

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
270 Washington St., S.W.
Atlanta, Georgia
April 17-18, 2007**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, April 17, 2007, in the Southern Ballroom, room 1602, in the Nessmith-Lane Continuing Education Center on the campus of Georgia Southern University. The Chair of the Board, Regent Allan Vigil, called the meeting to order at approximately 1:20 p.m. Present on Tuesday, in addition to Chair Vigil, were Vice Chair William H. Cleveland and Regents James A. Bishop, Hugh A. Carter, Jr., Robert F. Hatcher, Felton Jenkins, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Wanda Yancey Rodwell, Benjamin J. Tarbutton, III, and Richard L. Tucker.

Chair Vigil called the first day of the April meeting of the Board of Regents to order. He thanked President Grube and his staff for their hospitality to the Board. He then congratulated Georgia Southern University on its Centennial Year celebration.

SAFETY BRIEFING

The Director of Public Safety for Georgia Southern University and Chief of University Police, Kenneth W. Brown, gave the Regents and audience a briefing of basic safety information in the event of an emergency.

INVOCATION

Vice Chair William H. Cleveland gave the following invocation: "Heavenly Father, we come today with heavy hearts because of the national tragedy at Virginia Tech. I know that the entire University System joins us in our expressions of sympathy and consolation. We hope that the families, faculties, and students know that we grieve with you. In this world of uncertainty, danger, and violence we hope to find strength from your suffering and your courage. Amen."

ATTENDANCE REPORT

The attendance report was read on Tuesday, April 17, 2007, by Secretary Julia M. Murphy, who announced that all Regents were present.

APPROVAL OF MARCH MINUTES

Chair Vigil noted that the draft minutes of the Board of Regents meeting held on March 17-18, 2007 contained some typographical errors and that corrected versions of those pages were inserted in the Board materials for review. Motion properly made and duly seconded, the minutes of the Board of Regents meeting held on March 17-18, 2007, were unanimously approved as corrected.

REMARKS FROM THE CHANCELLOR

Chair Vigil called upon the Chancellor to make some opening remarks. They are as follows.

Thank you Mr. Chairman. Let me join you in thanking President Grube and his staff both hosting this month's meeting. My staff has to host the meetings in Atlanta, and, certainly, we appreciate and understand the hard work that goes into hosting a meeting of this nature. President Grube, we look forward to your presentation today and to all of the activities planned. I promise we will leave the premises on Wednesday no worse for wear than we found it. Based on previous meetings, however, I can only give that guarantee for my staff. If you seek further guarantees on Regents' behavior you will have to see Chair Vigil.

Seriously, it is important; it is refreshing; to occasionally hold this meeting on a campus. Certainly, this is a very beautiful campus and a very beautiful setting. It is also an appropriate time for the Board to meet at Georgia Southern University ("GSOU"). As we celebrate the System's 75th anniversary this year, GSOU is celebrating its centennial. As one would imagine, the history of both are closely intertwined. It is interesting to note that our System history also continues to attract scholarly research and even creative interpretation and recounting.

One such creative look will debut this week on the GSOU campus, an opera written by GSOU professor of music, Michael Branz, entitled, "A Scholar Under Siege." I do not know how that translates into Italian or German, but that is the English. The opera covers an important period in the Board of Regents' history and includes the dynamics of power, independence, scholarly pursuit and, of course, race in this state. It is a wonderful opera, and I know many of you look forward to sharing that experience.

Our visit to this beautiful campus and the recognition of our history – all should serve to remind us of the important legacy that has been entrusted to our care. One of the pleasures of coming to this campus and meeting with President Grube is meeting with his better half, Kathryn Grube. Many of us use the joke that we "married up." At Bruce's height, it is difficult for him to say that, but it is true. I want to recognize Kathryn, who is leading the spouse program at the moment. Kathryn is the 2007 Statesboro Herald Humanitarian of the Year. This award was presented to her at the 19th Annual Dean Day Smith Service to Mankind Awards. She has served as a volunteer for such organizations as the March of Dimes, the Red Cross, the United Way of Southeast Georgia, and the Statesboro Arts Council, serving as chair of the facilities committee during construction of the Averitt Center for the Arts. In her spare time, she is taking care of Dr. Grube in his declining years,

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as well. I know that the Board joins me in saluting her tireless efforts on behalf of the Statesboro community. Although she is not here, please join me in a round of applause for Kathryn.

As has become customary, let me take this opportunity to highlight some important activities that have occurred since we last met. I also want to take the time to tee-up what I believe are some key items on the Board agenda for this meeting.

Regent Poitevint joined me – along with Regents Jennings, Jenkins and former Regent Connie Cater, as well as a number of System presidents – for the inauguration of Dr. Larry Rivers as president at Fort Valley State University. It was a wonderful event and I, certainly, enjoyed it. We have inaugurations coming up for some other new presidents in the coming months. The most immediate is Dr. Tori Lilly at South Georgia College. Regent Jennings will participate in this event.

Last week Chief Operating Officer Robert E. Watts announced the campus presidential search committee for Dalton State College. Regent Donald M. Leebern, Jr. will chair the Regents' Search committee, which includes Regents Wanda Yancey Rodwell and Benjamin Tarbutton, III. Board Chair Allan Vigil and Regent James R. Jolly will serve as ex-officio members of that committee. The search processes continue at Savannah State University and Georgia Southwestern State University, with interviews of the candidates taking place in the very near future. We are on schedule for both of those searches.

Spring is the time for commencements. This year, in spite of a panning in the student newspaper, I will be speaking at the University of Georgia commencement as well as at Fort Valley State University. I understand that Regent Robert F. Hatcher will address graduates at Columbus State University and Gordon College, while Regent Willis J. Potts will be bringing greetings at Southern Polytechnic State University and Georgia Highlands College. If I have omitted anyone's upcoming campus appearances, I apologize.

It is clear from the stack of visit summaries that I received that Chair Vigil is setting a standard for visits and that we have a Board that is committed and interested in seeing our campuses. He, along with a number of other Regents, most primarily Regent Jenkins, are getting out and visiting our campuses.

During the presidents' meeting last week, I informed the presidents of the Secretary to the Board's poll of the Board and, consistent with your wishes, we will continue to coordinate speaking invitations through the Office of the Secretary. On behalf of the System, we do appreciate your willingness, as Regents, to take time out of your busy schedules to participate in campus events.

Since our last meeting I have visited Middle Georgia College, Columbus State University and Armstrong Atlantic State University. I continue to be truly impressed by all of the creativity and excellence that takes place on our campuses. And I know Chairman Vigil has expressed the same

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sentiment. This is my second tour for most of these campuses. Others, I have been to more frequently than that, but I am pleased that I am starting to get some different feedback on the System Office.

Our campuses are noting a more customer-focused attitude and an increased level of responsiveness to their needs at the System level. As I have indicated before, we are there to make sure that they have the capacity and the capability that they need to get their jobs done. I am pleased that they are finding us more customer-focused and more responsive. Student academic preparation and success has long been a concern on all of our campuses, and it remains so. These are concerns that we will deal with as we seek to revamp the core curriculum, and as we seek to define what sort of training or education people should have before they come into our System.

A number of other issues also continue to be on the front burner and will come back before the Board. These issues have come up through my campus visits and include risk management, incentive compensation, information security, the Regents' Test, as well as the ongoing System-wide projects. All have important ramifications for the System and for our operation. Again, I appreciate your close attention to these and other issues. I promise to keep these moving, and coming back to you in a prompt and timely manner.

As we meet, the General Assembly is working to wrap up the session on April 20. Consistent with my earlier note, the System received \$321,000 for the retirement rate increase in the Teacher Retirement System ("TRS") in the Fiscal Year 2007 Amended Budget, which has been passed and is now before the Governor for review. It was not all that was requested, but we are certainly grateful for any increase. While the General Assembly has not completed its deliberations on the Fiscal Year 2008 Budget, we are hopeful that we will get a final budget that supports the Governor's recommendations for the System. He did put in a budget which, from our perspective, was very supportive of our goals and aspirations, and we are hopeful that the Assembly will see fit to pass a budget that implements the Governor's intention. You will hear a report tomorrow from the Chief Operating Officer, Robert E. Watts, on the Fiscal Year 2008 Budget as well as legislation of interest to the University System. The Senior Vice Chancellor for External Affairs, Thomas E. Daniel usually gives this report, but he is in the Capitol and must be there these last few days of the legislature. As soon as the session wraps up, our Office of Budgets will take the numbers that we receive and move into high gear to prepare institutional allocations and develop tuition recommendations. These will be the main topics of our special called meeting on May 2.

With respect to this month's meeting, we have three major presentations, in addition to President Grube's, each with significant and long-term policy implications. One of these presentations will require your action today. Two are informational, but down the road may require Board approval or action. On all three, of course, as always I do urge your discussion to be frank and candid. We certainly appreciate the feedback. Today the Audit and Real Estate and Facilities Committees,

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meeting as Committees of the Whole, will look at the current round in our approvals and authorities review. As you know, this project has been lead by the Chief Audit Officer and Associate Vice Chancellor for Internal Audit, Ronald B. Stark. You will be asked to approve revisions of the Policy Manual covering Board Officers, Institutional Governance, and Finance and Business. As an information item, you will hear recommended revisions to the Facilities section of the Policy Manual. Again, our guiding philosophy in this process has been to push decisions to the lowest level where management is given the responsibility and the accountability to act. Ultimately, this should create a System with fewer layers, greater responsiveness and, certainly, increased transparency. It will also, however, as we are finding as we push decisions lower, put a greater burden on us at the System to make sure that we are giving people the capacity and capability to succeed. We do not want to delegate and depart. We want to make sure that people have the tools to get the job done, and once they do, that they understand that they are then accountable for getting it done. This should result in a governance structure that allows this Board to truly focus on the larger policy issues, as opposed to having to deal with many operational decisions, which will be kept and resolved at a lower level.

You also will hear a presentation by Mr. Watts tomorrow regarding the Strategic Planning Process. He will update you on the status of the Plan, and then we will look more in-depth at our first goal, which is revamping the core curriculum. You had an initial look at this in January. Again, this is a critical area, as we must ensure that the students who are leaving our institutions are truly prepared academically for the world. Tomorrow, you will hear from the Interim Chief Academic Officer and Executive Vice Chancellor for Academic Affairs, Beheruz N. Sethna, and President Dorothy Leland of Georgia College & State University regarding initial planning and direction in this area. As this moves forward, it will involve additional discussion and possible action for approval on your part.

The final presentation on Wednesday is an update on our customer service efforts. This originated as part of Governor Perdue's focus on making Georgia government faster and friendlier. It is also a key component of our own focus to create a customer centric, continuous improvement culture at the System. We have been working throughout the System since this initiative launched last year. Tomorrow you are going to hear from the Special Assistant to the Chief Information Officer, Jim Flowers, who has been leading our customer service effort. You will hear from him and some of his colleagues in the System. Please note as you hear this presentation, where there are opportunities for Board engagement or for suggestions on directions. We certainly would appreciate those because we are seeking answers to, specifically, how do we best serve customers? What should be our focus in this area? What should be our incentives to employees and others? Again, we welcome your ideas in this area. If you do not wish to offer them tomorrow, please indicate them on your feedback forms. This is probably the first of many mentions of the feedback forms because we are getting a lot of good information from those forms.

Approvals and authorities, strategic planning, customer service all connect to our goal of creating a University System that is efficient and that also is constantly improving. As you listen to these

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presentations, please keep this in mind and think about how these can and will shape our future policy direction and actions to better serve students. Again, this is my second mention of the feedback forms – please do not forget to fill out your feedback forms.

Mr. Chairman, that concludes my comments at this point. I will be happy to entertain any questions or comments that anyone may have.

As there were no questions, Chancellor Davis recognized several guests in attendance at the meeting.

RECOGNITIONS

First, Chancellor Davis recognized an individual in the Georgia Public Library System (“GPLS”), a system over which the Board of Regents has administrative authority. He noted that the winner of a New York Times (“the Times”) Librarian of the Year Award, Nancy Tillinghast, was in attendance. Ms. Tillinghast is the director of the Thomas County Public Library System in Thomasville, Georgia. To the library world, he said, the New York Times Librarian of the Year Award is the equivalent of the Oscar. This award honors outstanding public service and is only given to librarians who have a strong, positive impact on their community. The Times received more than 1,300 nominations from 45 states for this year’s awards. The winners came from 17 states. The innovative and community-focused library services in Thomas County are models for public libraries across this country. Ms. Tillinghast’s hard work also has led to the approval in Thomas County of a Special Purpose Local Option Sales Tax (“SPLOST”) supporting a number of education-related initiatives in the county. The amazing thing about this award, he stated, is that this is the third time in the program’s six-year history that Georgia has produced a winner. The Chancellor added that he believed that fact speaks volumes about the service GPLS is providing to the citizens of this state. He then asked Ms. Tillinghast, along with members of her staff, to stand so that they could be applauded for their service to the people of South Georgia.

Next, Chancellor Davis said he would like to turn the Board’s attention to an awards program honoring state officials for their outstanding leadership or achievement in preserving the historic facilities for which they are responsible. Governor Perdue gave five Awards for Historic Preservation Stewardship this year. The University System won three of those five awards. The Governor’s Award for Excellence in Historic Preservation, went to the System’s own Michael Miller, a project manager in the University System’s Office of Facilities. Mr. Miller was recognized for having led a Board of Regents initiative to secure a grant from the Getty Foundation. This grant was used to develop an historic preservation plan template that all System campuses can now use in updating their master plans. Mr. Miller has provided consistently generous guidance to officials at Valdosta State University, Georgia College & State University, South Georgia College, Abraham Baldwin Agricultural College and, particularly, Augusta State University as they used the template to develop their own historic preservation plans. The Chancellor then asked Mr. Miller to stand for applause.

RECOGNITIONS

Also honored at the same ceremony by the Department of Natural Resources (“DNR”) were Dr. Ronald Zaccari, president of Valdosta State University (“VSU”), and Dr. George Wingblade, director of the physical plant at South Georgia College, both of whom received Governor’s Awards for Historic Preservation Stewardship. Dr. Zaccari was saluted for his leadership in planning for the future growth and development of his campus, specifically his commissioning of VSU’s Campus Historic Preservation Plan & Related Studies. Dr. Wingblade, who retired in 2006, led South Georgia College’s first comprehensive effort to assess its historic resources and formally integrate their consideration into physical and administrative planning activities. Dr. Wingblade was not in attendance, but Chancellor Davis asked President Zaccari to stand as the audience applauded his achievement.

The University System as a whole was also recognized for its efforts during the most recent State Charitable Contributions Campaign. Chancellor Davis stated that this is an area about which he is extremely proud of the contributions of the System’s employees. Three System institutions received “Governor’s Cup” awards, given for the highest contribution per employee. These institutions were Skidaway Institute of Oceanography, Georgia State University, and the University of Georgia. The Board of Regents office was honored for the largest increase in contributions, having a 600% increase from the previous year. Georgia Highlands College was honored for the highest level of employee participation at 68%. Several System institutions also received Commissioner’s Awards, which are awarded based upon the number of employees. Institutions recognized were East Georgia College (1-100 employees), Board of Regents (101-500 employees), Armstrong Atlantic State University (501-1000 employees), and Georgia Institute of Technology (1001-9000 employees). Chancellor Davis stated that this is an important measure of the System’s commitment to “add value” to its state and communities through individual giving. As a Board and a System, he said, we should be proud of these efforts and the results. From his perspective, there is no greater achievement or satisfaction than doing both well and good at the same time. However, the Chancellor’s challenge to the System Office will be to earn a Governor’s Cup next year because he did not like coming in second.

Lastly, Chancellor Davis introduced Mr. Chris Ford, president of the Georgia Southern University (“GSOU”) Student Government Association (“SGA”). Mr. Ford has held numerous leadership positions in student organizations at GSOU, including SGA senator for the College of Business, Southern Ambassador, Minority Advisement Program sponsor and resident assistant. He also helped charter the Georgia Southern chapters of Delta Epsilon Iota Academic Honor Society and the Omicron Phi chapter of Kappa Alpha Psi Fraternity Inc. Mr. Ford plans to pursue a Ph.D. in advertising after completing his undergraduate degree in marketing and graphic design. After that, he hopes to teach at a major university. Chancellor Davis assured Mr. Ford that the System’s institutions would be on the lookout for his CV (curriculum vita). He then asked all to join him in congratulating Mr. Ford on his achievements.

PRESENTATION: GEORGIA SOUTHERN UNIVERSITY

Chair Vigil recognized President Bruce Grube and asked him to give his welcome and presentation to the Board.

President Grube addressed Chair Vigil, members of the Board of Regents, Chancellor Davis, and the guests, welcoming them to Georgia Southern University (“GSOU”). He said that GSOU was truly pleased to host this meeting of the Board of Regents. Since GSOU was founded in 1906, President Grube stated that it was a particular distinction to have the Board of Regents and the Chancellor on campus during their year-long celebration of their 100th anniversary.

President Grube then directed the Regents’ attention to the photographic banners adorning the walls of the Southern Ballroom, stating that they were taken from various stages of GSOU’s history and celebrate the University’s Centennial Anniversary. He then turned to the stand to the right of the video screen to showcase a painting by wildlife artist, and the Director of GSOU’s Wildlife Education Center, Steve Hein, which was especially commissioned for the University’s Centennial. Please take time to enjoy this marvelous painting. After encouraging everyone to take the time to enjoy the marvelous painting and photographic banners, President Grube shared some facts about GSOU with the Board and audience.

The university, he said, is best characterized by rapid qualitative growth over the past eight years. During that time, GSOU has intentionally and consistently focused on its six strategic goals. President Grube admitted that there were volumes that could be spoken about each of these goals, but assured the Regents that he would not go there. Instead, he encouraged anyone who found his examples interesting to view the complete level I and level II strategic plans, which are available on GSOU’s website and contain exhaustive information. He then gave what he termed “the short version.”

South of Atlanta, Georgia Southern University is the largest and most comprehensive university in the state of Georgia. The university offers 123 degrees, ranging from the bachelor degree to the doctorate. The campus has 675 acres and enrolls approximately 16,500 students, nearly 94% of whom are from Georgia. GSOU is a traditional, residential campus with an average age of 21.6, very similar to the University of Georgia. President Grube added that the GSOU Eagles field sports at the NCAA Division I level.

GSOU is characterized by high quality programs. The freshman class average SAT score increased from 987 in 1999 to 1104 in fall 2006. GSOU firmly believes that high standards and access are absolutely compatible. While significantly increasing the SAT average, GSOU has added over 2000 students during the same period, and is ranked 28th in the nation among all American universities and colleges for the number of African-American graduates produced annually. GSOU, he continued, is a top university of choice for HOPE scholars each year. President Grube proudly stated that GSOU’s academic programs have excelled. By way of example, the graduate nurse practitioner

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program is ranked 11th in the nation, the best of any Georgia institution, public or private. GSOU has excellent students and excellent faculty, and has kept its tradition of very high touch with its students, even as the university has grown.

President Grube stated that GSOU is a very well-managed campus with a consistent history of very clean audits. He said that they manage their resources and facilities well, and one look at the campus shows that they take pride in a beautiful and well-maintained campus. President Grube added that GSOU believes in working to help itself and does not just depend on the State to take care of its needs. The university has engaged in a number of privatized projects, ranging from student housing to athletics facilities. Additionally, as they have built new student housing, they have converted older dormitories to useful instructional and administrative space using internal resources. GSOU's first comprehensive capital campaign, he stated, was just successfully completed at \$53 million, exceeding the goal by 32.5%. President Grube said that later in the evening the Regents would see first-hand two examples of facilities paid for by private funds: Paulson Stadium and the Gene Bishop Fieldhouse.

GSOU experiences strong support from its community and enjoys a remarkably positive town-gown relationship, which the university highly values and works to keep. Cooperation between the university, Statesboro, and Bulloch County is strong, he added.

As a result of the rapid qualitative growth at GSOU, the university was designated, about this time last year, as a national doctoral/research university by the Carnegie Foundation for the Advancement of Teaching, the body that classifies all universities and colleges in this country. With this new designation, GSOU has joined the ranks of the University of Georgia, the Georgia Institute of Technology, Georgia State University, and Emory University in the state of Georgia.

At this time, a video of the Georgia Southern Library began to play. President Grube continued his presentation stating that the Board approved an addition to the Georgia Southern Library and a renovation of the old library just a few years ago. The project, he said, is now in the last year of construction. He explained that the video showed the latest innovation in library technology, the automated retrieval center ("ARC"), which was installed in the completed addition. The ARC is a compact storage system for books and is the first application of this technology in a university library in the southeastern United States. Books are stored in rows of racks containing stainless steel bins rising 45 feet from the floor. A computer command from a librarian activates a robot which retrieves the bin with the specific book that has been requested. Since book shelves normally occupy a significant amount of the floor space of libraries, requiring the continual addition of new floor space to accommodate growing collections, the introduction of ARC technology adds years to the physical capacity life of a library through the compact storage of books and materials. President Grube stated that GSOU's Dean of the Library, conservatively estimates that the inclusion of this technology in the new library addition has added at least 50 years, and perhaps as many as 75 years, to the expected capacity of the Georgia Southern Library.

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President Grube informed the Regents that a card listing several other GSOU programs had been placed at their seats for them to read at their leisure. He then used another video to give the Regents a brief historical journey in celebration of GSOU's centennial. Following the video, President Grube exclaimed, "What a difference a hundred years can make!"

He then said that he is finishing his 12th year as a university president and that the best eight of those years were in Georgia. He said that he is proud of the accomplishments of Georgia Southern University, adding that he has learned through experience that each of us is only as good as the people around us. He took that moment recognize his cabinet and other leaders, stating that he was exceptionally fortunate to have such high quality leadership at GSOU.

President Grube ended his remarks by asking everyone to take time for the bus tour, stating that those who had not had the opportunity to visit the campus would be very pleasantly surprised by what they would see. He thanked Chair Vigil, the members of the Board, and Chancellor Davis for the opportunity to tell them just a bit about one of the University System of Georgia's fine universities. In parting, he jokingly added that for a host president on a campus, he set a new world record of 29 minutes and 52 seconds for his presentation.

COMMITTEE OF THE WHOLE: STRATEGIC PLANNING

Chair Vigil stated that the next item of business for this meeting was Strategic Planning. He said that he looked forward to a detailed presentation and invited lively discussion from the Regents. He then turned the meeting over to Regent Cleveland, the Chair of the Strategic Planning Committee to convene a Committee of the Whole.

Committee Chair Cleveland thanked Board Chair Vigil and convened the meeting as a Committee of the Whole. He then turned the floor over to the Chief Operating Officer, Robert E. Watts.

Mr. Watts greeted the Board and directed them to the Strategic Planning process update document provided in their Board materials. He said that he would go very quickly through the six strategic thrusts and the action items under them to remind the Regents what is on their agenda for the upcoming years, understanding that in May or June, the Chancellor would ask for a vote. He stated that the process is ongoing, and he has been trying to incorporate the Regents' remarks as they are given. Mr. Watts further stated that, following his overview, he would turn the floor over to the Interim Chief Academic Officer and Executive Vice Chancellor for Academic Affairs, Beheruz N. Sethna, and President Dorothy Leland of Georgia College & State University to specifically talk about the first action item under goal one, restructuring the core curriculum in some detail. He added that he believed at each successive meeting the Board would get one of these detailed presentations issuing from the plan.

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Mr. Watts then began his presentation. He stated that the first strategic goal is renewing excellence in undergraduate education to meet students' 21st century educational needs. He reiterated that Dr. Sethna and President Leland would talk about the first part of that, the core curriculum. The second action item listed under the strategic plan is graduation rates. The plan calls for the System to increase institutional six-year baccalaureate degree graduation rates by at least 1% so that the University System of Georgia can exceed the national average by 2015. Mr. Watts said that would actually be an aggressive increase, given that over the last two falls retention rates went down slightly. In order to exceed the national average by 2015, he stated, the System would have to do much better in pushing the graduation rates forward.

The third action is to ensure high-quality, consistent academic advisement for students to improve student engagement and success. Mr. Watts said that President Zaccari is working on this issue. He stated that President Zaccari and his committee are trying to determine the best metrics to use for advisement. Advisement, he continued, is going to be one of the System's strategic thrusts in the year ahead as well. The fourth action item is to increase study-abroad participation. He stated that in a presentation last fall, the Senior Advisor for Academic Affairs and Director of International Programs, Richard C. Sutton, tied academic success to study abroad participation. Mr. Watts said that this was actually rolling forward a goal that the Board had in its last strategic plan. He then moved on to Action Item E under the first strategic thrust, which is as follows. "Consistent with the need to attract and retain the best and brightest faculty members to the University System of Georgia, support and reward faculty members who make a meaningful contribution to undergraduate student learning and success, in addition to their commitment to research and scholarship." Mr. Watts stated that this would put the emphasis back on undergraduate education. After all, he added, this is the most populous group of students that the System institutions teach.

The second strategic goal, which Mr. Watts stated the Board would hear more about in a presentation in June, is creating enrollment capacity to meet the needs of 100,000 additional students by 2020. The first action is to close enrollment gaps for under-represented groups so that all groups will be sufficiently represented in the System's enrollment. Mr. Watts said that this was a new suggestion made by the Board, which he, in turn, incorporated into the current draft of the strategic plan. He noted that given the demographic trends in Georgia, closing the enrollment gaps for under-represented students would be exceedingly important in the future. The second action item for the second goal is to increase the use of access institutions from 26% of System enrollment to 28.5% of System enrollment to meet higher education needs. Although that might not sound like a large increase over a five year period, Mr. Watts asked everyone to keep in mind that the base is growing by about 2.5% each year. Therefore, the goal is to put about 16,000 new students in access institutions over the next five years, which is an aggressive increase in the use of access institutions. Action Item C is to "Create a more robust tier of comprehensive universities, increasing from 42% of System enrollment to 43.5% of System enrollment." Mr. Watts stated that, again, that might not seem like a large percentage increase, but it is a percentage increase on an increasing base that represents 16,000 additional students at the four-year institutions over what there is right now.

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This is yet another very aggressive increase from 2007 to 2012. Action Item D under that goal is to “Increase the joint use of facilities within the University System and with external partners.” Mr. Watts said that the staff is asking questions such as “How can we make more use of collaboratives between institutions such as East Georgia College and Georgia Southern University in Statesboro or Southern Polytechnic University and Georgia Highlands College in Marietta? How can we leverage our institutions to use more joint facilities and do more joint programming?” Finally, the last action item under the second strategic goal is to “Position the System among the leading systems in distance education by increasing the percentage of semester credit hours generated by distance learning from its current level of 4% to a level of 10% by 2012.” Achieving this goal would put the System among the national leaders. Currently, Florida is the national leader with approximately 11 or 12%. Mr. Watts added that this, again, is a very aspirational goal and would involve a big push in distance education.

The third strategic thrust is increasing the University System of Georgia’s participation in research and economic development to the benefit of a Global Georgia. The first action is to move the System universities from their current rank as 16th in expenditures of federal funds to the top 12 by 2015. Mr. Watts stated that whether or not this is a realistic goal is not yet clear to him as it would mean bypassing North Carolina with its research park. He stated that the System Office is certainly still in discussion with the research universities as to what constitutes an aspirational, but realistic goal in the research and development (“R&D”) world. He said that most of the System’s research universities do not like these beauty contests of state rankings, adding “but these are, of course, the things that our policy making partners see in the General Assembly and other places, so we can not entirely rule them out.” Action Item B, which President Daniel W. Rahn of the Medical College of Georgia is working on, is to increase the number of health profession graduates in System institutions, in particular, to increase the number of nursing graduates over the next five years by approximately 50% from 1,800 to 2,700. Next, Mr. Watts discussed Action Item C which is to create a long-term, System-level academic program plan for workforce development. At the present time, he noted, the System Office mostly receives requests from academic institutions and the Board acts on them. He explained that in this plan, the Chancellor is saying that the System Office should be developing this plan and asking the Board what their goals are for the academic program for the System.

The fourth strategic goal is strengthening the System’s partnerships with the state’s other education agencies. Mr. Watts noted that the Board had heard a lot about this already. Action Item A under this goal is to work with K-12 and other education agency heads. Mr. Watts said that the Chancellor is closely involved in that, adding that there is probably a closer relationship among the seven education agency heads at this time than in the state’s history. Action Item B is to create a closer working relationship with the Department of Technical and Adult Education (“DTAE”). Mr. Watts stated that there are some particular deliverables there. He mentioned that the Chancellor had a meeting with the Interim Commissioner, Ron Jackson, on the day before and there is a warmer

COMMITTEE OF THE WHOLE: STRATEGIC PLANNING

relationship between the University System and DTAE now than at any time perhaps since DTAE was created by executive order back in the 1980s.

The fifth strategic thrust is maintaining affordability so that money is not a barrier to participation in the benefits of higher education. Mr. Watts said that creative minds are trying to figure out how to establish a need-based financial aid program to improve access and the likelihood of graduation. He stated that Action Item B, which was suggested by a member of the Board of Regents, is to diversify and increase funding across all funding sources. He added that this was the first time this action item was included.

The sixth and final strategic thrust is increasing efficiency and working as a System. Without compromising academic quality, Mr. Watts said that they want to increase efficiency of the back-office functions to best-in-class standards. They also want to develop a leadership culture within the University System. He stated that the Board has heard the Chancellor talk about the external human resources function that is needed in the System. Along those same lines, he said, they want to engage the University System of Georgia workforce in a process improvement initiative. Mr. Watts also noted the Chancellor's previous discussions about Lean Six Sigma. He stated that another action item under this strategic thrust is to implement a System-level energy conservation initiative to move System institutions to best-in-class energy usage levels. He said that they also want to create the staff and innovative programmatic capacity within the University System Office to respond to key needs within the state. When you think about the System Office, mostly, in the past it has functioned as a regulatory, compliance, and quality control or quality assurance type of function. The Chancellor, he stated, is suggesting that maybe there is a creative function in the University System Office in bringing institutions together, running programs, and trying to achieve state needs. Under the sixth strategic goal, he added, the System Office will also expand System-level projects for presidents. The objective for fiscal year 2008 is to implement phase II of the projects by adding five to ten more projects. The final action item is to establish accountability metrics for the System. The Chancellor was surprised to find that when he came, the System reports different accountability metrics to different external audiences. This year that needs to end and one common standard will be implemented across the System.

Mr. Watts concluded stating that he would continue to take any suggestions for this, noting that the strategic plan would come back before the Board in May or June for a formal adoption. He then stated that for more detailed discussion on restructuring our core curriculum initiative, Dr. Sethna would tee up the topic, followed by President Leland.

Dr. Sethna thanked Mr. Watts, Chair Vigil and Chancellor Davis and began his presentation. Dr. Sethna explained that he would tee-up the core curriculum topic, slightly unconventionally. He would not start by talking about the System's role, but would come to that later. Instead, he started by painting a picture of higher education in the United States of America ("U.S.A." or "U.S.") in general and before focusing on what the System Office staff is doing about it.

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Approximately 30 years ago there was a model proposed in the business literature called the Boston Consulting Group Framework. It divided the strategic business units of a corporation into four general kinds of categories. One of these was called “dogs,” which were the lowest form. These were declining products in a declining market. Products with a low market share. There were “question marks,” which were products that could go either way. There were “cash cows,” products that have peaked: products that have a good source of cash which are products in a stable market, but with a high market share. And finally, there were stars. Dr. Sethna said that he would talk about stars. He began by stating how the Boston Consulting Group (“BCG”) defined stars. Stars, according to the BCG, are market leaders in a growing market, which is the best combination. Dr. Sethna said that it is the Board’s hope, the System’s hope for the future, a leading product in a growing market.

Next, Dr. Sethna said he would use that model to put higher education on that framework. He used the U.S.A. as an example of a massive corporation. Within it there are several industries. One of these industries is higher education. Dr. Sethna then asserted that higher education is a star, as it is clearly in a growing market. He said although there is no question that the market for higher education is growing, there is some question as to whether the U.S. is the market leader. Dr. Sethna said he believes it still is, though that lead is perhaps a little more tenuous than it was 30 years ago. Nevertheless, the U.S. is still the market leader. For this reason he proposed that higher education, on this major corporate framework, is a star. He then said that the strategic implications of a star require that one invests in it because that is the way the corporation ensures its future. The future of this major corporation, in this case the U.S., is made by investing in that product.

There are two kinds of investments. One is, of course, the investment of dollars. Dr. Sethna said that when he gives this talk to legislators, he suggests that they put more dollars into higher education. However, he also notes that there is another kind of investment, which is the investment of “ourselves” into this product. Dr. Sethna stated that the University System must continually renew its investment in this product, particularly its intellectual investment. He then posed the question, “How do we retain this leadership of higher education?” He answered that today’s discussion in terms of the core curriculum is one way that the System Office Staff is proposing that the System renew itself. He said that the staff realizes that the System has a good core curriculum, but not a great one. The staff also realizes that in the many years since the last core curriculum review, things have changed. The world has changed. The disciplines have changed. The staff, he said, realizes that the methods of looking at things and teaching have changed. So, with that context, the renewal of the core curriculum, which is a fundamental aspect of all the System does, Dr. Sethna said that they would turn to this project, a project which is high on the Board’s strategic plan priorities.

Dr. Sethna took a moment to commend the Regents for their vision and for being accepting of this project. He then commended his colleague, Dr. Dorothy Leland, President of Georgia College & State University (“GCSU”) for leading this project and for all the members of the committee that worked with her on that. With that, Dr. Sethna turned the floor over to Dr. Dorothy Leland for a more detailed presentation of the core curriculum project.

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Dr. Leland greeted the Board and said she appreciated the opportunity to talk with them again about the core curriculum project, which is a component of the proposed University System of Georgia strategic plan. The core curriculum project, she explained, is the first action listed for Strategic Goal One: Renewing excellence in undergraduate education to meet students' 21st century educational needs. During the January strategic planning retreat, Dr. Leland was able to provide the Board with a brief overview of and rationale for the core curriculum project. At this meeting, she focused more specifically on the project's fiscal year 2008 and fiscal year 2009 objectives.

These objectives, she stated, call for designing a University System core curriculum based on competencies that reflect 21st century educational needs and also for developing an assessment structure for this curricular framework. The processes for accomplishing these objectives will necessarily involve the expertise of system faculty and academic leaders. This will be an ambitious and complex task and will require establishing meaningful channels of communication and collaboration with the 34 University System of Georgia institutions that deliver the core curriculum.

However, Dr. Leland's focus for this presentation was not on project implementation processes but rather on several of the project's desired outcomes. In fiscal year 2008, these outcomes include producing initial core competency recommendations and designing a core curriculum framework that reflects these recommendations. The outcome for fiscal year 2009 is to link this framework to a meaningful assessment structure. Obviously, the first important question to consider, Dr. Leland said, is "why do this at all?" How is the core curriculum project of strategic importance with respect to the quality of undergraduate education in the University System of Georgia?

For over 100 years, undergraduate education in the United States has been divided into two basic components: general education and study in a major field of specialization. General education is also sometimes called the core curriculum. Alternatively, the core curriculum is that component of the general education program that all undergraduate students in an institution or system take in common. The general education/core curriculum provides students with foundational knowledge and skills thought to be essential for becoming an educated person. The curriculum is grounded in the liberal arts disciplines: history, social studies, literature, the fine arts, the life sciences, the physical sciences and mathematics. These disciplines crystallize knowledge of the natural and human world and nurture reflective and critical habits of mind and intellectual skills such as written and oral communication and quantitative reasoning.

Most University System of Georgia undergraduates spend most, if not all, of their freshmen and sophomore years completing the core curriculum. For this reason alone, the academic viability of this curriculum and its success in challenging and engaging students are critical indicators of quality in the University System of Georgia.

The current University System of Georgia core curriculum was designed approximately ten years ago as part of the process of converting from the quarter to semester system. The framework consists of

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60 semester hours and is structured into six broad areas of study, ranging from general skills to prerequisites for specific majors. This core curriculum framework was designed explicitly to address system transfer issues. Indeed, the University System of Georgia was one of the first systems in the nation to develop what is now known as a transfer general education core curriculum. Within the University System of Georgia, each System institution must offer a core curriculum consistent with the System core curriculum framework, and if a student completes an approved area within this framework, the receiving institution must accept those courses as a substitute for its own core curriculum requirements. So, for example, a student who completes Area A (“Essential Skills”) at Bainbridge College (“BC”) will receive full credit for completion of Area A at the University of Georgia (“UGA”) upon transfer to UGA.

Despite the success of this core curriculum framework in facilitating student transfer among System institutions, campuses have identified several notable challenges. Some system institutions have found that the core area requirements create structural challenges to developing campus level general education programs responsive to evolving educational needs, institutional mission and student population. Additionally, some system institutions have noted that core courses transferable within the University System do not always represent equivalent student learning outcomes and student performance standards.

Interestingly, the current System core curriculum was not created as an explicit System level response to fundamental educational questions regarding what students must know and be able to do in order to meet the challenges of the future. Indeed, although the core curriculum is loosely associated with a set of learning outcomes or competencies, these were developed after the curriculum was implemented and derived from outcomes associated with courses submitted by campus institutions during the semester conversion process.

Fast forward ten years later to a time when it is now critical to become more intentional about the System core curriculum. Is it adequate for preparing our students to meet the challenges of the future? Does it focus our System properly on those learning outcomes or competencies that will best enable our students to succeed in the technologically interconnected, global environment of the 21st century? Does it establish appropriate standards for student performance? While preserving System transferability goals, does the core curriculum provide institutions with maximum flexibility to design general education programs tailored to the learning needs of their different student populations and institutional missions?

An important fiscal year 2008 objective of the core curriculum project is to recommend a set of core competencies or student-learning outcomes that reflect 21st century educational needs. As noted in a recent University of Georgia review of its general education program, “universities have an obligation to prepare their students for [a] changing world” and this requires making some educated guesses about the world’s future and how universities might respond.

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During the past year, this Board has discussed many of the economic challenges faced by the state of Georgia and our nation—challenges linked to global competition and propelled by advances in information technology. These challenges have been delineated in best selling books such as The World is Flat and in reports issued by a number of highly respected national organizations, ranging from the Partnership for 21st Century Skills to the American Association of Colleges & Universities. The emerging consensus among higher education leaders, public policymakers, and the business community is that our nation’s colleges and universities must ramp up expectations and refocus their efforts on helping students to achieve the competencies required to sustain a free society and to ensure the economic vitality of our state and nation.

Dr. Leland stated that during the January strategic planning retreat, those present reviewed some of the 21st century educational needs most frequently cited in recent national reports and surveys. In addition to knowledge of the natural and human world that is focused on addressing “big issues” and skills such as critical thinking, these 21st century educational needs include:

- Global literacy, sensitivity to other cultures, and foreign language proficiency;
- Skill in managing, interpreting, and validating new sources of information;
- The ability to be inventive, think creatively and to move with ease across disciplinary boundaries; and
- The ability to work in teams and to communicate effectively with people from diverse backgrounds and cultures.

Other competencies frequently cited include written communication, quantitative reasoning, ethical awareness and decision-making, and personal and social responsibility.

To summarize her comments on the fiscal year 2008 objectives, Dr. Leland quoted a recent report entitled “College Learning for the New Global Century,” which concludes, “In the twenty-first century, the world itself is setting very high expectations for knowledge and skills.” She stated that the University System of Georgia core curriculum project is designed as a response to this reality. Its first year objectives include identifying 21st century core competencies and designing a core curriculum framework focused on these competencies.

Dr. Leland further cited the report as she discussed the fiscal year 2009 core curriculum project objectives. She said that the report on “College Learning for the New Global Century” also notes, “Student success in college cannot be documented, as it usually is, only in terms of enrollment, persistence, and degree attainment. These widely used metrics, while important, miss entirely the question of whether students who have placed their hopes for the future in higher education are actually achieving the kind of learning they need for life, work, and citizenship.” The University System core curriculum project is also responsive to this issue. It recognizes that the establishment of relevant core competencies is an empty exercise in the absence of also establishing expectations regarding student achievement and performance. Hence, the fiscal year 2009 project objectives call

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for developing minimal student performance (achievement) standards for core curriculum competencies and for creating an appropriate performance assessment structure.

Dr. Leland asked the Board to think of these objectives as the means for becoming explicit about what the System expects students to know or be able to do and the ways in which they might demonstrate that they have mastered a knowledge or skill area at an appropriate level of proficiency. At the System level, performance standards will provide for consistency in performance expectations for core competency areas across System institutions. The core curriculum assessment structure will introduce the added assurance that these performance expectations have been fulfilled when students are awarded core curriculum credits or transfer these credits between System institutions.

In higher education, talk of performance standards and assessment sometimes introduces anxiety and fear. Dr. Leland stated that educators fear losing their ability to continue teaching those things that remain vaguely understood or are otherwise ephemeral; and the unwarranted reduction of all that is worthwhile in education to that which can be readily measured. However, the intent of the core curriculum project with respect to standards and assessment is much less draconian than this. The project asks faculty and administrators to be as clear as possible about shared performance expectations for the core curriculum and about criteria for judging that students have met these expectations.

To this end, Dr. Leland stated that she and her colleagues propose to use rubrics to create the foundation of this assessment structure. She stated that those who had participated in organized band, choral, or orchestra competitions were familiar with the use of rubrics to assess vocal or instrumental performances as meeting various levels of proficiency across multiple dimensions (tone, intonation, balance, and technique). She also used figure skating, where performance dimensions include artistic expression, technical difficulty, and technical proficiency as an example.

Dr. Leland provided several examples of assessment rubrics, borrowed from the State University of New York-Geneseo (“SUNY-Geneseo”) to serve as illustrations. To illustrate how a rubric works in the assessment of student performance, Dr. Leland briefly discussed one of those examples. She asked the audience to look at the first row of the graph representing the SUNY-Geneseo rubric for numeric and symbolic reasoning. This row, she explained, displays five critical performance dimensions for this competency area.

1. The ability to convert a problem into a setting using symbolic notation;
2. The ability to connect and find relationships among symbolic quantities;
3. The ability to construct an appropriate symbolic framework;
4. The ability to carry out algorithmic and logical procedures to resolution; and
5. The ability to draw valid conclusions from numeric/symbolic evidence.

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She then called their attention to the rows associated with each of these performance dimensions. Rows 1-5 each represent a different level of proficiency with respect to the performance dimensions, ranging from “not meeting” to “exceeding” standards. Row 3 represents what students are expected to demonstrate in order to be judged as meeting proficiency standards for the performance dimensions.

At SUNY-Geneseo, Dr. Leland stated, this rubric introduces consistency in student performance expectations and performance assessments across the courses that the university has approved for its numeric and symbolic reasoning competency requirement. These courses are from a variety of different departments and academic disciplines, including computer science, geography, mathematics, philosophy, political science, psychology, and sociology. The rubric accomplishes consistency in standards by avoiding highly discipline-specific matters such as notation and terminology while focusing on more general abilities such as the ability to convert problems into symbolic notation and the ability to draw valid conclusions from numeric or symbolic evidence.

By creating System rubrics for core curriculum competencies, the System Office will introduce consistency with respect to performance expectations and performance assessments across System institutions. If successful, the staff will have introduced System standards without compromising the ability of System institutions to design programs of study responsive to their student populations and institutional missions.

Dr. Leland noted that the exact shape of the assessment structure for the University System of Georgia core curriculum remains to be developed. However, this assessment structure must articulate an appropriate link between each System rubric and an acceptable (reasonably reliable) range of assessment practices. Does this mean that more system-wide standardized tests such as the Regents test will be required? Not necessarily--particularly if the System campuses undertake actions needed to increase the reliability and reduce variation in the evaluation of student performance based on System rubrics. She asked the Regents to imagine that the people who judged their instrumental or vocal performance either did not understand the rubric used to assess the performance or lacked the capacity, know-how or good will to apply it. These are the obstacles that stand in the way of the reliable use of rubrics in performance assessment.

Tools for assessing student performance include standardized tests and a variety of curriculum embedded and portfolio assessment. Usually when people think of standardized tests, they think of instruments such as the Scholastic Aptitude Test (“SAT”) or the Graduate Record Exam (“GRE”). These are called “normed-referenced tests” because they are designed to make comparisons across large numbers of students and to rate individual performance in comparison to the performance of others. The University System of Georgia may choose to administer a normed-referenced test in order to compare student performance in basic skill areas across campuses or nationally. That would not be testing individual student performance, but it would be looking, for example, at the performance the System’s institutions as a whole. One example of such an instrument that the

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System might consider is the Collegiate Learning Exam (“CLE”). It is also known as a “value added” examination because it can be used to test a sample of first year students in the fall and a sample of those students when they graduate as seniors on the same set of skills in order to determine how much they actually improved in the four years of college.

Another way to think of a standardized test is to think of an exam that has been adopted by a campus or system in order to provide comparable measurement across an institution or system. For example, some universities and university systems have developed “official” exams to test student mastery of basic skills including the University of Missouri (College BASE), the University System of Georgia (Regents’ Test), and the California State University System (Writing Exam). These tests are typically criterion-referenced, which means that they measure how well a student performs against an objective or criterion rather than against other students.

Quizzes and tests given by instructors in the classroom provide other examples of criterion-referenced assessment. Curriculum embedded and portfolio assessment are also criterion-referenced but include activities not typically thought of as “tests,” for example, student reports, projects, journals, interviews, and written assignments.

One of the challenges to be addressed in designing an assessment structure for the System core curriculum will be to inspire broad confidence in the student performance assessment processes that campuses choose to adopt. This may involve actions ranging from a more comprehensive System level process for approving institutional core curricula to periodic System level core curriculum review.

In summary, Dr. Leland stated that the core curriculum project will require the leadership and insight of talented faculty and academic administrators from diverse System institutions. It will not be easy, and it will be controversial. However, the academic integrity of a System core curriculum demands its periodic review and refinement. She then said that the staff has recommended that this review and refinement occur along the following three dimensions:

- Relevance: By focusing core competencies on 21st century knowledge and skill needs
- Quality: By establishing appropriate student learning expectations and standards
- Accountability: By developing a student performance assessment structure

Dr. Leland then thanked the Board and Dr. Sethna rejoined her at the podium to take questions.

Regent Hatcher commented that he thought the direction the committee was taking was great. However, he noted that the four bullet points on slide on the 21st Century educational needs did not include math and science. Dr. Leland stated math and science were included on the second row of the rubric handout. She further stated that what is often mentioned in the national studies is that there is a need to ramp up what institutions are doing in math and science. She said that the University

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System of Georgia already includes math and science in the core curriculum, and it is included in the core curriculum or general education programs across the U.S. The prevailing view, however, is that students are neither learning enough nor learning it well enough. Therefore, the System needs to ramp up the standards in those areas. Regent Hatcher replied that he would agree with that. He then said that although Dr. Leland said that math and science are included on the rubrics, he did not see it on the slide at all. Dr. Leland responded that the slide did not represent a comprehensive list and that math and science would certainly be included in anybody's list. She added that it is certainly included in these national studies cited. Dr. Sethna then assured the Board that math and science would be an important part of the core curriculum. There is no doubt about it, he said. It will be an important part of the core curriculum.

Dr. Leland explained that the competencies that were picked out on that list to be bulleted were competencies that are somewhat new for many general education programs. Those were bulleted because they are ones that higher education and business leaders say cannot afford to be ignored with respect to 21st century learning needs. Regent Hatcher then said, "What I am hearing here is that instead of one Regents' Test, at some point to measure assessment and ability, we will have a series of assessments. Whether or not they are tests or what form they may take, we really can expect a more robust assessment and accountability as opposed to one Regents' Test. Is that a correct assumption?" Dr. Leland said that she believes there would certainly be more robust assessment practices. For every core competency, she said, there would need to be a range of assessment practices that everyone agrees demonstrate whether or not a student has mastered that competency. She further stated that it is impossible to say ahead of time what that will be, but that is part of the work of this project.

Chair Cleveland asked if these tests would be associated to the coursework that the students would be achieving and their grades? For example, he continued, "Would it possible to make an A in a particular class, English 101 and then have that disassociated from the competency test that is being described? Dr. Leland replied that the kind of curriculum embedded assessment that she alluded to in her report is never disassociated with the course, so it would depend on what type of assessment gets adopted for the competency area. She asked if that answered Chair Cleveland's question and then explained further. For example, she said, the assessment might be a portfolio of student work over the course of a semester that gets evaluated or assessed by a faculty team in order to see if the student, through the evidence in that portfolio, has demonstrated mastery of the required competencies. In this case the assessment would not be disassociated from the course; instead, it would be accumulated all semester by the student. Chair Cleveland responded that he guessed that answer spoke to his question in part, but what he was asking is whether or not a student could have a passing grade in any particular set of English courses but yet fail the competency test and not be able to matriculate any further. He stated that this was his basic question. Dr. Leland answered, saying that in the case of the current Regents' Test in the University System of Georgia, yes. However, she continued, there is nothing in the design of this assessment process that says that will happen with the new core curriculum. She stated that the System needs to explore viable, reasonable ways in which it can assess student performance, adding that is all the staff is really proposing in this project.

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Regent Leebern joined the discussion stating that he had asked the Associate Vice Chancellor, Strategic Research and Analysis, Cathie Mayes Hudson, to send me some data about the profiles of the System's students. He stated that this information came from the Chancellor's Office. He prefaced his comment saying that he did not know what threshold the Board is trying to reach in terms of perfecting efficiency. He then said that at the University of Georgia ("UGA") the percentage of the freshman academic characteristics with learning system requirements is .10% and the SAT freshman was 1237. The percentage of the freshman class 2006 at UGA that had college preparatory courses ("CPC") was 99.8%. "Now," he asked, "why do we need to continue the Regents' Test? When you have 99.8%?" He added that he was saying this as an information only item and that these were the System Offices figures. Dr. Leland said that she understood but that this project had nothing to do with the Regents' Test. Instead, it has to do with identifying 21st century educational needs and making sure that the first two years of undergraduate education gets focused on those general knowledge and skill needs. She continued, stating that it was about being much more explicit than the System is now about what students need to know and be able to do in order to meet the challenges of the future. It is about finding ways that students can demonstrate that they have that knowledge and those skills. It is not, she reiterated, about the Regents' Test. Regent Leebern reiterated the 99.8% figure and stated, again, that this was mentioned for an information item only using figures from the System Office. He then said that he did not know what perfect storm the System is trying to create. Regent Leebern then said, "Let's go ahead and do what your mission is with the core competency, but why should we wait three, two, one years to get it down from 99.8%. If these freshmen have demonstrated this competency coming in, why would we have this pit? Do your curriculum, but why do you have to wait for this albatross, if you will, for lack of a better word, to keep on with this?"

Chancellor Davis stated that the System Office staff would put in the Regents hands within the next two weeks a white paper on the Regents' Test, which would, in fact, address all of the arguments the staff has heard, such as Regent Leebern's, to drop the Regents' Test versus all of the arguments they have heard to keep it. This white paper would also include all of the history, as the staff has learned it, about the test. He continued, stating that the staff would then try to make some transition. Chancellor Davis said that, as he suggested last meeting, what is being planned for the future is not about the Regents' Test. It is about preparing people for the future. The Regents, he stated, will be given an opportunity, again, consistent with the Chair's scheduling prerogatives, to decide in the month of June, whether or not they want to continue with the present test until they reach a point where they believe the test is not needed. The Chancellor then said that the staff would tee up and crystallize the exact question that the Regents want teed up, adding, "What we are trying to do here today is, perhaps, paint the picture of the end state as opposed to where we are and how we get there." He then said that they would tee that question up and that it is on the agenda.

Regent Carter prefaced his question by saying that it may not have been decided yet then asked what kind of graduating system would be established that System would report to the general population of perspective powers so that they could understand how well a student has done using this

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assessment system. Dr. Leland stated that she did not know, but that it certainly was a good question. She then said that the rubric itself could be made available to the general public, adding that it would certainly become a guide to students who know right from the beginning that in order to be judged as competent in an area, he/she would need to be able to do this, and this, and this. Chancellor Davis added that he thought Dr. Leland's analogy about figure skating was an excellent one because though few of the people present would know the intricacies of the figure skating rubric, most know that getting a 6 is a lot better than getting a 3.8. Regent Carter then asked if it might be some sort of numerical system. Chancellor replied that it could be, but he was not saying that is what would be ultimately decided. However, the System would be able, through the rubrics, to express levels of excellence and some sort of measurement would be attached to those. He added that he was not saying that it would be strictly numeric, as it could be just grades. He said that he was not sure what it would be because they had not reached that part of the process. Regent Carter clarified asking, "We haven't decided that yet?" Chancellor replied, "No sir."

Dr. Sethna added that the end result would be the hope that each of the System's students actually achieves the minimum level of competency. On a 1 to 4 scale, where 1 and 2 are unacceptable and 3 and 4 are, the staff's hope is that, through help, through guidance, through curriculum embedded assistance and so on, that the students ultimately achieve the 3 and 4 levels. That would be the objective. Regent McMillan was recognized by Chair Cleveland. He said that he was going to keep his hand down, adding that he put it up and took it back down. He said that he did not want to make his fellow Regents stay for another hour because it seems like every time he makes a comment it seems that it goes on *ad nauseam*. He then stated that he did have a question, adding that he could not help it. He stated that there were two things that concerned him, the first of which, he said, was something over which they had no control. That variable, which would have an impact on any kind of core curriculum is, "What do we do about students who come to us ill-prepared from the K-12 sector?" Regent McMillan added there there will be scores of students who will come into the System and not be prepared. He then asked if there was any safety net or would they just be done when it is all over. The other part of that point, he said, is that if there is something else for them to do within in the System, what does that do to the whole notion of trying to get out in four years?

Dr. Leland replied that those were absolutely excellent questions. Then added that, obviously from her point of view, any time standards are ramped up at the college or university level, the System has an obligation to work with its K-12 partners, particularly in those final grades, to make sure that there is a seamless articulation between their performance standards and the University System's. She also stated that the System and its K-12 partners must make sure that the expectations that they have for high school graduates match up with expectations of the competencies that students should have to enter the System, adding that the System has to help its K-12 partners to achieve those goals. Chancellor added that this is covered in goal four of the strategic plan. Dr. Leland further stated that she, obviously, could not answer ahead of time of what happens to the students who just cannot make it. She then stated that the System has to have alternatives for students who are failing even though they trying very hard to make it through.

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In response to that question, Chancellor Davis stated that one of his present discussions as he goes around campuses is on that issue. The point he is making in those discussions is, “If we are taking their money, we owe them something. What we owe them is not to lament their preparation, but if we are letting them in the door, if they are meeting whatever requirements we set for entry, and we are taking their money, then we owe them something.” Chancellor Davis further stated that the System would have to accept that it is going to have diversity of input, adding that the goal is to have consistency of output rather than diversity of output. He then said that if the students are coming in the door, the System would work with them. Chancellor Davis noted that part of the somewhat controversial changes the System Office suggested included the recognition that “we have a greater responsibility for people who are failing within our System, and we cannot ignore that and take their money.”

Regent Tarbutton stated that presently, when a college freshman’s parents’ ask what he or she is studying the student will say English 101, Biology 101 or Calculus 1. He then asked, “What is the answer to that question now?” As the System talks about sensitivity to other cultures, “what is it going to sound like when students tell others about the courses they are taking?” Regent Tarbutton then asked what the names of these core courses would be, adding that the committee may not have gotten that far yet, and that he was just curious. Dr. Leland said that she did not know because no work has been done on this. She added that what was presented today were a series of objectives. She then said she would tell him what she hopes would happen. Dr. Leland said that she would hope that the System would have something that looked a little bit more exciting than a repeat of high school, which many of the System’s general education programs look like now. One of the issues that the System faces is challenging and motivating students, particularly in that first year of college. That is very difficult to do when the curriculum is not motivating for those students and does not somehow engage their imaginations about why it is so critical for their future. So, Dr. Leland believes the System needs to do a better job of telling its students, their parents and everybody else about the importance of this curriculum. She would say market it better; label it a little better; add some sexier names for those courses or something that makes it look more relevant and more exciting than just some more high school courses.

Dr. Sethna added another perspective. Reiterating that this is still an area that does not have a concrete answer, Dr. Sethna used the following example. Most of universities across America have a communications requirement of some kind. Typically it means that the freshman tells mom and dad that they are taking a speech course. He said that did not have to be the case because, tied in with the idea of making coursework more relevant, a business student could meet the communication requirement by making a series of marketing presentations and get the check mark on oral and written communication. That way, he said, accomplishes multiple things: the student meets that requirement and the coursework is more relevant to that student’s major. However, then the question can still be raised, “Aren’t you taking a speech course?” Well, Dr. Sethna contended, in a sense, he/she is, but it is called “Advertising 305” or something like that. It could be a different way of looking at things, but it would be exciting, it would be relevant and it would demonstrate that competency.

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Regent Potts stated that being married to a music teacher, he understood rubrics, if nothing else but by osmosis. He then asked Dr. Leland if she had thought about who would do the adjudication. Dr. Leland stated that the rubrics would need to be created by faculty experts. The tricky thing with rubrics, she stated, is teaching people how to use them. She said that she could be handed a set of rubrics for judging figure skating and probably would get it all wrong, except maybe for artistic expression because that is a little subjective. However, she added, she would certainly get the technical proficiency wrong simply because she lacks the knowledge or skill to correctly apply the rubrics. So, rubrics are only reliable if people know how to use them properly. That is usually a process. For example, it could be a process of getting a group of faculty together and having them, as a group, apply the rubric to a set of samples and come to some consensus of their application of the rubric through that process. Regent Potts stated that he clearly understood that and was probing based on that next to the last one statement that she made. He then asked whether Dr. Leland saw it as more of a campus centered rubric adjudication or as a centrally administered adjudication. “What are your thoughts on that?” Dr. Leland answered that the proposal calls for the common core competencies included in the University System of Georgia core curriculum to have a System rubric. After all, it is the University System of Georgia’s core curriculum. So that it would not be adjudicated at the campus level. Campuses would, however, have broad license to deliver the curriculum that they think will best help students master those competencies on their campuses. So all they have to do is match up to that System rubric. She asked if that further explanation helped. Regent Potts replied that it did.

Next Regent Jenkins stated that he had a comment and two questions. First, he told Dr. Leland that she made an excellent presentation and that he agreed entirely with the priorities that the committee has set. He then said that he would make the following comment as a suggestion. He noted that some of the terms that Dr. Leland used in her presentation were a little bit foreign, at least to some of the Regents and suggested that she might be able to simplify it and be a little more concrete in some of the examples that she gave. He added that he believed that it might be presented or at least understood better, perhaps, if it was simplified a little bit, but that he thought it was an excellent presentation. Regent Jenkins then asked his first question which centered on a comparison of action items A (renewing excellence in undergraduate education) and B (increasing graduation rates) of the strategic plan. Regent Jenkins prefaced his question by stating that Dr. Leland would be speculating a little bit in answering the question. He then asked whether or not she foresaw the implementation of Item A affecting Item B. That is, “What would happen to the graduation progression rates if the Board adopts the core curriculum as Dr. Leland and the committee suggest?”

Dr. Leland stated that she thought that it might affect the graduation rates slightly in the beginning, adding that any time a change is made in course, that it could affect graduation rates. However, she stated, if the System is doing the right thing, in other words, if it is working effectively with its K-12 partners, doing its job to make sure that students come in prepared well enough to succeed, and if, as Dr. Leland knows they can and will, the System’s faculty are teaching in ways that help students to succeed, then in the long run it will not affect graduation rates. The neat thing about it, she said, is

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that it is just not sufficient to want to graduate a greater number of students if that does not also mean that the System is graduating a greater number of people prepared to meet the challenges of the future. Regent Jenkins said that was a good answer. He then moved on to his second question. He directed everyone to the third page of the handout which was showed the present core curriculum. Regent Jenkins stated that he though he asked a question somewhat like this at the strategic planning retreat, and asked if Dr. Leland could give an example or examples of the difference between what presently exists and what the proposed new core curriculum. He added that he understood that was not quite what she was doing today and that that is off a little bit in the future, but to look at these areas on the handout, A-F cover the things that he thought ought to be covered. He then asked, how the new plan, the new core curriculum, would differ from what the System has now as shown in the handout.

Dr Leland said that she did not know, but added that the old core curriculum/general education courses did not have an explicit, intentionally chosen set of core competencies or student learning outcomes that System institutions would be required to implement in their core curriculum. She said that if one went to the website for general education, he/she would find an extremely long list that was compiled some years after the curriculum was implemented. She added that she imagined that rather than having learning outcomes associated with x, y, and z, what one would find is a statement of the competencies.

Following that explanation by Dr. Leland, Regent Pittard stated that he had a couple of questions. He said that it seemed to him that the core curriculum is all about relevance, adding that the System is trying to make its education more relevant to what the students are going to be dealing with after they leave. He said that the page that Dr. Leland skipped over in her presentation was actually very important. He stated that if one were to start backing into that page, they would start understanding that the goal is not to teach math, but to teach students how to use math. That page, he said, gets to relevance. Regent Pittard then stated that his concern was that the Board is moving ahead with decisions while there are so many unknowns. He said that he found the number of unanswered questions a little disquieting. He added that he knows that when “you move boldly, you do move into a lot of ambiguity.” So he knows that one goes with the other. However, he believes that there is a little bit too much ambiguity right now for him to be comfortable with a complete overhaul of the core curriculum. There may be a stage which may be a partial overhaul and then a second stage later, he added. All in all, Regent Pittard stated that he felt the proposed changes were exciting. He said that he would have to think that faculty seeing this would get excited. Particularly the System’s most talented faculty would get very excited about seeing the relevance of what they are doing that will actually change lives as those students move on. He then said that he guessed somewhere in his comments there was a question., adding that he was just dealing with all of this at one time and trying to figure in his mind what a freshman would be told the day he or she arrives on campus in regards to what they are suppose to do the next couple of months. “Everything changes,” he said.

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Chancellor Davis said that the System Office shares Regent Pittard's concern. He stated that since there are a lot of unknowns, the core curriculum would not be phased in gradually. Instead, it would require a cut in point. He said what is needed is to get a sufficient comfort level where the staff and Board are comfortable in moving forward and then ask the following questions as the cut in point draws closer and closer. "How have we eliminated the unknowns?" "What have we discovered?" "What do we want to do?" He then stated that the System Office staff would have to give the Regents a greater degree of certainty and granularity before cutting in and turning something on. Chancellor Davis added that this type of core curriculum implementation has not been done at the System level. It has been done at an institutional level only. Therefore, the University System of Georgia would be pioneers in this. For this reason, he said, the Board needs, essentially, just enough comfort to say, "This is worth pursuing; let's go for it, but keep bringing it back on an ongoing basis and let us ask more questions and get a greater comfort feel and more answers over time."

Regent Pittard said that there are so many avenues after graduation that students go through in order to go into their profession. Those avenues, he added, require certain testing. Students have to get into law school and medical school through certain testing. He then asked whether the System's education, which is going in a different direction, will make students more ready to make those avenue steps or if the System would be so bold as to educate in another way where students would take the Law School Admission Test ("LSAT") and not be able to pass it.

Chancellor Davis said that he did not think so. He then responded that today, "we are in a world where someone takes two foreign language courses, but they have not demonstrated, necessarily, a competency in a foreign language." Regent Pittard agreed with this statement. Chancellor Davis further stated that he believed that if the student can demonstrate a competency, then he/she should be able to pass an exam on that information. He added that those were good questions and that the System Office staff may need to think of frameworks where, perhaps, there is a Regent subcommittee that is more interactive in this process as the core curriculum is developed. He added that such a subcommittee would allow the staff to get more advice on an ongoing basis rather than to bring it back in discrete steps. He then said that he would give some thought to that.

Chair Cleveland then thanked Dr. Leland for a great presentation and stated that it was necessary to move the agenda along. With that, he turned the floor back to the Chair Vigil.

As there were no additional questions, Chair Vigil announced that the Board would take a ten minute break at approximately 3:35 p.m.

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At approximately 3:45 p.m., Chair Vigil reconvened the full board meeting. Chair Vigil turned floor over to Regent Leebern, Chair of the Committee on Audit.

Chair Leebern stated that with the permission of Regent Tucker, Chair of the Committee on Real Estate and Facilities, the Committees on Audit and Real Estate and Facilities would have combined Committees of the Whole to discuss the third of several presentations on approvals and authorities. As mentioned last month the new process is to provide recommendations as information items only, meet with select Regents, and then bring the final recommendations back to the Board for its approval. Chair Leebern stated that the Chief Audit Officer and Associate Vice Chancellor for Internal Audit, Ronald B. Stark, would present the information items of last month. Additionally, the Vice Chancellor for Facilities, Linda M. Daniels, would present a conceptual overview for proposed changes for Section 900, Facilities. At this time, Chair Leebern turned the floor over to Mr. Stark to present the approval items.

Mr. Stark stated that every month, he thinks the approvals and authorities process improves a little bit, adding that this month, the staff had improved it even more. He then explained that following his presentation of the approval items, Ms. Daniels would present a conceptual overview of the Facilities area. He stated that she had met with a few people and would be meeting with more. For that section, he stated that rather than the traditional format of showing strikethroughs and highlighted areas of additions, the Regents would just have the conceptual ideas this time. Then Ms. Daniel would bring back at a later date the strikethroughs and the additions. Ultimately, he said, they would bring it back to Board for approval. Mr. Stark stated that he believed this process would allow the Regents to much better understand, “what we are doing; why we are doing it; and how we are doing it.”

Mr. Stark then said that he wanted to remind the Board why the approvals and authorities process was being done. First reason, he said was to ensure that there is the policies properly balance governance with management. He explained that the policies and procedures have slowly changed without recent analysis of the appropriateness. He also cited a need to determine if decisions are made at an appropriate level. Lastly, the approvals and authorities are being reviewed to determine the appropriateness of the dollar and/or significance level of current policies.

After the brief explanation, Mr. Stark said that as he moved through the approval items, discussion could be opened for each one. He commented that he sent a copy of the actual highlighted copy to each Regent along with a reference page after the last Board meeting so that they could see what the recommendations were and then find them in the policy fairly easily. Mr. Stark stated that there were a couple of additions to the recommendations that was presented last month, which he also communicated to the Regents within the two weeks prior to this meeting. He further stated that the staff would ask for the Board’s approval on those items as well.

Before moving into the specific recommendations, Mr. Stark said that there were four general recommendations that are more housekeeping items. Those items are as follows.

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- Change policy to eliminate wordy, unnecessary verbiage.
- Change policy to change titles to a generic form so that when we have a reorganization or change people's titles or someone gets promoted, the Policy Manual refers to just a general generic form.
- Change policy to ensure consistency in descriptions.
- Change policy to move responsibilities, approvals and authorities to the applicable section of the manual.

Mr. Stark then began to explain the more specific recommendations. Of the significant changes being made in Section 100, he said, the first is to change policy to add "the Chancellor's Designee to be a member of all faculties and other academic bodies within the University System of Georgia." Once that change is made, this will be moved to Section 300. The second significant change is to change policy to add requirement that "the Board shall accept or reject recommendations of appointments of all administrative officers."

The significant changes for Section 200 include eliminating the requirement for the University System to execute all settlement agreements. It would also change policy, Section 202 (G) to "allow Board Special Regents' Search committee the right to interview and appoint presidential candidates not screened by the campus search committee" and policy, Section 202 (H) to "require that the Board of Regents will elect the presidents upon the Chancellor's recommendation." In Section 204, Presidential Authority and Responsibilities, the following language will be added: "The president's discretionary powers shall be broad enough to enable him/her to discharge these responsibilities." Mr. Stark stated that the next item under Section 200 was similar to the language in Section 100 for the Chancellor. It is as follows. "The president or, and/or the president's designee, shall be a member of all faculties and other academic bodies within the institution." The final item under Section 204 is the following new language. "He/she shall decide all questions of jurisdiction, not otherwise defined by the Chancellor of the several councils, faculties, and officers. The president shall have the right to call meetings of any council, faculty, or committee at his/her institution at any time. The president shall have the power to veto any act of any council, faculty, or committee of his/her institution but, in doing so, shall transmit to the proper officer a written statement of the reason for such veto. A copy of each veto statement shall be transmitted to the Chancellor."

In Section 700, the first significant change is to allow presidents to accept gifts and donations, except for real property. This eliminates prior approval by the Board of gifts having value in excess of \$100,000. Another proposed change in the policy recommends that gifts of real property will require approval by the Board. This used to have a \$100,000 limit. If it was less than \$100,000, it did not require Board approval. This is changing it to where all gifts of real property require approval of the Board. It is also recommended that the policy is changed to require presidents to assume responsibility to ensure that gifts do not violate state law or Board policy, and that gifts do not carry additional costs that cannot be managed within current resources. The fourth significant change under Section 700 is to recommend that either gifts or donations that would require additional

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supplemental costs that cannot be met with current budgets will require prior approval by the Board. Lastly, it is recommended that the policy be changed to require that a summary report be provided to the Board, as required, on gifts and donations to institutions and their cooperative organizations. Mr. Stark stated that when this was originally presented to the Board the “as required” area said “annually.” He further stated that it was changed to “as required” because the decision has not yet been made as to whether the report will be needed annually, semi-annually, or quarterly. Until that decision is made, he stated, the language would remain “as required.” “As required,” he further stated is a combination decision of “as the Board requires it” and/or “as is viewed as most appropriate by the Chancellor’s staff.”

Mr. Stark stated that concluded the approval items for Sections 100, 200, and 700 and said that if there were no questions, he would turn the floor over to the Vice Chancellor for Facilities, Linda M. Daniels, to present Section 900.

Chair Leebern called for a motion to accept the approval items as presented. The motion was properly made and variously seconded. Chair Leebern then called for discussion. Regent Jenkins posed a question to Mr. Stark. He stated that he might be a week or so late on this, but as he was looking specifically at Section 203, Removal and Resignation of Presidents, he was not sure that it was one that had been changed. Chancellor Davis stated that that would be coming forward. Regent Jenkins then clarified, if all they would be voting on the provisions that Mr. Stark discussed. Mr. Stark said that was correct. Chair Leebern asked if there was any further discussion. As there was none, he called for the vote and the items were unanimously adopted.

Chair Leebern then asked Ms. Daniels to begin her presentation.

Ms. Daniels asked everyone to turn to page 57 in tab 12 of their Board notebooks. In light of the types and significance of changes proposed by the campus committee looking at facilities issues, she said that she would present the recommended changes in concept before proposing actually changes in policy. In other words, she stated that she would like the Board’s endorsement of the idea before she engaged in working through the detail and refining the policy language. With this in mind, she explained that she would go over the basic ideas during this meeting and have scheduled time and work sessions to follow-up before moving on to changing policy language to reflect the Board’s direction.

Ms. Daniels stated that there were a number of items to which the System Office of Facilities has proposed changes. Probably the most important, she said, is clarifying the Board’s intent related to project authorization, currently in Policy 902. That policy reserves the right of the Board to authorize all projects. However, the Vice Chancellor for Facilities can approve projects below the \$1 million dollar cost. There is no further delegated authority to the institutions that is implied. Ms. Daniels believes that clarification of the Board’s intent on this minimum cut off of \$1 million dollars is appropriate as that number is referenced in the Building Project Procedure Manual (“BPP”) and not

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in the policy manual itself. The Policy Manual references that procedures manual but, as it relates to contracting authority, some of the System's institutions have perceived that if they have contracting authority, the authority to authorize projects has been subsequently delegated. For this reason, Ms. Daniels stated that she is seeking clarification on the Board's intent for the authorization of projects.

Chancellor Davis commented that he believed everyone needed to understand that the Vice Chancellor for Facilities does not authorize projects that are not approved. He explained that the Board approves the projects before the Vice Chancellor for Facilities would authorize them.

After that clarifying comment, Ms. Daniels moved on to Item 2, Policy 903. Ms. Daniels recommends changing Policy 903 which covers the Board's and Vice Chancellor for Facilities' level of delegated authority to approve qualifications-based selections ("QBS") of architects, engineers, construction managers, planners and other consultants. This also relates to the delegation of contracting authority. Ms. Daniels stated that the contracting authority of \$1 million dollars is a significant sort of tag line through out the Board's policy manual. She said that she would suggest that an increase in the delegated authority for contracting and qualifications-based selections could be considered as long as the project authorization still remains and resides under the Board's purview.

In addition, she stated that regarding procedures, the Board currently, very explicitly references the BPP. Ms. Daniels further stated that the System Office of Facilities' purview extends to strategic planning and other real estate matters. With this being the case, she stated that there are a number of documents of equal magnitude to the BPP that also need to be addressed by the Policy Manual. For this reason the Office of Facilities suggests that the Board expand policy 904 to address all Real Estate and Facilities areas of responsibility.

As she moved on to the next items, Ms. Daniels noted that there were some other issues that were self-explanatory. Regarding emergency allocations, she said the Office of Facilities was suggesting the amount be increased and similarly that the Board would consider shifting the authorization to hire master planning consultants to institutional presidents from the Office of Facilities. Ms. Daniels stated that the only qualification that gives her a comfort level with that transition is the strength of the Board's master planning template. She further stated that if master plans are accomplished in accordance with the Board's guidelines and templates, she did not think there would be a need for her office to be personally involved in finalizing the selection process.

Those were some general overviews. Ms. Daniels said she would like to assure the Board that as the Office of Facilities staff discusses these proposed changes with them in the upcoming workshops before finalizing these items she has outlined, they have done some homework. She stated that the staff has looked at the number and cost of projects for which they are asking increases in delegated authority. Ms. Daniels reaffirmed her recommendation that delegated authority for project authorization be kept at the \$1 million level. However, she stated that she does feel that delegated

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authority for consultant selections and contracting authority could be bumped, possibly as high as \$5 million. She then referred the Regents' attention to a slide in her presentation which showed the average number and cost of projects authorized on an annual basis. She stated that over the last three years the System Office of Facilities has averaged 285 projects a year, valued at \$600 million total. The slide also showed the break down in both the number and size of those projects. Ms. Daniels said that the staff had also considered ways to ensure that, with the proposed changes, the Board would be able to meet their fiduciary and stewardship responsibilities. In fact, in addition to improving and streamlining the workflow, she said the staff's intention is to increase the Board's awareness of the bigger picture and thus increase its opportunities to direct their efforts from a policy perspective.

For example, by increasing the level of delegated authority for consultant selections and contracting the staff could reduce the number of individual agenda items coming forward and, instead, present a summary annual report. With this comprehensive overview information the Board would be better able to access trends as it looked at individual decisions. This would allow more opportunity for articulation of the Board's policy level concerns. The following questions, Ms. Daniels said, are issues that she has come to note over the years. "Are we spreading the work around? Are new firms getting their foot in the door? What is our track record for minority participation? Are we consistent in the fees we pay?" She then stated that the bigger question is what other questions and concerns does the Board have in relation to public works contracting? She further stated that it would be much easier for staff to stay on course if they knew the Board's bigger concerns. On an individual project approval basis, she explained, the staff rarely gets this kind of policy level discussion, thus the Board's concerns do not come up until the staff has already gotten off course.

Next Ms. Daniels noted that there are also a number of items in the Section 900 policy that need updating. She stated that there is a section on presidents' homes that is not currently in line with the Board's position in that regard. Similarly, the overall housing policy does not reflect the new public-private ventures program. That whole policy, she said, needs to be revisited and updated. Further, she said that they all knew the concerns they previously voiced related to the naming policy, including the need to clarify policy level decisions and introduce some protocol and procedural documentation, as well as clarifying the delegation of the naming of interior spaces. At this time, Ms. Daniels stated she had planned to pause here and give an opportunity for Board input on the naming issue. She added that the staff was very concerned about keeping the updating of the naming policy, in particular, on track to make sure that they do not allow fundraising opportunities and other things to get caught up in the time lag of reviewing that policy. Due to time constraints she stated that she was not sure if it was feasible, but asked if Board would like to take that time now to share some further ideas.

Board Chair Vigil asked Committee Chair Leebern to have Ms. Daniels expound upon her point because the Regents would, unfortunately, not be able to take the campus tour because of the time. Therefore Ms. Daniels could take a few more minutes. Committee Chair Leebern thanked Board

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Chair Vigil and asked Ms. Daniels to continue.

Ms. Daniels continued stating that she had the opportunity to poll most of the Board members and had also shared a white paper in which the staff emphasized the significance of the permanence of naming, the importance of the emphasis on fundraising related to naming opportunities, and the very strong desire for the Board to make sure that there is clarity and consistency both in the policy and in the naming guidelines. With that, she said they would propose some improvements to the policy language and, in concert with that, some procedural documentation. Ms. Daniels noted that there have been a number of procedures since the mid-1990s for the naming of buildings and how that is put forward. The development of integrating fundraising into the naming opportunity has added a level of complexity to that process. She said that this issue is most obviously seen when there is public knowledge of a naming before it has truly gone through the Board's vetting process. Therefore, the Office of Facilities staff proposes that the protocol or procedures be updated, looked at, brushed off and codified in a procedures manual as opposed to a dated memo that new presidents might not have an opportunity to be aware of. That need of addressing the naming issues through procedures is something that Ms. Daniels thinks would help a great deal to facilitate some of the angst and frustration with how some namings have unfolded recently.

On a more direct note, Ms. Daniels added that the Real Estate and Facilities Committee would walk-on an item that afternoon in committee related to a naming because it is very responsive to the Board's charge that addresses the fundraising opportunities associated with namings. She stated that her staff would continue to work on that naming policy and would be open to the Board's thoughts now and in the smaller group meeting workshops that they would be putting together. With this, Ms. Daniels opened the floor for questions on namings.

Chair Leebern asked if there were any questions or observations. Regent Pittard asked if the questions were just regarding namings or if they could address anything that Ms. Daniels had covered at this point. Chair Leebern stated it would be just for the namings at this time. Regent Pittard said that being the case, he had no questions at this time. As there were no questions related to namings, Ms. Daniels continued her presentation.

The next major area, she stated, is clarifying the Board's leasing policy. Currently, scattered throughout Section 900, are references to the leasing of properties, both as tenant and as landlord. The Office of Facilities proposes to clean-up and consolidate the leasing information under one heading of tenant and one heading of landlord. They would also like the Board to consider the delegated authority. Currently, the Vice Chancellor for Facilities has the authority to authorize monthly leases under \$5,000. The proposed increase is at \$25,000. Ms. Daniels said that she would suggest that, as this policy is considered, one of the salient points the Board would want to take under advisement is the Vice Chancellor for Facilities' authority to amend delegated agreements. She explained that the Board would not want to put the Vice Chancellor for Facilities in the position of doing a \$25,000 lease and then put him/her in the position of doing a series \$25,000 amendments

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because this could very well result in him/her ultimately signing a lease for \$1 million. That again, she stated, is something they could work through in the upcoming workshops.

Moving on to the next point in her presentation, Ms. Daniels stated that in the previous action the Board saw a reference to the gifts of property. She stated that she wanted the Regents to note the three year history shown by each year on the slide. She stated that there is a very modest amount of activity associated with the gifts of property to the Board of Regents. Currently, most gifts of property come through the institutions' foundations and, ultimately, end up coming to the Board through some sort public-private ventures. For this reason, Ms. Daniels said that she would suggest, because of the order of magnitude or concerns about significantly increasing delegated authority or proposing a level of delegated authority with the gifts of real property, that is not one of their major concerns, but that it certainly is worth discussion. She said that this is an area they would work through in their workshops. Ms. Daniels said that the exact same comments apply to the acquisitions of property. She stated that the Vice Chancellor for Facilities currently has delegated authority to acquire, on behalf of the Board of Regents, property under \$100,000. She then informed the Board that over the last three years, the Office of Facilities has, within her delegated authority as the Vice Chancellor for Facilities, purchased five pieces of property. She emphasized that was over a three-year span. Again, Ms. Daniels stated that the order of magnitude of those two items was not great given that the workload associated with staff is not dramatically increased, nor is the timing at an institution as sensitive as possibly a concern related to the building projects where time is very much money in the proceeding forward with the construction project.

In conclusion, Ms. Daniels stated that she thinks the most important point is that the Real Estate and Facilities policy has evolved over time as a series of ad hoc reactions to individual circumstances that have come up. She then proposed to the Board that the Section 900 should be reorganized to put the facilities issues in a more organized structure that would be more user friendly so that if someone is looking for leasing information, they could go under one heading and get all of the information about leasing instead of feeling as though they have to pick their way through the whole policy and, in many instances, jump over to the business section of the policy. She stated that they are simply proposing an organizational structure. She further stated that if the Regents would, at some point, take an opportunity to study the proposed structure, they would also see that there are a number of facilities areas where there is not a policy as well as areas of concern, particularly at the tail-end of the list on the slide, Safety and Risk Management and Emergency Management. These are certainly areas where the staff feels like an appropriate policy is in order and those would need to be generated. With that statement Ms. Daniels concluded her report.

Chair Leebern asked if there were any observations or questions.

At this point, Ms. Daniels reiterated that her delegated approval authority was for projects below \$1 million. She then pointed out that on the projects slide the Office of Facilities does 240 projects for a value of \$50 million or 8% of the Board's total value under \$1 million dollars. She stated that if they

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looked at the last line on the list of those projects, 99% were approved as part of the Board's MRR list, so these are not 240 projects that separately come across her desk for a stamp of approval. Ms. Daniels further stated that she is very comfortable with the \$1 million level for project authorization. She added that she thinks the Board should challenge itself in pushing its comfort level with QBS, picking of architects and engineers, and contracting authority. In her experience on construction contracts, she continued, it is a lot harder for someone to manage a \$1 million construction project than a \$5 million construction project. Ms. Daniels noted that her office does the due diligence. Ms. Daniels stated that if it is a question of the difference between a contract being signed in the Office of Facilities as opposed to being witnessed by the Secretary to the Board and signed by the Chief Operating Officer, Robert E. Watts, she would submit that the significance of the work and the pressure of negotiating that project falls to her office. As this is the case, she stated that her office needs to be doing that level of work, adding that she hoped that she could convince the Board that the Office of Facilities could have that level of delegated authority and keep the Board comfortable with its work level.

Chair Leebern asked if there were any other questions or observations. As there were none, he thanked Ms. Daniels. Then, on behalf of Chair Tucker and himself, he concluded the meeting and made a motion to adjourn the joint meeting and turned the floor back over to Board Chair Vigil.

Chair Vigil adjourned the Regents into their regular Committee meetings. After giving instructions as to where each Committee would meet, he reminded everyone that they would not have the tour. He added that they would arrange something on Wednesday for those who wanted to tour the campus.

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Wednesday, April 18, 2007, in the Southern Ballroom, room 1602, in the Nessmith-Lane Continuing Education Center on the campus of Georgia Southern University. The Chair of the Board, Regent Allan Vigil, called the meeting to order at approximately 1:20 p.m. Present on Tuesday, in addition to Chair Vigil, were Vice Chair William H. Cleveland and Regents James A. Bishop, Hugh A. Carter, Jr., Robert F. Hatcher, Felton Jenkins, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Wanda Yancey Rodwell, Benjamin J. Tarbutton, III, and Richard L. Tucker.

SAFETY BRIEFING

The Director of Public Safety for Georgia Southern University, Kenneth W. Brown, gave the Regents and audience a briefing of basic safety information in the event of an emergency.

INVOCATION

Vice Chair William H. Cleveland gave the following invocation: “We were just informed that one Georgia student and one University System of Georgia professor were also tragically killed in the Virginia Tech violence. Heavenly Father, bless the students and families who grieve at Virginia Tech. Help them find peace and comfort in this time of suffering. Gracious God, continue to bless our University System upon which so many blessings have been bestowed. God, shower continued radiance and success on our hosts here at Georgia Southern University. Continue to inspire and motivate Dr. Grube and his staff as they excel in scholarship and innovation, creating a more educated Georgia. Amen.”

ATTENDANCE REPORT

The attendance report was read on Wednesday, April 18, 2007, by Secretary Julia M. Murphy, who announced that all Regents were present.

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Chair Vigil stated that the Board was pleased to welcome Governor Perdue’s Customer Service Champion, Mr. Joe Doyle to the Board meeting. Mr. Doyle, he said, would be joined by several members of the Chancellor’s staff at the System Office and Institution level to give the Board a presentation on the Governor’s Customer Service Initiative and how the University System of Georgia is responding to it. Chair Vigil then welcomed the Legislative Analyst and Projects Director for the Office of External Affairs, Deborah Scott, to the podium.

Ms. Scott greeted the Board and said she and the other presenters were excited to share with them an overview of the Customer Service Initiative. She stated that they had a lot of information to present in a very short time which might prompt questions on their part. She then respectfully requested that all questions be held until the end of the presentation, adding that Mr. Jim Flowers would answer any questions. Ms. Scott then introduced a brief video message from Governor Sonny Perdue.

Following the video presentation, Ms. Scott stated that the Customer Service Initiative started in February 2006. When Governor Perdue established the Office of Customer Service, he appointed Mr. Joe Doyle to direct this office. She said that Mr. Doyle was in present at the meeting to give the Board an update on the Statewide Customer Service Initiative. She then turned the floor over to Mr. Doyle.

Mr. Doyle thanked Ms. Scott and everyone for allowing him the opportunity to speak on the Governor’s Customer Service Initiative. Mr. Doyle said that the Governor’s Office is working on an exciting program, one that Chancellor Davis has been extremely supportive of since the very first day he arrived. He then extended his appreciation to the Chancellor. Mr. Doyle stated that he was asked to put a little context around what the Board would be hearing today about what is happening in the

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University System. He said that they might remember about 18 months ago that there was a lot of dissatisfaction in the state around the Department of Driver Services. He stated that people were saying that it was crazy how long things were taking. Mr. Doyle added that he had teenagers at the time, and it was taking four or more hours just to get a driver’s license, two hours just to get served. The Governor said that this was not acceptable. “We need to find ways to improve service to Georgians because we are on a mission to be the best managed state in the America.” Mr. Doyle noted that Regent Robert F. Hatcher, who was in attendance, is leading the charge for that. He added that he was very pleased that Regent Hatcher was there.

Mr. Doyle continued, stating that when the Governor’s Office started looking around to see what else was going on, staff members started asking questions that had not been asked before. He said they found out that citizens’ number one complaint about government in general is that it takes just too darn long to get anything done. The next thing that citizens said is that it is very confusing. “I can’t figure out who does what.” Lastly, he said that another complaint is that when a citizen is able to get to someone who is suppose to help him, often times they do not care and they are not helpful. Mr. Doyle recapped, saying that the Governor’s Office found that people thought the government was slow, confusing, and not helpful. He said they also found that in addition to the long times at the Department of Driver Services there were many other programs that were not operating very well that would make one unhappy. For example, for a mother needing child support, from the time she came to the agency to say “I need the non-custodial parent to start making the support payments that they are supposed to,” it took four months for them to even get an order ready for court action. In the Georgia Department of Revenue (taxpayer services) it was taking six weeks for staff to respond to questions that taxpayers had.

These are just examples presented to give an illustration, Mr. Doyle said. Another big illustration, he continued, is that the staff learned that there were 26 call centers in the state of Georgia. He said that 50 million calls come into the state each year. One of those call centers had an average time on hold for an entire year of 56 minutes. He added that this represents citizens calling who are not able to call anywhere else because they do not have the option of hanging up and calling a competitor. Mr. Doyle said that there was another call center in the state where 62% of all of the calls were abandoned; people never got through. He stated that only 38% of the callers actually got through. He said that they also learned that nearly 1 million Georgians calling the state for services were routed to the wrong place. They were getting the run-around, talking to three and four and five people before they got to the right place. Mr. Doyle said they listened.

As he mentioned, it is the goal of the Governor’s Office for Georgia to be the best managed state in the nation. He stated that they know that they cannot be the best managed and claim that if they do not care about how they treat the Georgians who are their customers. Their customers, he said, want the state government to speed up its services, simplify access to its programs, and truly care when the citizens talk to its staff. He said that they call that being faster, friendlier, and easier. He noted that

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could be seen around the campus at Georgia Southern University, as well as, around the state. Mr. Doyle added that it has been supported very strongly, and said that what Georgia is doing is revolutionary. It has never been done by any state in the nation. Mr. Doyle said that he had verified that with the National Governors Association. Forty-seven of the largest agencies in the state and the 35 campuses of the University System are working as one to make the improvements that the customers want the state to make. This is unprecedented, it has never been done. The good news, Mr. Doyle said, is that the state is being very successful. When they first started this program, he said, their conversations were, “You know this has happened before. What happened in the past? What did we learn?” He said as they started their discussions with the Governor they said, “You know, this is not going to work if people envision this being about slogans and t-shirts. This has to be about substantive change, fundamental change in the way we view our business and do business on a day-to-day basis.”

Mr. Doyle then gave some examples of what has happened in the last nine months. Engineers from the Georgia Institute of Technology—great support from the University System team—have been training employee led teams in the principles of lean management. Mr. Doyle explained that this is the way Toyota Motor Sales and the General Electric Company have been running their business for decades. He stated that they are not bringing in consultants to pay them big dollars to tell the state it needs to spend \$20 million on a new system. Instead, the state is training its own employees and empowering them to make the common sense changes this very afternoon that will change their processes, not something that will happen in two years. He added that it is working quite well. Mr. Doyle said they are developing an enterprise-wide solution to contact management. Many state agencies are contacted through call centers. Within the University System, he noted, much of the contact is through the Internet. But with contact management, Mr. Doyle stated, they want to streamline the way the people get to them and have access to their services. He said that they are remaking 26 of the state’s call centers so that they will be performing to industry standards around costs and around service performance. That is underway. He said they are also creating a customer-focused culture, which is very important and one of the hardest things they have to do. The customer service culture across over 100,000 employees, and all of the employees and agencies have agreed that our values are to be courteous, helpful, accessible, responsive, and knowledgeable. Now that was a very fundamental thing to have those five values because we have to, as an organization, say these are the things we stand for and those values have to work for state troopers as well as teachers in the classroom. As a reminder, that is to be courteous, helpful, accessible, responsive, and knowledgeable.

Now to drive that home into the workplace, Mr. Doyle said that materials have been disseminated. He added that there was a great display in the lobby as well as materials in the Regents’ blue folder. He stated that the state is asking all of its employees and training them to adopt four behaviors around how to greet customers, how to actively listen and verify what it is that the customers want, and how to honor commitments to them, and so forth. Mr. Doyle reiterated that they are taking this to the work place, telling people what it is they need to do on a day-to-day basis.

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Some of the successes they have had in the recent past include that the Department of Driver Services has gone from a two-hour period to be served, not to complete the transaction, to six minutes. At the Office of Child Support Services the four month process that Mr. Doyle mentioned has been collapsed into same day service. At the Department of Revenue, the six week process for response to tax issue is being collapsed into two weeks. Additionally, in 2006, the 26 call centers in the state started the year with the aggregate wait time across all of the call centers of five minutes. So on average, if a person called a state agency, he/she had to wait five minutes. At the end of the year, that was brought down to one minute and 40 seconds. That is a 65% improvement in one year. The call abandonment rate statewide went from 17% to 11%. That means the state answered phone calls and helped 500,000 more Georgians than the year before. The good news is, all of this has been done for the same money and the same people. It is not requiring us to increase budgets, fire people, or bring on new folks; the same people are capable of doing this for the same dollars. Mr. Doyle added that Georgia is getting a lot of national attention from other states that are saying, “How in the world are you doing this?” He said that they are visiting Georgia routinely.

Mr. Doyle said that the audience might ask, “Is this going to last?” He admitted that he hears that a lot, along with questions such as, “Is this going to be the flavor of the month and does this go away at some point?” Mr. Doyle stated that initiatives do come and go and that he thinks it is very important for decision making groups to think, “We need to make sure that we are seeing our programs through the eyes of our customers so that we have valid information.” He then stated that his belief and the Governor’s belief and, he believes, Regent Hatcher’s belief is that in order to sustain this, it must be measured. He stated that they have developed measures for every agency and program to use. These metrics look at how fast service is delivered and includes contact management metrics, such as time on hold and abandonment rates, and then, lastly, how do citizens view the organization’s culture. Mr. Doyle said that they have validated surveys that can be deployed to determine that. He added that they do encourage everyone to measure if they have interest in sustaining this.

In conclusion, Mr. Doyle stated that Georgia’s citizens want and have asked the state’s agencies to be faster, friendlier, and easier. He said that the state is well on its way and having great success. Mr. Doyle then complimented the University System staff. He said the following. “As I mentioned earlier, Chancellor Davis has been very intimately involved from day one and has been quite supportive. Jim Flowers and Deborah Scott, and I do not use this word lightly, have been brilliant in the way they have brought the campuses together, who are rallying as one to create common solutions to Systemwide issues. Thank you for having me here today. I am pleased to be on this journey with you. This is not a feel good program and we are having great success.”

Mr. Doyle then thanked everyone and left the podium. Ms. Scott thanked him and then gave the overview of the University of System of Georgia Customer Service Initiative.

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Ms. Scott stated that Chancellor Davis, along with the other state agency leaders, complied with Governor Perdue’s request to appoint individuals as Customer Service Champions at their agencies. Chancellor Davis appointed Mr. Jim Flowers as the University System of Georgia Champion and requested that all system presidents appointed champions for their institutions. Currently, the University System has 42 Customer Service Improvement Plans. Several institutions are working on multiple process improvement projects. The focus of these plans was to serve as both a catalyst and a vehicle to create change in the System’s culture by providing faster, friendlier and easier customer service. Ms. Scott asked, “What do we mean by faster?” She stated that the System is looking at how it can change its processes to make them quicker. By friendlier, she said that the System is more focused on the connection to the people including how well its employees greet its customers, listen to their needs, and help them with answers and actions. This also includes looking at whether or not the System honors its commitments. Ms. Scott stated that when in regards to making a process easier, the System is focusing on Technology. For example, she said, the System staff could potentially take a 10 step processes and shorten the steps in half by using new technology. She added that the audience would hear more about these goals from the presenters.

In choosing plans, Ms. Scott said that the System emphasized projects that could move the needle, which means projects with the biggest impact on customer service. In implementing the plans, they discovered that they have some major challenges, which include the: 1) the need to train staff in customer service process improvement methodology; 2) the need to make internal communications faster, friendlier and easier while providing the same type of service to external customers; 3) the challenge of setting system standards that work well with all of the System’s sector institutions; and 4) the challenge to create a customer service baseline and metrics to show progress.

Ms. Scott stated that in the System’s first phase of the Customer Service Initiative, staff addressed several topics ranging from basic customer service training and financial aid to access. Ms. Scott stated that some of the System’s champions were in the audience and asked them to stand and be recognized. The audience applauded. Ms. Scott thanked the champions on behalf of the System Office for their hard work in helping their institutions in becoming faster, friendlier and easier in their processes. She then said that to review all of the System’s fiscal year 2007 plans in detail, interested persons could visit the website at <http://www.customerfocus.usg.edu>. Currently, she added, the System is preparing for its fiscal year 2008 customer service plans.

At this time, Ms. Scott introduced the presenters, adding that the System Office does understand that training is very important in the effort to change the culture of the University System. She stated that the first presenter, Dr. Lisa Rossbacher, President of Southern Polytechnic State University, would discuss her efforts to infuse Lean Six Sigma training for Personnel in Administration and in Teaching. The second presenter, Ms. Tonya Kilpatrick, Special Assistant to the Associate Vice Chancellor to P-16 Initiatives (“P-16”), would brief the Board on a system wide effort using a process improvement methodology called Lean Six Sigma. Ms. Scott said that Ms. Kilpatrick’s

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presentation would demonstrate that improving processes will lead to improved customer service. In particular, she would show how P-16’s planning would improve access for teacher education.

Following Ms. Kilpatrick, one of the System’s champions, Dr. Mark Pelton, Associate Vice President for Extended University from the Georgia College & State University would present information on an implementation project for his campus which would demonstrate how improving business services can lower costly overhead and drive customer satisfaction. Finally, Mr. Jim Flowers, Special Assistant to the Chief Information Officer and Champion for the University of System of Georgia, would discuss planning for next year. She stated that he would also discuss the bottom-line and its implications for policy.

Ms. Scott then invited President Rossbacher to the podium.

Dr. Rossbacher opened her presentation, stating that Southern Polytechnic State University (“SPSU”) had been engaged in Lean Six Sigma for a number of years. She said that it is a part of the coursework that they offer in Industrial Engineering Technology and related fields. Dr. Rossbacher added that they provide training and certification programs through Continuing Education, and graduates of SPSU’s programs have leadership roles in a number of companies, including Lockheed Martin, Delta Airlines, and Shaw Industries.

Dr. Rossbacher said that SPSU’s mission statement says, explicitly, that they apply knowledge to solve real world problems. So when they started thinking about how SPSU could support Governor Perdue’s Customer Service Initiative, applying Six Sigma just made sense. The first thing they needed to do was ramp up their understanding of Six Sigma so that more of the staff on campus really knew what they were talking about. She said that many of them did the same thing that their colleagues in the System Office did when Chancellor Davis arrived, they read “Six Sigma for Dummies.” Then, on the Chancellor’s advice, they moved to “What Is Lean Six Sigma?” Dr. Rossbacher added that she believed this was on the Regents’ reading list, as well.

Dr. Rossbacher then gave a quick review on Six Sigma, noting that the Regents would be certainly remember much of it from reading the “What is Lean Six Sigma?” book. “Six Sigma” methods, she stated, are focused on improving quality by being customer-focused and using a handful of powerful analytical tools. “Lean” methods emphasize improving process flow and speed. The combination of these two approaches to improving processes and service is what makes “Lean Six Sigma” such a powerful improvement tool. However, Dr. Rossbacher said, they really needed to understand the process in depth, so they arranged for three special offerings of a Six Sigma Green Belt Certification course. She reported that last fall, 54 people – 41 from SPSU and 13 from the System Office – participated in this Green Belt training. She added that she was happy to say she passed the test and is now officially a Green Belt, as are many of her colleagues here at this meeting today.

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The class photos from the first two groups, Dr. Rossbacher noted, show an interesting transition. In the first group, she pointed out that there was one person, the Interim Chief Academic Officer and Executive Vice Chancellor for Academic Affairs, Beheruz N. Sethna, wearing a tie. By the second class, she noted, they were up to four people. Referring to another picture, Dr. Rossbacher said that by the third class every single person was wearing a tie. Clearly, she added, Dr. Sethna is the System’s fashion trend-setter.

At this time, Dr. Rossbacher commented on the process of Six Sigma Green Belt training, which was as valuable as the outcome. Some of the important benefits are in the human dimension. The training was a wonderful opportunity to have colleagues from the System Office and the campus working together – learning together – and exploring how to apply this particular body of knowledge together.

Learning about Six Sigma was also a good reminder about the learning process – what the System asks students to do every day. She stated that one of the goals in the University System is to develop lifelong learners. Efforts like this Six Sigma training put SPSU and System Office staff in the position of modeling that behavior – of keeping them honest. That’s valuable, too, she added.

As they were learning about this approach to improving processes and changing outcomes, Dr. Rossbacher said that they all asked about what was happening in the application of Six Sigma in higher education. The answer was “Not much.” Nationally, there were a few examples, but very few. SPSU is one of these places.

The process of identifying projects was also valuable. One of the revelations, as they have looked for appropriate Six Sigma projects, is that they do not always need to use a full-scale Six Sigma methodology to improve a process. Sometimes, the process of trying to identify and define a problem is what is needed to be able to focus on it and just fix it. In fact, one of the Black Belts that they are working with has indicated that about 80% of problems can be solved in a relatively simple, direct way, by defining the problem, getting all the key people in the room, and just solving it together.

One of the major pieces of advice in Six Sigma is to start with the low-hanging fruit, but, Dr. Rossbacher pointed out, it is also important to remember that what constitutes “low hanging” depends on how tall the person is – and how high he/she can reach. What is “low” for one organization might be a real stretch for another one.

She pointed out that how an organization selects a project is also important. The types of projects – and their scope – can range from a very focused, grassroots approach to departmental approaches to targeted efforts to ones that are enterprise-wide. The exact emphasis will depend on the organization, its culture and history, and its current needs. Right now, for SPSU, Dr. Rossbacher said that they are focused on targeted projects – ones that involve multiple offices and departments. These are interdisciplinary problems that need an interdisciplinary solution.

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SPSU has benefited from Six Sigma projects in the past, many of which were student projects. Past projects have included:

- Changing the phone system, in response to concerns raised by students looking for information.
- In response to the unacceptably large number of transfer students who arrived at SPSU without having had their transfer credit evaluated, the process of evaluating transfer credit was streamlined. Currently, the Records Office is using “lean” techniques to further improve this process.
- In response to students wanting to know their grades as quickly as possible after their final grades are calculated, SPSU moved from mailing the grades to posting them electronically.

Dr. Rossbacher said that now that SPSU has faculty and staff involved in the projects, in addition to students, they can sustain the effort beyond a single semester.

As part of the Governor’s Customer Service Initiative, SPSU is now focused on a formal Six Sigma project being led by a Black Belt. The emphasis is to improve the application process for students. She stated that they know that 22% of students who start the application process do not complete it; however, they do not know why. “Is there something about the forms that is too complicated? Is there an unacceptable lag time in our processing?” Whatever the reason – which, she added, they will find out – the failure to complete the application process is a customer service issue that they focused on addressing. By decreasing the percentage of students who fail to complete the process from 22% to 19%, they will increase the number who do complete their applications by 50 students.

Other current projects that support the Governor’s customer service initiative include decreasing the steps to enroll international student in health insurance, decreasing the time to process refunds for housing, decreasing steps and increasing accuracy in processing paperwork to hire new employees, and decreasing the time to process travel reimbursements. Most of these are simpler to address than traditional Six Sigma projects. They fall into the “low-hanging fruit” category. They are all processes that involve multiple departments or offices, and they are all ripe for improvement. Additionally, all of these address the goal of improving customer service.

SPSU’s customer service champion, Dr. Ron Koger, and one of his staff members attended a Lean Six Sigma course two weeks ago, taught in part by Robin Gates, who worked with Chancellor Davis at Alliant Energy. After talking with the people from SPSU, Mr. Gates raised the question to the group, about applications of Six Sigma in higher education. No one in the group knew of any examples, but everyone had a suggestion. This was, truly, the “Voice of the Customer” and they all had the same suggestion.

Dr. Rossbacher stated that she would get back to the audience on what that suggestion was a little later in the presentation. She then said that Higher education has a lot of processes that can benefit

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from Six Sigma’s type of structured, analytical, data-driven approach to improving customer service. In summary, the process of learning about Six Sigma, of considering how to apply it in higher education, and of identifying projects has already had multiple benefits at SPSU. They are improving customer service, building their community, saving time and money as they streamline our processes, setting an example for other institutions, and also setting an example for their students of what it means to be engaged in “life-long learning” and “continuous improvement.”

She then said that she appreciated the opportunity to share some of these benefits with the Board of Regents, reiterating that she would get back to the Regents in a few minutes about the “Voice of the Customer.” Dr. Rossbacher then introduced Special Assistant to the Associate Vice Chancellor for P-16 Initiatives for the University System, Tonya Kilpatrick.

Ms. Kilpatrick addressed the Regents, Chancellor Davis, and Presidents, and stated that she appreciated the opportunity to talk about how the P-16 Initiatives Office (“P-16”) is implementing Lean Six Sigma in its current project to increase access, flexibility, and convenience in University System’s Master of Education Teacher Preparation Programs. She then referenced Chancellor Davis’ remarks that the primary mission of the University System of Georgia is to educate: by admitting more students, keeping those students in school and progressing, and graduating those students, explaining that the goal of P-16’s project aligns to that mission. She said that they seek to attract, retain, and graduate highly qualified Master teachers for Georgia’s Public Schools. Ms. Kilpatrick stated that the Associate Vice Chancellor for P-16 Initiatives, Jan Kettlewell, who heads the P-16 Department, sponsors this project and serves as project champion along with a collaborative of Education Deans who volunteered to participate in this project at: Augusta State University, Albany State University, Columbus State University, Georgia Southern University, Georgia State University, Kennesaw State University, North Georgia College and State University, Valdosta State University, and the University of West Georgia.

Ms. Kilpatrick stated that in order to achieve project success, P-16 would apply the DMAIC Methodology, which is a structured approach for continuous improvement of processes that enables breakthrough strategies for effective problem solving. This methodology, she explained, is complete with an arsenal of tools and methodically involves five phases: Define, Measure, Analyze, Improve, and Control; where they:

- **Define** the opportunity for improvement
- **Measure** the current performance of the process
- **Analyze** the process to determine root causes
- **Improve** the process by optimizing and removing variation, mistakes, and non value-added activities
- **Control** the process to ensure that solutions are working effectively and are sustained.

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In the next few slides, she said she would illustrate how P-16 is applying this approach and share some preliminary data.

The Office of P-16 Initiatives defined its opportunity as declining market share. In the last five years, the market share for University System of Georgia institutions conferring Master of Education Degrees has consistently decreased. Ms. Kilpatrick then referred to a graph that illustrated the number of teachers getting University System master’s degrees compared to the total demand in the K-12 workforce. She explained that the black line in the graph shows the declining percent of the market for the University System. In 2002, master’s degrees from System institutions represented 42.9% of all master’s degrees obtained by teachers in the K-12 workforce. By 2006, System master’s degrees represented only 34.6% of the master’s degrees obtained by teachers in the K-12 workforce. She further explained that, as shown by the blue bars, the overall production in the System’s institutions for Master of Education Degrees is increasing, but not at the rate of increase that the State demands, as shown by the burgundy bars, resulting in declining Market Share. At this rate, she stated, projections for 2008 show a further decline with University System master’s degrees representing only 29% of the teachers in the K-12 workforce. She also pointed out that the University System is capturing only a small percentage of the market, while non-System institutions are earning close to 70%.

The for-profit postsecondary education market generates annual revenues of \$17 billion and serves 1 million students. They are the fastest-growing sector in higher education, with enrollment growth rates projected at 17%. The next graph that Ms. Kilpatrick referenced measured the gap in past, current, and near-term future projections for University System of Georgia conferred master’s degrees compared to the total demand in the K-12 workforce. From 2002-2006, the average annual growth rate of the total demand in the State is 15.73%; The average annual growth rate for production in the University System for the same time period is 9.67%. Based on this trend, without any intervention, this gap will continue to widen, and reach the point of no return, allowing private institutions, for profit institutions, and online resources to fill the large majority of the gap.

In order to reverse the trend, Ms. Kilpatrick stated that P-16 would start by analyzing the University System of Georgia supply chain. The primary purpose of a supply chain, she explained, is to satisfy customer needs efficiently and effectively. She stated that their customers are current teachers seeking the Master of Education Degree. Within the University System’s supply chain, she stated that there are five tiers of hierarchy involved in satisfying customer needs.

- Board of Regents Policies
- University System Office Institutional Guidelines for Policy Implementation
- Institutional Policies and Procedures
- College of Education Policies and Procedures
- Departmental Policies and Procedures

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From a traditional perspective, Ms. Kilpatrick said, organizations typically deliver services with a down stream view, excluding the voice of the customer, and hope for customer satisfaction. Using Lean Six Sigma, P-16 will add the voice of the customer to the supply chain and take an upstream view to identify how they can improve their processes within and across each tier to deliver world class services and create value in the eyes of the customer. This view, she stated, is important to changing their focus from inward to outward, and achieving operational excellence. With Lean Six Sigma, customer demand drives delivery of services.

Based upon their initial findings, the following factors describe what the customer wants and what their competitors offer. She noted that these are also contributing factors to teachers not enrolling in traditional Master of Education Degree programs. Their findings show that teachers want:

- Accessibility and convenience
- Flexible scheduling and customization
- Career-specific coursework
- Quality and consistency
- Accurate and timely information
- Speed and continuous innovation

Based on what their customers want Ms. Kilpatrick stated that P-16 would meet their expectations by:

- Removing unnecessary barriers.
- Streamlining applications, admissions, and enrollment processes.
- Streamlining program delivery models and expanding course scheduling; and
- Collaborating in curriculum development across System institutions through the Distance Education Project to offer 100% online programs.

Ms. Kilpatrick continued, stating that the quality of a product or a service is the value assigned to it by customers. To maintain their improvement gains P-16, she said, would deliver superior value, reliably and continuously by:

- Understanding what the customer wants;
- Identifying what the customer is willing to pay;
- Determining the way the customer prefers the service to be delivered; then
- Standardizing how we deliver the service to ensure quality

P-16 launched this project in January of this year. Since that time, they have achieved several milestones. First, they have oriented the Education Deans to the Lean Six Sigma Methodology. Ms. Kilpatrick stated that the Education Deans welcomed this opportunity and appointed Process

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Improvement Directors to lead the Six Sigma project at the institutional level. P-16 has also provided intense Lean Six Sigma champion training for the collaborative on Lean concepts, and the Lean Six Sigma methodology to establish strategies and identify processes to improve. She stated that in May, they would follow-up with another intense three-day Kaizen Workshop to develop improvement strategies. Ms. Kilpatrick added that their goal is to conclude the project in December with the implementation of a streamlined collaborative program with new methods and course offerings for spring 2008.

In closing, Ms. Kilpatrick stated that Lean Six Sigma is a “Win-Win” for all that enables an organization to deliver world class services and achieve world class operating excellence with:

- Improved consistency and predictability;
- Improved communication and teamwork through a common set of tools and techniques for all to use;
- Improved bottom-line performance; and
- Importantly, improved leadership development.

As a result of this methodology, Ms. Kilpatrick said that she is learning how to marshal and focus resources, and how to motivate others to achieve outcomes. She added that Lean Six Sigma transforms an organizational culture from reactive problem solving, to proactive problem prevention. Ms. Kilpatrick then introduced the next speaker, the Associate Vice President for Extended University at Georgia College & State University, Mark Pelton.

Dr. Pelton stated that at Georgia College & State University (“GCSU”), they have what he thinks is a pretty remarkable service improvement success story. Among their first service improvement projects was an effort to improve the response time of their Facility Reservations unit. This unit, he explained, handles all nonacademic facility reservations for the university. Any student, faculty member, staff person, or community resident who wants to use a campus facility for a meeting, practice, student activity, noncredit course, or other nonacademic event must work with the Facility Reservations office to reserve facilities. Before he summarized GCSU’s project, Dr. Pelton mentioned that it was not a Lean Six Sigma project. He stated that this was GCSU’s very first service improvement project, and it was begun before they began studying Lean Six Sigma. However, they did use a number of basic service improvement techniques related to those used in Lean Six Sigma.

GCSU’s Facility Reservations office handles more than 2,000 requests annually, ranging from simple one-time meetings to complex events requiring multiple facilities over many meeting dates. Dr. Pelton stated that he often thought of the Facility Reservations office as being the equivalent of an offensive lineman in football. When the lineman blocks his opponent cleanly and does not make mistakes, no one notices him. However, if the lineman moves early or is caught holding, 80,000 people witness his mistake. Dr. Pelton stated that, frankly, GCSU’s Facility Reservations office has

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not functioned well for a couple of years. He said that when their President's Cabinet discussed which units would undergo service improvement, Facility Reservations was number one on the list. It was also on the top of the list of problem areas cited by the Student Government Association. This project was chosen as a result of these assessments, and also due to the complaints of faculty, staff, and students.

Though a five-day turnaround was promised, prior to implementation of the customer service improvement process last June, it was not unusual to receive complaints that facility requests were not responded to in 12-20 days. Dr. Pelton said they were also aware of some requests that were not satisfied in months. Complaints were frequent and vocal, and the problems caused by errors were occasionally serious and embarrassing. He added that GCSU's offensive lineman was sticking out like a sore thumb, and the crowd was booing.

Dr. Pelton said that GCSU went into the project with a couple of primary goals. First, they wanted the Facility Reservations staff to respond to facility requests in less than five business days. Second, they wanted to eliminate the very visible errors that plagued the system. He said that they began the improvement process last June. He said that although he would not detail every step they took, they focused a lot of time and energy, and some money on the problem area. He said that they purchased and installed the R25 event management system and trained staff members and building managers on the new system. There were staff performance issues, so they provided customer service counseling and communicated performance expectations to the Facility Reservations staff. Then they created and unveiled a new web site with access to all forms, policies, and guidelines related to facilities and facility reservations. They also created and announced an online Facility Reservations Satisfaction Survey, and began monitoring response-time performance through R25. Finally, GCSU directed the Facility Reservations staff to eliminate time consuming paperwork and folder creation. Since R25 provides online communication to all involved in the reservation process, and records all information internally, such stifling paperwork was no longer necessary.

The turnaround, Dr. Pelton noted, has been remarkable. At their starting point, it was not unusual for facility requests to be unfilled for 12-20 days or more. Only the exceptions were responded to in less than the promised five-day turnaround time. Unfortunately, due to the old reservations software they used prior to R25, they had no hard statistics to tell them exactly how poorly they were performing. For that reason, in June, July, and August, after they implemented R25 and several other improvements, GCSU gathered baseline data. At that time, performance had improved to the point that 68% of facility requests were being filled in five business days or less. Though that was an improvement over previous performance, significant additional improvement was needed.

By the end of September, service had improved to the point that Facility Reservations was satisfying 83% of all facility requests in five days or less. Progress accelerated between October and the end of December, 2006. Approximately 200 facility requests were processed during each of those months,

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98% of which were responded to in five business days or fewer. The average response time during that period was much-improved, down to less than 34 hours! The average response time for the 324 events scheduled in January was 29 hours, and 98% of the requests were responded to in five business days or less. For the 230 events scheduled in February, the average response time was down to less than 21 hours, continuing the very positive trend of increased speed and efficiency!

Dr. Pelton said that when he notes that the response time was less than 21 hours in January, he means that, on average, requesters received facility confirmations within 21 clock hours of submitting their requests. This calculation includes evening hours, but does not include Saturdays or Sundays. Considering that all facility requests must be approved by a building manager, a 21-hour response time is quite remarkable. Dr. Pelton stated that, as the audience could undoubtedly tell, he was very proud of the progress they have made in Facility Reservations at GCSU. The progress has been the result of a lot of hard work by many people, most especially the Facility Reservations staff, his office, and the Division of Technology Solutions, and through the key support of both President Leland and Vice President Gormly.

Dr. Pelton stated that GCSU’s experience with Facility Reservations has taught him that there are several important keys to success in service improvement. “First, it is important to listen to what your customers are saying about your service. What do they think you are doing poorly? What do they think you are doing well? Second, it is vital to obtain true administrative commitment and support, not only at the highest levels, but also from the director immediately responsible for the unit being studied. Third, it is important to establish reasonable goals for improvement. We started out with a five business day turnaround even though I felt sure we could do much better. Fourth, in order to be able to measure progress, it is necessary to gather baseline data. It is impossible to know whether or not you have improved unless you know where you started. Fifth, implementing service improvement requires the focus and hard work of everyone involved. Significant improvements don’t come without sweat and commitment. Sixth, it is vitally necessary to measure success in very real statistical terms if at all possible. You really don’t know how well you are doing until you’ve measured your progress at regular intervals.”

Finally, Dr. Pelton said, it is important to celebrate successes. He noted that this was a difficult conversion for the Facility Reservations staff members, going from a system that they were comfortable with, but which was not working well, to a sophisticated new system and set of processes. There were times, he said, when he did not think they would survive, but they did; and they deserve a significant amount of praise for the dramatic turnaround.

Dr. Pelton stated that an office that once had a shaky reputation now is becoming known for its efficiency, accuracy, and speed. The true beneficiaries of this service improvement project are the students, faculty, staff, and community residents who use university facilities. They now have the comfort of knowing that their facility needs will be quickly and accurately fulfilled.

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At this time, Dr. Pelton introduced “the gentleman who has skillfully guided the University System’s customer service project for the past year,” Special Assistant to the Chief Information Officer, and the System’s Customer Service Champion, Jim Flowers.

Mr. Flowers asked Dr. Rossbacher to join him at the podium. Referring to a slide in Dr. Rossbacher’s section of the presentation, he said that she mentioned that the customer’s voice was heard at this particular point in the Lean Six Sigma sessions. As he looked at the photograph on the slide, Mr. Flowers stated that he noted two people were not wearing a tie, jokingly adding that this must be the middle session. He then asked what exactly was the customer trying to tell them? Dr. Rossbacher said that he was right about the customer trying to tell them something, but then asked to go back to that picture. She noted that 50% of the System Office staff in the photograph were wearing ties.

Dr. Rossbacher then set about answering Mr. Flowers’ question. She said that when they last left SPSU’s Customer Service Champion at a Lean Six Sigma workshop with a question to this entire workshop group of “how could you, would you, should you apply Six Sigma in higher education,” they received an absolutely consistent response. From the perspective of the ultimate consumers—as students, as parents, or both—they uniformly said, “Financial aid needs to be fixed.” She stated that this was, truly, the voice of the customer speaking to everyone in higher education about the perspective of how well we are serving them as customers.

The whole process of financial aid in higher education, Dr. Rossbacher explained, has many moving parts. It involves the application process, the notification process, and the award process. To be fair, many of the variables are not controlled by the colleges and universities, but this is a process that the customers have clearly identified as needing work—throughout higher education.

By addressing financial aid, the System can have a major impact on customer service. At SPSU 52% of all students receive financial aid, and 66% of all eligible students receive financial aid. Dr. Rossbacher reiterated that they have an opportunity to have a huge impact in the area of customer service for a large number of students and their families on SPSU’s campus and throughout the System.

Mr. Flowers told Dr. Rossbacher that he was glad that she brought that up. He added that not only was she hearing that, but several of the System’s institutions during this year chose financial aid as their service improvement project. As a result of those conversations, including some conversations with Mr. Doyle and others in the Governor’s Office, the System Office began to have those conversations with the Georgia Student Finance Commission, Department of Technical and Adult Education, the System itself and other partners. Now, Mr. Flowers said, they are beginning to organize, and there will be a charter committee put together to create a top to bottom review and everyone from the student and the parent all the way to the federal government would be involved in

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this process to learn how to do this better. Mr. Flowers stated that in different exercises, this topic has bubbled to the top and we have been talking with Mr. Doyle and his office about how we can engage everyone appropriately. All of the executives, thus far, have said unanimously, “Yes, let’s go to work on that.” Mr. Flowers noted that it would not be an easy, overnight or one day project, but that it was definitely one which he believes would address the concern. He stated that in addition to the 66% of eligible students at SPSU who receive financial aid, 78% of students within the University System as a whole who receive financial aid would be impacted. Mr. Flowers said that is a huge number and definitely one which moves the needle should the System successfully accomplish its task.

Mr. Flowers then asked Dr. Rossbacher what guidelines she used and what process she used when SPSU was asked to look at projects for the coming year. Dr. Rossbacher stated that they used a number of guidelines, some of which were mentioned earlier. She said that they really echoed the comments Dr. Pelton made in his list of “keys to success.” Dr. Rossbacher then took the audience through her process. She stated that after the first Green Belt certification class at SPSU, she reported to the Chancellor that they had the training and were looking at ways to apply Six Sigma and think about projects they could work on. In response, Chancellor Davis sent her a list of suggestions that he thought SPSU should be thinking about as the staff explored the possibilities for how to apply Lean Six Sigma. She stated those suggestions came after the first Six Sigma class and were discussed in each of the successive ones because they found them to be really useful guidelines to talk about how to come up with a project. The Chancellor’s suggestions to Dr. Rossbacher were as follows.

- Make sure all initial projects are real savings and not cost avoidance. Chancellor Davis said that if they talked about saving “X” dollars and then they would be able to do “Y” with those savings, rather than just avoid costs.
- Focus on low-hanging fruit first.
- Look for projects that are repeatable within the institution or elsewhere in the University System. Dr. Rossbacher stated that she thought the financial aid issue is a prime example of how to do that.
- Focus initially on back-office projects that the public will understand as the campus or System talks about how it is implementing Six Sigma in the Governor’s Customer Service Initiative that the campus or System Office can speak to a broader audience about that.
- As Dr. Pelton pointed out, celebrate all successes. Dr. Rossbacher added that this is tremendously important for keeping momentum for the project.
- Finally, establish an atmosphere in which getting better is not an “option.” It’s just part of the expectation.

Dr. Rossbacher then said to Mr. Flowers that she anticipated his next question and would answer before he asked. She said that he wanted to know how SPSU is doing regarding these guidelines. She answered that they are doing pretty well with the exception of the first one. She explained that they

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are still early in the process of applying these new methods of improving our processes and so right now, they really are having savings that are difficult to attach price tags to. She added that they would get better at that, reiterating that it is one of the challenges they are finding right now as they begin the process of applying these methodologies to improve their processes.

Mr. Flowers thanked Dr. Rossbacher and she took her seat. He then said that after being engaged in this process for 14-15 months, it was really encouraging to see the progress that has been made across the System, especially given the variety of institutions, missions, backgrounds, and cultures within the System. However, relationally, Mr. Flowers said, the System is doing well considering where it started from. He added that the System is probably where it should be, but that it still has its challenges. He stated that FY 2008 is where the System Office hopes to make some very big differences in terms of where the System is today. The System Office’s focus this year has been in just a few areas.

One area the staff is focusing on is being better with regard to measures, metrics, base-lining where they are and then measuring how they are getting there and how fast. He said they are deploying Lean Six Sigma as a de facto standard. He explained that it is nothing that has been commanded that “thou shalt do,” but he noted that it has come out as a default to many. There are some who are choosing other process improvement methodologies, but the important thing here is that they are continuously improving; there is a rigid structure in which they are applying these programs; and the result of that is not only will they have measures that can be used for other institutions as they engage in these projects, but they also have lessons learned that are applicable across the System as well as within one particular institution. So, Mr. Flowers stated, these are not one-off projects. These are things that will go on and grow within our culture in time.

Mr. Flowers said they are also focusing on the voice of our customers. He said that they talked a lot about students, noting that students are the System’s primary customers. As this culture begins to permeate the System’s institutions, he said, there will also be projects that will engage the business community, those who purchase the System’s Research and Development (“R&D”) or work with us in its laboratories to come out with the great next new things; to work with the local Chambers of Commerce and help them develop the local economies; to work with the K-12 systems to try to improve and raise the bar and levels and quality of education that our students are receiving. Mr. Flowers stated that the System Office staff is looking to expand the reach of the program outside of just say the back office or just one particular division or department within the institution. They want to see this culture, this methodology, this way of doing work, expand throughout all levels of the organization, down to the frontlines to the back office and even out into the way the System employees are able to teach and deal with the students.

Mr. Flowers stated that the System is also focusing on training for its staff. One of the exciting things that that the System is engaged in now, is as one of the presidential initiatives Dr. Wayne Clough of

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the Georgia Institute of Technology (“GIT”) has been focusing on professional development. Customer service training is one of the focuses of that curriculum that will be offered to faculty and staff across the System in a way that the System Office will understand what they have gained in terms of mastery of skills. In turn, beginning to formalize and offer professional development across the System is also a means of improving employee retention and employee satisfaction which is also ultimately very important in satisfying the customer. If the employees are not happy, then odds are, neither will be customers be.

Another focus Mr. Flowers commented on was Systemwide projects. He stated that the Board had heard about two of them already, the P-16 initiative as well as the financial aid initiative. He said that there would be others as the year progresses. One of the things he wanted to focus on as he wrapped up is looking at the bottom line. Mr. Flowers stated that there have been a number of studies, white papers, etc. put out that show that student satisfaction is strongly related to retention, progression, and graduation. Those are three of the goals that the Board has chosen to pursue. There are also economic consequences of poor satisfaction. He stated that those were related to the “inefficiencies that may cause that dissatisfaction to exist, loss revenue, and also, with a less educated Georgia we will have a less productive Georgia which means we will all suffer economically.”

Mr. Flowers said that Georgia State University had a customer service seminar in which they engaged about 400 of their employees in student services and financial services. They invited Dr. Neal Raisman, a former community college president in Massachusetts and author who wrote, Embrace the Oxymoron: Customer Service in Higher Education. Mr. Flowers stated that Dr. Raisman presented a very entertaining and enlightening talk and used the following slide, which Mr. Flowers borrowed with his permission. He explained that Dr. Raisman interviewed students after they left the campus with which they were unsatisfied. Dr. Raisman said that this gave him a sample that was much more willing to tell the interviewers what they really thought instead of what the interviewers wanted to hear. Mr. Flowers then said that, basically, looking at the reasons for their dissatisfaction, there were problems from people interaction, just being plain unhappy, or the indifference they felt, either from staff or from faculty as to their ultimate success and happiness. From his findings, Dr. Raisman attributed 72% of student attrition to poor customer service. Mr. Flowers thought that was a rather interesting way to really kind of and put a number on this problem.

Dr. Raisman, he said, then went through a mathematical exercise. Mr. Flowers referred everyone to the slide and explained that the attrition rate in a class of incoming freshman of a little over 2,000 would result in a direct revenue loss of \$4 million. He noted that this figure did not include the indirect costs of recruiting new students, replacing students, or other efforts that may have been accrued in order to bring those students into the fold. The policy implications here, in Mr. Flowers’ perspective, go much deeper than just how does it affect the number of dollars the System has in the bank and the amount of dollars it is not putting in the bank. He said he was looking at how it is related to several of the System’s initiatives in advising progress, retention, employee satisfaction,

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and the System’s ultimate quality of service which really is an indicator of its efficiencies on campus. The less satisfied are going to leave, the more satisfied will stay. However, Mr. Flowers asserted that it is not enough to look at the financial implications or the cold hard Six Sigma statistics of how fast the System is doing this. Ultimately, the System is contributing to dreams deferred if it is not doing its best in keeping the students engaged and successful in the pursuit of their dream of graduating. So this is the real policy impact, in Mr. Flowers’ view, the program of improving customer service across the System.

Mr. Flowers then thanked the Board for their time and patience doing the presentation and said that, time permitting, he and his fellow presenters stood ready to answer questions.

Chair Vigil asked if there were any questions.

Regent Hatcher said that on behalf of the Commission for a New Georgia and the Governor’s Office of Implementation, he would like to commend the Chancellor and all of the speakers, the folks involved in this, for their hard work on it. He stated that Georgia is the only state in the country that is doing a big customer service initiative, and it is making a profound difference. “Mr. Joe Doyle,” he said, “is doing a great job of leading the effort.” Regent Hatcher stated that the Board had heard a lot of wonderful examples of what is going on and lots of positive things. He then congratulated everyone involved and thanked them for all of these efforts, adding, “I think it’s great!”

Chair Vigil thanked Regent Hatcher for his comments and recognized Chancellor Davis who also commented. Chancellor stated that he just wanted to thank the team for their efforts. He also wanted to say that although they work in a very public environment and everything they write, they assume will appear in a newspaper at some point, he did not expect that a note he sent to Dr. Rossbacher would appear on a slide. Having said that, he added that he believes the System is doing a wonderful job, adding that his office would keep the Board posted as they move forward.

Chair Vigil asked if there were any other comments or questions. As there were none, he thanked Mr. Flowers and the rest of the presenters for their presentation.

COMMITTEE REPORTS

Chair Vigil asked the Committee Chairs to present their reports. He instructed them to present any action items for the Board’s vote in the form of a motion at the end of the report. He added that they should ask for a second, and then open the floor to discussion with the understanding that any item could be extracted for discussion. Following any discussion, he said, the Board would then adopt each Committee Report by unanimous consent.

EXECUTIVE AND COMPENSATION COMMITTEE

The Executive and Compensation Committee met on Tuesday, April 17, 2007, at approximately 11:15 a.m. in room 1908. Committee members in attendance were Chair Allan Vigil, Vice Chair William H. Cleveland, and Regents Robert F. Hatcher, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Doreen Stiles Poitevint, and Richard L. Tucker. Chair Vigil reported to the Board that the Committee met and reviewed one item, which required no action. Item 2, the Executive Session, was withdrawn.

1. Information Item: Policy Issues

University System Office staff briefed the Committee on Tuesday, April 17, 2007, concerning staff efforts to examine policies that will be brought to the Board for full discussion at a future meeting. Additionally, the Executive Committee received the recommendations of the Nominating Committee for Officers for fiscal year 2008. The Nominating Committee recommended that the offices of Chair and Vice Chair of the Board of Regents for fiscal year 2008 be kept in tact with the same officers as this fiscal year: Chair Allan Vigil and Vice Chair William H. Cleveland.

The meeting was adjourned at 12:22 p.m.

COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs met on April 17, 2007, at approximately 3:15 p.m. in room 1908. Committee members in attendance were Chair Doreen Stiles Poitevint, Vice Chair Elridge W. McMillan and Regents W. Mansfield Jennings, Jr., James R. Jolly, Patrick S. Pittard and Willis J. Potts. The Vice Chair of the Board, Regent William H. Cleveland, was also present. Chair Poitevint reported to the Board that the Committee had reviewed 8 items, 6 of which required action. Additionally, 455 regular faculty appointments and personnel issues were reviewed and recommended for approval. Of the total requests, 394 actions involved faculty tenure recommendations with the remainder involving leaves of absence and mid-year salary increases. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Establishment of a Major in Accounting under the existing Bachelor of Business Administration, Dalton State College

Approved: The Board approved the request of President James A. Burran that Dalton State College (“DSC”) be authorized to establish a major in Accounting under the existing Bachelor of Business Administration degree, effective April 18, 2007.

Abstract: DSC proposed to offer a major in Accounting under the existing Bachelor of Business Administration. The program will complement the institution’s four majors that are currently offered under the Bachelor of Business Administration degree: Management, Management Information

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Systems, Marketing, and Operations Management. The proposed major will address an increasing shortage of accountants in the northwest Georgia region. It is anticipated that DSC will have a niche market for the program and attract current DSC students, high school students seeking a bachelor's degree, and students who seek to transfer from other two-year institutions.

Need: According to the Georgia Department of Labor's Workforce Information and Analysis, accounting is one of 60 occupations in Georgia requiring a bachelor's degree or higher that is projected to increase most rapidly during the 2002 – 2012 year period. The presence of several international employers and a growing number of small businesses indicate that a significant need exists in the region for accountants.

Objectives: In addition to general objectives, each student will understand the theory and concepts underlying the recording and reporting of business transactions and the role of the Financial Accounting Standards Board in establishing related standards. Likewise, each student will have a thorough understanding of auditing and attestation functions, basic planning and control tools, and a working knowledge of federal tax law as it applies to individuals, partnerships, corporations, and estates.

Curriculum: The 121-semester hour curriculum will require such major courses as Financial Accounting and Reporting, Tax Accounting and Reporting, Auditing, Planning and Control in the Corporate Environment, Principles of Operations Management, Principles of Finance, Business Law, and Business Statistics.

Projected Enrollment: The institution anticipates enrollments of 60, 70, and 80 students during the first three years of the program.

Funding: The program has been developed with a combination of existing and new courses. President Burran has provided reverification that the program will be established with funds presently available.

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

2. Establishment of a Major in Geography under the existing Bachelor of Arts, Kennesaw State University

Approved: The Board approved the request of President Daniel S. Papp that Kennesaw State University ("KSU") be authorized to establish a major in Geography under the existing Bachelor of Arts degree, effective April 18, 2007.

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Abstract: KSU sought approval to establish a major in Geography under the existing Bachelor of Arts degree. The program incorporates an applied approach and offers students an opportunity to

establish a concentration in one of three areas: 1) a regional specialization in the geography of Europe, North America, Sub-Saharan Africa, Middle & South America, or Asia; 2) a geographic information system specialization where students learn methods of spatial analysis through the use of technology; and 3) a geography and crime specialization where students use geographic research and technology to solve crimes. The proposed program will enable KSU to further meet the goals of its Quality Enhancement Plan for Global Learning. The goals of developing knowledge in global awareness and international perspectives; fostering skills in cross cultural communication and engagement; and instilling values through global ethics, social justice & sustainable development are integrated throughout the proposed curriculum.

Need: It is anticipated that the proposed major in Geography will be needed by employers who seek workers with the ability to use geographic knowledge in global economics, trade, and geospatial technologies. The Association of American Geographers suggests that a market exists for practicing geography in private enterprise and government as well as academia. The U.S. Bureau of Labor Statistics suggests “geographers will have opportunities to use their skills to advise government, real estate developers, utilities, and telecommunications firms on the location of new roads, buildings, power plants, and cable lines as well as wetland habitats, and landfills. The international component of the program will provide students with an immersion into a geographic area for competitive entry into positions that emphasize global awareness, business transactions, and communications.

Objectives: The program has been developed to enable students to develop their knowledge and understanding of the interrelationship of social, economic, political, and cultural factors; to develop skills in the analysis and use of statistical methods and spatial analysis of socioeconomic patterns; to develop skills in land use data and visualization; and to develop the ability to critically analyze global and local issues under the umbrella of economic competitiveness.

Curriculum: The 120-semester hour program will be housed in the Department of Geography and Anthropology within the College of Humanities. Major courses that will be offered as part of the curriculum include, but are not limited to, Cartography, Historical Geography, Urban Geography, Political Geography, Climatology, and the Geography of Sub-Saharan Africa, China, Latin America, and North America.

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

Funding: The program has been developed with a combination of new and existing courses. President Papp has provided reverification that the program will be established with funds presently available.

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

3. Establishment of a Master of Clinical and Translational Science, Medical College of Georgia

Approved: The Board approved the request of President Daniel W. Rahn that the Medical College of Georgia (“MCG”) be authorized to establish a Master of Clinical and Translational Science degree, effective April 18, 2007.

Abstract: MCG sought approval to establish a Master of Clinical and Translational Science degree as part of an array of programs that doctoral-level health scientists seek for a career in patient-oriented research. The program will provide physicians, dentists, nurses, and allied health professionals with an opportunity to acquire the clinical research skills necessary for a career in an academic health center. Clinical and Translational Science is the translation of basic discoveries into improved medical care. Scientific research is conducted to develop enhanced clinical research methodologies in areas such as informatics, laboratory methods, technology, and community-based research. The products of Clinical and Translational Science serve to “re-engineer” the clinical research enterprise. The outcomes of clinical and translational science will improve patient care by bringing new treatments and discoveries to clinics and other health care facilities at a faster pace. It is projected that the scientific discoveries and outputs generated by such programs around the country will speed the delivery of improved health care and new treatments to the public.

Need: Clinical Translational Science research is one of MCG’s strategic priorities. Currently twelve institutions have formed the first Clinical and Translational Science Consortium that has been funded by the National Institutes of Health (“NIH”). The initial 12 institutions/academic health centers will ultimately link 60 institutions together to energize the emergent discipline. MCG, upon approval of the proposed program, will develop an application to become a funded partner in the second round of NIH funds. The following institutions have formed the initial consortium: Columbia University, Duke University, Mayo Clinic College of Medicine, Oregon Health & Science University, Rockefeller University, University of California/Davis, University of California/San Francisco, University of Pennsylvania, University of Pittsburgh, University of Rochester, University of Texas Health Center at Houston, and Yale University.

Objectives: The primary objective of the proposed program is to provide an educational environment in which graduate students will learn how to apply the principles and methods of clinical translational science through didactic curricula, research seminars, and mentored research. The program will enable students to become proficient in hypothesis generation, research design, data analysis, results dissemination, and research ethics. Ultimately, the program will further help to foster relationships between and among current basic science and clinical translational research such that research productivity will increase and research projects will culminate in the advancement of

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medical interventions.

Curriculum: The 36-semester hour program will be housed in the Department of Biostatistics, School of Graduate Studies. The courses offered all have key elements tied to the specific areas of the program that include biostatistics and epidemiology, genomic medicine, health informatics, and

clinical research.

Projected Enrollment: The institution anticipates enrollments of 9, 16, and 16 students during the first three years of the program.

Funding: The program has been developed with new courses. President Rahn has provided reverification that the program will be established with funds presently available.

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

The administrative and academic appointments are reviewed by the Chair of the Committee on Academic Affairs.

4. **Administrative and Academic Appointments and Personnel Actions, Various System Institutions**

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

5. **Establishment of the L. H. Charbonnier Distinguished Chair, Medical College of Georgia**

Approved: The Board approved the request of President Daniel W. Rahn that the Medical College of Georgia ("MCG") be authorized to establish the L. H. Charbonnier Distinguished Chair, effective April 18, 2007.

Abstract: MCG sought approval to establish the L. H. Charbonnier Distinguished Chair. The Charbonnier endowment was established on October 10, 1962 and January 11, 1966. The resultant fund is the combined L. H. Charbonnier fund and the Phinizy fund. A provision in the will of Bowdre Phinizy directs the Trust Agreement dated March 28, 1929. The Trust was established under the Bowdre Phinizy will to be administered as one fund, and combined to be known as the L. H. Charbonnier Fund. The purpose of this fund is to support the Medical College of Georgia.

President Rahn has verified that MCG has over \$1 million identified from the endowment to support the distinguished chair.

COMMITTEE ON ACADEMIC AFFAIRS

6. **Termination of Cooperative Associate of Applied Science Degree Programs, Macon State College**

Approved: The Board approved the request of President David A. Bell that Macon State College ("MSC") be authorized to terminate all cooperative associate of applied science degree programs, effective July 1, 2007.

Abstract: MSC sought approval to terminate cooperative associate of applied science degree programs offered in cooperation with Central Georgia Technical College and Middle Georgia Technical College. Both of the aforementioned Department of Technical and Adult Education institutions now offer general education courses as well as the technical courses for the cooperative associate of applied science degree, and there is no longer a need for joint program offerings. All students matriculating through the cooperative associate of applied science programs will graduate by the end of spring semester 2007. The programs requested for termination are listed below:

Associate of Applied Science in Health with options in:

- Medical Assisting (Central Georgia Technical College)
- Medical Laboratory Technology (Central Georgia Technical College)
- Paramedic Technology (Central Georgia Technical College)
- Pharmacy Technology (Central Georgia Technical College)
- Practical Nursing (Middle Georgia Technical College)
- Radiologic Technology (Middle Georgia Technical College)
- Surgical Technology (Central Georgia Technical College)

Associate of Applied Science in Business with options in:

- Accounting (Central Georgia and Middle Georgia Technical Colleges)
- Business and Office Technology (Central Georgia and Middle Georgia Technical Colleges)
- Computer Information Systems (Central Georgia and Middle Georgia Technical Colleges)
- Computer Programming (Middle Georgia Technical College)
- Data Entry/Microcomputer Applications (Middle Georgia Technical College)
- Information and Office Technology (Middle Georgia Technical College)
- Management and Supervisory Development (Central Georgia Technical College)
- Marketing Management (Middle Georgia Technical College)

Associate of Applied Science in Services with an option in:

- Child Development and Related Care (Central Georgia Technical College)

Associate of Applied Science in Technology with options in:

- Advanced Drafting (Central Georgia Technical College)
- Aeronautical/Aerospace Engineering Technology/Technician (Middle Georgia Technical College)

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- Air Conditioning Technology (Middle Georgia Technical College)
- Aircraft Structural Technology (Central Georgia Technical College)
- Applied Manufacturing Technology (Central Georgia Technical College)
- Aviation Maintenance Technology (Middle Georgia Technical College)
- Building and Facilities Maintenance (Central Georgia Technical College)
- Drafting (Central Georgia Technical College)
- Electronic Technology (Central Georgia Technical College)
- Industrial Maintenance Technology (Central Georgia and Middle Georgia Technical Colleges)
- Precision Production (Central Georgia Technical College)

7. Information Item: Service Agreements

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

Georgia State University

Georgia Department of Education Develop state personnel grant for the Division for Exceptional Students.	12/1/06- 6/30/07	\$26,290
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University of Georgia

Georgia Council for the Arts Assist Georgia Museum of Art with funds for general operating support for Fiscal Year 2007.	7/01/06- 6/30/07	\$44,505
Georgia Department of Community Affairs Provide consulting services, which will enable the Department of Community Affairs and its partner, The Rural Development Council, to better deliver its “Leadership Investment Infrastructure Fund” and enhance leadership development opportunities.	7/01/06- 6/30/07	\$175,000
Georgia Department of Early Care and Learning Develop and maintain 42 copies of a lending resource kit containing non-consumable materials needed to implement curriculum units on preventing childhood obesity to referral offices across the state of Georgia.	9/20/05- 9/30/07	\$356,225
Georgia Department of Education Provide oversight for the Marketing Education Industry Certification and Credentialing Program and engage a consultant, as approved by the Georgia Department of Education, to serve as the State Industry Certification Coordinator.	9/15/06- 6/30/07	\$22,000

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Georgia Department of Education Expand, revise and update the Related Vocational Instruction Coordinator's Handbook.	10/01/06-9/30/07	\$26,219
Georgia Department of Human Resources Oversee the development and execution of a risk communication workshop; develop and implement a state-wide survey of Georgia citizens' perceptions of emergency preparedness; develop a state risk communication plan and data collections.	10/01/06-8/15/07	\$199,487
Georgia Department of Labor Conduct training programs and provide various support services for the leadership program, EXCEL.	7/01/06-6/30/07	\$170,000
Georgia Department of Natural Resources Establish water quality monitoring stations at Marsh Landing, Flume and Hunt Camp docks. Perform monthly samples of ammonia, nitrate, ortho-phosphate, chlorophyll a, fecal coliform, and total suspended solids.	11/01/06-10/31/09	\$105,000
Georgia Department of Technical and Adult Education Develop a system for conduction program reviews of procedures used in serving adults with learning disabilities and hold workshops for teachers throughout the state.	1/01/05-8/31/07	\$197,003
Georgia Public Service Commission Develop and conduct education outreach programs for natural gas consumers through the use of county extension agents and educators located throughout the state by creating a structured calendar of meetings, trainings, and community service.	11/01/06-4/30/10	\$536,778
Georgia Department of Agriculture Assess research fee for urban pest control pursuant to rule 620-3-01(2) of the Georgia Structural Pest Control Act in support of the research being performed by Dr. Brian Forschler.	10/01/06-12/31/08	\$90,000
Georgia Department of Agriculture Conduct research on Phytophthora ramorum to learn more about the methods and modes of spread, potential host species, and methods of infections in various species of plants.	4/01/06-3/31/07	\$58,026
Georgia Department of Agriculture Increase producers' awareness of National Animal Identification System by distributing posters and approximately 30,000 to 40,000 information sheets and registration applications.	9/30/06-12/31/06	\$198,918
Georgia Department of Early Care and Learning Improve the quality of child care training provided statewide to staff of licensed and registered child care facilities.	10/01/06-9/30/07	\$277,446

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Georgia Department of Early Care and Learning Develop a well-designed and coordinated model of technical assistance that will improve Georgia’s capacity to raise the quality of early care and education.	11/01/06-10/31/08	\$242,333
Georgia Department of Education Provide assistance to the Georgia Department of Education in monitoring and evaluating the quality and effectiveness of Supplemental Educational Services providers and services according to the Supplemental Educational Services Implementation Guidelines for Georgia, rule 160-4-5-03.	11/01/06-8/30/07	\$114,870
Georgia Department of Human Resources Provide data collection, management, and evaluation services to meet requirements of the Substance Abuse Prevention and Treatment block grant and other federal funding for substance abuse prevention.	7/01/06-6/30/07	\$66,739
Georgia Department of Human Resources Enhance the web-enabled health information site featuring a Geographic Information System.	10/15/06-10/14/07	\$45,000
Georgia Department of Human Resources Develop and conduct a minimum of three state and/or regional training sessions based on the state priorities and district needs.	7/01/06-6/30/07	\$156,000
Georgia Department of Labor Conduct training programs and provide various support services for the leadership program.	7/01/06-12/31/06	\$33,000
Georgia Department of Natural Resources Determine whether invasive mollusk, crustacean, polychaete and fish species have been, or are becoming, established within the port of Brunswick, and to determine whether Savannah port has established invasive fish species.	10/01/06-9/30/07	\$75,529
Georgia Department of Natural Resources Strengthen and improve the Adopt-A-Wetland program by developing protocol for the quantitative data collection of water quality parameters and macroinvertebrate monitoring specifically for coastal wetlands.	10/01/06-9/30/07	\$72,622
Georgia Department of Natural Resources Provide a goal to link students and researchers, both to each other and to their common past, and provide both traditional and action-based learning experiences in the knowledge and understanding of the importance of oysters as an indicator species.	10/01/06-9/30/07	\$22,000

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Georgia Department of Natural Resources Enhance vital coastal and regional water quality studies, investigate land use alternatives that improve coastal water and environmental quality, and introduce ecologically sound smart growth initiatives.	10/01/06-9/30/07	\$70,146
Georgia Department of Public Safety Provide the Georgia Department of Public Safety with fiscal year 2007 promotional testing services for the ranks of Corporal, Sergeant First Class, and Lieutenant in the Georgia State Patrol.	11/01/06-7/15/07	\$95,905
Georgia Forestry Commission Develop and deliver a public service program to increase awareness and educate Georgia landowners, foresters, natural resource managers and the general public to identify and report infestations of cogongrass, an exotic invasive weed which is listed as a federal noxious weed.	10/15/06-6/30/08	\$12,000
Georgia Forestry Commission Survey ornamental nurseries and forests in Georgia for the presence of <i>P. ramorum</i> , as well as other Phytophthora species and solicit the submission of home landscape samples of newly transplanted <i>P. ramorum</i> host plants to assess the risk of introducing the pathogen into landscapes.	6/01/06-9/30/08	\$55,000
Georgia Ports Authority Produce an economic impact study using cargo volume and expenditure data from FY 2006.	7/01/06-6/30/07	\$29,500
Georgia Cancer Coalition (Distinguished Cancer Clinicians and Scientists Program) Identify cancer clinicians and scientists who meet the requirement of Georgia Cancer Coalition Program.	7/01/06-6/30/07	\$100,000
Georgia Cancer Coalition (A Program in Stem Cells and Tumor Biology) Identify cancer clinicians and scientists who meet the requirement of Georgia Cancer Coalition Program.	7/01/06-6/30/07	\$100,000
Georgia Cancer Coalition (Nuclear and Cytosolic Protein Glycosylation in Cancer) Identify cancer clinicians and scientists who meet the requirement of Georgia Cancer Coalition Program.	7/01/06-6/30/07	\$50,000
Georgia Cancer Coalition (Role of CA2+ Independent Phospholipase A2 in Chemotherapeutic-Induced Cancer Cell Death) Identify cancer clinicians and scientists who meet the requirement of Georgia Cancer Coalition Program.	7/01/06-6/30/07	\$50,000

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Georgia Department of Human Resources Provide the best available experience in local and state bioterrorism exercises, as well as a deep understanding of all-hazards preparedness background.	11/01/06-7/15/07	\$605,000
Georgia Institute of Technology Target the newly emerging field of geographic information system technology.	7/01/06-6/30/07	\$231,120

Georgia Southern University

Washington County Regional Medical Center Evaluate the Rural Health Care Outreach.	8/14/06-06/30/09	\$6,677
Georgia State Trade Association of Nonprofit Developers Survey affordable housing production amongst its members.	10/27/06-11/27/06	\$890
Memorial Health University Medical Center, Inc. Introduce a project management workshop.	12/12/06-12/14/06	\$5,297

TOTAL AMOUNT – APRIL 2007	\$ 4,722,525
TOTAL AMOUNT FY 2007 TO DATE	\$25,996,886
TOTAL AMOUNT FY 2006 TO APRIL	\$32,303,674
TOTAL AMOUNT FY 2006	\$33,452,938

8. Information Item: Advance Discussion of Upcoming Policy Manual Changes for June Board Meeting

The Interim Chief Academic Officer and Executive Vice Chancellor for Academic Affairs, Beheruz N. Sethna, addressed the Committee on Academic Affairs concerning proposed *Policy Manual* changes and revisions. The informative discussion focused on policies that may be changed in the future and pertain to the following topics: the criteria for tenure and conversion of tenure tracks, the admissions policy and freshman requirements, the establishment of endowed chairs, the review of institutional strategic plans, and the establishment of uniform grading policies. With the exception of admission standards and consistency of grade connotations, the general sense of the Regents was to delegate decisions to the institutional level, holding them accountable for those decisions. In other discussions the sense of the Committee was to have the accountability of administrators with faculty rank be consistent with their major responsibilities (for tenure and post-tenure review), to include a statement on the scope of presidential authority at the institutional level that corresponded to that which the Chancellor has at the System level, and to relax the notification rules on intra-system recruiting.

The Committee meeting adjourned at approximately 5:05 p.m.

COMMITTEES OF THE WHOLE COMBINED: AUDIT AND REAL ESTATE AND FACILITIES

The Committees on Audit and Real Estate and Facilities met as combined Committees of the Whole on Tuesday, April 17, 2007, at approximately 3:45 p.m. in the Southern Ballroom, room 1602, in the Nessmith-Lane Continuing Education Center on the campus of Georgia Southern University. Committee members in attendance in addition to Committee Chair Donald M. Leebern, Jr. were the Chair of the Board, Allan Vigil, Vice Chair William H. Cleveland and Regents James A. Bishop, Hugh A. Carter, Jr., Robert F. Hatcher, Felton Jenkins, W. Mansfield Jennings, Jr., James R. Jolly, Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Wanda Yancey Rodwell, Benjamin J. Tarbutton, III, and Richard L. Tucker. Chair Leebern reported to the full Board that the Committee reviewed four items, three 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 100, Officers of The Board of Regents

Approved: The Board approved revisions to the Policy Manual, Section 100, concerning the officers of the Board of Regents as proposed below.

Item 1 – Changed policy to eliminate wordy, unnecessary verbiage.

Item 2 – Changed policy to change titles to a generic form.

Item 3 – Changed policy to ensure consistency in descriptions.

Item 4 – Changed policy to eliminate section on gifts. (Move to Section 700)

Item 5 – Changed policy to move responsibilities, approvals and authorities to the applicable section of the manual.

Item 6 – Changed policy to add Chancellor’s designee as a member of all faculties and other academic bodies within the University System of Georgia. (Move to Section 300)

Item 7 – Changed policy to add requirement that the Board shall accept or reject recommendations of appointments of administrative officers.

Background: This proposal was based upon the premise that decisions should be made at the lowest level where management is given the responsibility to act and is held accountable for their actions. These recommendations were proposed by the Approvals and Authorities Committees chaired by campus presidents and the Chancellor’s cabinet. Additional recommendations included were made by Regent Felton Jenkins.

Please note that the strike-through texts represent deletions from the current version and the highlighted texts represent additions.

COMMITTEES OF THE WHOLE COMBINED: AUDIT AND REAL ESTATE AND FACILITIES

SECTION 100: OFFICERS OF THE BOARD OF REGENTS

101 OFFICERS OF THE BOARD

The officers of the Board of Regents shall be the Chair, Vice Chair, Chancellor, Secretary to the Board, and Treasurer.

102 CHANCELLOR

The Board of Regents shall elect the Chancellor **annually**. ~~at its regular May meeting.~~ The Chancellor shall be given an annual letter of agreement. In case of any vacancy in the chancellorship, the Board shall name an Acting Chancellor who shall serve until the office of the Chancellor shall be filled.

The Chancellor shall be the chief executive officer of the University System as well as the chief executive officer of the Board of Regents and, as such, shall perform those duties that are prescribed by the Board. The Chancellor shall be responsible to the Board for the prompt and effective execution of all resolutions, policies, rules, and regulations adopted by the Board for the order and operation of the entire University System and for the government of any and all of its institutions. The Chancellor's discretionary powers shall be broad enough to enable him/her to discharge these responsibilities. The Chancellor shall attend and shall participate in, without the privilege of voting, all of the meetings of the Board and its Committees except as otherwise determined by the Board and shall be an ex-officio member of all Committees without the authority to vote. The Chancellor shall make recommendations **to the Board** for the appointment of institution presidents and senior level employees of the Office of the Board of Regents **to the extent that officers are required to be approved.** **The institution president, without the necessity of approval by the Chancellor or the Board,** ~~Campus presidents~~ shall make decisions regarding appointments, promotions, salaries transfers, suspensions, and dismissals for members of instructional, research and extension staffs, and all other employees of **his/her** ~~their~~ institutions.

(Note only: Presidents cannot award tenure. This issue is being vetted by the Chancellors' staff. The decision will be discussed and presented at a future Board meeting.)

The Chancellor, **and/or the Chancellor's designee**, shall be a member of all faculties and other academic bodies within the University System. He/she shall decide all questions of jurisdiction, not otherwise specifically defined, of the several councils, faculties, and officers. The Chancellor shall have the right to call meetings of any council, faculty, or committee at any time (BR Minutes, 1986-87, p. 263). **(Move this to Policy Section 300)**

The Chancellor shall have the power to veto any act of any council, faculty, or committee of any institution within the University System but, in doing so, shall transmit **promptly** to the proper officer

COMMITTEES OF THE WHOLE COMBINED: AUDIT AND REAL ESTATE AND

FACILITIES

a written statement of the reason for such veto. A copy of each veto statement shall be transmitted to the Board of Regents. (Move this to Policy Section 300)

Any council, faculty, or committee shall have the right of appeal from a veto of the Chancellor to the Board and to be represented before the Board by any member or members chosen from said council, faculty, or committee.

The Chancellor shall prepare and submit to the Board of Regents such annual and special reports concerning the University System as the Board may require. The Chancellor, and/or the Chancellor's designee or his/her designee shall be the medium through which all matters shall be presented to the Board, and to the Committees of the Board, including reports, recommendations, and suggestions from institutions, their faculty members, employees, and students. The Chancellor may, on his/her own initiative, make such reports to the Board as will, in his/her opinion, be helpful to the members in the discharge of their duties.

The Chancellor shall be responsible for the preparation for the Board of a suggested allocation of state appropriations to the institutions of the System. This suggested allocation shall be accompanied by a statement of the basis upon which it is to be determined. The suggested allocation shall be transmitted to the Board by the Committee on Finance and Business Operations with such modifications as the Committee may deem necessary. Budgets of the member institutions shall be submitted by heads of institutions of the University System to the Chancellor. When the Chancellor has approved the budgets, the Chancellor shall submit all of the budgets of the University System to the Board for final approval. The Chancellor shall be the regular channel through which policies of the Board of Regents shall be announced. The heads of University System institutions shall not make any announcements of the Board's policies until so authorized by the Chancellor. (Move this to Policy Section 700)

The Chancellor may limit enrollment at any institution or site. the matriculates to the educational facilities at the institutions of the System.

The Chancellor, and/or the Chancellor's designee or his/her designee is authorized to execute all documents concerning federal aid to the University System of Georgia, including, but not limited to, applications, acknowledgments of grants, and other necessary documents, in the conduct of affairs on behalf of the Regents of the University System of Georgia in connection with the United States Government (BR Minutes, 1966-67, pp. 414-415). The Chancellor is further authorized to settle any claim or dispute against the Board or its employees for an amount not to exceed \$300,000 of Board of Regents' funding (BR Minutes, May 2006). (Move this to Policy Section 400)

The Chancellor and the Chancellor's designee are authorized and empowered to execute, accept, and deliver for, on behalf of, and in the name of the Regents of the University System of Georgia and **COMMITTEES OF THE WHOLE COMBINED: AUDIT AND REAL ESTATE AND FACILITIES**

under its Seal, and without prior approval by the Board, the following documents:

- A. Any and all rental agreements, supplemental agreements, and subrental agreements in which the Board of Regents is named as the tenant of the property rented and where the total rent to be paid by the Board does not exceed the sum of \$5,000 per month; (Move this to Policy Section 900)
- B. Any and all contracts, agreements, deeds, licenses, or other instruments related to the purchase or gift of real property (other than property acquired by condemnation) at a purchase price not to exceed the average of three separate appraisals made by independent and licensed real estate appraisers and where the purchase price (or gift value) of the real property does not exceed the sum of \$100,000; (Move this to Policy Section 900)
- C. ~~Gifts, bequests, agreements, or declarations of trust in those instances where the initial gift or trust estate is \$100,000 or less, as well as those documents necessary to provide proper fiscal management of those funds accepted under the aforesaid authorization. The Chancellor may, at his/her discretion, delegate the authority to execute said documents to the Treasurer or to the presidents of the several institutions in the University System, provided, however, that the Chancellor is not authorized to delegate to the presidents the authority to accept gifts of real property (BR Minutes, 1980-81, p. 241; January, 1997, p. 24).~~

The Chancellor, and/or the Chancellor's designee, is authorized to act without prior approval of the Board as the contracting officers for and on behalf of the Board of Regents, with authority to act for the Board in the execution of construction contracts, change orders to construction contracts, contracts for professional services, and the selection of architects and engineers and execution of architectural/engineering contracts for the preparation of plans for new buildings or engineering projects, major remodeling, allocation of rehabilitation funds, and other projects, except routine maintenance in the University System of Georgia, provided, however, that the authority so delegated shall not exceed the sum of \$1,000,000 for any one contractual obligation.

The actions taken under the authority of this paragraph shall be reported annually to the Committee on Real Estate and Facilities (BR Minutes, 1991-92, pp. 319-320). (Move this to Policy Section 900)

The Chancellor, and/or the Chancellor's designee, is authorized to allocate to System institutions, without prior approval of the Board, capital outlay appropriations – rehabilitation funds (cash or bonds) in amounts not to exceed \$200,000 for any one project. The actions taken under the authority of this paragraph shall be reported annually to the Committee on Real Estate and Facilities (BR Minutes, 1991-92, pp. 319-320). (Move this to Policy Section 900)

The Chancellor, and/or the Chancellor's designee, is authorized to delegate any or all of the above authority to act as contracting officers to individual institutions in the University System of Georgia
COMMITTEES OF THE WHOLE COMBINED: AUDIT AND REAL ESTATE AND FACILITIES

based upon an evaluation by the Chancellor or the Treasurer of the ability of an institution to properly administer the delegated authority. Such delegation of authority shall be administered in

accordance with policies and procedures approved by the Chancellor, the Treasurer, or the Chancellor's designee (BR Minutes, 1991-92, pp. 319-320). (Move this to Policy Section 700 and 900)

The Chancellor, and/or the Chancellor's designee, is authorized and empowered, in the name of and on behalf of the Board of Regents of the University System of Georgia, to take or cause to be taken any and all such other and further action as, in the judgment of such officials, may be necessary, proper, convenient, or required in connection with the execution and delivery of such instruments documents or writings in order to carry out the intent of authority delegated herein. The Chancellor is authorized to develop procedures whereby nonmandatory (revenue-producing) auxiliary fees from campus operations, such as bookstore, dormitory, cafeteria, and vending machines, may be approved by him or her without prior approval by the Board (BR Minutes, 1980-81, p. 22). (Move this to Policy Section 700)

Each institution is authorized to develop procedures for approval of the following matters without the necessity of formal Board action: (Move this to Policy Section 800)

- A. Adjunct (courtesy) appointments;
- B. Graduate teaching assistant appointments;
- C. Appointment of part-time faculty members, other than those faculty members who have previously retired from the System;
- D. Reappointments of temporary faculty, part-time faculty, and aliens; and
- E. Changes of designation for approved degree programs and approved administrative units.

The Chancellor shall ~~make all recommendations regarding the establishment or discontinuance of all positions in the University System Office. He/she shall~~ recommend the appointment of administrative officers **to the extent that officers are required to be approved. and all other employees of the University System Office. The Board shall promptly accept or reject the recommendations of administrative officers.**

103 SECRETARY TO THE BOARD OF REGENTS

The Secretary to the Board shall be elected by the Board upon the recommendation of the Chancellor, and shall not be a member thereof. The Secretary to the Board shall prepare the agenda **COMMITTEES OF THE WHOLE COMBINED: AUDIT AND REAL ESTATE AND FACILITIES**

for monthly Board meetings and shall assist in scheduling Board and committee meetings, and preparing and mailing meeting notices.

He/she shall keep accurate record of the proceedings of the meetings of the Board and of committees

and shall be responsible for maintaining the Bylaws and the Policy Manual of the Board, for distributing and indexing the minutes, and for researching and retrieving Board actions, and, when requested, for scheduling members' visits to University System institutions. The Secretary to the Board shall keep in safe custody the Seal of the Board and shall affix the Seal to those documents requiring it. When it is affixed to a document, it shall be attested by the Secretary's signature.

The Secretary to the Board shall perform such other duties and shall have such other powers as authorized by the Board.

104 TREASURER

The Treasurer shall be elected by the Board, upon the recommendation of the Chancellor; he/she shall not be a member thereof. The Treasurer shall be present at all meetings of the Board except as otherwise determined by the Board. He/she shall be placed under bond in an amount to be determined by the Board. The Treasurer shall invest funds available for investments and shall maintain custody of securities, subject to the approval of the Board. He/she shall maintain financial supervision over trust funds of various institutions. The Treasurer shall see that all bank deposits of the University System and its institutions are adequately covered by insurance. He/she shall authorize a person or persons at each of the member institutions of the University

System to sign checks drawn on banks where funds of the respective institutions are deposited, and shall empower the appointed person or persons to sign any documents that may be required by the banks in order to carry out this authorization. He/she shall see that fidelity bonds are secured for all persons in the System for whom such bonds are necessary or advisable. The Treasurer shall supply members of the Board with quarterly reports showing the financial status of the University System and of each institution of the System and shall analyze all budgets and make copies of such analyses available to the Chancellor and members of the Committee on Finance and Business Operations. The Treasurer shall provide the Chancellor and members of the Committee on Finance and Business Operations with any information that will be helpful in preparing recommendations for the Board on the allocation of state funds. He/she shall assemble financial data that may be used as a basis for requests to the Governor and General Assembly for appropriations for the support of the University System and its institutions. The Treasurer shall see that the institutions in the University System establish and maintain uniform and effective procedures of accounting, budgetary control, internal checks and audits, inventory controls, and business practices and shall advise institutions on all problems of a fiscal or business nature. The Treasurer shall assist each institution in preparing a manual of business procedures to be followed by that institution and shall assist institutions in

COMMITTEES OF THE WHOLE COMBINED: AUDIT AND REAL ESTATE AND FACILITIES

developing policies governing terms and conditions of employment of classified personnel. Such policies shall include regulations regarding salaries and wages paid to various types of employees, job classification and merit plans, promotions, sick leaves, vacations, insurance and retirement. The Treasurer shall prepare and publish annual reports on the financial operations of the System and its institutions. He/she shall be authorized to sign on behalf of the Board all documents necessary to convey, assign, transfer or sell investments for the various trust accounts for which the Board of

Regents is the designated trustee. He/she shall perform such other duties and have such other powers as the Board may authorize or as may be assigned to him/her by the Chancellor.

The ~~Vice Chancellor for Finance and Treasurer~~ **is** are authorized, with the approval of the Chancellor, to delegate to the chief business officer of any institution the authority to execute any and all documents which may be necessary, required, or desirable in order to provide proper fiscal management of funds given to the institution or the Board of Regents for the benefit of the institution concerned.

105 OTHER OFFICERS

The Board of Regents, on the recommendation of the Chancellor, may establish or abolish from time to time such offices and positions as may be necessary to carry out the functions of the Board.

2. Revision of The Policy Manual, Section 200, Institutional Governance

Approved: The Board approved revisions to the Policy Manual, Section 200, concerning the institutional governance as proposed below.

Item 1 – Changed policy to eliminate wordy, unnecessary verbiage.

Item 2 – Changed policy to change titles to a generic form.

Item 3 – Changed policy to eliminate section on gifts. (Move to Section 700)

Item 4 – Changed policy to ensure consistency in descriptions.

Item 5 – Changed policy to move responsibilities, approvals and authorities to the applicable section of the manual.

Item 6 – Changed policy to add that the presidents' powers shall be broad to enable him/her to discharge these responsibilities.

COMMITTEES OF THE WHOLE COMBINED: AUDIT AND REAL ESTATE AND FACILITIES

Item 7 – Changed policy to add that the president shall decide all questions of jurisdiction, not otherwise defined by the Chancellor, of the several councils, faculties and officers. The president shall have the right to call meetings of any council, faculty, or committee of his/her institution at any time. The president shall have the power to veto any act of council, faculty, or committee of his/her institution but, in doing so shall transmit to the proper officer written statement of the reason for such veto. A copy of each veto statement shall be transmitted to the Chancellor.

Item 8 – Changed policy to eliminate requirement for the University System to execute all settlement agreements.

Item – 9 Changed policy, Section 202 (G) to allow Board Special Regents’ Search committee the right to interview and appoint presidential candidates not screened by the campus search committee.

Item 10 – Changed policy, Section 202 (H) to require that the Board of Regents will elect the presidents upon the Chancellor’s recommendation.

Background: This proposal was based upon the premise that decisions should be made at the lowest level where management is given the responsibility to act and is held accountable for their actions. These recommendations were proposed by the Approvals and Authorities Committees chaired by campus presidents and the Chancellor’s cabinet. Additional recommendations included were made by Regent Felton Jenkins.

Please note that the strike-through texts represent deletions from the current version and the highlighted texts represent additions.

SECTION 200: INSTITUTIONAL GOVERNANCE

201 ELECTION OF PRESIDENTS BY THE BOARD

A. The Board shall elect the presidents of institutions at the April monthly meeting. Presidents shall not hold tenure at the institution but may hold, retain, or receive academic rank. They shall be elected each year for a term of one year. The Chancellor shall notify them of their appointment but such presidents shall not be entitled to a written employment contract. All such appointments will be made expressly subject to the Policies of the Board of Regents.

B. Persons holding tenure in the University System who receive an initial presidential appointment shall be required to relinquish their tenure before assuming the office of the president. No person shall be awarded tenure while serving as president (BR Minutes, 1991-92, p. 34).

C. A person accepting the position of acting president at a University System institution shall not be a candidate for president of that institution (BR Minutes, Aug. 2000, p. 63).

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202 PROCEDURE FOR SELECTION OF A PRESIDENT FOR UNIVERSITY SYSTEM INSTITUTIONS

The policy of the Board regarding the selection of a president for University System institutions shall be as follows:

- A. A presidential search is initiated by the Chancellor, with the agreement of the Board, through the establishment of a Special Regents' Search Committee, a Presidential Search and Screen Committee, and, when deemed appropriate, a contractual arrangement with an executive search firm.
- B. 1. Research Universities

For research universities, the Special Regents' Search Committee shall be appointed by the Chair of the Board and will consist of up to five (5) Regents as voting members. The Chancellor, the Chair of the Board, and, unless otherwise named as a voting member, the Regent residing in closest proximity to the institution, shall serve as ex-officio, nonvoting members. The Board Chair shall appoint one of the voting Regent members as Chair of the Special Regents' Search Committee.

2. All Other Institutions

For regional universities, state universities, and colleges, the Special Regents' Search Committee shall be appointed by the Chair of the Board and will consist of three (3) Regents as voting members, selected as follows: The Board Chair shall, at the beginning of his or her term as Chair, identify six special Regents' search Committees, each of which shall be chaired by one of the six most senior members of the Board of Regents.

The next six most senior Regents shall be assigned to the six Special Regents' Search Committees in reverse descending order of seniority so that the most senior Regent is paired with the least senior Regent. The remaining Regents shall be assigned to one of the six Special Regents' Search Committees at the discretion of the Board Chair. In the event of a vacancy in the presidency of a regional or state university or of a college, the Board Chair shall assign one of the six Special Regents' Search Committees as the Committee with respect to that vacancy. In making such assignments, the Board Chair shall alternate the six Committees in turn so that each Committee has a relatively equal workload. The Chancellor and, unless otherwise named as voting members, the Chair of the Board and the Regent residing in closest proximity to the institution shall serve as ex-officio, nonvoting members.

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C. The Presidential Search and Screen Committee shall be appointed by the Chancellor in consultation with the Board Chair and the Chair of the Special Regents' Search Committee. In the case of a research university, the voting membership of the Presidential Search and Screen Committee shall consist of six (6) faculty representatives from the institution, one (1) representative of the administration and staff, one (1) student, one (1) representative of the institution's foundation, one (1) representative of the institution's alumni association, and three (3) representatives of the state-at-large. In the case of all other institutions, the voting membership of the Presidential Search and Screen Committee shall consist of three (3) faculty representatives from the institution, at least one (1) representative of the administrative staff, at least one (1) student, and at least two (2) representatives of the surrounding community (and region, as appropriate), including the institution's foundation and its alumni association and comprising up to one-third of the total voting membership of the committee. For each committee position upon which the Chancellor requests its advice, the respective institution, foundation, or alumni association shall provide two nominations.

The Chancellor will appoint the committee's chair from among the committee's voting members.

D. The Chancellor shall, in consultation with the Board Chair, the Chair of the Special Regents' Search Committee and the Chair of the Presidential Search and Screen Committee, determine when a search warrants the services of an executive search firm, and shall develop any necessary contractual agreement that specifies the particular role and reporting lines for such services, all on a case-by-case basis.

E. The Special Regents' Search Committee shall confer with the Chancellor regarding the position description and any special qualifications that should be considered for the position. After additional consultation with the Presidential Search and Screen Committee, the Chancellor will finalize the position description.

F. The Presidential Search and Screen Committee will advertise the position widely through the Applicant Clearing House and other publications and networks likely to reach a diverse audience of candidates, make all possible efforts to search out and attract a rich pool that includes well qualified candidates, receive nominations and applications, and undertake an initial evaluation of applicants -- advised and aided by an executive search firm to the extent that such services have been contracted.

G. The Presidential Search and Screen Committee shall identify to the Chancellor and the Chair of the Special Regents' Search Committee not less than five unranked candidates to be presented to the Special Regents' Search Committee. A list of all applicants for the position shall also be transmitted at this time to the Chancellor and the Chair of the Special Regents' Committee. The Special Regents' Search Committee may, upon its own, interview and recommend candidates that

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have not been interviewed and screened by the Presidential Search and Screen Committee, request a further search for applicants, or request further consideration by the Presidential Search and Screen Committee of any applicant in addition to the candidates recommended.

- H. The Special Regents' Search Committee shall conduct its interviews - providing opportunity for the Chancellor also to interview each candidate - and provide its evaluation and advice to the Chancellor, who will make the final recommendation to the full Board of Regents, which shall then elect the president of the subject institution. At the discretion of the Chancellor and the Chair of the Special Regents' Search Committee, site visit(s) also may be undertaken prior to recommendations being made.
- I. Insofar as is compatible with state law, all parties to the search, screen, and selection process shall maintain strict confidentiality as to the identity of applicants and any considerations of their credentials, while making efforts to keep the campus community and the public appropriately informed as to the general progress of the search (BR Minutes, September 2006).

202.01 PERFORMANCE ASSESSMENT OF PRESIDENTS

It is the intent of the Board of Regents that evaluation of the presidents shall be an ongoing process, which consists of open communication between the Chancellor or the president's supervisor and the president on both individual and institutional goals and objectives as well as on the methods and processes used to achieve them. Evaluations will be factored into the annual appointment renewal for each president (BR Minutes, September 2006).

203 REMOVAL AND RESIGNATIONS OF PRESIDENTS

- A. The president of each institution shall give the Board, through the Chancellor, three months' notice of his/her intention to resign. The Board, through the Chancellor, shall notify the president immediately following the April monthly Board meeting of its decision not to re-elect him/her for the ensuing fiscal year. The Board may at any time remove the president of any institution for cause without giving notice; but upon request made within ten days thereafter, any president so removed shall be furnished a statement of charges against him/her, and should he/she demand it within ten days after receipt of the charges, he/she shall be given a hearing before the Board, or a committee of the Board, as the Board may determine. The action of the Board shall be final. Presidents terminated for cause shall not be eligible for reappointment as an employee of the University System.

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- B. Presidents whose resignations are accepted by the Chancellor may, upon request and at the option of the Board, be awarded a tenure or non-tenure track appointment at the rank of full professor in an institution of the University System selected by the Chancellor. Such employment shall not exceed two calendar years from the effective date of the president's resignation. Thereafter, continued employment shall be at the option of the institution.
- C. The salary for the first year of presidents who resign and receive a professorial appointment shall be determined by the Chancellor but it shall not exceed 90% of the state-supported portion of his/her previous salary as president.
- D. The professorial appointment of such resigned presidents for the second year shall be limited to an academic year appointment (nine months) at a salary not to exceed 60% of the state-supported portion of his/her previous salary as president.
- E. For purposes C and D above, the salary to be paid shall be based on the approved salary exclusive of any supplement or deferred compensation. (BR Minutes, August 2004)
- F. Subject to the approval of the Chancellor, presidents whose resignations are accepted may, upon request, be granted an educational leave with pay not to exceed twelve months immediately following the date of resignation. Leave time shall be counted against the two-year (or less) appointment referred to above (BR Minutes, 1991-92, pp. 33-34).

204 PRESIDENTIAL AUTHORITY AND RESPONSIBILITIES

The president of each institution in the University System shall be the executive head of the institution and of all its departments and shall exercise such supervision and direction as will promote the efficient operation of the institution. The president shall be responsible to the Chancellor for the operation and management of the institution and for the execution of all directives of the Board and the Chancellor. **The president's discretionary powers shall be broad enough to enable him/her to discharge these responsibilities.** (BR Minutes, 1972-74, pp. 69-71; 1977-78, pp. 167-168).

The president shall be the ex-officio chair of the faculty and may preside at meetings of the faculty. **The president or, and/or the president's designee, shall be a member of all faculties and other academic bodies within the institution. He/she shall decide all questions of jurisdiction, not otherwise defined by the Chancellor of the several councils, faculties, and officers. The president shall have the right to call meetings of any council, faculty, or committee at his/her institution at any time. The president shall have the power to veto any act of any council, faculty, or committee of his/her institution but, in doing so, shall transmit to the proper officer a written statement of the reason for such veto. A copy of each veto statement shall be transmitted to the Chancellor.** At those institutions that have a council, senate, assembly, or any such body, the president or the president's

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designee may chair such body and preside at its meetings. The president shall be the official medium of communication between the faculty and the Chancellor and between the council, senate, assembly, or any such body and the Chancellor. (BR Minutes, 1993-94, p. 239).

The president shall be responsible for the initial appointment of faculty members and administrative employees of each institution, the salary of each, and all promotions and be authorized to make all reappointments of faculty members and administrative employees, except as otherwise specified in this manual. The president has the right and authority to grant leaves of absence for up to one year to members of the faculty for study at other institutions or for such reasons as the president may deem proper. He/she shall make an annual report to the Board, through the Chancellor or his/her designee, of the condition of the institution under his/her leadership. (Move this to Policy Section 800)

The president of each institution, or his/her designee, is authorized to accept on behalf of the Board the resignation of any employee of his/her institution (BR Minutes, 1977-78, p. 123; 1982-83, p. 225). (Move this to Policy Section 800)

The president of each institution, or the president's designee, shall have the authority to execute, accept, or deliver, on behalf of the Board, the following types of research agreements, settlement agreements, service agreements, and reciprocal emergency law enforcement agreements affecting his or her institution: (Move this to Policy Section 600 and other Sections as appropriate)

- A. Research or service agreements whereby the institution concerned, for monetary compensation or other good and valuable consideration, agrees to perform certain institution-oriented research or other personal services within a time period of one year or less; (Move this to Policy Section 600)
- B. Agreements between institutions of the University System of Georgia and hospitals or other organized medical facilities, both public and private, located within the State of Georgia, whereby the hospital or medical facility concerned agrees to provide clinical services to nursing and other students enrolled in nursing and allied health programs at the institution concerned. Said agreements shall be effective for one year with the option of annual renewal as specified therein and shall be subject to cancellation by either party. (Move this to Policy Section 700)
- C. Reciprocal emergency law enforcement agreements between institutions of the University System of Georgia and county and municipal authorities, as authorized by the Georgia Mutual Aid Act, as amended (BR Minutes, 1993-94, pp. 63-64); (Move this to Policy Section 700)

Settlements of grievances and complaints (including those filed by state and federal agencies) that do not include a monetary commitment of more than \$100,000. ~~Agreements shall be subject to review and approval by the Georgia Department of Law-Notice of settlements shall be filed with the University System Office of Legal Affairs. The Senior Vice-Chancellor for Support Services~~

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~~shall execute all settlement agreements on behalf of the Board (BR Minutes, May 2006). (Move this to Policy Section 700)~~

- D. Any agreements necessary for the day-to-day operation ~~of the institution~~, as provided in section 700 of this manual; and
- E. ~~Gifts, bequests, agreements, or declarations of trust in those instances where the initial gift (or trust estate) is valued at \$100,000 or less, provided, however, that presidents of University System institutions are not authorized to accept gifts of real property on behalf of the Board. All gifts having an initial value greater than \$100,000 shall require acceptance by the Board of Regents. The presidents are further authorized to execute on behalf of the Board those documents necessary to provide proper fiscal management of all gifts accepted in accordance with this policy and, at their discretion, to delegate the authority to execute said documents to the chief fiscal officer of the institution. Each institution shall be required to report on an annual basis to the Chancellor all gifts received having an initial value of \$10,000 or more (BR Minutes, January, 1997, p. 24).~~

~~Each president shall be authorized by the Board of Regents to take or cause to be taken any and all such other and further action as in the judgment of such president may be necessary, proper, or convenient in order to carry out the intent of this policy (BR Minutes, 1972-74, pp. 69-71; 1977-78, pp. 167-168).~~

205 INSTITUTIONAL EFFECTIVENESS: PLANNING AND ASSESSMENT

Each institution shall have a strategic planning process that maintains a current strategic plan in which institutional priorities are defined and through which the institution's mission is carried out in accordance with the strategic directions and guiding principles established by the Board of Regents. The faculty and staff of each institution shall be involved in developing the planning process and shall be included in the structure by which the plan is implemented.

In addition, each institution shall have a formal process by which systematic assessment of institutional effectiveness is conducted and the results of assessments are used to achieve institutional improvement. Assessment processes may differ from institution to institution, but each institution shall assess basic academic skills at entry, general education, degree programs, and academic and administrative support programs and/or functions. The faculty and staff of each institution shall be involved in developing assessment processes and included in the structure by which those processes are implemented and used for improvement.

Each institution shall link its substantive budget allocations and other major academic and administrative decisions to its planning and assessment processes to improve institutional

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effectiveness. In addition, institutional planning, assessment, and improvement processes are expected to contribute to the realization of the vision, mission, goals, and strategic initiatives of the University System of Georgia.

A current copy of each institution's strategic plan shall be maintained in the System Office of the Board of Regents. The plan will contain a description of the planning structure and process by which institutional priorities are set as well as the institution's current priorities and goals. The plan shall also describe the processes used for assessing and improving institutional effectiveness.

205.01 COMPREHENSIVE ACADEMIC PROGRAM REVIEW

(Move this to Policy Section 300)

Each University System institution shall conduct academic program review on a periodic basis. Consistent with efforts in institutional effectiveness and strategic planning, each University System institution shall develop procedures to evaluate the effectiveness of its academic programs through a systematic review of academic programs, to address the quality, viability, and productivity of efforts in teaching and learning, scholarship, and service as appropriate to the institution's mission. The review of academic programs shall involve analysis of both quantitative and qualitative data, and institutions must demonstrate that they make judgments about the future of academic programs within a culture of evidence.

The cycle of review for all undergraduate academic programs shall be no longer than seven years and for all graduate programs no longer than ten years. Programs accredited by external entities may substitute an external review for institutional program review, provided the external review meets University System and institutional requirements for program review. If an external accreditation entity's review cycle for undergraduate programs is ten years, the ten-year review cycle may be used for that program only. No program review cycle at any level shall exceed ten years.

The Senior Vice Chancellor for Academic and Fiscal Affairs must approve each institution's plan for the conduct of a complete cycle of program review and may require changes in the plan, providing adequate time for the change to be implemented. Each institution shall conduct program review according to the terms of its approved plan, with annual updates and requests for changes to the plan as necessary.

Planning and conduct of academic program reviews shall be used for the progressive improvement and adjustment of programs in the context of the institution's strategic plan and in response to findings and recommendations of the reviews. Adjustment may include program enhancement, maintenance at the current level, reduction in scope, or, if fully justified, consolidation or termination. Actions taken as the result of reviews and strategic plans shall be documented as provided below.

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Each institution shall submit an annual program review report to the **University System chief academic officer** ~~Senior Vice Chancellor for Academics and Fiscal Affairs~~, which shall include a list of academic programs reviewed and a summary of findings for programs reviewed during the previous year. The institution must summarize actions taken both as the result of current reviews and as follow-up to prior years' reviews. For each review, institutions must establish that the program has undergone review and is meeting rigorous standards. The report must identify (1) quality, viability, and productivity parameters measured, and (2) findings relative to internal standards, the institution's strategic plan, and, as appropriate, external benchmarks.

The **University System chief academic officer** ~~Senior Vice Chancellor for Academics and Fiscal Affairs~~ shall monitor annually a small number of performance indicators for academic programs and shall initiate dialogue with the chief academic officer of the institution when programs do not meet the guidelines defined by the indicators. If further investigation justifies additional study, the institution may be asked to conduct an off-cycle review of such programs.

206 PRESIDENTS' MEETINGS

When directed by the Chancellor, the presidents of the institutions of the University System of Georgia shall convene in order to make recommendations to the Chancellor and through the Chancellor to the Board of Regents regarding all educational and administrative matters of concern to the University System as a whole.

207 ORGANIZATION CHANGES

Presidents are authorized to develop the organizational structure required to effectively manage their institution. Changes involving the addition, deletion, or substantive name change of a unit reporting directly to the president will be reported to the Chancellor at least two weeks prior to the effective date of change. The presidents are authorized to approve all other organizational changes (BR Minutes, January 14, 2004).

The addition or elimination of academic centers and institutes located on campus does not require the Chancellor's or Regents' approval. At the beginning of each fiscal year, each president shall submit to the Chancellor a list of all academic institutes and centers that are authorized to operate on each campus highlighting those which have been added or deleted since the prior year's submission.

208 COMPENSATION OF PRESIDENTS

The salaries (and associated fringe benefits) for University System of Georgia presidents and the Chancellor, as approved annually by the Board of Regents, shall be paid exclusively from state appropriations allocated to each institution. ~~Effective fiscal year 2005, state~~ **State** appropriations shall be used to pay salary, housing allowance, subsistence allowance, and, where applicable, salary

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supplement, supplemental fringe benefits, deferred compensation, and any other items as approved by the Board. State appropriations will also pay for fringe benefits for presidents that are available to all employees of the University System of Georgia. Nonstate funds may pay for expenses and allowances such as civic memberships, business-related entertainment, automobile, auto allowance, maintenance and insurance for automobiles, and relocation expenses.

The annual merit salary increase paid from state funds shall be based upon the approved salary, exclusive of any allowance, supplement, or deferred compensation (BR Minutes, August 2004).

3. Revision of The Policy Manual, Section 700, Finance and Business (Continued)

Approved: The Board approved revisions to The Policy Manual, Section 700, concerning Finance and Business as proposed below.

Item 1 – Changed policy to allow presidents to accept gifts and donations, except for real property. Eliminated prior approval by the Board of gifts having value in excess of \$100,000.

Item 2 – Changed policy to require Board approval for gifts of real property.

Item 3 – Changed policy to require presidents to assume responsibility to ensure that gifts do not violate state law or Board policy, and that gifts do not carry additional costs that cannot be managed within current resources.

Item 4 – Changed policy to require that either gifts or donations that would require additional supplemental costs that cannot be met with current budgets will require prior approval by the Board.

Item 5 – Changed policy to require that an annual summary report be provided to the Board on gifts and donations to institutions and their cooperative organizations.

Background: This proposal was based upon the premise that decisions should be made at the lowest level where management is given the responsibility to act and is held accountable for their actions. These recommendations were proposed by the Approvals and Authorities Committees chaired by campus presidents and the Chancellor's cabinet.

Please note that the strike-through texts represent deletions from the current version and the highlighted texts represent additions.

SECTION 700: FINANCE AND BUSINESS

701 GENERAL POLICY

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The Board of Regents shall be the only medium through which formal requests shall be made for appropriations from the General Assembly and the Governor of the State of Georgia.

The Board shall make the allocation of funds to the institutions at the April meeting or the next regular meeting following the approval of the Appropriations Act or as soon thereafter as may be practicable in each year and shall approve the budgets of the institutions and of the office of the Board of Regents at the regular June meeting in each year, or as soon thereafter as may be practicable.

701.01 PRIVATE DONATIONS TO THE UNIVERSITY SYSTEM AND ITS INSTITUTIONS

The Board of Regents of the University System of Georgia, recognizing that public institutions are dependent, in part, on private funding (just as private institutions are partially dependent on public funding) encourages the institutions under its control to seek the support of alumni, friends, corporations, and other private individuals and organizations who might be interested in contributing to the welfare of the institutions, their students, and their faculties.

Funds raised from private donations may be used in support of the mission and objectives of the institution, including funds for student scholarships, salary supplements, construction of physical facilities, and gifts and grants for other purposes as may be designated by the donor. However, institutions are not authorized to commit any state funds for challenge or matching grants or gifts for the construction of facilities or for other purposes without prior approval of the Chancellor.

The Board of Regents shall not consider gifts, contributions, or income from endowments held for the benefit of any University System of Georgia institution in determining the allocation of state funds to that institution.

Private donations to separately incorporated cooperative organizations established pursuant to Section 1905 of The Policy Manual shall not be subject to control by the Board of Regents or the college or university administration except as provided in Section 1905 or by the memoranda of agreement established between institutions and their cooperative organizations.

~~The Board of Regents must accept on behalf of any~~ University System of Georgia institution may accept gifts, bequests, agreements, or declarations of trust, **except gifts of real property**. ~~in those instances where the initial gift or trust estate is valued at \$100,000 or more.~~

~~Additionally, gifts of real property to any University System institution where the initial value is \$100,000 or more shall require prior Board approval.~~ **By accepting such gifts, donations, bequests, or declarations of trust, the president of the institution affirms that the gift, donation, etc., carries no**

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obligations to the institution that may conflict with state law or Board of Regents policy. The president also affirms that acceptance of the gift or donation will not impose a financial burden on the institution beyond that which can be managed within its current budget. If acceptance of the gift or donation would require the institution to incur additional cost that cannot be borne within current resources, the institution shall be required to obtain the approval of the Board of Regents before the gift or donation is formally accepted. Each institution shall provide a summary report annually as required to the Chancellor on all gifts received by the institution and its cooperative organizations through private donations under procedures established by the University System chief fiscal officer Vice Chancellor for Fiscal Affairs and Treasurer. Each president The Chancellor is authorized to execute, on behalf of the Board, those documents necessary to provide proper fiscal management of those funds accepted under this authorization and, at their discretion, except as provided in this paragraph, to further delegate the authority to execute such documents to the chief fiscal officers of the institution. The Chancellor may, at his/her discretion, delegate the authority to execute said documents to the Treasurer or to the presidents of the several institutions in the University System, provided, however, that the Gifts of real property to a University System institution shall require prior Board approval. The Chancellor is not authorized to delegate to the presidents the authority to accept gifts of real property (BR Minutes, 1980-81, p. 241; January 1997, p. 24).

702 THE UNIVERSITY SYSTEM OF GEORGIA BUDGET

The University System of Georgia Budget shall comprise all funds received by system institutions and agencies including, but not limited to, state appropriations, tuition, revenues generated from mandatory and elective fees as defined in Sections 704.021 through 704.0225, federal, state and local grant and contract revenues, revenues from the sales of services, scholarship income, gifts and donations and the income generated therefrom and any other such sources as are used to provide for teaching, research and service and the general and educational activities and functions related thereto in support of the goals, objectives and mission of the system.

702.1 EDUCATIONAL AND GENERAL REVENUES AND EXPENDITURES

Education and general revenues and expenditures shall be defined as revenues received and expenditures made to support the teaching, research and public service missions of University System of Georgia institutions which shall be categorized as follows:

Instruction

The instruction category includes expenditures for all activities that are part of an institution's instruction program. Expenditures for credit and noncredit courses; academic vocational and technical instruction; remedial and tutorial instruction; and regular, special, and extension session should be included. Expenditures for departmental research and public services that are not

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separately budgeted should be included in this classification. This category excludes expenditures for academic instruction when the primary assignment is administration – for example, academic deans. However, expenditures for department chairpersons and administrators for whom instruction is an important role are included.

Research

The research category includes all expenditures for activities specifically organized to produce research, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. Subject to these conditions, the category includes expenditures for individual and/or project research as well as that of institutes and research centers. This category does not include all sponsored programs nor is it necessarily limited to sponsored research, since internally supported research programs, if separately budgeted, might be included in this category under the circumstances described. Expenditures for departmental research that are separately budgeted for research are included in this category. However, the research category does not include expenditures for departmental research that are not separately budgeted.

Public Service

The public service category includes expenditures for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services. Included in this category are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

3. Revision of The Policy Manual, Section 700, Finance and Business (Continued)

Academic Support

The academic support category includes expenditures incurred to provide support services or the institution's primary missions: instruction, research, and public service. It includes the retention, preservation, and display of educational materials, for example, libraries, museums, galleries; the provision of services that directly assist the academic functions of the institution, such as demonstration schools associated with a department, school, or college of education; media such as audio-visual services and technology such as computing support; academic administration (including academic deans but not department chairpersons) and personnel development providing administration support and management direction to the three primary missions (instruction, research, public service); and separately budgeted support for course and curriculum development. For institutions that currently charge some of the expenses –for example, computing support – directly to the various operating units of the institution, this category does not reflect such expenses.

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Student Services

The student services category includes expenditures incurred for offices of admissions and the registrar and activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. It includes expenditures for student activities, cultural events, student newspapers, intramural athletics, student organizations, intercollegiate athletics (if the program is not operated as an essentially self-supporting activity), counseling and career guidance (excluding informal academic counseling by the faculty), student aid administration, and student health service (if not operated as an essentially self-supporting activity). In recent years, some institutions have created an office of enrollment management; expenditures for such an office are best categorized in student services.

Institutional Support

The institutional support category includes expenditures for central executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming, and legal services; fiscal operations, including the investment office; administrative data processing; space management; employee personnel and records; logistical activities that provide procurement, storerooms, safety, security, printing, and transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; audit services, and activities concerned with community and alumni relations, including development and fund raising. To the extent that fringe benefits are not assigned to other functional categories, those benefits would be charged to institutional support.

The operation and maintenance of plant category includes all expenditures of current operating funds for the operation and maintenance of the physical plant, in all cases net of the amount charged to auxiliary enterprises, hospitals, and independent operations. It includes all expenditures for operations established to provide services and maintenance related to grounds and facilities. Also included are utilities, fire protection, property insurance, and similar items. It does not include expenditures made from the institutional plant funds accounts.

Scholarships and Fellowships

The scholarships and fellowships category includes expenditures for scholarships and fellowships— from restricted or unrestricted current funds – in the form of grants to students, resulting from selection by the institution or from an entitlement program. The category also includes trainee stipends, prizes, and awards. Trainee stipends awarded to individuals who are not enrolled in formal course work should be charged to instruction, research, or public service.

702.2 AUXILIARY ENTERPRISES REVENUES AND EXPENDITURES

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Auxiliary enterprises revenues and expenditures shall be defined as all revenues received and expenditures made for functions and activities which are related to the mission of University System of Georgia institutions including, but not limited to:

Housing

Food Services

Student Health Services

Student Activities

Intercollegiate Athletics (excluding intercollegiate athletics which are operated under the authority of a separately organized athletic association)

Parking

Transportation

Stores and Shops

Vending and Other Services

Auxiliary enterprise operations shall operate on a self-supporting basis with revenues derived from student fees and other non-state sources, except as provided below. Each auxiliary enterprise operation shall be charged for its share of plant operations and maintenance expense as a direct expense and/or charged on the basis of an allocation methodology such as share of total institutional square footage. University System of Georgia institutions may choose also to charge administrative overhead to recoup general costs expended on behalf of each operation.

Each institution shall develop and update annually a five year plan for each auxiliary enterprise operation that defines the level and manner of service to be provided, planned expenditures and sources of revenue, including projected fee requirements. The format and content of each plan shall be determined by the Vice Chancellor for Fiscal Affairs, but must minimally contain the following:

- A. A statement regarding the role of the enterprise in the context of the institution's academic mission.
- B. A statement of goals and objectives to be achieved over the course of the five year plan.
- C. A statement on operating strategy including services to be provided and sources of revenue, including student fees.
- D. A financial pro forma which projects future revenues and expenditures consistent with stated goals and objectives (The method used to allocate plant operations costs and other indirect costs, if charged, shall also be described in the five year plan.)

Exceptions to the requirement that institutions operate their auxiliary enterprises on a self-supporting basis shall be recognized as follows:

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- E. Institutions may choose to operate some auxiliary enterprise activities on a loss basis but must indicate in their five year plans how the costs of such activities will be covered by revenues generated through other auxiliary operations. It shall be the Board of Regents' determination as to whether such losses are sustainable based on the institution's five-year plan.
- F. Institutions may apply general fund resources to auxiliary enterprise operations where such expenditures can be justified as supporting the primary mission of the institution. In no instance may general fund revenues be used to support athletic scholarships. The use and amount of general revenues applied to the support of auxiliary enterprise operations shall be included in the five year plan.

Accounting records for auxiliary enterprises will be maintained on the full accrual basis; therefore, funded depreciation will be required for all auxiliary enterprise service equipment, buildings, infrastructure and facilities, and other improvements. The reserve for depreciation will be used for repair and replacement of auxiliary assets according to guidelines provided in the Business Procedures Manual. The funds collected will be left with the institutions.

702.03 OPERATING BUDGETS

Each institution of the System shall prepare an operating budget for educational and general activities and an operating budget for auxiliary enterprises of the institution for the fiscal year within the limit of funds allocated plus estimated internal income of the institution. Operating budgets of separately incorporated athletic organizations are specifically excluded from this process, although the transfer of student fees to those separately incorporated organizations must be reflected as a single item in the budget submitted to the Chancellor (BR Minutes, 1946-47, pp. 214-15).

702.04 BUDGET AMENDMENTS

Institutions are authorized to amend their annual operating budgets without prior approval of the Board of Regents except that any amendment which exceeds \$1 million and involves state general fund appropriations, auxiliary enterprise funds or student activity funds shall be submitted to the Board of Regents for approval. Prior Board of Regents approval shall not be required for any budget amendment involving special purpose state funds, non-state funds, or internal revenue sources. Institutions shall be required to report quarterly on all budget amendments to the **University System chief fiscal officer** ~~Vice Chancellor for Fiscal Affairs and the Treasurer~~ under procedures developed by his/her staff. The Chancellor or the **University System chief fiscal officer** ~~Vice Chancellor for Fiscal Affairs and the Treasurer~~ reserves the right to require prior approval of the budget amendments at any institution of the University System which he/she determines has failed to manage its budget within available resources or in a manner consistent with Board of Regents goals and priorities. Under these circumstances, the Chancellor or the **University System chief fiscal officer** ~~Vice Chancellor for Fiscal Affairs and~~ **3. Treasurer** ~~may request the institution to develop a~~

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remediation plan to assure more appropriate decisions on future budget changes (BR Minutes, 1951-52, pp. 365-66; June, 1999, p. 17).

702.05 LIABILITY FOR EXPENDITURE OF BUDGETS

Bonds of public officials authorizing expenditures for any purpose whatsoever that are in excess of budget amounts approved by the Board shall be liable for such unauthorized expenditures.

703 ACCOUNTING AND REPORTING

703.01 PROCEDURES

Accounting and reporting procedures of the Board of Regents shall be in accord with the Policies of the Board of Regents, approved by the Chancellor, and published by the **University System chief fiscal officer** ~~Vice-Chancellor for Fiscal Affairs and Treasurer~~.

703.02 DEFICITS

When any situation develops which would create a deficit at an institution, the president shall take the appropriate corrective action. If the president determines that he/she cannot take adequate corrective action to eliminate the deficit, he/she shall inform the Chancellor and/or the **University System chief fiscal officer** ~~Vice-Chancellor for Fiscal Affairs and Treasurer~~ immediately.

703.03 FINANCIAL REPORT

A financial report of the University System of Georgia prepared by the **University System chief fiscal officer** ~~Vice-Chancellor for Fiscal Affairs and Treasurer~~ shall be published annually (Minutes, 1946-47, pp. 112-15).

704 TUITION AND FEES

704.01 TUITION

704.011 DEFINITIONS

A. Tuition shall be defined as payment required for credit-based instruction and related services and shall be charged to all students. Tuition rates for all University System of Georgia institutions and programs shall be approved annually no later than the May meeting by the Board of Regents to become effective the following fall semester. Exceptions to this requirement may be granted upon recommendation of the Chancellor and approval by the Board of Regents. Tuition for both undergraduate and graduate students enrolled at an institution within the University System of Georgia shall be charged at the full rate for students enrolled for 12 credit hours or more and at a per credit hour rate for students enrolled for less than 12 credit hours. Distance education courses

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and programs as defined in Section 704.016 may be exempted from this policy and charged on a per credit hour basis.

- B. In-state tuition shall be defined as the rate paid by students who meet the residency status requirements as provided in Section 403 of The Policy Manual.
- C. Out-of-state tuition shall be defined as the rate paid by students who do not meet the residency status requirements as provided in Section 403 of The Policy Manual. Out-of-state tuition at all University System institutions shall be established at a rate that is at least four times the tuition rate charged to Georgia residents. University System of Georgia research universities may request increases in out-of-state tuition rates based upon the tuition levels of peer or comparable institutions.
- D. The Guaranteed Tuition Rate shall be defined as the rate paid by students enrolled in a University System of Georgia undergraduate program who entered the System for the first time as new students or as transfer students in fall 2006 or later. The guaranteed tuition rate shall be held constant for each new student or transfer student (except those that may be classified as current and continuing students under Section 704.011 paragraph H) for a period of time as described in Section 704.012.
- E. The Nonguaranteed Tuition Rate shall be defined as the rate paid by students enrolled in a University System of Georgia undergraduate program who entered the System for the first time as new students or as transfer students prior to fall 2006.
- F. New Students shall be defined for the purposes of this section as students enrolled in an undergraduate program at a University System of Georgia institution for the first time in fall 2006 or later, and who have not previously earned academic credits at a postsecondary institution except as students jointly (or dually) enrolled in a Georgia high school and a University System of Georgia institution or through advanced placement credit.
- G. Transfer students shall be defined for the purposes of this section as students enrolled in an undergraduate program at a University System of Georgia institution who were previously enrolled at another postsecondary education institution and have earned academic credits.
- H. Current and Continuing Students shall be defined for the purposes of this section as students who entered the University System of Georgia for the first time as new students or as transfer students prior to fall 2006.
- I. Semester shall be defined for the purposes of this section as the standard term of instruction for each institution in the University System of Georgia for fall, spring, and summer. The summer semester shall be defined as the combined terms of instruction provided by University System of

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Georgia institutions which begin after the completion of the spring semester and end prior to the start of the fall semester (BR Minutes, October 2006).

704.012 THE GUARANTEED TUITION PLAN

- A. Pursuant to Section 704.011, the Board of Regents shall annually approve guaranteed tuition rates for each of the institutions comprising the University System of Georgia.
- B. New students enrolled in an undergraduate program at a University System of Georgia research, regional or state university shall be charged the approved guaranteed tuition rates for these institutions, which shall be fixed for new students for a period of four years (12 consecutive semesters, including fall, spring, and summer).
- C. New students enrolled in an undergraduate program at a University System of Georgia two-year college shall be charged the approved guaranteed tuition rates for these institutions, which shall be fixed for new students for a period of three years (nine consecutive semesters, including fall, spring, and summer).
- D. New students enrolled in an undergraduate program at a University System of Georgia state college shall be charged the approved guaranteed tuition rates for these institutions as follows:
 - 1. For new students enrolled in lower-division programs, the lower-division guaranteed tuition rate shall be charged and fixed for these new students for a period of three years (nine consecutive semesters including fall, spring, and summer).
 - 2. For new students enrolled in upper-division programs, the upper-division guaranteed tuition rate shall be charged and fixed for these new students for a period of two years (six consecutive semesters including fall, spring, and summer).
- E. New students enrolled initially in the university college programs at Armstrong Atlantic State University's Liberty Center, Augusta State University, Columbus State University, and Savannah State University who progress to the regular undergraduate programs offered by these institutions shall be charged the approved guaranteed tuition rates which shall be fixed for a period of five years (15 consecutive semesters) including fall, spring, and summer. New students who enter the regular undergraduate program at these institutions shall be charged the guaranteed tuition rate for four years (12 consecutive semesters) as provided for under Section 704.012 paragraph B.
- F. New students enrolling in the summer semester.

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1. New students enrolling in an undergraduate program at a University System of Georgia institution in summer 2006 may be charged either the nonguaranteed tuition rate approved by the Board of Regents effective fall 2005, or the guaranteed tuition rate approved by the Board of Regents effective fall 2006 pursuant to the policy established by each University System of Georgia institution and subject to:
 - a. If charged the nonguaranteed tuition rate for summer 2006, new students shall be charged the guaranteed tuition rate beginning fall 2006, which shall be fixed as provided under Section 704.012 paragraphs B through E.
 - b. If charged the guaranteed tuition rate for summer 2006, new students shall continue to be charged the same guaranteed tuition rate beginning fall 2006, which shall be fixed at that rate beginning with fall 2006 as provided under Section 704.012 paragraphs B through E.
2. New students enrolling in an undergraduate program at a University System of Georgia institution for the first time in summer 2007 and any summer thereafter shall be charged the guaranteed tuition rate approved by the Board of Regents for the year in which that summer occurs and be charged the new fall guaranteed tuition rate as provided under Section 704.012 paragraphs B through E.

G. Transfer students

1. Transfer students from non-University System of Georgia institutions shall be charged the guaranteed tuition rate effective the year in which they transferred, which shall be fixed for two years (six consecutive semesters). This policy shall become effective for such students beginning with spring semester 2007.
2. Transfer students from University System of Georgia institutions who first entered the System in fall 2006 or thereafter shall be charged the guaranteed tuition rate at their new institution that was approved for the year in which they first entered the University System, if that year does not precede the year of transfer by more than four years. Students will retain that guaranteed tuition rate for the balance of four years. This provision, however, shall not apply to students who transfer to the Medical College of Georgia's health profession programs as third-year students. These students shall pay the guaranteed tuition rate in effect in the year they transfer and shall retain that guaranteed tuition rate for no more than two years (six consecutive semesters).

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3. Transfer students who enroll during summer shall be subject to the same rules as apply to new students (paragraph F subparagraphs i and ii) except that the guaranteed tuition rate will be fixed only for two years (six consecutive semesters).
 4. Students who are entering the University System of Georgia for the first time but choose to attend one System institution during the summer and enter a second System institution in the fall shall be treated as a new student at the second institution pursuant to Section 704.011 paragraph F if the number of academic credits earned during the summer is 12 credits or less. If the number of credits earned is greater than 12, the student shall be treated as a transfer student.
- H. Students enrolled in programs requiring more than four years to complete. University System of Georgia research, regional, and state universities may, under limited circumstances, extend the guaranteed tuition rate up to two additional consecutive semesters for certain selected programs that require more than four years to complete. A list of these programs must be provided to the Board of Regents annually.
- I. Students jointly enrolled in high school and a University System institution. Students who graduate from a Georgia high school with college credit are eligible for the guaranteed tuition rate as new students. Students in the two academies (the Georgia Academy for Mathematics and Engineering at Middle Georgia College and the Advanced Academy of Georgia at the University of West Georgia) are treated as new students when they first enter the University System of Georgia (i.e., they are eligible for the tuition rate prevailing when they start their program for a period of 12 consecutive semesters).
- J. Students called to active military duty. A student eligible to received the guaranteed tuition rate as provide under sections 704.011 and 704.012 who is called to active duty will receive an extended guarantee for the period of service up to two years (six consecutive semesters).
- K. Transient and nondegree-seeking students. Transient and nondegree-seeking students shall be charged the guaranteed tuition rate at the institution they attend as approved by the Board of Regents for that year.
- L. Expiration of the guaranteed tuition rate. The guaranteed tuition rate for new and transfer students will expire at the end of the periods described under this section. Students shall be charged the guaranteed tuition rates established for the next semester in which they enroll at the same institution and be charged the new guaranteed tuition rates established each year by the Board of Regents.

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M. Appeal process. Each University System of Georgia institution shall establish a process to allow students to appeal their eligibility for the guaranteed tuition rate based upon extenuating circumstances. Each institution shall have the final decision on any appeal.

N. The provisions of section 704.012 shall not apply to courses offered as distance learning courses or to undergraduate programs for which differential rates have been approved, except that the provisions shall apply to the undergraduate programs in Landscape Architecture and Forestry and Natural Resources at the University of Georgia (BR Minutes, October 2006).

704.013 NONGUARANTEED TUITION

The nonguaranteed tuition rates as defined in Section 704.011 paragraph E shall be charged to all students classified as current and continuing students.

704.014 GRADUATE TUITION

University System of Georgia institutions that offer graduate programs may request Board approval for graduate tuition rates as follows:

1. Effective for the fall semester 2007, each institution that offer graduate programs shall request a “core” graduate tuition rate that shall apply to all graduate courses and programs.
2. Each institution may request separate graduate tuition rates for specialized programs subject to the provisions of section 704.015.

The regular graduate tuition rates normally shall be charged to all graduate students; however, where a graduate student is classified as a research, teaching, or graduate assistant, the institution may waive all or part of the graduate tuition and/or waive the differential between in-state and out-of-state graduate tuition. A registration fee of no less than \$25 shall be charged to all students for whom a full waiver is provided (BR Minutes, October 2006).

704.015 PROFESSIONAL PROGRAM TUITION

Board approval shall be required for differential tuition rates for nationally competitive graduate and professional programs, as deemed appropriate by the institution based upon the academic marketplace and the tuition charged by peer institutions with similar missions. An institution seeking such approval from the Board shall provide the Board with an impact analysis and a plan for enhancing the quality of the program.

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The professional program tuition rates normally shall be charged to all program students; however, where a graduate student is:

- A. Classified as a graduate assistant under section 704.014, or
- B. Eligible for an out-of-state tuition waiver under section 704.041,

the institution on a degree program basis may waive the graduate tuition in accordance with such policies noted or limit the waiver to the amount associated with the regular graduate tuition (BR Minutes, June 2005).

704.016 TUITION FOR DISTANCE LEARNING COURSES AND PROGRAMS

Institutions may charge special tuition rates for distance education courses and programs. If the rate is either less than the institution's in-state tuition rate or greater than its out-of-state rate,

Board approval is required. Institutions shall report annually to the Vice Chancellor for Fiscal Affairs on all tuition rates charged for distance learning courses and programs. Notwithstanding other provisions in Sections 704, rates shall apply to all students regardless of residency status. For the purposes of this policy, distance learning courses and programs shall be defined as those courses and programs in which 95% or more of class contact time is delivered by a distance technology.

704.017 TUITION AGREEMENTS WITH CORPORATIONS, ORGANIZATIONS, AND OTHER LEGAL ENTITIES

University System of Georgia institutions may enter into agreements with customers (defined as corporations, organizations, agencies, or other legal entities) for the delivery of credit courses and programs. The course/program delivery shall be restricted to members of the customer group and their dependents, except upon agreement between the institution and the customer to permit nonmembers or nonemployees to enroll in courses/programs on a space-available basis.

The amount institutions may charge for the course/program delivery shall be agreed upon between the institution and the customer, such that the total cost shall represent the reasonable and fair market value of the instruction and provided that the charges are not less than the total direct and indirect costs to the institution for the delivery of instruction and related services. Such costs may include, but are not necessarily limited to, course development, direct instruction, textbooks, consumables, noninstructional services, hardware, software, and indirect costs such as administrative overhead, maintenance, and security. Institutions shall be required to report annually to the Chancellor regarding these agreements.

The charges agreed upon between the institution and the customer shall be assessed to the customer on a per seat, per student, or per agreement (flat-rate) basis.

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704.02 STUDENT FEES AND SPECIAL CHARGES

704.021 MANDATORY STUDENT FEES

Mandatory student fees are defined as fees which are paid by all students as required by the Board of Regents or as required by the institution subject to approval by the Board of Regents. Mandatory fees shall include, but not be limited to, intercollegiate athletic fees, student health service fees, transportation or parking fees (if the latter are charged to all students), student activity fees, and technology fees. All mandatory fees shall be approved by the Board of Regents at its meeting in April to become effective the following fall semester. Exceptions to this requirement may be granted upon recommendation of the Chancellor and the approval of the Board of Regents.

An institution may waive mandatory fees for students who are enrolled for fewer than six credit hours. Alternatively, institutions may prorate mandatory fees on a per credit hour basis for students taking less than 12 credit hours. Institutions may elect to reduce Board-approved mandatory fees for students enrolled in summer courses.

Proposals to increase mandatory student fees and proposals to create new mandatory student fees, submitted by an institution shall first be presented for advice and counsel to a committee at each institution composed of at least 50 percent students. Students shall be appointed by the institution's student government association.

All mandatory student fees collected by an institution shall be budgeted and administered by the president using proper administrative procedures, which shall include the advice and counsel of an advisory committee composed at least 50 percent students. Students shall be appointed by the institution's student government association. All payments from funds supported by student mandatory fees shall be made according to approved business procedures and the appropriate business practices of the institution (BR Minutes, 1999-2000, p. 364).

704.022 ELECTIVE FEES AND SPECIAL CHARGES

704.0223 HOUSING FEES

Housing fees are defined as fees paid by students who elect to live in institutional residential facilities. All housing fees, except for housing fees that are proposed to support debt service and operating costs on new housing projects funded with private funds, shall be approved by the institution president in April of each year. The housing fees that support debt service should be approved by the Board. Each institution shall notify the Chancellor annually of all approved housing fees.

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704.0224 FOOD SERVICE FEES

Food service fees are defined as fees paid by students who elect to choose an institutional food service plan. All food service fees shall be approved by the institution president in April of each year. Each institution shall notify the Chancellor annually of all approved food service fees.

704.0225 OTHER ELECTIVE FEES AND SPECIAL CHARGES

Other elective fees and special charges are defined as those fees and charges which are paid selectively by students. These fees and charges may include, but are not limited to, resident hall deposits, penalty charges, non-mandatory parking fees and parking fines, library fines, laboratory fees, post office box rentals, and course fees. Institutional presidents are authorized to establish and adjust these fees, as appropriate. Prior to implementation of such fees institutions shall be required to report to the Chancellor any adjustments made thereto under procedures established by the **University System chief fiscal officer** ~~Vice Chancellor for Fiscal Affairs and Treasurer.~~

704.0226 CONTINUING EDUCATION FEES

Institutional presidents shall be authorized to establish fees for noncredit-hour courses and programs as defined in Section 503 of The Policy Manual.

704.03 TUITION AND FEE PAYMENT AND DEFERRAL

All tuition and fees (mandatory and elective fees) are due and payable upon registration. Exceptions to the time of payment are as follows:

1. An institution may defer tuition and fees up to the amount authorized for a specific academic term for students whose fees are guaranteed and will be paid by an outside agency under a documented agreement with the institution.
2. An institution may defer tuition and fees up to the amount of the aid granted for a specified academic term for students who have an institution-administered loan or scholarship in process.
3. An institution may defer tuition and fees up to the limit stated in the certificate or other document for a specified academic term for foreign students who have a certificate or other acceptable documented evidence that payment will be made after a statement of charges from the student has been presented for payment.

704.04 OUT-OF-STATE TUITION WAIVERS AND WAIVER OF MANDATORY FEES

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704.041 OUT-OF-STATE TUITION WAIVERS

An institution may award out-of-state tuition differential waivers and assess in-state tuition for certain nonresidents of Georgia for the following reasons (under the following conditions):

- A. Academic Common Market. Students selected to participate in a program offered through the Academic Common Market.
- B. International and Superior Out-of-State Students. International students and superior out-of-state students selected by the institutional president or an authorized representative, provided that the number of such waivers in effect does not exceed 2% of the equivalent full-time students enrolled at the institution in the fall term immediately preceding the term for which the out-of-state tuition is to be waived.
- C. University System Employees and Dependents. Full-time employees of the University System, their spouses, and their dependent children.
- D. Medical/Dental Students and Interns. Medical and dental residents and medical and dental interns at the Medical College of Georgia (BR Minutes, 1986-87, p. 340).
- E. Full-Time School Employees. Full-time employees in the public schools of Georgia or of the Department of Technical and Adult Education, their spouses, and their dependent children. Teachers employed full-time on military bases in Georgia shall also qualify for this waiver (BR Minutes, 1988-89, p. 43).
- F. Career Consular Officials. Career consular officers, their spouses, and their dependent children who are citizens of the foreign nation that their consular office represents and who are stationed and living in Georgia under orders of their respective governments.
- G. Military Personnel. Military personnel, their spouses, and their dependent children stationed in or assigned to Georgia and on active duty. The waiver can be retained by the military personnel, their spouses, and their dependent children if the military sponsor is reassigned outside of Georgia, as long as the student(s) remain(s) continuously enrolled and the military sponsor remains on active military status (BR Minutes, February 2004).
- H. Research University Graduate Students. Graduate students attending the University of Georgia, the Georgia Institute of Technology, Georgia State University, and the Medical College of Georgia, which shall be authorized to waive the out-of-state tuition differential for a limited number of graduate students each year, with the understanding that the number of students at each

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of these institutions to whom such waivers are granted, shall not exceed the number assigned below at any one point in time:

University of Georgia	80
Georgia Institute of Technology	60
Georgia State University	80
Medical College of Georgia	20

- I. Border County Residents. Residents of an out-of-state county bordering a Georgia county in which the reporting institution or a Board-approved external center of the University System is located.
- J. National Guard Members. Full-time members of the Georgia National Guard, their spouses, and their dependent children. (BR Minutes, April, 1998, pp. 16-17).
- K. Students enrolled in University System institutions as part of Competitive Economic Development Projects. Students who are certified by the Commissioner of the Georgia Department of Economic Development as being part of a competitive economic development project.
- L. Students in Georgia-Based Corporations. Students who are employees of Georgia-based corporations or organizations that have contracted with the Board of Regents through University System institutions to provide out-of-state tuition differential waivers.
- M. Students in Pilot Programs. Students enrolled in special pilot programs approved by the Chancellor. The Chancellor shall evaluate institutional requests for such programs in light of good public policy and the best interests of students. If a pilot program is successful, the tuition program shall be presented to the Board for consideration.
- N. Students in ICAPP[®] Advantage programs. Any student participating in an ICAPP[®] Advantage program.
- O. Direct Exchange Program Students. Any international student who enrolls in a University System institution as a participant in a direct exchange program that provides reciprocal benefits to University System students.
- P. Economic Advantage. As of the first day of classes for the term, an economic advantage waiver may be granted to a dependent or independent student who can provide clear evidence that the

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student or the student's parent, spouse, or U.S. court-appointed guardian has relocated to the State of Georgia to accept full-time, self-sustaining employment and has established domicile in the State of Georgia. Relocation to the state must be for reasons other than enrolling in an institution of higher education. This waiver will expire 12 months from the date the waiver was granted.

As of the first day of classes for the term, an economic advantage waiver may be granted to a student possessing a valid employment-related visa status who can provide clear evidence of having relocated to the State of Georgia to accept full-time, self-sustaining employment. Relocation to the state must be for reasons other than enrolling in an institution of higher education. These individuals would be required to show clear evidence of having taken all legally permissible steps toward establishing legal permanent residence in the United States and the establishment of legal domicile in the State of Georgia. Students currently receiving a waiver who are dependents of a parent or spouse possessing a valid employment-sponsored visa may continue to receive the waiver as long as they can demonstrate continued efforts to pursue an adjustment of status to U.S. legal permanent resident (BR Minutes, June 2006).

Q. Recently Separated Military Service Personnel. Members of a uniformed military service of the United States who, within 12 months of separation from such service, enroll in an academic program and demonstrate an intent to become a permanent resident of Georgia. This waiver may be granted for not more than one year (BR Minutes, June 2004).

R. Nonresident Student. As of the first day of classes for the term, a nonresident student whose parent, spouse, or U.S. court-appointed legal guardian has maintained domicile in Georgia for at least 12 consecutive months so long as the student can provide clear evidence showing the relationship to the parent, spouse, or U.S. court-appointed legal guardian has existed for at least 12 consecutive months immediately preceding the first day of classes for the term.

If the parent, spouse, or U.S. court-appointed legal guardian of a continuously enrolled nonresident student establishes domicile in another state after having maintained domicile in the State of Georgia for the required period, the nonresident student may continue to receive this waiver as long as the student remains continuously enrolled in a public postsecondary educational institution in the state, regardless of the domicile of the parent or U.S. court-appointed legal guardian (BR Minutes, June 2006).

704.042 WAIVER OF MANDATORY FEES

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

A. Students who reside or study at another institution.

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

NOTE: For the definition of residency status, see Section 403.

704.05 REFUNDS

Except for those institutions for which special refund policies have been approved by the Board of Regents, the policy for determining refunds to be made on institutional charges, and other mandatory fees at institutions of the System follows. (For the purposes of this section, "institutional charges" are as defined in the Statutory and Regulatory Citations Section 484B of the Higher Education Act of 1965, as amended, (Title IV, HEA) and 34 668.22).

The refund amount for students withdrawing from the institution shall be based on a pro rata percentage determined by dividing the number of calendar days in the semester that the student completed by the total calendar days in the semester. The total calendar days in a semester includes weekends, but excludes scheduled breaks of five or more days and days that a student was on an approved leave of absence. The unearned portion shall be refunded up to the point in time that the amount earned equals 60%.

Students who withdraw from the institution when the calculated percentage of completion is greater than 60% are not entitled to a refund of any portion of institutional charges.

A refund of all nonresident fees, matriculation fees, and other mandatory fees shall be made in the event of the death of a student at any time during the academic session (BR Minutes, 1979-80, p. 61; 1986-87, pp. 24-25; 1995, p. 246).

704.0501 MILITARY SERVICE REFUNDS

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Subject to institutional policies, full refunds of tuition and mandatory fees and pro rata refunds of elective fees are hereby authorized for students who are:

- A. Military reservists (including members of the National Guard) and who receive emergency orders to active duty after having enrolled in a University System institution and paid tuition and fees;
- B. Active duty military personnel and who receive an emergency reassignment after having enrolled in a University System institution and paid tuition and fees;
- C. Otherwise unusually and detrimentally affected by the emergency activation of members of the reserve components or the emergency deployment of active duty personnel of the Armed Forces of the United States and who demonstrate a need for exceptional equitable relief.

Tuition and fees awarded by scholarship or grant from an agency or authority of the State of Georgia on behalf of a student receiving a refund under this policy shall be reimbursed to such agency or authority.

The presidents are authorized and empowered to take or cause to be taken any and all such other and further action as may be necessary, proper, convenient or required in connection with the execution of this policy.

705 FUND MANAGEMENT

705.01 BANKING

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

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

The president of each institution of the University System shall determine the bank or banks where funds are deposited through a best value competitive contract bid process to be undertaken every five

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years (BR Minutes, April 2005). The president shall inform the **University System chief fiscal officer** ~~Vice Chancellor for Fiscal Affairs and Treasurer of the Board of Regents~~ of the bank or banks where funds are deposited. It shall be the duty of the Treasurer of the Board to handle all details relative to the bank or banks furnishing the required depository protection (BR Minutes, 1949-50, p. 251; February 1996).

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

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

705.02 INVESTMENTS

General: It is the intent of the Board that each institution develop an investment policy which fosters sound and prudent judgment in the management of assets to ensure safety of capital consistent with the fiduciary responsibility each institution has to the citizens of Georgia and which conforms with Board of Regents investment policy. Each institution shall be required to have a written investment policy statement on file with the **University System chief fiscal officer** ~~Vice Chancellor for Fiscal Affairs and Treasurer~~. The policy should be reviewed and updated at least once every two years. Each institution shall submit an annual report on its investment performance to the **University System chief fiscal officer** ~~Vice Chancellor for Fiscal Affairs and Treasurer~~ which asserts that investments have been made in accordance with the institution's written investment policy.

Investment Objectives: The investment policy should specify overall investment objectives. There may be several different investment objectives depending on the type of funds to be invested and period of investment to be considered. These may include objectives which attempt to preserve the purchasing power of income and principal, maximize current income, or maximize capital values. Each investment objective should clearly state the time horizon for achieving investment objectives.

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Investment Type: The investment policy should identify the general type of investments permitted under each investment objective. Investment must be consistent with donor intent, Board of Regents policy, and applicable federal and state laws (BR Minutes, April 2005).

Asset Allocation: The investment policy should include asset allocation guidelines which outline the asset classes and subclasses that will constitute permissible areas for investment of funds. The guidelines should indicate the maximum and normal distribution of funds among the different asset classes or subclasses and the rationale for selecting these criteria. Asset allocation guidelines should also be tied to the investment objective and consider the potential risks associated with different asset allocations. The investment policy should outline the factors to be considered when an institution proposed a change in asset allocation such as during times of significant rate shift affecting the investment portfolio and instability in inflationary trends.

Diversification: Diversification is fundamental to the management of risk and is therefore a pervasive consideration in prudent investment management. The investment policy should include a diversification plan that considers the asset classes and investment products to be utilized in an attempt to achieve desired return with an acceptable level of risk.

Spending Policy: The investment policy should include spending rules and relate these to investment objectives. Variables to be considered include the percentage of return allocated to prevent principal erosion by inflation versus the percentage to be expended currently.

Collateralization: The investment policy should provide for appropriate collateralization of invested funds, which, by law, require the pledge of collateral.

Management, Reporting and Monitoring: Management's plan for authorization of investment activity, periodic reporting of investment activity, and monitoring of investment results should be outlined in detail in the investment policy.

Use of Investment Managers: Criteria to be used in the selection of investment managers and the evaluation of their performance should be described if the institution chooses to use outside investment managers. These criteria should address the investment manager's:

- Professional background and experience,
- Investment philosophy relative to the institution's stated investment objectives,
- Organizational structure and overall product line,
- Control with respect to ensuring that individual managers adhere to policy objectives and guidelines,
- Total size of managed assets,

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- Record of performance measured against appropriate benchmarks, and
- Ability to communicate results effectively and in timely fashion.

705.03 LOAN FUNDS FOR MATCHING PURPOSES

Institutions of the University System shall be authorized to use money in student loan funds of the respective institutions for the purpose of matching funds available under federal loan programs for loans to students when terms of the gift to the institution permit such use for matching purposes (BR Minutes, 1958-59, pp. 209-10).

705.04 SALE OF SECURITIES

The **University System chief fiscal officer** ~~Vice Chancellor for Fiscal Affairs and Treasurer of the Board~~, with the approval of the Chair or Vice Chair of the Board, is authorized and empowered to sell and assign, or request payment or re-issue of any and all United States securities of any description registered on the books of the Treasury Department, or registered securities with respect to which the Treasury Department acts as the transfer agency, now or hereafter held by Regents of the University System of Georgia as executor, administrator, guardian, trustee, or in any fiduciary capacity whatsoever, and also to sell and assign any such securities which the Board of Regents is, or shall be, authorized or empowered to sell and assign as attorney for, or other representative of, the owner thereof.

The **University System chief fiscal officer** ~~Vice Chancellor for Fiscal Affairs and Treasurer of the Board~~, with the approval of the Chair or Vice Chair, is authorized and empowered to receive payment for any matured security and to reinvest the principal or the sum total in a like or similar security. The Vice Chancellor for Fiscal Affairs and Treasurer shall make reports of such transactions to the Board as information.

705.05 MANDATORY STUDENT FEES

Proposals to increase mandatory student fees and proposals to create new mandatory student fees, submitted by an institution, shall first be presented for advice and counsel to a committee at each institution composed of at least 50% students. Students shall be appointed by the institution's student government association.

All mandatory student fees collected by an institution shall be budgeted and administered by the president, using proper administrative procedures, which shall include the advice and counsel of an advisory committee composed at least 50% students. Students shall be appointed by the institution's student government association. All payments from funds supported by student mandatory fees shall be made according to Board of Regents approved business procedures and the

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appropriate business practices of the institution (BR Minutes, 1999-2000, p. 364).

705.06 GEORGIA EMINENT SCHOLARS ENDOWMENT TRUST FUND

1. The Board of Regents shall serve as trustees of such fund, which shall, as provided by law, be a budget unit for the purpose of appropriation of state funds.
2. The funds appropriated to the Board of Regents under this program shall be used exclusively to endow academic chairs in an effort to attract eminent scholars to join the faculties of the several institutions of the University System. The criteria for persons selected to hold such chairs shall be established by the president of the institution concerned.
3. A total sum of not less than \$1,000,000 shall be required to endow a chair under this program. The respective foundations of the institutions concerned shall be required to contribute not more than 75% of such amount (\$750,000) and the fund shall contribute not less than 25% of such amount (\$250,000). No funds shall be granted to a foundation except upon the express written condition that the funds and the earnings therefrom shall be used to endow an academic chair as provided herein.
4. Approved grants may be made to foundations previously established to enhance the educational purposes of the System institution concerned. The income from the grant funds and the foundation funds contributed shall be used to endow academic chairs which shall be known as the Eminent Scholars Chair.
5. The funds received by a foundation for this purpose, together with the funds contributed by the foundation, shall be managed and invested by the governing board of directors of the foundation of the institution concerned and kept separate from other funds of the foundation.
6. Funds raised by the respective foundations to qualify for the grants may come from more than one donor, but the gifts of not more than ten (10) donors shall be aggregated to raise the minimum sum required (\$750,000). All donations must be accompanied by a statement from the donor acknowledging that the funds donated will be used to endow a chair authorized under this program.
7. The institutions of the University System having chairs endowed by the fund may petition the Board to add the name of the donor or benefactor to the name of the chair (BR Minutes, 1984-85, pp. 324-25).

706 TRAVEL

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From time to time the Board of Regents will develop and approve new travel regulations. Such regulations will be published and distributed periodically to the various operating units as part of its Business Procedures Manual, Volume 3A, and shall constitute the official Policy of the Board governing travel by University System employees (BR Minutes, 1980-81, pp. 55-59).

707 PURCHASING

707.01 GENERAL POLICY

The University System shall utilize the sources of the Georgia Department of Administrative Services rather than establish a separate control purchasing office. In doing so, the Board directs that each of its institutions comply with the various statutes, rules and regulations governing purchases with state appropriated funds. In addition, the same regulations shall apply to purchases from funds to which the University System has title.

All purchasing by institutions of the University System of Georgia will be centralized under the direct management and control of the chief business officer of the institution concerned.

Funds held by the institutions of the University System in an agency capacity are not subject to the rules and regulations of the central purchasing agency of the State, although the services of that agency may be used for purchasing from agency funds at the election of the chief business officer

When purchases are made by an institution of the System, as opposed to being made by the central purchasing agency of the State, professional practices for purchasing in the public environment are to be employed at all times.

707.02 EMPLOYEE PURCHASING

Absent a specific and approved exemption, employees of the University System shall not purchase goods or services for personal use through channels used in the purchase of goods and services for the operation of the University System. (BR Minutes, 1955-56, pp. 254-55).

708 INSURANCE

708.01 PROPERTY INSURANCE

All institutions of the University System are to participate in the self-insured State Insurance Plan to the fullest extent possible. For lines of insurance not available under the self-insured plan, institutions of the System are to purchase additional coverages only when authorization to do so has been secured in advance from the State Insurance Plan, a section within the Fiscal Division of the

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Department of Administrative Services.

708.02 LIABILITY INSURANCE

- A. Automotive - Vehicles titled to the Board of Regents or vehicles on long term lease arrangements are to be insured by the State Insurance Plan as are the authorized drivers of those vehicles.
- B. Professional Liability - The Board of Regents shall establish or participate in a program of self-insurance whereby employees of the Board, as defined by the self-insurance plan adopted by the Board, are insured against losses incurred and arising out of, or in the course of, their employment. Institutions of the System shall bear the cost of the program as determined by the Board.

708.03 FIDELITY BOND

A blanket position fidelity bond shall cover all employees in an amount which shall be determined from time to time by the Board of Regents. This bond shall be purchased through the State Insurance Program with the cost distributed to the various institutions of the System. This coverage shall indemnify the Board of Regents from any loss it suffers from all acts of its employees which can be described as anything other than the full and faithful performance of the employee's duty to the employer.

709 CONTRACTS

709.01 APPROVAL REQUIRED

- A. Except for the contracts which are reserved to the Board or Chancellor by this policy manual, all contracts necessary for the daily operation of the institution and all contracts for goods and services not regulated by the Georgia Department of Administrative Services can be executed by the head of each institution or his or her designee. This limited delegation of contracting authority to the executive head of each institution (or his or her designee) is in addition to all other delegations contained in this policy manual.
- B. Unless otherwise provided by these policies, major construction contracts entered into by the Board of Regents shall require prior approval by the Board.
- C. Construction contracts which involve expenditures of \$25,000 or more shall require certification by the contractor that a drug-free workplace is provided to the contractor's and subcontractor's employees in accordance with laws of the State of Georgia (BR Minutes, 1989-90, p. 387).

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D. All such construction contracts shall contain a certification that the contractor will not engage in the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of the contract (BR Minutes, 1989-90, p. 387).

709.02 CONTRACTS WITH VETERANS ADMINISTRATION

Presidents of the University System of Georgia and/or the Treasurer of the Board of Regents of the University System shall negotiate, execute, and sign in the name of the Regents, all contracts, between the institutions of the University System and the Veterans Administration or other agencies of the United States Government with respect to education and training, vocational rehabilitation, advisement, and guidance of veterans and otherwise under the provisions of Public Laws 16 and 346, 78th Congress, as amended, and subsequent laws passed by the Congress providing for education and training of veterans. It is understood that the institution covered by such contracts shall submit to the Veterans Administration or other agencies of the United States Government vouchers for services rendered under the provisions of the contract in the name of the institution concerned. Such vouchers will be certified by an official of the institution. Checks drawn on the Treasury of the United States of America in payment of such services shall be made payable to the institution concerned and mailed directly to the institution (BR Minutes, 1948-49, pp. 301-02).

710 AUDITING

710.01 STATE AUDITS

The State Auditor shall be requested to **perform a financial statement audit or perform agreed upon procedures** ~~make an audit of all income and all disbursements~~ at each institution of the University System and the Office of the Board of Regents. The president of each institution of the University System and the **University System chief fiscal officer** ~~Vice Chancellor for Fiscal Affairs and Treasurer of the Board~~ shall make available all information to the State Auditing Department so that such an audit may be made.

The foregoing shall not apply to separate corporate entities which are organized to provide support services to the institution.

710.02 INTERNAL AUDITS

The Board of Regents shall establish and support an internal audit function to assist the Board, the Chancellor and institutional presidents in the effective discharge of their responsibilities. The internal audit function shall be governed by an audit charter approved by the Board which shall describe the purpose of an internal audit, reporting requirements, responsibility, authority and scope of work. Responsibility for approving an annual audit plan and reviewing audit results, reports and

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recommendations shall be assigned to the Audit Committee of the Board of Regents.

All directors of internal audit at institutions having an internal auditor or internal audit department shall have a direct reporting relationship to the president of that institution and the **University System chief audit officer** ~~Assistant Vice Chancellor for Internal Audit~~. The president of each institution having an internal auditor shall determine the organizational and operating reporting relationships of the internal auditors at their institution. The University **System chief audit officer** ~~Assistant Vice Chancellor for Internal Audit~~ shall have the authority to direct the internal auditors to audit specific functions at their institutions.

The director of internal audit of each System institution with an internal auditor shall meet at least annually with the **University System chief audit officer** ~~Assistant Vice Chancellor for Internal Audit~~ to discuss audits, audit findings, audit department independence and a proposed audit schedule.

The **University System chief audit officer** ~~Assistant Vice Chancellor for Internal Audit~~ is responsible for internal auditing and the directors of internal audit for the System institutions with an internal auditor. The **University System chief audit officer** ~~Assistant Vice Chancellor for Internal Audit~~ shall provide a Systemwide annual report to the Audit Committee of the Board (BR Minutes, 1935, p. 73; 1991, p. 378).

711 MISCELLANEOUS

711.01 SALES OF INSTITUTIONAL PRODUCTS

An institution of the University System shall not enter into competition with private industry.

Institutions of the University System are not prohibited from making sales on the wholesale market. However, in no event are such sales to be made to the general public (BR Minutes, 1947-48, p. 20; 1951-52, pp. 254-55).

711.02 BUSINESS ENTERPRISES

Institutions of the University System shall not permit the operation of private business enterprises on their campuses, except as otherwise provided by contract. All business enterprises operated on a campus of an institution of the University System shall be operated as auxiliary enterprises and shall be under the direct management, control and supervision of the chief business officer of the institution (BR Minutes, 1948-49, pp. 219-20; 1966-67, p. 354).

711.03 USE OF INSTITUTION NAMES

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The name of any institution within the purview of the University System of Georgia shall not be incorporated as a part of the name of an independent business enterprise which is not under the complete control of the University System of Georgia in a manner to imply an official relationship (BR Minutes, 1967-68, p. 459).

711.04 MOTOR VEHICLES

711.0401 PASSENGER AUTOMOBILES

- A. Institutions of the University System may purchase, lease, or otherwise acquire passenger automobiles on a use-by-use basis when approved by the presidents and approved by the Chancellor.
- B. Institutions of the University System may purchase vehicles to be used exclusively for campus security purposes (BR Minutes, 1932, p. 39; 1979-80, p. 60).

711.0402 INSTITUTION-OWNED BUSES

Various departments and activities of each institution requiring the use of an institution-owned bus will be charged for the use of the bus at a rate adequate to cover all maintenance and operating expenses as well as the replacement cost of the bus. Money collected from such charges shall be placed in a revolving fund from which shall be paid all maintenance and operating expenses of the bus with the balance accumulating in the fund to an amount adequate for replacement of the bus.

711.0403 VEHICLE REGULATIONS

The institutions of the University System of Georgia are authorized to adopt appropriate traffic regulations, including the authority to impose reasonable penalties and/or fines for violations of the regulations (BR Minutes, June, 1971).

711.05 FARMING OPERATIONS

Institutions of the University System shall not operate any farms that are not essential to the teaching or research programs of the respective institutions (BR Minutes, 1953- 54, p. 262).

711.06 FACULTY HOUSING

Rental rates for faculty housing units shall be fixed to:

- A. Provide for all operating costs of the faculty housing program;

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- B. Provide the reserve for future renovations and replacements required to conform with the policy of the Board in the operation of auxiliary enterprises;
- C. Provide for liquidation of any outstanding indebtedness which relates to the specific faculty housing project. No such project is covered by Georgia Education Authority (University) leases, and no lease rental funds will be required from any faculty housing project; and
- D. Keep the rates at a level which will be competitive with the rates charged for privately owned comparable quarters in the immediate area.

Each institution of the University System with faculty housing shall develop a policy which will describe the priority by which renters will be selected. These policies shall note the fact that faculty housing is primarily a tool for recruiting able faculty members, that faculty housing is offered as an option available to faculty members as a temporary, additional employee benefit, and that tenured faculty members will not be permitted to continue occupancy in faculty housing indefinitely (BR Minutes, 1968-69, pp. 363-65; 1984-85, pp. 113-14).

711.07 STUDENT HOUSING

711.0701 COMPREHENSIVE PLANS

Each campus which provides, or plans to provide, a residential student program shall develop a student housing comprehensive plan that addresses all facets of the creation, expansion, and operation of the student housing facilities. The student housing plan will address academic mission, the specific role or purpose of student housing within that mission including student mission, the specific role or purpose of student housing within that mission including student life programs, access to the campus or other needs, enrollment projections in relation to housing goals; geographic, economic and demographic factors on the campus and in the local community, and financial considerations, including an evaluation of the desirability and practicality of achieving these student housing objectives through private sector partnerships on campus lands or lands proximate to the campus. The student housing plan will include the following:

- A. A business plan that explains the role of the student housing program in the context of the institution's academic mission, includes concrete goals and objectives, defines an operating strategy including marketing plans, programs and services, fees, assignment of indirect costs and use of reserves for repair and maintenance, major renovation and, if planned, expansion of capacity. The plan should also contain a financial pro forma which projects future revenues and expenditures consistent with stated goals and objectives and includes plans for capitalization, maintenance and operations and facilities renewal;

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- B. A facility evaluation assessing the appropriateness of rehabilitation versus demolition and new construction;
- C. A market needs assessment, including justification for additional student housing capacity where appropriate; and
- D. The housing facilities component of the institution's physical master plan (site, circumstance and impact on other campus functions) (BR Minutes, October 1997).

711.0702 FINANCIAL STATEMENTS

To support requests for changes in housing fees, each institution shall submit in accordance with procedures established by the Vice Chancellor for Fiscal Affairs and Treasurer a financial statement which projects revenues and expenditures based on estimated housing enrollments, salary adjustments, inflationary expense and other relevant factors (BR Minutes, October 1997).

3. Revision of The Policy Manual, Section 700, Finance and Business (Continued)

711.08 TRADEMARKS

- A. All trademarks* of institutions of the University System of Georgia constitute property of the Board of Regents of the University System of Georgia and all applications for registration under Federal and State laws pertaining to trademark registration shall be made in the name of the Board of Regents of the University System of Georgia.
- B. Authorization by the Board of Regents shall be required for the private or commercial use by any person, firm, association, corporation, institution, or other entity of any trademark developed by, or associated with the University System of Georgia or any of its institutions.
- C. The presidents of University System institutions are authorized to execute on behalf of the Board of Regents certain applications for trademark and service mark registration declarations of continuing use, declarations concerning use of specimens, conversions of applications from Principal to Supplemental Register, applications for renewal and license agreements which permit the manufacture, sale, use or distribution of services or goods bearing University System trademarks representative of the institution. Notice of trademark and service mark applications shall be sent to the Chancellor within 10 days after filing (BR Minutes, 1990-91, pp. 388-389).
- D. License agreements shall name the Board of Regents as licensor, and shall be effective for the period of time as specified in the agreement. All such license agreements shall be executed on forms approved by the Attorney General, and, if not, shall be null and void and of no effect

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whatsoever. Funds derived from such license agreements shall remain at the institution, shall be used for educational purposes, and shall not inure to the benefit of any individual. A signed or conformed copy of each license agreement shall be filed in the office of the chief fiscal officer of the institution (BR Minutes, 1990-91, pp. 388-389).

E. The content of licensing agreements authorized as aforesaid shall follow guidelines as established and promulgated by the Chancellor (BR Minutes, 1982-83, pp. 124-25).

* For purposes of this policy, the term "trademark" shall include all trademarks, service marks, trade names, seals, symbols, designs, slogans, or logotypes developed by, or associated with the University System or any of its institutions, or not yet registered under federal and state trademark statutes.

711.09 HOME OR OFF-CAMPUS USE OF EQUIPMENT FOR BUSINESS PURPOSES

Personal property such as portable personal computers or similar items may be removed from a campus to the home of an employee or an off-campus site when the purpose is for business only. Such use shall be tightly controlled, and documentation as to the location and use shall be available at all times (BR Minutes, 1990-91, pp. 378-79).

712 INFORMATION SECURITY POLICY

712.01 GENERAL POLICY

The Board of Regents recognizes that information created, collected, or distributed using technology by the University System Office and System institutions is a valuable asset and must be protected from unauthorized disclosure, modification, or destruction. The degree of protection needed is based on the nature of the resource and its intended use. The University System Office and all System institutions have the responsibility to employ prudent information security policies, standards, and practices to minimize the risk to the integrity, confidentiality, and availability of University System information.

Therefore, the University System Office and all System institutions shall create and maintain an internal information security technology infrastructure consisting of an information security organization and program that ensures the confidentiality, availability, and integrity of all University System information assets.

712.02 SYSTEM-LEVEL ACTIVITIES

A. The **University System chief information officer** ~~Vice Chancellor for Information and Instructional Technology~~ shall develop and maintain an information security organization and architecture for

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support of information security across the System and support of activities between institutions.

- B. The **University System chief information officer** ~~Vice Chancellor for Information and Instructional Technology~~ shall maintain information security implementation guidelines that the individual units of the University System of Georgia should consider in the development of their individualized information security plans.

712.03 INSTITUTIONAL RESPONSIBILITIES

- A. The president of each institution shall be responsible for ensuring that appropriate and auditable information security controls are in place on his/her campus.
- B. Each institution shall develop, implement, and maintain an information security plan consisting of a set of information security policies, standards, and guidelines that is consistent with the guidelines provided by the Office of Information and Instructional Technology. Institutions must submit the information security plan to the Office of Information and Instructional Technology for periodic review.
- C. The Board recognizes that user education is a vital part of information security. Therefore, each institution shall include in its information security plan methods for ensuring that information regarding the applicable laws, regulations, guidelines, and policies is distributed and readily available to its user community.
- D. Clear procedures for reporting and handling of information security incidents shall be followed on each campus. These procedures shall include reporting of incidents to the University System Office in a timely manner. These procedures shall be documented in the institution's formal information security plan.

The University System Office, the Skidaway Institute of Oceanography, and any other institutions or institutes added to the University System of Georgia shall develop information security plans using the same guidelines as referred to in Section 712.03B (BR Minutes, January 2006).

4. Information Item: Policy Manual Revisions and Reorganization, Section 900, Facilities

The Vice Chancellor for Facilities, Linda M. Daniels, presented the following information as background for future Policy Manual revisions and reorganization for Section 900 regarding facilities.

The recommendations are as follows.

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Item 1 – Clarify the Board’s intent related to Facilities Project Authorization in Policy 902. Policy 902 reserves the authority for the Board to authorize projects. The Board authorized (Policy 904) Building Project Procedure Manual (“BPP”) allows the Vice Chancellor for Facilities to approve projects with cost below \$1 million. No further delegation to the Institutions is implied. In addition, clarify that the Vice Chancellor for Facilities delegated authority to approve projects under \$1 million applies only to projects that conform with the Campus Master Plan.

Item 2 – Change (Policy 903) Board’s and Vice Chancellor for Facilities’ level of delegated authority to approve qualifications based selections (“QBS”) of architects, engineers, construction managers, planners and other consultants.

Item 3 – Expand Policy 904 requiring procedures for building projects to address all Real Estate and Facilities areas of responsibility. (For example, but not limited to, real estate due diligence, environmental guidelines, major repair and rehabilitation guidelines, and master planning template/guidelines)

Item 4 – Increase Vice Chancellor for Facilities’ delegated authority to sign contracts from \$1 million to \$5 million. Further delegate signature authority to the presidents of institutions through the BPP. (Provide for annual report to the Board.)

Item 5 – Increase Vice Chancellor for Facilities’ delegated authority to sign change orders on bid projects. (Note there are currently restrictions and guidelines for bid project change orders in the Building Project Procedure manual.)

Item 6 – Increase Chancellor’s and Vice Chancellor for Facilities’ delegated authority to allocate emergency MRR funds from \$200,000 to \$500,000 and \$200,000 to \$250,000 respectively.

Item 7 – Change Policy 908.02 to authorize institution presidents, in lieu of Vice Chancellor for Facilities, to approve selection of master planning consultants and increase contracting authority for these contracts up to \$3 million. Qualify that all campus master plans must be accomplished in accordance with the University System of Georgia campus master planning template/guidelines and clarify contracting levels of delegated authority in the BPP.

Item 8 – Update Policy 909.02 related to presidents’ homes.

Item 9 – Change Policy 909.03 to shift authority to lease housing to outside groups, for up to one year, from the Chancellor to the institution president. Attorney General approval of standard forms of agreement and reporting would be required (See also item 13 below).

Item 10 – Update Naming Policy. Clarify policy level changes and procedural changes. Delegate

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naming of interior spaces.

Item 11 – Clarify, if needed, intent of Policy 914.03 regarding difference between Leasing and License of Use of Facilities.

Item 12 – Update Policy 915.01. Address “limiting” language related to number of options to renew on standard (non PPV) lease agreements through appropriate level of policy or procedures.

Item 13 – Clarify intent and change Policy 915.01 to shift authority to lease housing to outside groups, up to 2,000 square feet for up to two years, from the Chancellor to the Institution. Attorney General approval of standard forms of agreement and reporting would be required (See also item 9 above).

Item 14 – Change Policy 915.01a to shift authority to lease University System of Georgia owned laboratory and research space to private entities, from the Chancellor to the Institution. A special task force needs to be assigned to recommend procedures and guidelines for this practice. Implementation of this policy change should be contingent upon putting procedures and guidelines in place. Coordination with the Attorney General, standard forms of agreement and reporting would be required.

Item 15 – Change previous Policy 102 to increase Vice Chancellor for Facilities’ delegated authority to authorize, execute, accept and deliver all rental agreements as tenant from \$5,000 to \$25,000. Address limits on amendments to such delegated agreements.

Item 16 – Change previous Policy 701.01 to increase Vice Chancellor for Facilities’ delegated authority for acceptance of gifts and purchase of real property from \$100,000 to \$250,000. Limit delegated authority based on conformance with campus master plans, no reversionary clause, and no other restrictions on use.

Item 17 – Modify BPP manual to delegate approval of payment of invoices from the Office of Facilities to the institution with notification to the Office of Facilities. Clarify intent through levels of delegated authority.

Item 18 – Modify BPP manual to delegate selection of and approval of testing and lab fees from the Office of Facilities to the institution. Clarify intent through levels of delegated authority. Requires training to meet requirements of new State Construction Manual. Possibly incorporate this into levels of delegated authority chart.

Item 19 – Propose Reorganization of Policy Manual Section 900: Real Estate and Facilities

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Item 20 – Change policy to eliminate wordy, unnecessary verbiage.

Item 21 – Change policy to change titles to a generic form.

Item 22 – Change policy to ensure consistency of descriptions.

Background: This information was presented based on the premise that decisions should be made at the lowest level where management is given the responsibility to act and is held accountable for their actions.

These concepts were proposed by the Approvals and Authorities Committee for Facilities co-chaired by Presidents Thomas A. Wilkerson of Bainbridge College and Thomas Z. Jones of Armstrong Atlantic State University. The committee was made up of: James Black, Chief Business Officer, Valdosta State University, Michael Renfrow, Assistant Vice President/Campus Planning & Facilities, University of West Georgia, Jack Reynolds, Director of Plant Operations, Dalton State College, Janet Kirkpatrick, Director of Facilities, Middle Georgia College and Dr. G. Wayne Clough, President, Georgia Institute of Technology.

Proposed reorganization of Section 900

901 General Policy on Real Property

901.01 Title Vested in the Board of Regents (901)

901.02 Space management, joint use of space and space utilization standards

901.02 Asset (portfolio) Management (new)

(Including Building and Real Estate Inventory)

901.03 Compliance (new)

901.04 Risk Management (new)

902 Strategic Planning and Funding

902.01 Strategic Capital Model (Principles?)

902.02 Campus Master Planning (908.01)

902.03 Off Campus Instructional Sites (920)

903 Procedures & Guidelines (904 expanded)

904 Project Authorization

904.01 Capital Implementation Plan (CIP) (902 edited)

904.02 Emergency Allocations (102/906)

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905 Contracting, Professional Services and Procurement of Furniture, Fixtures & Equipment

- 905.01 Project Delivery Options and Contracts (new)
- 905.02 Qualifications Based Selections (QBS) for Professional Services (903/908.02)
- 905.03 Furniture, Fixtures & Equipment (905 updated)
- 905.04 Contracting Authority (906)
- 905.05 Delegation of Authority (906 portions)
- 905.06 Debarment (918)

906 Campus Grounds and Facilities Development (908.03)

- 906.01 Sustainable Design and life cycle costing (908.03/903.03.01)
- 906.02 Design Standards (908.03.02/915.02)
- 906.03 Landscaping and Grounds (908.03.03)
- 906.04 Campus Signs (910)
- 906.05 Flags (913)
- 906.06 Building Plaques (917)

907 Campus Grounds and Facilities Operations and Maintenance (new)

- 907.01 Facilities management and Sustainable Operations
- 907.02
- 907.03...

908 Real Property Management and Transactions

- 908.01 Real Estate Management (new)
- 908.02 License Agreements (907)
- 908.03 Timber Sales (911)
- 908.04 Conveyance for Road Improvements (919)
- 908.05 Demolitions (906.01)
- 908.06
- 908.07...

909 Leasing as Tenant

- 909.01 (915 portions)
- 909.02 Modular and Temporary Buildings (915.02 portion)
- 909.03

910 Leasing as Landlord

- 910.01 Leasing of Housing/Residential Facilities (909.03/915.03)
- 910.02 Leasing of Laboratory and Research Facilities (915.01 portions)

911 Public Private Ventures (PPV) (new)

COMMITTEES OF THE WHOLE COMBINED: AUDIT AND REAL ESTATE AND FACILITIES

- 911.01 (909 portions?)
- 911.02 Foundations and Cooperative Organizations
- 911.03...

- 912 Use of USG Property (914)
 - 912.01 In Political Campaigns (914.01)
 - 912.02 For Personal Use (914.02)
 - 912.03 Outside Parties (914.03)
 - 912.04 Presidents Homes (909.02)
 - 912.05 Athletic Associations

- 913 Use by USG Institutions of Non USG Property (new?)
 - 912.01 Private Housing (909.01)

- 914 Names of Facilities or Streets (912)

- 915 Environmental (916 portions)

- 916 Safety and Security (916 portions)

- 917 Risk Management

- 918 Emergency Management
 - 918.01 Preparedness
 - 918.02 Response

- 919 Others?

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, April 17, 2007, at approximately 5:05 p.m. in room 1908 in the Nessmith-Lane Continuing Education Center on the campus of Georgia Southern University. Committee members in attendance were Chair James R. Jolly, Vice Chair W. Mansfield Jennings, and Regents Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, and Wanda Yancey Rodwell. The Vice Chair of the Board, Regent William H. Cleveland, was also present. Chair Jolly reported to the Board on Wednesday that the Committee reviewed three items, two of which required action. Item 1 included six applications for review; three of these six were denied; one was construed as a grade appeal and therefore not appropriate for

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Committee consideration; one was continued for further information and one was continued for settlement discussions. In accordance with H.B. 278, Section 3 (amending O.C.G.A. § 50-14-4), an affidavit regarding this Executive Session is on file with the Chancellor's Office. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Applications for Review

At approximately 5:13 p.m. on Tuesday, April 17, 2007, Chair James R. Jolly called for an Executive Session for the purpose of discussing personnel matters, and academic records of students. With motion properly made and variously seconded the Committee members who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair Jolly and Regents W. Mansfield Jennings, Jr., Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Jr., and Wanda Yancey Rodwell. The Vice Chair of the Board, William H. Cleveland, was also present. Also in attendance were the Associate Vice Chancellors for Legal Affairs, Elizabeth E. Neely and J. Burns Newsome, Interim Chief Academic Officer and Executive Vice Chancellor for Academic Affairs, Beheruz N. Sethna, Vice Chancellor for Academic Affairs, Sandra Stone, and the Senior Associate for Academic Affairs, Dorothy D. Zinsmeister. In accordance with O.C.G.A. § 50-14-4, an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 5:45 p.m., Chair Jolly reconvened the Committee meeting in its regular session and announced that the following actions were taken in Executive Session:

- a. In the matter of file no. 1897, at Macon State College, concerning testing requirements for the Nursing Program at MSC, the application for review was deemed to be a grade appeal and was not considered.
- b. In the matter of Mr. Vic Rachael, at the Georgia Institute of Technology, concerning his demotion and salary decrease, the application for review has been continued for further information.
- c. In the matter of Mr. Robert Xavier Bailey, at Albany State University, concerning his termination, the application for review has been denied.
- d. In the matter of Dr. Joyce E. King, at Georgia State University, concerning her denial of tenure, the application for review has been denied.

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- e. In the matter of Dr. Terry B. Hammons, at Georgia Perimeter College, concerning a claim of failure to hire, the application for review has been denied.
- f. In the matter of file no. 1887, at Georgia Perimeter College, concerning dismissal, the matter has been continued for settlement.

2. Revision of the Board of Regents Bylaws, Section IV.7, Officers and Their Duties

Approved with Modification: The Board approved the proposed amendment to Bylaw IV.7. The language used in this change was modified from the original agenda item. This modification is cited below.

Modification: Upon discussion of the proposed change to substitute “annually” or “on an annual basis” for “at its regular May meeting” concerning the election of the Chancellor, the Committee decided to use more definitive language. The approved amended language is “at the first regular meeting following May 1.”

Background: Current language provides that the Chancellor be elected in May. With changes in the Regents’ meeting schedule, revised language permits flexibility in determining dates related to the contractual relationship. This item was recommended by the Committee on Organization and Law and presented to the Board as an information item at the March 2007 Board meeting.

Current Board of Regents Bylaws with Approved Revisions, (Section IV.7)

IV OFFICERS AND THEIR DUTIES

IV.1 Officers

The officers of the Board of Regents shall be the Chair, the Vice Chair, the Chancellor, the Secretary to the Board, and the Treasurer.

IV.2 Election and Term of Office

The Chair and the Vice Chair shall be elected at the June monthly meeting and shall hold their offices for a minimum of one year. The Chancellor shall hold office at the pleasure of the Board. Except as provided in Section 11 of Article IV of these Bylaws, no one person shall hold more than one office.

IV.3 Removal of Officers

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Officers may be removed at any time by the Board by the affirmative vote of a majority of the Board.

IV.4 Vacancies

Vacancies shall be filled by the Board as soon as practicable.

IV.5 Chair

The Chair shall be a member of the Board, shall preside at the meetings of the Board with the authority to vote, shall appoint members of all committees, and shall designate the chair of each committee. The Chair shall be an ex officio member of all committees with the authority to vote. The Chair, upon the authority of the Board and in the name of the Board of Regents of the University System of Georgia, may execute all notes, bonds, deeds, contracts, and other documents requiring the Seal. The Chair shall submit the annual report of the Board of Regents to the Governor.

IV.6 Vice Chair

The Vice Chair shall be a member of the Board and shall perform the duties and have the powers of the Chair during the absence or disability of the Chair.

IV.7 Chancellor

The Board of Regents shall elect the Chancellor **at the first regular meeting following May 1**. The Chancellor shall be given an annual letter of agreement. In case of any vacancy in the chancellorship, the Board shall name an Acting Chancellor who shall serve until the office of the Chancellor shall be filled.

The Chancellor shall be the chief administrative officer of the University System as well as the chief executive officer of the Board of Regents and, as such, shall perform all of those duties that are prescribed by the Board.

IV.8 Secretary to the Board of Regents

The Secretary to the Board shall be elected by the Board, upon the recommendation of the Chancellor, and shall not be a member thereof. The Secretary to the Board shall perform those duties as determined by the Board and as set forth in these Bylaws or in The Policy Manual of the Board.

IV.9 Treasurer

COMMITTEE ON ORGANIZATION AND LAW

The Treasurer shall perform such duties and have such powers as the Board may authorize or as may be assigned to him or her by the Chancellor and as set forth in these Bylaws or in The Policy Manual of the Board.

IV.10 Other Officers

The Board of Regents may establish or abolish from time to time such offices and positions as may be necessary to carry out the functions of the Board.

IV.11 Delegation of Duties of Officers

Notwithstanding any other provision of these Bylaws, in case of the absence of any officers of the Board of Regents, or for any other reason that the Board may deem sufficient, the Board of Regents may delegate the powers or duties of such officers to any member of the Board, provided a majority of the Board concurs therein.

3. Information Item: Training Needs Checklist

Background: At its March meeting, the Committee suggested that a checklist be provided to new presidents. This checklist would allow presidents to indicate to the Office of Legal Affairs their perceived training needs.

The Committee received a draft of the memo which the Committee requested be sent to new presidents by the Office of Legal Affairs. The Associate Vice Chancellor for Legal Affairs, Elizabeth E. Neely, asked the Committee members for comments. Regent Patrick S. Pittard asked that presidents receive an annual follow-up review regarding the checklist. Regent W. Mansfield Jennings, Jr. suggested that presidents be allowed to make helpful revisions. Regent Wanda Yancey Rodwell suggested that the staff post the form to the System website.

The meeting was adjourned at approximately 5:50 p.m.

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, April 17, 2007 at approximately 4:18 p.m. in the Southern Ballroom, Room 1602, in the Nessmith-Lane Continuing Education Center on the campus of Georgia Southern University. Committee members in attendance were Chair Richard L. Tucker and Regents James A. Bishop, Hugh A. Carter, Jr., Robert F. Hatcher, Felton Jenkins, Donald M. Leebern, Jr., and Benjamin J. Tarbutton, III. Board Chair Allan Vigil and Chancellor Erroll B. Davis, Jr. were also in attendance. On Wednesday, April 18, 2007 Chair Tucker reported to the Board that the Committee had reviewed fourteen items, thirteen of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

COMMITTEE ON REAL ESTATE AND FACILITIES

1. Acquisition and Demolition of Real Property, 364 Tenth Street, Atlanta, Georgia Institute of Technology

Approved: The Board authorized the purchase of approximately 0.108 acre of improved real property located at 364 Tenth Street, Atlanta, from Joseph C. Ward for \$275,000 for the use and benefit of Georgia Institute of Technology (“GIT”).

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

The building located at 364 Tenth Street, Atlanta was declared to be no longer advantageously useful to GIT or any units of the University System of Georgia and authorized demolition and removal of this building.

The Board requested the Governor to issue an Executive Order authorizing the demolition and removal of this building from the campus of GIT.

Understandings: Acquisition of this real property is consistent with the GIT master plan, and is identified as part of the site proposed for the Bio-molecular Science and Engineering (Bio-Z) Building.

This real property is improved with a 1,200-square-foot utilitarian structure, built in 1920, in poor condition. If acquired and approved, the building will be demolished.

Three independent appraisals of the real property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
Joseph L. Walker, MAI, Atlanta	\$275,000	
Alex B. Rubin, MAI, Norcross	\$330,000	\$293,333
Carmen Ward, Atlanta	\$275,000	

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

An environmental site assessment and a Georgia Environmental Policy Act (GEPA) evaluation have been completed for the subject property. The reports indicate there are no significant adverse environmental issues present other than minor amounts of asbestos. The asbestos-containing materials will be removed and disposed of in accordance with federal and state regulations prior to demolition.

Funding for the purchase and demolition is from institutional funds.

COMMITTEE ON REAL ESTATE AND FACILITIES

2. Gift of Real Property, Maddox Chapel Road, Dalton, Dalton State College

Approved: The Board accepted a gift of approximately 3.35 acres of unimproved real property located on Maddox Chapel Road, Dalton, from Whitfield County Board of Education for the use and benefit of Dalton State College (“DSC”).

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

Understandings: The real property is immediately adjacent to the existing Whitfield County Career Academy. This real property is being gifted to the Board as the site for minor capital project J-117, New Building at Whitfield Career Academy.

The real property has been valued by Leonard & Associates at \$603,000.

There are no known easements, or restrictions on the real property. If construction of project J-117 does not occur then the property will revert to Whitfield County Board of Education. Additionally, the property will revert to Whitfield County Board of Education in the event that the property is no longer used to provide academic instruction.

An environmental site assessment of this property has been completed and indicates no significant adverse environmental issues.

Easements will also be obtained from Whitfield County Board of Education for a sanitary sewer line, a water line, and sufficient parking to support the use of the facility.

3. Rental Agreement, Student Services and Recreation Center, Georgia Gwinnett College

Approved: The Board authorized the execution of a rental agreement between GGC Real Estate Parking I, LLC (the “LLC”), Landlord, and the Board of Regents, Tenant, for a student services and recreation center at 20 Collins Industrial Way contiguous to campus Building A, containing approximately 71,366 square feet, commencing on the first day of the first month after the LLC obtains a certificate of occupancy for the student services and recreation center and ending December 31, 2007, at no rent with the option to renew for the period January 1, 2008 through June 30, 2008, at a monthly rent not to exceed \$64,500 (\$774,000 per year annualized/\$10.85 per square foot per year) with further options to renew on a year-to-year basis for up to 25 one-year periods (the last such period ending no later than June 30, 2032) with rent increasing no more than 3% for each option period exercised.

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

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

Understandings: In February 2007, the Vice Chancellor for Facilities, Linda M. Daniels, and President Daniel Kaufman presented information concerning the need for student services and recreation center facilities, the acquisition of this real property and proposed privatization of the facility.

A proposed Georgia Gwinnett College (“GGC”) student recreation fee of \$40 per semester will fund the recreation center and an annual payment of \$150,000 from GGC operating funds will fund the student services facility.

It is the intent of the LLC to donate the real property, all improvements and any accumulated capital reserves to the Board of Regents no later than June 30, 2032.

4. Rental Agreement, 25 Park Place, SunTrust Complex, Atlanta, Georgia State University

Approved: The Board authorized the execution of a rental agreement between Panther Place, LLC, (the “LLC”) Landlord, and the Board of Regents, Tenant, for approximately 425,000 square feet of office space located at 25 Park Place, Atlanta, for the period July 1, 2007, through June 30, 2008, at a monthly rent of \$296,000 (\$3,552,000 per year annualized/\$8.36 per square foot per year) with options to renew on a year-to-year basis for up to 4 consecutive one-year periods with rent increasing no more than 2% for each option period exercised, then with an additional option to renew for a one-year period at a monthly rent of \$401,000 (\$4,812,000 per year annualized/\$11.32 per square foot per year), then with further options to renew on a year-to-year basis for up to 25 consecutive one-year periods with rent increasing no more than 2% for each option period exercised for the use of Georgia State University (“GSU”).

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

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

Understandings: The LLC has entered into an agreement to purchase 25 Park Place, Atlanta, Georgia, from SunTrust Bank. SunTrust Bank will lease the property for 5 years from the LLC, with an option to vacate the property before the end of the lease term on giving a twelve (12) months notice.

As SunTrust vacates any or all of the 425,000 square feet, GSU will occupy and rent the space available. It is anticipated that GSU will have all of the building space by the end of the first five year period.

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Operating costs, including taxes, insurance, utilities, maintenance, repair, janitorial services, trash removal, pest control, security, and management fee, are estimated to be approximately \$8 per square foot per year for the 425,000 square feet.

Annual rent and operating costs will be funded through GSU operating funds.

At the end of the term of the rental agreement, the land and all improvements will become the property of the Board of Regents.

5. Rental Agreement and Amendment to Ground Lease, Student Housing, Milledgeville, Georgia College & State University

Approved: The Board approved the assignment of the ground lease dated March 25, 2002, as amended June 15, 2004, between the Board, as Lessor, and Georgia College & State University Foundation III, LLC, as Lessee, to Georgia College & State University Foundation V, LLC (the “LLC”) as Lessee, and authorized the execution of an amended and restated ground lease.

The Board authorized the execution of a rental agreement between the LLC, Landlord, and the Board of Regents, Tenant, for 2,237 student housing beds, including parking and site amenities, commencing no earlier than May 1, 2007, and ending the following June 30 at a monthly rent not to exceed \$429,000 (\$5,148,000 per year annualized) with options to renew on a year-to-year basis for up to 27 consecutive one-year periods (the last option period to end no later than March 25, 2034) with rent increasing no more than 3% for each option period exercised.

Authorization to execute this 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 Board approved in October 2001, March 2002 and March 2004 privatization of 2,253 student housing beds at Georgia College & State University (“GCSU”).

Housing is integral to GCSU’s identified mission as the State’s public liberal arts university. GCSU has updated its comprehensive student housing plan, and has implemented a number of improvements including reorganization of the housing operation, the creation of residential learning communities, development of an overall marketing plan for students, establishment of a freshmen living learning experience program at the West Campus, and making enhancements to the West Campus including the addition of classrooms, food service, multi-purpose space, and conversion of four existing apartment units to community spaces.

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Sixteen (16) existing beds will be modified to create common spaces at the West Campus. The revised total number of student housing beds will be 2,237, consisting of 817 beds located on West Campus and 1,420 beds on Central Campus.

All the remaining terms of the ground lease, as approved by the Board in October 2001, March 2002 and March 2004, respectively, remain in effect.

6. Ground Lease, Student Housing, Kennesaw, Kennesaw State University

Approved: The Board declared approximately 3.48 acres of real property on the campus of Kennesaw State University (“KSU”), no longer advantageously useful to KSU 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 KSU Village II Real Estate Foundation, LLC (the “LLC”), for the purpose of constructing and owning housing facilities containing approximately 913 student housing beds and site amenities.

The Board authorized the execution of a ground lease, including necessary access, use, and construction easements and encroachments, between the Board of Regents, Lessor, and the LLC, Lessee, for the above-referenced approximately 3.48 acres of real property on the campus of KSU for a period not to exceed 32 years (not to exceed 30 years from the date the LLC obtains a certificate of occupancy and providing a construction period of not more than two years), for the purpose of constructing and owning housing facilities containing approximately 913 student housing beds and site amenities.

The Board authorized the execution of a site license between the LLC, Licensee, and the Board of Regents, to allow early site access to mobilize, commence site work, install building deep foundation system, and relocate utilities.

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

In February 2007, the Vice Chancellor for Facilities, Linda M. Daniels, and President Daniel S. Papp presented information concerning the need to obtain additional student housing at KSU through a privatization process.

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These 913 new suite-style student housing beds will be part of the University Village.

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

7. Ground Lease and Rental Agreement, North Avenue Apartments, Atlanta, Georgia Institute of Technology

Approved: The Board declared approximately 7.97 acres of improved real property on the campus of Georgia Institute of Technology (“GIT”), 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 improved real property to be leased to Georgia Tech Facilities, Inc., for the purpose of owning and renovating student housing facilities containing approximately 2,000 student housing beds, approximately 790 parking spaces, and site amenities.

The Board authorized the execution of a ground lease, including necessary access, use, and construction easements and encroachments, between the Board of Regents, Lessor, and Georgia Tech Facilities, Inc., Lessee, for the above-referenced approximately 7.97 acres of improved real property on the campus of GIT for a period commencing July 1, 2007, not to exceed 25 years for an advanced rental payment not to exceed \$45,745,000 for the purpose of owning and renovating student housing facilities containing approximately 2,000 student housing beds, approximately 790 parking spaces, and site amenities.

The Board authorized the execution of a rental agreement between Georgia Tech Facilities, Inc., Landlord, and the Board of Regents, Tenant, for the above-referenced student housing facilities, parking, and associated site amenities for the period commencing on July 1, 2007, and ending the following June 30 at a rent of \$1 with options to renew on a year-to-year basis for up to 24 one-year periods at an annual rent not to exceed \$5,280,000 for each option period exercised.

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: In March 2007, the Board provided conceptual approval of a ground lease and rental agreement of the University Village Student Housing Complex. The University Village Student Housing Complex has provided housing for Georgia State University students. This transaction, now to be known as North Avenue Apartments, will provide housing for GIT students.

In addition to student housing and parking, GIT intends to develop a 300 seat student dining facility to serve the North Avenue Apartments.

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

8. Authorization of Projects, Appointment of Program Manager, and Appointment of Architects, Student Union, Student Health Center, Parking Decks and Student Housing, Valdosta, Valdosta State University

Approved: The Board approved the enclosed Items 8a. through 8d. for the use and benefit of Valdosta State University (“VSU”).

Understandings: In February 2007, the Vice Chancellor for Facilities, Linda M. Daniels, presented information concerning the need to obtain student housing, parking decks, student health center, and a student union facility on the campus of VSU through a privatization process.

Prior to initiating a privatization process, VSU desires to ensure overall coordination of these projects and to obtain the design of the parking decks, student health center and student union facility. Funding for this will be from VSU Auxiliary Services.

It is anticipated that the Board will be requested to take future action concerning these projects, including the appointment of construction management firms and the approval of ground leases and rental agreements.

8a. Appointment of Program Manager, Student Union, Student Health Center, Parking Decks and Student Housing, Valdosta, Valdosta State University

Approved: The Board appointed the first-named program management firm listed below for the referenced projects in items 8b. through 8d. as well as Valdosta State University’s Student Housing Phase II and authorized the execution of a contract with the identified firm. Should it not be possible to execute a contract with the top-ranked firm, staff will then attempt to execute a contract with the other listed firms in rank order.

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

Number of program management firms that applied for this commission: 5

Recommended firms in rank order:

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- 1) Carter, Atlanta
- 2) Gleeds USA, Atlanta
- 3) Hendessi & Associates, Atlanta
- 4) Staubach, Atlanta

8b. Authorization of Project and Appointment of Architect, Project BR-70-0701, Student Union, Valdosta, Valdosta State University

Approved: The Board authorized Project BR-70-0701, “Student Union,” Valdosta State University (“VSU”), with a total project budget of approximately \$37.0 million to be funded by privatized financing.

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

Understandings: In February 2007, the Vice Chancellor for Facilities, Linda M. Daniels, presented information concerning the need for a Student Union and proposed privatization of the facility.

The VSU master plan indicated a shortage of student gathering and food service space. This project will include demolition of the existing union, old gymnasium, and outdoor pool adjacent to the existing union. The new student union will be approximately 125,000 gross square feet and include student meeting/gathering spaces, administrative and student organization offices, bookstore and food services.

Located at the western campus approach, the new building will provide a focal point transition from the community to the campus pedestrian mall. The new building design will conform to the campus’ Spanish mission architectural style, and blend appropriately with surrounding campus buildings and site features.

Funding will be an existing student services fee of \$80 per semester and auxiliary operations (Bookstore and Food Services).

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

Total Project Cost	\$37.0 million
Construction Cost (Stated Cost Limitation)	\$27.0 million
Architecture-Engineering (“A/E”) Fee	\$ 2.5 million

Number of A/E firms that applied for this commission: 20

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Recommended A/E design firms in rank order:

1. Ellis Ricket & Associates, Valdosta
2. The Architecture Group, Atlanta
3. Cogdell & Mendralla, Savannah

8c. Authorization of Project and Appointment of Architect, Project BR-70-0702, Student Health Center, Valdosta, Valdosta State University

Approved: The Board authorized Project BR-70-0702, “Student Health Center,” Valdosta State University (“VSU”), with a total project budget of approximately \$9.6 million to be funded by privatized financing.

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

Understandings: In February 2007, the Vice Chancellor for Facilities, Linda M. Daniels, presented information concerning the need for a Student Health Center and proposed privatization of the facility.

The VSU master plan confirmed the need to enhance and expand student health services to serve the growing student population. This new facility of approximately 25,000 gross-square-feet along Georgia Avenue, will replace the existing 6,900 square-foot Farber Health Center which will be converted to academic use.

A proposed VSU student health fee will fund the Student Health Center.

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

Total Project Cost	\$ 9.6 million
Construction Cost (Stated Cost Limitation)	\$ 6.1 million
Architecture-Engineering (“A/E”) Fee	\$575,000

Number of A/E firms that applied for this commission: 14

Recommended A/E design firms in rank order:

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1. Lott + Barber, Savannah
2. HKS, Inc., Atlanta
3. Stanley Beaman Sears, Atlanta

8d. Authorization of Project and Appointment of Architect, Project BR-70-0703, Parking Decks, Valdosta, Valdosta State University

Approved: The Board authorized Project BR-70-0703, “Parking Decks,” Valdosta State University (“VSU”), with a total project budget of approximately \$38.0 million to be funded by privatized financing.

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

Understandings: In February 2007, the Vice Chancellor for Facilities, Linda M. Daniels, presented information concerning the need for parking decks and proposed privatization of the facilities.

The VSU master plan identified significant deficiencies in available parking for VSU students, faculty and staff. These two parking structures will provide approximately 2000 parking spaces, and will incorporate auxiliary space.

One parking deck will be near the Student Recreation Center. This facility will include approximately 1000 spaces for student parking and allow for the future expansion of the Student Recreation Center. It will include the Parking & Transportation office and one or more retail operations.

A second parking deck will include approximately 1000 spaces for student parking, the Auxiliary Services Office, University Police, and one or more retail operations.

VSU will utilize student parking fees, including a proposed \$50 fee increase, and rent from the Auxiliary operations to fund the parking decks.

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

Total Project Cost	\$38.0 million
Construction Cost (Stated Cost Limitation)	\$30.3 million
Architecture-Engineering (“A/E”) Fee	\$ 1.9 million

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Number of A/E firms that applied for this commission: 16

Recommended A/E design firms in rank order:

1. Tim Haahs and Associates, Atlanta
2. Smallwood, Reynolds, Stewart, Stewart & Associates, Atlanta
3. Turner Associates, Atlanta

9. Authorization of Projects, Appointment of Program Manager and Appointment of Architect, Student Activity Center and Student Housing Project, Morrow, Clayton State University

Approved: The Board approved the enclosed items 9a. and 9b. for the use and benefit of Clayton State University (“CLSU”).

Understandings: In February 2007, the Vice Chancellor for Facilities, Linda M. Daniels, presented information concerning the need for a student activity center and student housing on the campus of CLSU through a privatization process.

Prior to initiating a privatization process, CLSU desires to insure overall coordination of these projects and to obtain the design of the student activity center. Funding for this will be from CLSU Auxiliary Services.

It is anticipated that the Board will be requested to take future action concerning these projects, including the appointment of construction management firms and the approval of ground leases and rental agreements.

9a. Appointment of Program Manager, Student Activity Center and Student Housing Project, Morrow, Clayton State University

Approved: The Board appointed the first-named program management firm listed below for the referenced project in item 9.b. and Clayton State University’s student housing and authorized the execution of a contract with the identified firm. Should it not be possible to execute a contract with the top-ranked firm, staff will then attempt to execute a contract with the other listed firms in rank order.

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

Number of program management firms that applied for this commission: 5

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Recommended program management firms in rank order:

1. Carter, Atlanta
2. Staubach, Atlanta

9b. Authorization of Project and Appointment of Architect, Project BR-83-0701, Student Activity Center, Clayton State University

Approved: The Board authorized Project BR-83-0701, “Student Activity Center,” Clayton State University (“CLSU”), with a total project budget of \$20.6 million to be funded by private financing.

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

Understandings: In February 2007, the Vice Chancellor for Facilities, Linda M. Daniels, presented information concerning the need for a student activity center and proposed privatization of the facility.

The Student Activity Center will be an approximately 65,000-gross-square-foot facility and will include a recreational area and a student union. The recreation area will include a two (2) court gym (for basketball, volleyball, etc.), a fitness center, multiple purpose rooms, locker rooms, offices, and support spaces. The student union will provide student government offices, student organization workspaces, conference/meeting rooms, and a flexible ballroom which can be divided into various configurations.

A proposed \$75 Student Activity Fee will fund the Student Activity Center.

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

Total Project Cost	\$16.8 million
Construction Cost (Stated Cost Limitation)	\$12.5 million
Architecture-Engineering (A/E) Fee	\$ 1.1 million

Number of A/E firms that applied for this commission: 14

Recommended A/E firms in rank order:

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1. Cooper Carry and Associates, Atlanta
2. Lord Aeck Sargent, Atlanta
3. Facilities Group, Atlanta

10. Demolition of Hopper Hall and Georgia Hall, Valdosta, Valdosta State University

Approved: The Board declared Hopper Hall and Georgia Hall, located on the campus of Valdosta State University (“VSU”), Valdosta, Georgia, to be no longer advantageously useful to VSU or any other units of the University System of Georgia and authorized demolition and removal of these buildings.

The Board requested the Governor to issue Executive Orders authorizing the demolition and removal of these buildings from the campus of VSU.

Understandings: Hopper Hall, a 38,259-square-foot, two-story, stucco and clay roof building built in 1963, contains 200 student housing beds in a traditional dormitory configuration.

Georgia Hall, a 43,259-square-foot, two-story, stucco and clay tile building built in 1967, contains 200 student housing beds in a traditional dormitory configuration.

Demolition of these two buildings is consistent with VSU’s master plan and historic preservation plan.

Georgia Environmental Policy Act evaluations and environmental site assessment reports have been completed for each of the structures and indicate no adverse environmental conditions other than minor amounts of asbestos. The asbestos-containing materials will be removed and disposed of in accordance with federal and state regulations prior to demolition.

These sites will be redeveloped with 1,000 suite-style student housing beds. Further action will be requested by the Board for ground leases and rental agreements necessary for the development of these facilities.

11. National Bio and Agro-Defense Facility, University of Georgia

Approved: The Board authorized the Chancellor to write letters indicating the Board of Regents’ intent to deed necessary real property to the Department of Homeland Security, General Services Administration or other designated entity of the Federal Government for the location of the National Bio and Agro Defense Facility in Georgia.

Understandings: In April 2006, the Vice Chancellor for Facilities, Linda M. Daniels, informed the Board of the formation of the Georgia Consortium for Health and Agro-Security and the submission of the National Bio and Agro Defense Facility proposal.

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In May 2006, the Chancellor updated the Board on the National Bio and Agro Defense Facility proposal.

In September 2006, the Board was briefed by President Michael F. Adams on the latest developments on the National Bio and Agro Defense Facility.

For the next submittal, a firm commitment to deed the property by the entity with legal authority to do so is requested.

12. Executive Session, Potential Real Property Acquisitions

At approximately 4:37 p.m. Chair Tucker called for an Executive Session for the purpose of discussing the potential exchange of real property. With motion properly made and variously seconded the Committee members who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair Tucker and Regents James A. Bishop, Hugh A. Carter, Robert F. Hatcher, Felton Jenkins, Donald M. Leebern, Jr., Benjamin J. Tarbutton, III, and Board Chair Allan Vigil. Staff present included Georgia Perimeter College (“GPC”) President Anthony Tricoli, Ron Carruth, GPC Vice President for Business and Finance. System Office staff included the Vice Chancellor for Facilities, Linda M. Daniels, the Assistant Vice Chancellor for Development and Administration, Peter Hickey, the Assistant Vice Chancellor for Compliance and Operations, Mark Demyanek, the Assistant Vice Chancellor for Legal Affairs, Daryl Griswold, and the Chief Operating Officer, Robert E. Watts.

At approximately 4:45 p.m., Chair Tucker reconvened the Committee meeting in its regular session and announced that in Executive Session the Committee voted to approve the real property exchange.

13. Information Item: Approvals and Authorities, Audit and Real Estate and Facilities Committees of the Whole

The Vice Chancellor for Facilities, Linda M. Daniels, presented information to the Audit and Real Estate and Facilities Committees meeting as Committees of the Whole concerning real estate and facilities-related approvals and authorities. Ms. Daniels presented information on recommended changes regarding facilities-related approvals and authorities. She expressed to the Committee that these items were being presented to them in advance, in an effort to seek their endorsement, before approval on final policy language is requested.

The specific items addressed were as follows:

Item 1, Policy 902: Ms. Daniels stated that Board Policy 902 reserves the authority of the Board to authorize projects. Board Policy 904 allowed for the creation of Building Project Procedures (“BPP”)

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manual, which specifies that the Vice Chancellor for Facilities can approve projects with cost below \$1 million. Ms. Daniels stated that the Board needs to clarify that the Vice Chancellor for Facilities' delegated authority to approve projects under \$1 million applies only to projects that conform to the Campus Master Plan.

Item 2, Policy 903: Ms. Daniels recommended changing Policy 903 regarding the Board's and Vice Chancellor for Facilities' level of delegated authority to approve qualifications based selections ("QBS") of architects, engineers, construction managers, planners and other consultants.

Item 3, Policy 904: Ms. Daniels recommended expansion of Policy 904 for building projects to address all Real Estate and Facilities areas of responsibility.

Items 4 and 5, Policy 906: Ms. Daniels recommended increasing the Vice Chancellor for Facilities delegated authority to sign contracts from \$1 million to \$5 million and provide an annual report to the Board. Ms. Daniels also recommended increased authority for the Vice Chancellor for Facilities to sign change-orders on bid projects and she recommends further delegated signature authority to the presidents of the institutions through procedures.

Item 6, Policy 906 and 102: Ms. Daniels recommended increasing the Chancellor's and Vice Chancellor for Facilities' delegated authority to allocate emergency MRR funds from \$200,000 to \$500,000 and \$200,000 to \$250,000 respectively.

Item 7, Policy 908.02: Ms. Daniels recommended changing Policy 908.02 to authorize institution presidents, in lieu of Vice Chancellor for Facilities, to approve selection of master planning consultants and increase contracting authority for these contracts up to \$3 million.

Item 8, Policy 909.02: Ms. Daniels recommended an update related to Board policy on Presidents' homes.

Item 9, Policy 909.03: Ms. Daniels recommended an update and expansion of the housing policy to reflect the current Regents position. She stated, the change will shift authority to lease housing to outside groups, for up to one year, from the Chancellor to the institution president.

Item 10, Policy 912: Ms. Daniels recommended updating the Naming Policy to clarify policy level changes and introduce procedural documentation. This update will also clarify delegation of naming of interior spaces.

Item 11, Policy 914.03: Ms. Daniels recommended clarifying, if needed, the intent of Policy 914.03 regarding the difference between Leasing and License of Use of Facilities.

Item 12, Policy 915.01: Ms. Daniels recommended updating the "limiting" language related to the number of options to renew on standard ("non PPV") lease agreements through appropriate level of policy or procedures.

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Item 13, Policy 915.01: Ms. Daniels recommended clarifying the intent and changing the policy to shift authority to lease housing to outside groups, up to 2,000 square feet for up to two years, from the Chancellor to the Institution. Attorney General approval of standard form agreements and reporting would be required.

Item 14, Policy 915.01a: Ms. Daniels recommended changing this policy to shift authority to lease University System of Georgia owned laboratory and research space to private entities, from the Chancellor to the Institution. Ms. Daniels stated that a special task force should be assigned to recommend procedures and guidelines for this practice. Implementation of this policy change should be contingent upon putting procedures and guidelines in place. Coordination with the Attorney General, standard forms of agreement and reporting would be required.

Item 15, Policy 102: Ms. Daniels recommended changing previous policy to increase the Vice Chancellor for Facilities' delegated authority to authorize, execute, accept and deliver all rental agreements as tenant from \$5,000 to \$25,000. She also suggested that there should be limits on amendments to such delegated agreements.

Item 16, Policy 701.01: Ms. Daniels recommended changing previous policy to increase Vice Chancellor for Facilities' delegated authority for acceptance of gifts from \$100,000 to \$250,000.

Item 16, Policy 701.01: Ms. Daniels recommended changing previous to policy increase Vice Chancellor for Facilities' delegated authority for purchase of real property from \$100,000 to \$250,000.

Item 17: Ms. Daniels recommended modification of the Business Policy Procedure ("BPP") manual to delegate approval of payment of invoices from the Office of Facilities to the institution with notification to the Office of Facilities.

Item 18: Additionally, she recommended modifying the BPP manual to delegate selection and approval of testing and lab fees from the Office of Facilities to the institution.

Item 19-22: Ms. Daniels recommended reorganization of Policy Manual Section 900: Real Estate and Facilities and recommended the Board change the policy to eliminate wordy, unnecessary verbiage, change titles to a generic form, and ensure consistency of descriptions.

Vice Chancellor Linda Daniels presented to the Board that these concepts were proposed by the Approvals and Authorities Committee for Facilities co-chaired by Thomas A. Wilkerson, President of Bainbridge College and Thomas Z. Jones, President of Armstrong Atlantic State University. The committee was made up of: James Black, Chief Business Officer, Valdosta State University, Michael Renfrow, Assistant Vice President/Campus Planning & Facilities, University of West Georgia, Jack Reynolds, Director of Plant Operations, Dalton State College, Janet Kirkpatrick, Director of Facilities, Middle Georgia College and President G. Wayne Clough, Georgia Institute of Technology.

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14. Naming of the Glen P. Robinson, Jr. Tower and the Patrick H. Nettles Tower of the Molecular Science and Engineering Building, Atlanta, Georgia Institute of Technology

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

Approved: The Board approved the naming of the east tower of the Molecular Science and Engineering Building at the Georgia Institute of Technology ("GIT") the "Glen P. Robinson, Jr. Tower in recognition of Mr. Glen P. Robinson, Jr.

Understandings: Mr. Glen P. Robinson, Jr. received his BS and MS degrees in Physics from GIT in 1948 and 1950 respectively. After beginning his career at the GIT Engineering Experiment Station, Mr. Robinson and six other GIT alumni founded Scientific Atlanta. Mr. Robinson served as President of Scientific Atlanta for twenty years and Chairman of the Board for six additional years. Under his leadership, the company grew to become a world leader in antenna instrumentation and satellite communications.

In 1997, Mr. Robinson donated \$3 million to GIT, establishing two endowed faculty chairs in the School of Physics and in the Georgia Tech Research Institute. Most recently, Mr. Robinson made the lead commitment of \$5 million to the Molecular Science and Engineering Building. An additional financial commitment of \$1.6 million has also been made by friends and colleagues of Mr. Robinson toward this facility.

The Molecular Science and Engineering Building is the largest academic facility on the GIT campus at approximately 200,000 square feet and is designed to foster interactions between scientists and engineers whose research interests intersect.

Approved: The Board approved the naming of the west tower of the Molecular Science and Engineering Building at GIT the "Patrick H. Nettles Tower" in recognition of Dr. Patrick H. Nettles.

Understandings: Dr. Patrick H. Nettles received his BS degree in Physics from GIT in 1964. After receiving his PhD from the California Institute of Technology (Caltech), where he served as a trustee, Dr. Nettles taught at the University of North Carolina at Chapel Hill. He worked for Scientific Atlanta from 1972-1980. After serving as Chief Executive Officer and President of several corporations in subsequent years, Dr. Nettles was named Ernst & Young's 1997 National Entrepreneur of the Year. Mr. Nettles served on the GIT Advisory Board from 1998-2004, and was its Chairman from 2002-2003.

In 1997, Dr. Nettles established a charitable remainder trust valued at approximately \$10.6 million which named GIT as the beneficiary. In 2000, Dr. Nettles established a charitable remainder trust which, when terminated in 2005, was valued at approximately \$4.2 million. The trust named GIT's

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College of Sciences as the beneficiary with the intent that the funds be directed toward construction of the Molecular Science and Engineering Building.

The Committee adjourned at approximately 4:50 pm.

COMMITTEE OF THE WHOLE: STRATEGIC PLANNING

The Strategic Planning Committee met on Tuesday, April 17, 2007, in the Southern Ballroom, room 1602, in the Nessmith-Lane Continuing Education Center on the campus of Georgia Southern University. The Chair of the Board, Regent Allan Vigil, convened as a Committee of the Whole to order at approximately 1:20 p.m. He then turned the Chairmanship of the meeting over to Regent William H. Cleveland, the Chair of the Committee. Present on Tuesday, in addition to Chair Cleveland were the Chair of the Board, Allan Vigil and Regents James A. Bishop, Hugh A. Carter, Jr., Robert F. Hatcher, Felton Jenkins, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Wanda Yancey Rodwell, Benjamin J. Tarbutton, III, and Richard L. Tucker. The Committee reviewed one item, which did not require action.

1. Information Item: Progress Report on the Strategic Plan of the University System of Georgia

The Chief Operating Officer, Robert E. Watts, briefed the Strategic Planning Committee of the Whole on the current strategic planning goals and action items. (See pages 10 to 13)

The Interim Chief Academic Officer and Executive Vice Chancellor for Academic Affairs, Beheruz N. Sethna and President Dorothy Leland of Georgia College & State University provided additional information on the first strategic planning goal, restructuring the core curriculum. (See pages 13 to 27)

CHANCELLOR'S CABINET REPORT

Chairman Vigil asked Chancellor Davis to introduce his senior cabinet members for the Cabinet Report.

Chancellor Davis stated that at this time on the agenda it was customary for the senior staff to give the Board a brief update on activities that the staff is managing at the System Office. Over the course of the last two days, some of the System Office's more significant activities were presented to the Board, first and foremost the strategic planning efforts and the customer service activities. Chancellor Davis informed the Board that senior staff members, Dr. Beheruz N. Sethna, and Mr. Robert E. Watts would provide further updates.

CABINET REPORT: DR. BEHERUZ N. SETHNA

The Interim Chief Academic Officer and Executive Vice Chancellor for Academic Affairs, Beheruz N. Sethna took the podium.

Dr. Sethna began his report by stating that the presentations which the Board had seen during this Board meeting involved a great deal of both strategic thinking and planning by the Academic Affairs staff. The broad area of Academic Affairs has been heavily involved in the Lean Six Sigma initiative and in the core curriculum presentations given on the previous day. In addition, Dr. Sethna stated that it was his pleasure to share with the Board that the Associate Vice Chancellor for the P-16 Initiatives and Executive Director of the University System of Georgia Foundation, Jan Kettlewell, and her team obtained a grant \$6 million from the Wallace Foundation. This grant, he said, was not an open competition. The program staff was invited to apply. The grant is for the program's work in educational leadership. It will be administered through the University System Foundation. Dr. Sethna further stated that the Academic Affairs staff is working actively on answering the questions that the Regents have asked regarding the Regents' Test.

The Academic Affairs staff has been involved in an extensive modification of its program review process. The staff will bring that to the Chancellor and the Board as it develops. The Office of Information and Instructional Technology ("OIIT") is working closely with the Vice Chancellor for Academic Planning and Programs, Sandra Stone, to help automate this procedure.

The Interim Associate Vice Chancellor for Faculty Affairs, Bettie Horne, has been cleaning up the promotion and tenure report. She has been in touch with campuses to discuss inconsistencies that she has found. Dr. Sethna also said that Dr. Stone, along with the Associate Vice Chancellor for Strategic Research and Analysis, Cathie Mayes Hudson, and the Special Assistant to the Vice Chancellor for Academic Planning and Programs, Felita Williams, are working on recommendations for revisions to Section 800 of the Board of Regents Policy Manual that will be presented at a future meeting.

Dr. Sethna stated that during the Chancellor's visits to many campuses last year, he heard comments and concerns from many international students about the System's new mandatory student health insurance plan. The Academic Affairs staff has been working on that fairly assiduously for the last several months. Dr. Sethna commended the Interim Associate Vice Chancellor for Human Resources, Dorothy Roberts, who chaired the committee; the Senior Advisor for Academic Affairs and Director of International Programs, Richard C. Sutton and the other campus representatives and System Office representatives who made up the Healthcare Advisory Committee for an outstanding job. The committee re-thought the System's student health insurance plans and created what they believe is a plan which helps address the major concerns about the current one. Additionally, the Associate Vice Chancellor for Student Affairs, Tonya Lam, is working with campus representatives to prepare for issues that may arise with billing for new tuition and fee rates and the new health insurance premiums. Dr. Sethna stated that the Academic Affairs staff is working with the Office of Information and Instructional Technology ("OIIT") regarding the new on-line master's of education

CABINET REPORT: DR. BEHERUZ N. SETHNA

(“MED”) program which will be an active effort with all parts of the organization. Dr. Sethna said that Academic Affairs, Dr. Hudson’s office, OIIT and the campuses are all working together to make this master’s program work.

Next, Dr. Sethna gave an update on the Office of Information and Information Technology. He began by complimenting them on their progress in implementing changes that coincide with the Chancellor’s vision. Dr. Sethna explained that when the Chancellor did his first tour of OIIT he noticed a soft spot in terms of risk management. At that time, OIIT was reliant on an old generator. The Chancellor said that OIIT needed a new generator as well as one for back up. So the staff had to bring a new generator online. In order to accomplish this, Dr. Sethna stated that the staff had to bring all the systems down the weekend prior to this meeting and hope and pray that when they restarted the pump, that the patient would, in fact, revive. Thanks to the Chief Information Officer and Interim Vice Chancellor for Information and Instructional Technology, Thomas L. Maier and his wonderful staff, it not only worked beautifully, but the system was up and running earlier than anticipated. Dr. Sethna congratulated all of the OIIT staff on a job well done.

Dr. Sethna stated that the Board had heard from Dr. Maier last month regarding the OIIT reorganization. He then said that Academic Affairs would be bringing changes in Dr. Stone’s and Dr. Hudson’s areas to the Chancellor and Board in coming meetings. He stated that the staff’s objective is to plan for the world of the future – to meet the future needs of the Board and the University System of Georgia, especially with the new core curriculum and the other strategic objectives. He stated that the staff is preparing and gearing up for the future and will bring such reorganization measures to the Board in later months.

At this time, Dr. Sethna thanked Chair Vigil and the Chancellor and asked if there were any questions or comments.

Chancellor Davis commented that OIIT brought the system back online 12 hours earlier than first anticipated, and joked about Dr. Sethna’s reliance on e-mail at all hours of the night.

As there were no other comments or questions Dr. Sethna left the podium.

CABINET REPORT: MR. ROBERT E. WATTS

The Chief Operating Officer, Robert E. Watts, took the podium.

Mr. Watts gave a legislative update on behalf of the Senior Vice Chancellor for External Affairs, Thomas E. Daniel. He said that the “tuition carry forward” bill, Senate Bill 111, has been added to House Bill 311. Its future is unclear, as there are only two legislative days left. The optional retirement program bill, House Bill 815, has been introduced. Because it is a retirement bill with a fiscal impact, it will be studied over the summer and will be up for consideration in the next session.

CABINET REPORT: MR. ROBERT E. WATTS

The post-employment benefits bill, Senate Bill 156, passed the House of Representatives on Monday with a vote of 129-0, thanks to good work of the Special Assistant to the Chief Information Officer, Jim Flowers. However, because the bill was passed in the form of an amendment it has to go back to the Senate for agreement. The System Office staff does not expect any substantive opposition.

Mr. Watts stated that the System staff continues to voice concern about the international baccalaureate bill since it involves the awarding of block credit. So far the bill has not emerged out of the Senate. The House of Representatives and the Senate have both passed their versions of the Fiscal Year 2008 Budget. As the Chancellor said in his letter to the Board earlier this week, the Senate restored the Savannah State University and Macon State College capital projects, for which the System is grateful. The legislators added minor projects at Valdosta State University and Georgia State University. They also added two eminent scholars, one for Kennesaw State University and one for Georgia Southern University. However, the System Office staff remains very concerned about the cut in \$4.5 million in utilities and the precedent in the cut of \$2.8 million in money which the System saved through working with the Commission For A New Georgia. Mr. Watts said that the Governor's intention was to give agencies an incentive to identify savings by allowing the agencies to redirect identified savings, internally, to higher priorities.

Mr. Watts announced that the conference committee would start meeting on Wednesday, April 18, 2007. He added that System Office staff members would be working with the Governor and the Office of Planning and Budget ("OPB") to support the Governor's recommendations.

In his own area, Mr. Watts stated that he would like to thank the Vice Chancellor for Facilities, Linda M. Daniels, for her great work with the Georgia Emergency Management Agency. He stated that the staff is also working on a plan to assist the hospital in Americus that was destroyed by a tornado. Ms. Daniels has great experience in this area, owing to the rebuilding of Albany State University, and has been called upon by the System's other state partners. Mr. Watts said that the Board would soon receive a report from the Interim Associate Vice Chancellor for Human Resources, Dorothy Roberts, on the findings of the Healthcare Advisory Committee. He stated that he believes the report will include the option of having a health spending account with a high option deductible insurance program for employees who want to manage their own healthcare spending. The Associate Vice Chancellor for Legal Affairs, Elizabeth E. Neely, is working with the Associate Vice Chancellor for Media and Publications, John Millsaps, on the public comment sessions on the Board's response to the new law on undocumented students.

With that statement, Mr. Watts concluded his report and asked for questions. There were none.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

With the Chair's permission, Secretary Murphy presented Honorary Degree proposals from two System institution presidents. President Michael F. Adams of the University of Georgia requested Board approval for an Honorary Doctor of Letters to be awarded to Mr. Vernon Jones at the May 12 commencement ceremony of the university. President Larry Rivers of Fort Valley State University also requested Board approval for an Honorary Doctor of Humane Letters to be awarded to Dr. Anne Richardson Gayles-Felton at the May commencement ceremony of the university.

Ms. Murphy stated that the Regents had already reviewed the resumes of both of these individuals and that the staff in the System Office, having reviewed the proposals carefully, recommended them both with enthusiasm.

Chair Vigil called for a motion from the floor. With motion properly made, seconded, and unanimously adopted, the Board approved both Honorary Degree proposals.

PETITIONS AND COMMUNICATIONS

Chair Vigil asked Ms. Murphy to share information regarding events and any special communications.

Secretary Murphy provided information on the Joint Education Boards Liaison Committee ("JEBLC"). She stated that the JEBLC was established by the Department of Education, the Department of Technical and Adult Education, and the Board of Regents two or three years ago as a way to increase communication among the boards on policy issues of common concern.

Since that time, all seven education-related agencies now participate in the quarterly meetings. The three Board of Regents representatives on the committee are Regent Poitevint, Regent Carter, and Regent Potts. She also announced that Regent Cleveland is a past member of the committee.

Ms. Murphy announced that the next meeting of the Joint Education Boards Liaison Committee would be on April 30, 2007 at 10:00 a.m. in the Board room in Atlanta, adding that the System Office is the host this year. On behalf of Regent Poitevint, Ms. Murphy extended an invitation to all interested Regents to attend this meeting. In light of our strategic plan, communication and cooperation among the state's education agencies is increasingly important. Ms. Murphy asked those interested in attending to contact her so that proper arrangements could be made.

Ms. Murphy asked Regent Poitevint if should would like to add anything. Regent Poitevint thanked Ms. Murphy, saying that she did not have a comment, but stated that Regent Potts made his first meeting after being appointed to the committee. She stated that she did not want to embarrass him, but asked if he would relay some of his feelings after attending the first meeting.

PETITIONS AND COMMUNICATIONS

Regent Potts stated that Regent Poitevint could never embarrass him, so not to worry about that. He said that it was an enthusiastic meeting. The thing that he came away with was the fact that, particularly K-12 are working on so many things that feed directly into the Board's strategic plan, that the more the Board knows about the coordinated efforts of that group, the better off it will be. He added that he was very impressed.

Chancellor Davis stated that he would like to comment on Regent Potts' point. He said it was not by accident that the K-12 projects corresponded with the Board's strategic plan. He noted that the Alliance of Educational Agency Heads ("AEAH") was working and inputting into the K-12 plan to make sure that it, particularly on the issue of standards and preparation, meet our objectives as well. He added that while the Regents are working at their level, they are also working at the AEAH level, which is a level lower than JEBLC, to make sure that those things do happen in the K-12 plan. Regent Potts added that it is obviously working and congratulated the Chancellor on those efforts.

Ms. Murphy then continued with her petitions and communications announcing that the Board of Regents would have a special called meeting on May 2, 2007, at 10:00 a.m. in the University System Office Board room. Additionally, she informed the members of the Board that their feedback forms were in the left hand side of their Board books. She added that the staff always looks forward to receiving these forms from them. Ms. Murphy then stated that two Regents had shown an interest in the campus tour that had to be postponed on yesterday. She said that she knew that the campus representatives, students, staff, faculty are all interested in taking them on these tours, adding that if there were any other Regents who were able to join tour at the conclusion of meeting, their lunches would be placed on the tour bus for their convenience.

At this time Chair Vigil announced that the Board would take a 5-10 minute break before going into executive session.

EXECUTIVE SESSION

At approximately 10:45 a.m. on Wednesday, April 18, 2007, Chair Allan Vigil called for an Executive Session for the purpose of discussing personnel and compensation issues. With motion properly made and variously seconded, the Regents who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair Vigil, Vice Chair William H. Cleveland and Regents James A. Bishop, Hugh A. Carter, Jr., Robert F. Hatcher, Felton Jenkins, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Elridge W. McMillan, Patrick S. Pittard, Doreen Stiles Poitevint, Willis J. Potts, Wanda Yancey Rodwell, Benjamin J. Tarbutton, III, and Richard L. Tucker. 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. Chancellor Erroll B. Davis, Jr., the Chief Operating Officer, Robert E. Watts, the Interim Chief Academic Officer and Vice Chancellor for Academic Affairs, Beheruz N. Sethna, and the Secretary to the Board, Julia M. Murphy, were present for part of the Executive Session.

EXECUTIVE SESSION

In Executive Session, the Board unanimously accepted the Chancellor's recommendations that Ms. Murphy be reappointed as Secretary to the Board and that the Vice Chancellor for Fiscal Affairs, William R. Bowes, be reappointed as Treasurer to the Board for fiscal year 2008 per Board of Regents Bylaws IV.8 and IV.9. Also in Executive Session, the Board discussed the reappointment of University System presidents. Chair Vigil called for a motion to approve these reappointments at the Chancellor's recommendation. With motion properly made, variously seconded, and unanimously adopted, the Board approved the presidential reappointments as listed below.

The approved presidential reappointments were as follows: Michael F. Adams, University of Georgia; David A. Bell, Macon State College; John Black, East Georgia College; William A. Bloodworth, Jr., Augusta State University; David C. Bridges, Abraham Baldwin Agricultural College; Frank D. Brown, Columbus State University; G. Wayne Clough, Georgia Institute of Technology; Richard J. Federinko, Middle Georgia College; Everette J. Freeman, Jr., Albany State University; Bruce Grube, Georgia Southern University; Thomas K. Harden, Clayton State University; Thomas Z. Jones, Armstrong Atlantic State University; Daniel J. Kaufman, Georgia Gwinnett College; Dorothy Leland, Georgia College & State University; Torri Lilly, South Georgia College; Dorothy L. Lord, Coastal Georgia Community College; Martha T. Nesbitt, Gainesville State College; David A. Palmer, Waycross College; Daniel S. Papp, Kennesaw State University; Carl V. Patton, Georgia State University; John Randolph Pierce, Georgia Highlands College; David L. Potter, North Georgia College & State University; Daniel W. Rahn, Medical College of Georgia; Lawrence E. Rivers, Fort Valley State University; Lisa A. Rossbacher, Southern Polytechnic State University; Beheruz N. Sethna, University of West Georgia; Peter J. Sireno, Darton College; Anthony S. Tricoli, Georgia Perimeter College; Lawrence V. Weill, Gordon College; Thomas A. Wilkerson, Bainbridge College; and Ronald M. Zaccari, Valdosta State University. James G. Sanders was also reappointed as Director of the Skidaway Institute of Oceanography.

At approximately 12: 45 p.m., Chair Vigil reconvened the Board meeting in its regular session and announced in Executive Session, the Chancellor, the Secretary and Treasurer to the Board had been reappointed. With motion properly made, variously seconded, and unanimously adopted, these reappointments were reaffirmed in open session.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 12:50 p.m. on April 18, 2007.

s/ _____
Julia M. Murphy
Secretary, Board of Regents
University System of Georgia

s/ _____
Allan Vigil
Chair, Board of Regents