSU's study abroad programs to the Board of Regents' voucher program and the anticipated growth to the International Education Fee ("IEF") approved by the Board that is already funding international programs at GSU. He thanked the Board for supporting this fee, an innovative measure that is likely to be copied by others around the country. At \$5 per student per semester, Dr. Hicks predicts the IEF will support dramatic expansion in GSU's study abroad program, as it will allow students with financial concerns to consider international education opportunities. GSU's ten-year goal is to have its study abroad numbers match those of international students. Among the challenges for study abroad programs are insufficient faculty incentives, financial assistance for students, and the security and safety of all participants. (GSU has a crisis prevention committee devoted entirely to its study abroad program.)

Nationally, Dr. Hicks said, study-abroad is gaining increased attention and policy support as the push for global competence continues. The National Association of International Educators formed a strategic task force on education abroad, headed by the late U.S. Senator Paul Simon and former Secretary of Education Bill Riley in 2003. The task force recommended establishing a Lincoln Fellowship at the national level that would provide study abroad stipends for 500,000 college students each year. That would almost match the 584,000 international students that come to the United States each year. Congress has appropriated \$500,000 to allow a congressional commission to study the task force's recommendations.

Regent Cleveland asked Dr. Hicks how GSU's program ranks nationally in terms of the number of

students and the successes it has experienced.

Dr. Hicks said GSU's study abroad numbers are average. He noted that UGA, which he estimates has about 1,400 study abroad students per year, ranks in the top 15 in the nation. However, GSU's International Strategic Initiatives program is innovative and compares well with what other institutions are doing, as do GSU's exchange programs. The IEF should bring Georgia a lot of attention, as only two or three other universities around the country have such a fee.

Regent Coles noted that his son was a part of GSU's study abroad program, and it was a life-changing experience for him.

Regent Jennings asked Dr. Levy about auditing VSU's distance education classes.

Dr. Levy replied that, after applying for admission online via the Georgia Application and Electronic Advisement System ("GA EASY"), Regent Jennings could register and pay for courses online and most likely proceed to the instructor's Web site for instructions. Grades can also be obtained electronically.

Chancellor Meredith quipped that if Regent Jennings is interested in teaching a course, that can be arranged, too.

Regent Coles inquired about how institutions match their technology with those of distance learning students (i.e., the type of Internet connections available).

Dr. Levy said that issues do arise, particularly in rural areas where Internet access is not yet a given. He commended Georgia Library Learning Online ("GALILEO") for increasing access to distance learning via the state's public libraries. However, there are many people who do not have access to the Internet and cannot get to their local library during its operating hours to use GALILEO, so this remains a challenge.

Regent NeSmith asked if any institution in Georgia offers an undergraduate degree entirely online at present.

Dr. Levy said eCore courses are offered entirely online. He asked Dr. Biesinger to help address the question.

Dr. Biesinger said out of nearly 80 distance learning degree programs Systemwide, about 11 are associate degrees, 21 are bachelor's degrees, and the remainder are master's degrees or higher.

Regent NeSmith asked for clarification as to whether these programs require a person to come to a campus.

Dr. Biesinger replied that some of them are full distance learning programs, while others may offer just over half their courses online.

Chancellor Meredith asked her to estimate how many are full distance learning programs.

Dr. Biesinger estimated that number at about 15%, or maybe 10 degrees in all.

Regent Pittard inquired whether corporations have been approached about loaning use of computers to distance learning students outside of business hours.

Dr. Levy answered that many students' employers have been very generous about letting them do their coursework on their computers. He added that VSU is building an Internet café that will allow students to work on high-powered computers.

Regent Pittard replied that he is more concerned about students 60 miles from a campus with a real economic issue. He asked if there is any data on the number of would-be distance learning students turned away because of lack of access to the Internet.

Dr. Levy said there was not but that students with connectivity issues do tend to withdraw from courses at a higher rate, and that the withdrawal rate for distance-learning courses is much higher in general than for traditional courses. He added that many instructors do their best to accommodate everyone by posting both text-only and "rich" versions of their class syllabi.

Then, Dr. Butler gave preview of next month's Board meeting, which will include a discussion of graduate and professional programs at the University of Georgia and a presentation on the importance of undergraduate research in the educational experience by Clayton State College & University.

Chair Harris thanked the speakers for their presentations and adjourned the Strategic Planning Committee meeting as a Committee of the Whole.

UNFINISHED BUSINESS

There was no unfinished business at this meeting.

NEW BUSINESS

Chair Harris called upon the Secretary to the Board, Gail S. Weber, to present three honorary degree recommendations to the Board.

Secretary Weber announced that President Daniel W. Rahn had nominated Mr. Hamilton Jordan for an honorary degree to be awarded at the Medical College of Georgia's May commencement, where Mr. Jordan will be the speaker. President Betty L. Siegel had nominated Mr. Bob Prillaman, Chairman of the Board of Trustees for Wellstar Health System, for an honorary degree to be awarded at Kennesaw State University. President G. Wayne Clough had nominated Dr. John Brooks Slaughter, President and Chief Executive Officer of the National Action Council for Minorities in Engineering, for an honorary degree to be awarded at the Georgia Institute of Technology's May commencement, where he will be the speaker. On behalf of Presidents Rahn, Siegel, and Clough, Secretary Weber submitted these nominations for the Board's approval. With motion properly made, seconded, and unanimously adopted, the Board approved the three honorary degrees.

PETITIONS AND COMMUNICATIONS

Secretary Gail S. Weber announced that the next Board meeting would take place on Tuesday, April 20 and Wednesday, April 21, 2004, on the campus of Middle Georgia College ("MCG") in Cochran, Georgia.

Regent Hunt urged Board members to bring their spouses to the meeting.

Chair Harris invited Regent Jennings to add his personal invitation to the meeting.

Regent Jennings said he and President Richard J. Federinko at MGC hope to give the Regents an experience to remember Middle Georgia by, particularly those who may not have experienced this part of the state before.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 11:15 a.m. on March 10, 2004.

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

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

