

**MINUTES OF THE MEETING OF THE  
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA  
HELD AT  
270 Washington St., S.W.  
Atlanta, Georgia  
June 12 and 13, 2001**

**CALL TO ORDER**

The Board of Regents of the University System of Georgia met on Tuesday, June 12 and Wednesday, June 13, 2001 in the Board Room, room 7007, 270 Washington St., S.W., seventh floor. The Executive and Compensation Committee met on Tuesday, June 12 at 10:30 a.m. Then, the Committee on Real Estate and Facilities met as a Committee of the Whole at 11:00 a.m. At

9:00 a.m. on Wednesday, June 13, the Committee on Finance and Business Operations met as a Committee of the Whole, followed by the regular Committee meetings. After the Committee meetings on Wednesday, the Chair of the Board, Regent Glenn S. White, called the meeting of the full Board to order at approximately 10:00 a.m. Present at this meeting of the full Board, in addition to Chair White, were Vice Chair Hilton H. Howell, Jr. and Regents Hugh A. Carter, Jr., Connie Cater, Michael J. Coles, Joe Frank Harris, George M. D. (John) Hunt III, Donald M. Leebern, Jr., Allene H. Magill, Elridge W. McMillan, Joel O. Wooten, Jr., and James D. Yancey.

**INVOCATION**

The invocation was given on Wednesday, June 13, 2001 by Secretary Gail S. Weber.

**ATTENDANCE REPORT**

The attendance report was read on Wednesday, June 13 by Secretary Weber, who announced that Regents Juanita P. Baranco and Martin W. NeSmith had asked for and been given permission to be absent on both Tuesday and Wednesday. Regent J. Timothy Shelnut had also asked for and been given permission to be absent on Wednesday.

**APPROVAL OF MINUTES**

Motion properly made and duly seconded, the minutes of the Board of Regents meeting held on May 9, 2001 were unanimously approved as distributed.

## **EXECUTIVE AND COMPENSATION COMMITTEE**

The Executive and Compensation Committee met in Executive Session on Tuesday, June 12, 2001 at approximately 10:30 a.m. in room 7019, the Chancellor's Conference Room. Committee members in attendance were Chair Glenn S. White, Vice Chair Hilton H. Howell, Jr., and Regents Joe Frank Harris and Donald M. Leebern, Jr. Also in attendance were Chancellor Stephen R. Portch and Secretary to the Board Gail S. Weber. The Executive Session was adjourned at approximately 10:55 a.m. Chair White reported to the full Board on Wednesday that the Committee had met in Executive Session to discuss personnel and compensation issues and that no actions were taken in Executive Session. 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.

## **COMMITTEE ON FINANCE AND BUSINESS OPERATIONS**

The Committee on Finance and Business Operations met as a Committee of the Whole on Wednesday, June 13, 2001 at approximately 9:00 a.m. in the Board Room to discuss Item 1 of the agenda. The Committee then met as a regular Committee at approximately 9:15 a.m. to discuss Item 2 of the agenda. Committee members in attendance at the regular Committee meeting were Chair James D. Yancey, Vice Chair Connie Cater, and Regents Hilton H. Howell, Jr., George M. D. (John) Hunt III, Donald M. Leebern, Jr., and Joel O. Wooten, Jr. Chair Yancey reported to the Board on Wednesday that the Committee had reviewed two items, both of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

### **1. Approval of Institutional Operating and Capital Budgets for Fiscal Year 2002**

Approved: The Board approved the institutional operating and capital budgets for University System of Georgia institutions and agencies as presented to the Committee of the Whole. (See pages 6 to 8.) These budgets were reviewed by fiscal affairs staff for compliance with Board of Regents policies and directives and are on file with the Office of Fiscal Affairs.

Background: The approved fiscal year 2002 educational and general operating budget for the University System of Georgia is \$3.98 billion. This represents an increase of \$193.5 million, or 5.1% over fiscal year 2001. The Systemwide auxiliary enterprise budget, which includes housing, food services, intercollegiate athletics, bookstores, and shops, was approved at a level of \$298.7 million for fiscal year 2002, a decrease of \$8.2 million over last year. The decrease is attributable to the Georgia Institute of Technology's decision in fiscal year 2002 to outsource its bookstore operations. The student activity budget, which supports educational, recreational, cultural, and social activities for students, was approved at \$60.5 million, a slight 1% increase over fiscal year 2001. Finally, the approved fiscal year 2002 capital budget, including all sources of funds (auxiliary enterprise funds, interest income, and institutional and other funds), is \$175.2 million.

This is an increase of \$5.3 million above last year's approved amount, exclusive of general obligation bond-funded projects. Like last year, general obligation bond-funded projects were approved in the fiscal year 2001 supplemental budget.

The fiscal year 2002 operating and capital budget recommendations are the culmination of a process begun in late January 2001. The senior leadership group in the University System Office held regional budget conferences with all University System institutions attended by presidents and senior staff. From these meetings, which centered on key institutional budget priorities, enrollment trends, and tuition and fees, allocation recommendations for state appropriations were developed. These were approved by the Board of Regents in April 2001. Also at the April meeting, the Board approved recommendations on tuition and mandatory student fees. These actions by the Board form the basis for the institutional budgets that were presented at this meeting. In addition to budget requests reflecting state appropriations and tuition revenues, each institutional budget includes auxiliary enterprise funds, student activity funds, capital funds, and all other sources of revenue.

The budget tables presented to the Regents provided a comprehensive picture of recommended institutional budgets. The recommendations included a breakdown of budgets by fund source (i.e., educational and general, capital, auxiliary enterprises, and student activity) and a detailed description of educational and general budgets by revenue source and expenditure category (personal services, operating expenses, and equipment). The capital budget recommendation indicated sources of funds and type of project.

Capital projects that are supported by institutional funds will be subject to appropriate review as required by policy. The staff included a table that depicted the breakdown of the budget by functional category: instruction, research, public services, and academic, student, and institutional support.

**2. Approval of Renewal and Amendments of Agreements Between the Board of Regents and MCG Health, Inc. Regarding Medical College of Georgia Hospital and Clinics**

Approved: The Board approved renewal of the Master Affiliation Agreement and all Associated Agreements for fiscal year 2002 (July 1, 2001 through June 30, 2002) between the Medical College of Georgia ( MCG ) and MCG Health, Inc. ( MCGHI ) regarding the operation of the MCG hospital and clinics, with amendments. These agreements, including amendments are on file with the Office of Fiscal Affairs.

Background: In January 2000, the Board of Regents approved the Master Affiliation Agreement between the Board of Regents and MCGHI for the operation and management of the MCG hospital and clinics. The Master Affiliation Agreement was the first of a series of agreements that cover facilities, assets, employees, and other elements involved in the transfer of operation and

management, effective July 1, 2000. It embodies the fundamental understanding of the parties regarding the proposed affiliation and expresses the interests of the parties in negotiating the terms of the Associated Agreements. The Master Affiliation Agreement was amended in April 2000 to conform its provisions to the terms of the Associated Agreements.

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

The Associated Agreements include the Master Lease; the Clinical, Educational and Research Services Agreement; the Operations and Services Agreement; the Personnel Agreement; the Asset Transfer Agreement, detailing the assets and liabilities to be transferred; and the MCG Health, Inc./Physicians Practice Group Agreement. All of these agreements are renewable at the end of the fiscal year, with approval of the Board of Regents and the Board of Directors of MCGHI. The Affiliation Agreement provides for both parties to propose amendments to the agreements which may be negotiated with the renewal.

MCG and MCGHI have negotiated several amendments to the Operations and Services Agreement and the Clinical, Educational and Research Services Agreement. These amendments update and clarify the terms of the agreements and reflect minor changes in the exchange of services between the parties. The essential relationship between the parties remains unchanged.

Two additional agreements define the relationship between MCG and the PPG, and the relationship between the PPG and MCGHI. These agreements do not require renewal each fiscal year, and no amendments to either of them have been submitted by the parties for approval of the Board of Regents.

#### **COMMITTEE ON FINANCE AND BUSINESS OPERATIONS, COMMITTEE OF THE WHOLE**

On Wednesday, June 13, 2000 at 9:00 a.m., Chair White convened the meeting of the Committee on Finance and Business Operations as a Committee of the Whole. He thanked Vice Chair and Mrs. Howell for their hospitality the previous evening and then turned the chairmanship of the meeting over to Regent Yancey. Board members in attendance at this meeting in addition to Regents White and Yancey were Regents, Hugh A. Carter, Jr., Connie Cater, Joe Frank Harris, Hilton H. Howell, Jr., George M. D. (John) Hunt III, Donald M. Leebern, Jr., Allene H. Magill, Elridge W. McMillan, J. Timothy Shelnut, and Joel O. Wooten, Jr.

Chair Yancey reminded the Regents that they had approved state appropriation allocations at their April meeting. At this meeting, the Board was being asked to approve the total budgets for

the University System institutions, including all fund sources. He noted that the staff had reviewed the budgets for compliance with Board policies and recommendations on tuition and fees. He then asked Interim Vice Chancellor for Fiscal Affairs William R. Bowes to summarize the staff's recommendations and to highlight the major issues.

Mr. Bowes reviewed the annual budget process for the University System of Georgia. He reiterated that at this meeting, the Board was considering approval of the total fiscal year 2002 operating budgets for all System institutions. This is the last step in a process that began last September, when the Board approved the fiscal year 2002 budget request. In January 2001, the Governor recommended the budget request to the legislature. In January and February, the fiscal affairs staff held budget discussions with each of the System institutions. In March, the legislature approved the fiscal year 2002 state budget. Then in April, the Board approved the fiscal year 2002 budget allocations, including the tuition rate recommendations, mandatory student fees, and the salary policy. After that approval, the institutions were asked to come back with their total budget packages, including auxiliary enterprise funds, capital funds, etc. The Regents' notebooks included information about all of these budgets per budget type: education and general, capital, auxiliary enterprises, and student activities. The staff were requesting that the Board approve these budgets.

Mr. Bowes noted that the education and general budget totals \$3.98 billion, or 88.2% of the total budget for the University System. This budget is the budget that supports the primary mission of the University System: instruction, research, and public service. It also provides for support services, including academic support, student services, institutional support, operation and maintenance of facilities, scholarships, and fellowships. The major sources of funds supporting the education and general budget are state appropriations, tuition revenues, federal grants and contracts, and sales of educational services, such as continuing education. Mr. Bowes noted that the institutional budgets, which are a piece of the education and general budget, have grown, particularly in the area of sponsored operations. While the University System experienced a 2.9% increase in state appropriations and an approximately 4% increase in tuition and other revenue this year, sponsored operations increased significantly due to the growth of federal grants and contracts in the research area. In fact, this has been a real growth area for the University System over the past several years.

The second area Mr. Bowes highlighted was tuition and other revenue. He noted that the total tuition and other revenue package had increased over several years but has dropped off this year from \$854 million to approximately \$609 million. Most of that change is attributable to the transfer of the hospital and clinic revenue at the Medical College of Georgia from the budget of the University System to MCG Health, Inc. Tuition revenue at the institutions has grown over the last several years, and this year's tuition revenue is consistent with what the University System is required to raise as part of the budget formula.

The auxiliary enterprise budget is the budget that supports activities related to the mission of the institutions, such as housing, food services, and athletics, explained Mr. Bowes. The

distinguishing characteristic of the auxiliary enterprise budget is that it is self-supporting from student fee revenues and other sources. The auxiliary enterprise budget for fiscal year 2002 is \$298.7 million, or 6.6% of the total budget. Mr. Bowes noted that this budget has decreased from last year's auxiliary enterprise budget of \$306.9 million. This is attributable to the fact that the Georgia Institute of Technology has decided to outsource its bookstore operations, which has a fairly significant impact on the total auxiliary enterprise budget.

The student activities budget, like the auxiliary enterprise budget, is self-supporting, said Mr. Bowes. However, this budget is aimed toward student-based activities that are social, cultural, recreational, and educational in nature, such as student organizations, radio stations, and the like. Student activities are supported by mandatory student fees and other sources, such as fund raising. The student activities budget for fiscal year 2002 totals approximately \$60.5 million, or 1.3% of the total budget. This year's student activities budget has increased only slightly over last year's budget.

Finally, the fiscal year 2002 capital outlay budget totals approximately \$175.5 million, or 3.9% of the total budget. Mr. Bowes explained that this is the part of the budget that supports facilities renovation and construction through various fund sources, including general state operating funds, auxiliary enterprise funds, interest income, and major repair and renovation (MRR) funds. He noted that this does not cover nor include capital funding from general obligation (G.O.) bond proceeds, nor does it include funds that were procreated in the fiscal year 2001 supplemental budget. In addition to these funds, the University System received \$258 million in the supplemental budget for capital projects.

In closing, Mr. Bowes stated that the total fiscal year 2002 budget is approximately \$4.51 billion, an increase of approximately 5% over last year's budget, accounted for primarily from sponsored operations. He noted that the staff reviewed the budget requests of the institutions with regard to salary increases and that they are in full compliance with the policy established by the Board in April. For those recommended salary increases over 10%, the staff received justification, and all institutions distributed raises evenly over the 4.5% increase goal. He then turned the floor back to Chair Yancey.

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

Regent McMillan asked Mr. Bowes whether the budget includes funds for Fort Valley State University to match federal grant funding for agricultural research.

Mr. Bowes responded that it does.

Regent Leebern moved to accept the fiscal year 2002 operating and capital budget recommendation, and Regent Hunt seconded the motion.

Chair Yancey asked whether there were any further questions or comments, and seeing that there were none, he called for a vote. Motion properly made, seconded, and unanimously adopted, the Board approved the fiscal year 2002 operating and capital budget.

Seeing that there were no further questions or comments, Chair Yancey thanked Mr. Bowes and his staff for their hard work on the budget. He then adjourned the Committee on Finance and Business Operations as a Committee of the Whole.

At approximately 9:15 a.m., Chair White adjourned the Board into its regular Committee meetings.

### **COMMITTEE ON REAL ESTATE AND FACILITIES**

The Committee on Real Estate and Facilities met as a Committee of the Whole on Tuesday, June 12, 2001, at 11:00 a.m. in the Board Room to discuss Items 4, 5, and 7 of the agenda. The Committee met again as a regular Committee on Wednesday, June 13, 2001, at approximately 9:20 a.m. to discuss the remainder of the agenda. Committee members in attendance at the regular Committee meeting were Chair George M. D. (John) Hunt III, Vice Chair Hilton H. Howell, Jr., and Regents Connie Cater, Michael J. Coles, Donald M. Leebern, Jr., Joel O. Wooten, Jr., and James D. Yancey. Chair Hunt reported to the Board on Wednesday that the Committee had reviewed seven items altogether, all of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

#### **1. Approval of Major Repair and Renovation Funds**

Approved: The Board authorized distribution of major repair and renovation ( MRR ) funds in accordance with staff recommendations.

Understandings: The MRR formula is the method used to allocate the System s overall MRR allocation to the campuses. Historically, the base factor included in the formula is the building renewal allowance. The principal factors in this component of the formula are size (gross square feet), age adjusted for renovations, and replacement cost.

Proposed projects from each institution have been reviewed by the Board of Regents facilities staff for priority, quality, and cost. Recommendations generally follow institutional priorities, although all must meet the test of quality and cost. Guidelines are used to screen institution-requested projects for MRR funding.

MRR funds are not used for new construction, land acquisition, or auxiliaries. Funds are devoted exclusively to maintenance of current facilities. Institutions are expected to perform adequate

annual maintenance and operations; MRR is intended to cover nonroutine, larger expenditure items.

MRR is intended to be used for building system and building integrity purposes before other uses; e.g., roofs and heating, ventilation, and air-conditioning systems take priority over sidewalks and driveways.

MRR should be focused on critical building systems and utility infrastructure to reduce building outages due to failed central systems.

## **2. Ground Lease Agreements for Parking Decks, Kennesaw State University**

Approved: The Board declared two tracts of land totaling approximately 5.39 acres on the campus of Kennesaw State University ( KSU ), Kennesaw, Georgia, 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 these tracts of land to be leased to the Kennesaw State University Foundation (the Foundation ) for the purpose of constructing and owning two parking decks for KSU.

The Board authorized the execution of a lease agreement with the Foundation for approximately 3.01 acres of land on the campus of KSU for a period of 25 years for the purpose of construction and owning an approximately 868-space parking deck on the east side of the KSU campus adjacent to Frey Road.

The Board also authorized the execution of a lease agreement with the Foundation for approximately 2.38 acres of land on the campus of KSU for a period of 25 years for the purpose of construction and owning an approximately 667-space parking deck on the west side of the KSU campus adjacent to Frey Lake Road.

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

Understandings: The two parking decks will provide approximately 1,535 parking spaces for campus use. The parking decks will be constructed so that at least two more levels can be added to each deck in future years. Board approval will be requested prior to any addition.

Construction of these two parking decks is in accordance with the Kennesaw State University Campus Master Plan.

The Foundation will obtain 25-year tax-exempt bond financing. Security for the bonds will be limited to the equity in the two parking decks.



The Board of Regents will lease each parking deck by separate agreement on a year-to-year basis from the Foundation for 25 years. The total annual rent for both lease agreements will be approximately \$1,100,000 (will be based upon actual interest rate at the time of bond issuance, currently assumed to be 5.5%) with no increase in rent for option periods. The rent will provide sufficient funds to cover debt and capital reserve accumulation. Rent will be paid from student parking fees. Approval of these leases will be requested of the Board at such time as construction of each parking deck is complete.

### **3. Ground Lease Agreement for Student Housing, Kennesaw State University**

Approved: The Board declared approximately 14.346 acres of land located on the campus of Kennesaw State University (KSU), Kennesaw, Georgia, 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 land to be leased to the Kennesaw State University Foundation (the Foundation) for the purpose of constructing, owning, and operating student housing for KSU.

The Board authorize the execution of a ground lease agreement between the Board of Regents, Lessor, and the Foundation, Lessee, for the above-referenced 14.346 acres of land on the campus of KSU, Kennesaw, Georgia, for a period not to exceed 30 years with the option to extend the ground lease and agreement for up to an additional 5 years for the purpose of constructing, owning, and operating student housing.

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

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

In November 2000, President Betty L. Siegel presented to the Committee as an information item the need to obtain student housing at KSU. KSU has developed a comprehensive student housing plan that is consistent with Board policy.

The KSU plan consists of obtaining a total of 2,000 beds on, adjacent to, or in close proximity to the campus. This first phase of the KSU plan will provide approximately 658 beds of student housing.

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

4. **Authorization of Project Modification, Advanced Computing Technology Building, Georgia Institute of Technology**

Approved: The Board modified the June 1998 authorization of project, Advanced Computing Technology Building, Georgia Institute of Technology ( GIT ), as follows:

- § Increase the project size from 170,000 gsf to 255,000 gsf. Additional private funding will allow GIT to add 85,000 gsf to the project for additional program space, service/loading dock requirements, and a connector addition to the College of Computing/School of Electrical and Computer Engineering Building.
- § Add a 210,000 gsf parking facility to the project. The parking facility will be privately funded and will accommodate up to 600 parking spaces. The proposed cost for the parking facility will be \$9,000,000.
- § Increase the total project budget from the Board-approved \$42,975,000 to \$61,435,000. (With the additional 3% cost escalation, the proposed total project budget will be \$61,804,450.) The additional \$18,460,000 in project cost will be privately funded and will be in addition to the already Board-approved \$8,000,000 in private funding. If approved, this project will total \$26,460,000 in private and GIT-generated funds.

This item was addressed by the Committee of the Whole on Tuesday, June 12, 2001. (See page 18.)

5. **Authorization of Project Modification, Henderson Library Addition, Georgia Southern University**

Approved: The Board modified the June 1998 authorization of project Henderson Library Addition, Georgia Southern University, as follows:

- § It is requested that the project size and cost be increased to adequately address the space needs as identified during campus master planning, detailed space programming, and cost estimating, which were conducted by professional consultants.
- § The revised scope will result in 9% increase in the project size (92,000 gsf to 101,000 gsf), which will address the needs of the program as identified in the recently prepared assessments.
- § The project cost will increase from \$15,251,000 to \$22,751,000 (an increase of \$7,500,000). The unit construction cost will increase from \$110 per gsf to \$156 per gsf, which is more appropriate based on the specific project needs identified in the detailed analysis and confirmed using bench marking analysis.

- § Additional program space includes expansion of the student study areas, high-density storage space for collections, and additional renovations to the existing library.

This item was addressed by the Committee of the Whole on Tuesday, June 12, 2001. (See pages 18 to 21.)

**6. Resolution, 2001 A and 2001 B General Obligation Bond Issue, Georgia State Financing and Investment Commission, University System of Georgia**

Approved: The Board adopted a Resolution prepared by the Revenue Division of the Department of Law covering the issuance of 2001 A and 2001 B general obligation ( G. O. ) bonds by the State of Georgia through the Georgia State Financing and Investment Commission for use in funding projects for the University System of Georgia.

The Revenue Division of the Office of the Attorney General has prepared on behalf of the Board of Regents a Resolution to cover the sale of 2001 A G. O. bonds for the following projects:

J-19	Advanced Computing Technology Bldg. (Design) Georgia Institute of Technology	\$660,000
J-27	Paul D. Coverdell Building for Biomedical and Health Sciences (Planning & Design) University of Georgia	\$50,000
I-53	Central Chiller Plant, Phase I Georgia College & State University	\$4,200,000
	Georgia Radiation Center	\$2,200,000
	Engineering Study of Broadcast Towers Georgia Public Telecommunications Commission	\$500,000
	Academic Building (Design) Georgia Military College	\$600,000
	Equipment and Facilities Georgia Research Alliance	\$13,000,000

Governor s Traditional Industries Program		\$1,800,000
Equipment Purchase		<hr/>
	TOTAL	\$23,010,000

The Revenue Division of the Office of the Attorney General has prepared on behalf of the Board of Regents a Resolution to cover the sale of 2001 B G. O. bonds for the following projects:

J-21	Campus Road & Entryway Improvements Atlanta Metropolitan College	\$1,000,000
I-55	Fine Arts Building, Phase II Georgia Southern University	\$4,500,000
BR-50-0102	Library South Remediation Georgia State University	\$3,700,000
J-22	Auditorium at Rural Development Center at Tifton University of Georgia	\$4,900,000
I-89	Renovation of Classrooms and Gym South Georgia College	\$4,800,000
J-25	Georgia Tech Regional Engineering Program at Savannah Georgia Institute of Technology	\$5,000,000
I-56	Classroom Addition Kennesaw State University	\$4,000,000
J-24	Renovation of Nevins Hall Valdosta State University	\$240,000
J-28	Information Technology Building Georgia Southern University	\$33,000,000
BR-82-0103	Construction of Road Coastal Georgia Community College	\$450,000
	TOTAL	<hr/> \$61,590,000

**7. Major Capital Projects**

Each year, the facilities staff review the priority list of major capital projects and evaluate any additional projects submitted by the institutions for consideration. In previous years, the Board has added to the list in roughly the dollar volume of projects that were funded for construction in the prior budget cycle. The objective is to hold the overall priority list of major capital projects to a total cost of approximately \$500 million. This process also includes consideration of inflation and other related matters. While these matters were discussed as a Committee of the Whole, the Board actions were as follows:

- A. Approved: The Board approved a 3% increase in project funding for projects currently on the capital projects list.

Background: Last year, based on a study conducted by an independent construction cost estimating firm, project costs were increased by 3.75% to reflect the construction inflation being realized in Georgia. For consistency, the staff asked the same firm to compute an appropriate inflation factor for this year. The recommendation was that projects currently on the major capital outlay projects priority list be increased by a 3% inflation factor.

- B. Approved: The Board adopted the rank order of projects 19 to 22 for a cumulative cost of \$504,484,310 and added these projects to the fiscal year 2002-2006 five-year capital outlay rolling plan, as presented below:

<u>Institution</u>	<u>Project</u>	<u>Requested State Funds</u>	<u>Cumulative Costs</u>
19. Abraham Baldwin Agricultural College	Renovate Herring, Lewis, and Tift Halls	\$9.5 million	\$442,984,310
20. Georgia Institute of Technology	Innovative Learning Resource Center	\$29 million	\$471,984,310
21. Georgia College & State University	Beeson Hall Renovation	\$8.5 million	\$480,484,310
22. Columbus State University	Academic Classroom & Laboratory Building	\$24 million	\$504,484,310

Altogether, seven major capital outlay projects were presented for consideration and placement on the major capital outlay projects priority list. For further information on these items, see pages 16 to 31, Committee on Real Estate and Facilities, Committee of the Whole.

### **COMMITTEE ON REAL ESTATE AND FACILITIES, COMMITTEE OF THE WHOLE**

On Tuesday, June 12, 2000 at 11:00 a.m., Chair White convened the meeting of the Committee on Real Estate and Facilities as a Committee of the Whole. He then turned the chairmanship of the meeting over to Regent Hunt. Board members in attendance at this meeting in addition to Regents White and Hunt were Regents Hugh A. Carter, Jr., Connie Cater, Michael J. Coles, Joe Frank Harris, Hilton H. Howell, Jr., Donald M. Leebern, Jr., Allene H. Magill, Elridge W. McMillan, J. Timothy Shelnut, Joel O. Wooten, Jr., and James D. Yancey.

Chair Hunt welcomed the Regents and explained that, at this meeting, they would update the major capital outlay projects priority list at this meeting. These projects are buildings or physical improvements that cost more than \$5 million. He noted that there were a number of needed and worthy projects that would be presented at this meeting. Unfortunately, they could not all be included in the major capital outlay list. The process at this meeting would include a presentation of each of the projects by the respective institutions president. After each presentation, the Regents would have an opportunity to ask questions of the president or make comments on the project. Chair Hunt explained that 21 projects were submitted, but they were narrowed down by Vice Chancellor for Facilities William K. Chatham to 7 projects. After all of the presentations, the Regents would vote electronically on the projects in order that they would know immediately the outcome of their votes. Chair Hunt then turned the floor over to the Chancellor.

Chancellor Portch explained that this was the fifth year that the Board had utilized this process, which is unique because most systems have their staffs recommend which capital projects should be added and their boards typically approve those recommendations. That was how the process was once handled in the University System of Georgia as well. However, the staff reinvented the process because they believed there was tremendous value to be gained from having the Board more actively involved in the process. The value to be gained is several fold, but an important benefit is that when the legislative session begins and Regents are called upon to explain and support the projects, they are more familiar with the projects because they actually learned about them from this process. Another reason this process was adopted was because presidents were never convinced that the University System Office staff were as compelling making their cases for their projects as they should be. So, what better way to provide full opportunity for the presidents to sell their projects than to let them do it themselves? This has been very beneficial in multiple ways. The Chancellor explained that the major capital projects list is a five-year rolling list approximating \$500 million. He noted that the University System averages about \$100 million in state funding for major capital projects each year. The System receives much

more than that in total capital project money, which includes major repair and renovation ( MRR ) and the minor projects. However, he asserted that \$100 million is a rather good average for major capital projects. By setting the rolling list at \$500 million, the staff can roll through projects in approximately five years. This keeps a current list available and gives the System the ability to go ahead and design some projects.

The Chancellor stressed that the single most important part of the capital projects selection process is the principles, which were listed in the Regents notebooks. These are principles developed by the Board itself, and he urged the Regents to consider these principles in their capital projects selections. He noted that the first principle was especially important one because it stresses that the first obligation is to the University System s current students needs before planning for future enrollments. Chancellor Portch also stressed the fourth principle, which stresses the importance of renovation. Principle five is also important in that it emphasizes the priority of teaching spaces, such as classrooms and laboratories, with support centers like libraries and computer labs in second priority, followed by student support and then administrative space. These principles should help the Regents prioritize their selections. The Chancellor noted that the Board would take actions at this meeting that would basically mean that there will be approximately \$75 million available to be added to the rolling list this year. He cautioned that exceeding the \$500 million cap by too much would mean the Regents will have that much less to add to the list next year. He assured the Regents that any of these projects would be valuable to the University System, but they would have to decide which ones are most critical. He explained that the Regents would be tutored at lunch time on the electronic voting program, and there would be assistance available for those who needed it. He explained that it is important that the Board continue to model the use of technology as it asks the institutions to increasingly use technology. Plus, this system will ensure output accuracy and may be able to be utilized in other ways if it is successful. The Chancellor then called upon Mr. Chatham to present some elements of the rolling list.

Mr. Chatham reiterated that the Board would be hearing presentations from seven System presidents for major capital project proposals. The most important thing the Regents would hear would be the facilities needs expressed passionately by the presidents. At the end of each presentation, there would be an opportunity for the Regents to ask questions or discuss the particular proposed project. Following the presentations, the Regents would vote electronically, ranking the projects from one to seven in order of preference. First, however, the Board needed to consider the maintenance of the list. Mr. Chatham explained that this is a rolling five-year list of major capital projects costing more than \$5 million. It was reconstituted to give the Board an opportunity to partake in the plan and to keep the projects on the list active and viable. The staff wanted to ensure that every institution had the opportunity to have a project considered and to make it inexpensive to bring a project concept before the Board. At this meeting, there would be data, but much of the presentations would revolve around the project concepts. If the Board votes to add a particular project to the list, it is included in the rolling plan. However, the Board must first build the framework around the concepts for a variety of reasons, but primarily

to ensure that the money is sized appropriately to the project's needs. So, at this time next year, for projects that are added to the list at this meeting, the projects come back with a site and situation report. This is a preliminary planning effort to decide whether the site is an appropriate place to put the building, whether it has access and utilities, and all the physical elements that go into supporting the project. That is what happens to a project in the second year it is on the list. The third year, the staff asks for the same kinds of information about the interior of the facility, such as how departments will be arranged, how spaces will be shared between laboratory exercises and teaching, and the like. The fourth year, the concept, site, and interior have been examined, but now all these elements must be put together into a building program. The building program is generally created by professionals who are hired by the institution, and it gives enough detail that an architectural firm can then design the building. So, over four years, a project goes from a basic concept to a full building program, and the fifth year of the plan, the Board asks for state funding for the project.

One of the best things about the rolling nature of the plan is that it is easy to get into the system and review the projects, asserted Mr. Chatham. Every year, the Board has an opportunity to fine-tune and review the list to ensure that things have not changed. So, at the June meeting every year, the Board examines whether there is anything on the list that needs to be revised or updated. At this meeting, the Board had two such opportunities. The first was Item 4 on the agenda of the Committee on Real Estate and Facilities, Authorization of Project Modification, Advanced Computing Technology Building, Georgia Institute of Technology (GIT). (See pages 11 to 12.) Mr. Chatham noted that the Advanced Computing Technology Building is currently number three on the major capital projects list. However, there have been changes to the project since that building went on the list. One of the changes is that the institution has since completed its physical master plan and now knows more about how it will operate in the future than it did when it first introduced this project. Also, a number of other unanticipated things have happened. For example, President G. Wayne Clough has made numerous presentations to the Committee about the Fifth Street corridor development, and there is a great deal going on at GIT with private partnerships and private financing. The bottom line is that the building needs to be bigger in two ways. First, it needs to be increased from 170,000 to 255,000 gross square feet of teaching and learning space. Secondly, parking has become a critical issue in the heart of GIT over the last few years. This project is going to be built on topography that slopes downward. Therefore, it would be a good idea and relatively inexpensive to put several floors of parking under that slope. The building capacity could accommodate up to 600 cars in this parking configuration. GIT was asking the Board to expand the size of this building and include parking at no additional cost to the state. The original project required \$8 million in private funding, but the new project would increase the private funding to \$26 million for a total cost of \$61.8 million. Mr. Chatham then asked Chair Hunt to call for a vote to see if the Board would allow GIT to make these modifications to the project.

Chair Hunt asked for a motion to approve the modifications, and Regent Leebern made the motion. With motion seconded and unanimously approved, the Board approved Item 4 on the



Committee agenda, Authorization of Project Modification, Advanced Computing Technology Building, Georgia Institute of Technology.

Mr. Chatham stated that the second project modification up for Board approval at this meeting was Item 5 on the Committee agenda, Authorization of Project Modification, Henderson Library Addition, Georgia Southern University ( GSOU ). (See page 12.) This project is currently number four on the major capital projects list. The circumstances of the requested modifications are in many ways similar to the modifications requested by GIT. For example, when this project was initially approved by the Board, GSOU had not yet completed its physical master plan; therefore, the need for additional library space was dramatically understated. The library space necessary to meet the needs for the students should be increased significantly. In addition, the building configuration had anticipated an addition to the side of the existing building. However, in order to put this building into the correct site and situation, the addition instead should really wrap around the existing building. This project is proposed to be increased from 92,000 square feet, which when completed would require GSOU to return to the Board requesting a second addition, which would not be cost-effective, to 101,000 square feet and an increase of \$7.5 million in the state-funded component of the project. Mr. Chatham noted that President Bruce F. Grube and his staff were present at the meeting to answer any questions about this request.

Regent Leebern made a motion to approve the proposed modifications.

Regent Carter asked Mr. Chatham why there was a requested 9% increase in space but a 50% increase in cost.

Mr. Chatham responded that the addition was originally estimated at a cost of \$110 per square foot, but that those cost estimates in today's terms are unrealistic. Instead, the project will cost approximately \$150 per square foot. So, one of the issues is a reassessment of actual cost. Another issue is the need to wrap the addition around the library. If the addition were only added on one side of the existing building, it would touch only one existing surface. Instead, the cost of wrapping the addition around the building has also driven the cost up beyond the additional square footage. Mr. Chatham explained that the library is situated across the pedestrian walkway from the marsh and wetland area in which GSOU has created a beautiful series of lakes. That means that the ground under the library is not as stable, and the addition will need better piers and pylons to support it. Finally, to keep the building at the minimal increase requested, it will be necessary to convert to a dense storage system for books. Rather than build lots of space and have traditional book cases, there will instead be a system in which books are put on moving shelves and compressed together to save square footage. It is a costly system, but it is about 30% to 40% the cost of building even greater additional square footage to accommodate the books.

Chancellor Portch stressed that the cost increase would not be justified just based on the square footage increase. However, these additional factors contribute to the increase in cost.

President Grube added that GSOU enrollments grew very rapidly from the mid-1980s to the early 1990s, and the campus is simply trying to catch up with that growth. This project was conceived and approved before he became President of GSOU. Now, the master plan and architects indicate that the increased space and better design would be more appropriate to the institutional needs.

Chair Hunt asked whether the Regents had any other questions or comments on this project modification.

Regent White asked whether there were any more projects like this on the agenda.

Mr. Chatham responded that the two project modifications for GIT and GSOU were the only project modifications requested at this time.

Regent White asked whether such modifications constitute a trend in the major capital projects process.

Mr. Chatham assured him that they do not. Every June, the Board has the opportunity to validate that a project appears to be consistent with its original approval.

Chancellor Portch added that in the past five years, the Board had only approved modifications to projects on the major capital projects list in four instances.

Regent Howell noted that the new construction price of the addition is approximately \$150 per square foot. He asked whether this is consistent with the average cost per square foot for similar facilities.

Mr. Chatham responded that libraries are no longer made to house only shelves and books. Now, they are technologically sophisticated facilities, particularly when a library includes Georgia Library Learning Online ( GALILEO ) computer access, data ports and entries, and study areas. So, \$150 per square foot is about average for a technologically sophisticated university library.

Regent Howell replied that he felt this was a fair price for a library.

Chair Hunt asked whether the Regents had any further questions or comments.

Regent Carter noted that GSOU has had approximately \$60 million worth of projects approved for inclusion on the major capital projects list since 2000. He asked whether this was fair to the other units of the University System.

Chancellor Portch responded that there were two institutions whose enrollments grew exponentially in the late 1980s and 1990s, GSOU and Kennesaw State University (KSU). When he became Chancellor, those campuses were woefully behind their growth rate, which is not surprising when there is a five-year rolling projects list. KSU has also experienced a great deal of facilities growth in the last few years. While Regent Carter has a legitimate concern, the principle that has driven approvals for these institutions is the attempt to catch up to the growth already experienced on those campuses. Now that the growth has slowed, the institutions stand a better chance of catching up to it.

Chair Hunt asked how much cost was being added due to the decision to wrap the addition around the existing building as opposed to adding it only on one side and whether this was necessary.

Mr. Chatham explained that there is no other option, given the location of the building. There is not enough space on one side of the building to build on in that fashion.

Regent Carter asked whether there is any way GSOU can raise the additional funds itself.

The Chancellor called upon President Grube to respond to this question.

President Grube responded that it is easier to raise funds for and attach names to business colleges than to libraries. Therefore, GSOU is not in the position to commit to raising \$7 million for a library addition.

Regent Leebern complimented President Grube on this project and stated that the library will serve many GSOU students.

Seeing that there were no further comments or questions, Chair Hunt called for a vote, since Regent Leebern had already moved to approve. Motion properly made, seconded, and unanimously adopted, the Board approved Item 5 of the Committee agenda, Authorization of Project Modification, Henderson Library Addition, Georgia Southern University.

Mr. Chatham noted that with that approval, the new total the existing major capital projects list became \$421,077,000. He further explained that in order to keep the currency of the list, the Board relies on an independent cost-estimating firm to identify the average inflation rate for the kinds of projects on the major capital projects list. A year ago, the Board approved a 3.75% increase to reflect the rate of inflation. This year, the consultants were recommending an inflation rate of 3% on all projects on the current list, and the staff were recommending that this increase be applied to the list to keep the project costs current with inflation.

Regent Leebern made a motion to accept this recommendation, and the motion was seconded. Motion properly made, seconded, and unanimously adopted, the Board approved a 3% inflation rate for the major capital projects list. The list now totaled \$433,484,310.

Chair Hunt asked whether the inflation increase would help cover the cost of the GSOU project modification.

Mr. Chatham responded that it would not and noted that the inflationary increase was only applied to the base price because the increased price had not been on the list for three years.

Chair Hunt asked whether there were any other questions.

Regent White asked what becomes of any extra funding should a particular project come in under budget.

Mr. Chatham replied that generally, something must be cut out of the project along the way to get the project within the budget because the figures on the major capital projects list are only estimates. The first consideration, then, is to restore whatever may have been cut to keep the project within budget in the first place. The second consideration, if there is still money left over, is to spend that money on safety enhancements, such as exterior lighting and pathways.

Regent White deduced that the money stays on the campus.

Mr. Chatham confirmed this, and he stressed that all funds are accounted for and sometimes denied for use on other projects.

Chancellor Portch reiterated that most projects from the concept stage through design end up having to be scaled back to keep them within their budgets.

Chair Hunt asked whether there were any further questions on this matter, and there were none.

Mr. Chatham stated that there was only one last item for the Committee to consider at this time. He noted that the Board has been very successful in providing facilities to the institutions through public-private partnerships, or privatization. These are ways that institutions can join with private industry to provide facilities such as dormitories and parking lots that generate revenue streams to pay back the debt. Prior to a few years ago, those facilities were funded by the state with a loan, which was called a payback. The state would issue a bond, and the Board would agree to pay it back over a series of years. The state has not embraced the payback concept in recent years, so the Board had to find another way to do this, thus the public-private partnership. However, there was one project on the major capital projects list, the Georgia Perimeter College Student Center, Clarkston Campus (number six on the list), that was approved with a cost of \$7 million in state funds and a payback component of \$1.125 million. That

building will have a component that is dedicated to student support facilities that are not of the type for which the state will pay. Mr. Chatham recommended that the Board vote to include the project as part of the fiscal year 2003 capital budget in the amount of \$1.125 million.

Chancellor Portch added that this amount would not be reflected in the \$500 million total of the five-year rolling major capital projects list.

Regent Leebern made a motion to approve this recommendation, and the motion was seconded. Motion properly made, seconded, and unanimously adopted, the Board approved the Georgia Perimeter College Student Center, Clarkston Campus, payback component in the amount of \$1.125 million for fiscal year 2003.

Mr. Chatham said that this concluded the preliminary business of the Committee at this meeting. He reminded the Regents that they were invited to practice the electronic voting process during their lunch break.

At approximately 11:45 a.m., Board Chair White recessed the Board for lunch.

Chair White reconvened the meeting of the Committee on Real Estate and Facilities as a Committee of the Whole at 1:00 p.m. He then turned the chairmanship of the meeting back over to Regent Hunt.

Chair Hunt asked Mr. Chatham to introduce the presidents who would be proposing major capital projects at this time.

Mr. Chatham reminded the Regents that there would be seven project proposals presented, each followed by a question and answer session. At the end of the presentations, the Regents would vote in rank order from one (highest preference) to seven (lowest).

The following presidents, representing their respective institutions, presented their proposed major capital projects to the Board:

<b><u>President</u></b>	<b><u>Institution</u></b>	<b><u>Project (Cost)</u></b>
Homer A. Day (Interim) Michael F. Vollmer (Elect)	Abraham Baldwin Agricultural College ( ABAC )	Renovation of Herring, Lewis, and Tift Halls (\$9.5 million)
Thomas Z. Jones	Armstrong Atlantic State University ( AASU )	Computer Science and Classroom Building (\$23 million)
Frank D. Brown	Columbus State University ( CSU )	Classroom and Laboratory Building (\$24 million)
Jacqueline M. Belcher	Georgia Perimeter College ( GPC )	Renovation and Construction of Academic Buildings (\$24 million)
Rosemary DePaolo	Georgia College & State University ( GSCU )	Renovation of Beeson Hall (\$8.5 million)
G. Wayne Clough	Georgia Institute of Technology ( GIT )	Innovative Learning Resource Center (\$46 million)
Michael F. Adams	University of Georgia ( UGA )	Special Collections Library and Repository (\$36 million)

After each presentation, the Regents had the opportunity to ask questions of the respective president or make comments regarding the project. Those questions and comments were as follows:

**Abraham Baldwin Agricultural College**

Regent White asked Mr. Chatham why the classroom utilization rate of the building was listed as below average. He asked whether there is a formula to determine that.

Mr. Chatham responded that the staff reference standardized national statistics and rank all of the institutions in tiers of above, equal, or below average. In this case, there is capacity in this building that is being underutilized.

Regent Leebern asked how long the buildings have been unused.

Interim President Day replied that the buildings have not been used for about 15 years. At one time, they housed an experiment station, and now, they are used primarily for storage purposes. So, while they are in a state that is not suitable for usage by the students, the institution has still found some use for them. However, the college wants to improve the facilities both for the students and for the community as an incubator for the arts.

President-Elect Vollmer added that the Department of Natural Resources ( DNR ) has listed these buildings on its historic preservation list and that the institution would work with DNR on this project.

Regent Leebern expressed his displeasure that the facilities fell into their current state of disrepair. He stated that he does not want to set a precedence of allowing institutions to abandon properties and then rehabilitate them years later.

Chair Hunt responded that he agreed with Regent Leebern, but he noted that the president did not let the buildings fall into disrepair. The reason the buildings have not been used is because they are in such poor condition and potentially dangerous. Something must be done with the buildings, but the DNR would not support demolishing them and they are the centerpiece of the campus.

Regent Leebern suggested that the DNR should help fund the restoration of the buildings. He reiterated that he was unhappy that the buildings have been unused for so long.

Regent Howell stated that when he first toured ABAC, he thought the campus was about to be shut down because the front buildings were in such poor condition. He remarked that he is embarrassed by the condition of these focal properties. He asked whether Regent Leebern was suggesting the funding be denied and the property remain in that state. He wondered why this issue has not come up before. He then asked Dr. Day and Mr. Vollmer to tell more about the humanities program at ABAC.

Interim President Day noted that there is a humanities program that is part of the curriculum and another program that serves as an incubator of arts in the community and five contiguous counties. He noted that the college had incubated the counties arts programs, and two such programs have since gone out on their own. The college has recently hired an arts instructor and moved the arts

experiment station back under the humanities program. ABAC is attempting to change its emphasis to working for the students, who otherwise get little from their activities fees. This project would allow the college to move the experiment station back to the main campus as part of its master plan for reinvigorating the arts for students.

### **Armstrong Atlantic State University**

Regent White asked why, according to the project details, the enrollment projections at AASU almost double in 2002 and 2003.

President Jones responded that this was an error in the data. He said that instead, in approximately 2007, there will be about 6,500 more students, which represents a more modest positive growth, which is a reflection of regional growth rates and high school populations.

Regent Leebern noted that the depiction of the proposed facility seemed inconsistent with the architectural style of the other buildings on campus.

President Jones replied that the building would be a bit less modern than the artist's rendering in the project proposal. The inner quadrangle on campus is surrounded by buildings very similar to Lane Library. The new facility would be similar, because the university wants to retain the architectural style of the inner quadrangle to keep it consistent.

Regent Howell noted that the anticipated construction cost of the project was \$18 million, while the total project cost was \$23 million. He asked what accounted for the difference in figures.

Mr. Chatham responded that the difference accounts for the planning, design, engineering, and loose equipment associated with the project.

Regent Howell asked whether the project would include renovating the entire library in addition to building the addition.

President Jones stated that it would and that the process would be done so that there would be no disruption of library services to the students.

### **Columbus State University**

Chair Hunt asked whether all the buildings on the campus of CSU have flat roofs.

President Brown responded that they do.

Regent Coles asked why there have not been any other classroom buildings built in the past 25 years.



President Brown specified that it had been 25 years since a general-purpose classroom facility has been constructed, but the campus has had other classroom buildings built as part of specific academic programs, such as the School of Business and the School of Education. The only general-purpose facility on campus is Howard Hall, which is a large classroom building, but even with that facility in full use, the campus is well behind where it should be with regard to general-purpose and especially information technology classroom space.

Regent Harris noted that this project was proposed last year at \$26.5 million, while it was proposed at \$24 million this year. He asked President Brown how the projected cost had been reduced.

President Brown replied that the staff had streamlined the project and concentrated it more on classrooms. This year, the project has 44 classrooms, which addresses the university's major need. Some of the computer lab and electronic spaces included in last year's proposal have since been left out.

### **Georgia Perimeter College**

Regent White asked President Belcher to break down the costs of the three elements in the proposal: construction of a health sciences building on the Decatur campus, renovation of the fine arts instruction building, and replacement of a classroom building on the Clarkston campus.

President Belcher called upon Assistant Vice President for Facilities Travis E. Weatherly, Jr. to respond to this question.

Mr. Weatherly responded that the health sciences building would cost approximately \$12 million, the renovation of the fine arts instruction building would cost approximately \$9 million, and the replacement of the classroom building would cost approximately \$3 million.

Regent White asked what would happen to the existing 38-year-old classroom building on the Clarkston campus.

President Belcher responded that the building would be demolished. She stated that it is more cost-effective to demolish the building and rebuild, because renovations would be cost-prohibitive.

Regent White asked whether the replacement building would be built on the same site.

President Belcher responded that it would not be built on the same site because the college is trying to create an open space on that campus to give more of a central core to the campus.

Instead, the new building will be built on another site on the campus. At this point, there are two potential sites for the replacement building.

Mr. Chatham noted that the replacement building must be constructed before the existing building could be demolished.

Regent White asked why it is cost-prohibitive to renovate the existing building.

Mr. Chatham replied that it is not cost-prohibitive, but it is a better value for the state to demolish the existing facility, which was originally constructed as a high school classroom building, and build a purpose-built facility. The cost differential is slight, but the proposal is nonetheless a better value.

President Belcher added that all of the buildings on the Clarkston campus were originally constructed as high school classroom facilities.

Regent White noted that the DeKalb County Symphony and others utilize the fine arts buildings and asked whether any private contributions would be used to help fund this part of the project.

President Belcher responded that there would be no private funds involved in this project. The communities being served are not able to contribute financially.

### **Georgia College & State University**

Mr. Chatham noted that if this project is voted onto the major capital projects list, the Regents will have the subsequent opportunity to leave it in its place on the list or to combine it with another project on the list, item nine, Parks Nursing/Health Science Renovation, with the hopes of some cost savings due to economies of scale.

At approximately 2:15 p.m., Chair Hunt called for a brief recess. He reconvened the meeting at approximately 2:30 p.m.

### **Georgia Institute of Technology**

Regent White remarked that the dollar amounts were confusing.

Chair Hunt responded that the later estimate of the state-funded portion of the proposal was reduced by \$4 million and the private contribution was increased by \$4 million.

President Clough clarified that the final project proposal would require \$29 million in state funds.

**University of Georgia**

Regent Leebern commended the project and asked where the special collections facility would be located.

President Adams replied that the project design meets all of the design criteria approved by the Regents in UGA's physical master plan. The site is what is now currently the graduate parking lot, immediately adjacent to property UGA bought last year with its own money with an antebellum home and an additional 4.5 acres. So, this would complete a contiguous part of the campus.

Chair Hunt asked whether this facility would be open to the public.

President Adams responded that it would, as are the library and research facilities. However, not everyone has access to circulation rights, and some items are only allowed to be viewed in the special collections library itself because they are too valuable to circulate.

Chair Hunt asked whether there was a way that the state could contribute to the financing of the project, since many of the archives are of value to the state as a whole.

President Adams replied that the legislature would likely see this as part of the same funding as University System facilities. He explained that there is a distinction between the normal operations of the state that go into the archives and what UGA is preserving as its special collections. He noted that the special collections contains 61,738 linear feet of Georgia manuscripts and archival materials. UGA could potentially lose some of them if it does not provide a suitable facility to house them.

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After all of the presentations and discussions of the presentations were concluded, Chair Hunt called upon Mr. Chatham to complete the major capital projects list process.

Mr. Chatham explained that it was approaching time to vote electronically on the project. The staff were preparing laptops for the voting process.

Regent White noted that before the presentations began, the Board had approved Item 5 on the Committee agenda, Authorization of Project Modification, Henderson Library Addition, Georgia Southern University, increasing the project cost by \$7.5 million. He had since been deliberating that action because he is concerned that if the project had originally been presented at that cost, it could have impacted whether the Board added it to the major capital projects list or the order in which it was ranked. He commented that if an institution is allowed to amend a project by increasing its cost after it has been put on the list, the Board perhaps should

reevaluate the project's position on the list because such a modification could affect the projects that follow on the list. He wanted to present this idea for the Board's consideration.

Chancellor Portch stated that the current process allows for reconsideration of placement on the list. He agreed that Regent White's concern is legitimate in that there have been only a handful of such instances in the last five years, but this could become a trend among the institutions. He suggested as a rule of thumb that if an institution asks for a significant increase in the cost of a project, the project should be pushed down the list the equivalent of one year. As Mr. Chatham had discussed, changing the scope of a project would affect the time needed to redesign the project. The Chancellor stated it would be helpful for the Board to give presidents guidance so that in their decision on whether to bring a project modification forward, they would know the risk they are taking.

Regent Howell asked how much of the list is funded each year.

The Chancellor responded that it is approximately \$165 million to \$170 million in total capital projects, but only \$100 million of that is dedicated to the major capital projects list.

Regent Coles agreed with Regent White's assertion that there should be serious consideration of whether a change is justified.

Regent Leebern also agreed that allowing presidents to come back to the Board for more funds may be setting a precedent that the Board should discourage.

Regent White asked Chancellor Portch and Mr. Chatham to return with a recommendation on how to handle this predicament.

Chair Hunt agreed.

Chancellor Portch noted that presidents have not abused the process to this point and that the staff is rather careful not to allow that. However, the awareness that they are at risk of having modified projects postponed may temper their enthusiasm about bringing project modifications to the Board.

Mr. Chatham agreed that the current process does allow for this to happen at the Board's discretion. He offered the staff's commitment that if a project is recommended for a funding change, they will also examine its placement on the list.

At approximately 3:10 p.m., Chair Hunt recessed the meeting briefly so the staff could prepare the laptops for voting.

At approximately 3:15 p.m., Chair Hunt reconvened the Committee meeting, and called upon Mr. Matthew Kuchinski, Manager of Central Office Systems Support, to instruct the Regents on how to use the electronic voting system.

Mr. Kuchinski explained how to use the electronic voting program he had developed for the Board, and the Regents then voted on the proposed projects.

After the votes were electronically tabulated, Chancellor Portch read aloud the projects that were added to the five-year rolling major capital projects list at the numbers indicated:

<b><u>Institution</u></b>	<b><u>Project</u></b>	<b><u>Requested State Funds</u></b>	<b><u>Cumulative Costs</u></b>
19. Abraham Baldwin Agricultural College	Renovate Herring, Lewis, and Tift Halls	\$9.5 million	\$442,984,310
20. Georgia Institute of Technology	Innovative Learning Resource Center	\$29 million	\$471,984,310
21. Georgia College & State University	Beeson Hall Renovation	\$8.5 million	\$480,484,310
22. Columbus State University	Academic Classroom & Laboratory Building	\$24 million	\$504,484,310

After the results were presented, Chair Hunt called for a motion to approve the placement of these projects on the list. With motion properly made, seconded, and unanimously adopted, the Board approved the placement of these projects on the five-year rolling major capital projects priorities list.

Chair Hunt asked for a motion to recess the Committee on Real Estate and Facilities as a Committee of the Whole. Motion properly made and seconded, the meeting was adjourned into its regular session.

Chair White thanked Mr. Chatham and the presidents for their presentations at this meeting. He remarked that this is as fair a process as possible and that he appreciated everyone's hard work. He then turned the floor over to Vice Chair Howell for an announcement.

Vice Chair Howell reminded the Regents that there was an event at his home that evening honoring Chancellor Portch.

The Chancellor thanked the technology staff for their work on the voting program, particularly Mr. Kuchinski, who had designed the program. He remarked that this was a much more efficient process, which meant that the voting results were known immediately rather than learning them the next day. At approximately 3:30 p.m., Chair White recessed the Board until 9:00 a.m. Wednesday, June 13, 2001.

### **COMMITTEE ON EDUCATION, RESEARCH, AND EXTENSION**

The Committee on Education, Research, and Extension met on Wednesday, June 13, 2001 at approximately 9:15 a.m. in room 6041, the Training Room. Committee members in attendance were Chair Joe Frank Harris, Vice Chair Elridge W. McMillan, and Regents Hugh A. Carter, Jr. and Allene H. Magill. Chair Harris reported to the Board that the Committee had reviewed 11 items, 10 of which required action. Additionally, 583 regular faculty appointments were reviewed and recommended for approval. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

**1. Establishment of the Major in Creative Writing Under the Existing Master of Fine Arts, Georgia College & State University**

Approved: The Board approved the request of President Rosemary DePaolo that Georgia College & State University (GCSU) be authorized to establish the major in Creative Writing under the existing Master of Fine Arts (M.F.A.), effective June 13, 2001.

Abstract: The Master of Fine Arts with a major in Creative Writing prepares artists and writers to study their discipline and create publishable works in their respective genres. As the state's public liberal arts university, GCSU has the infrastructure to provide academic opportunities for apprentice writers that balances creative writing, literature, and theory courses.

Need: The University System currently offers one other M.F.A. Creative Writing program, which is located at Georgia State University. The Georgia State University program focuses on creating a foundation for the student who wishes to write and enter a doctoral program and emphasizes the academic/studio genre aspects of creative writing. Since 1992, the Associated Writing Programs reports that, nationally, the number of M.F.A. programs grew from 55 to 84, a 53% increase. The Creative Writing program at GCSU will address educational needs within the state by offering an academic curriculum that features studio work and mentoring with distinguished, publishing writers; professional experiences in editing, mentoring, and arts programming; and creating connections to the community through literary arts programming.

Objectives: The program will prepare talented writers by taking advantage of complementary departmental strengths that further emphasize studio work paired with studies in literature, poetics, prose form and theory, and the teaching of creative writing. The program will enhance a student's curricular experience with didactic and extracurricular experiences in creative writing, publishing, editing, arts management, education, and community service.

Curriculum: The 36-semester-hour curriculum consists of a studio/academic program culminating in exit exams covering the tradition of the student's major genre. The courses are weighted in the modern period.

Projected Enrollment: The institution anticipates enrollments of 5, 13, and 20 for the first three years of the program.

Funding: The institution will redirect resources to establish and implement the program.

Assessment: The Office of Academics and Fiscal Affairs will work with the institution to measure the success and continued effectiveness of the proposed program. In 2005, this program will be evaluated by the institution and the University System Office to determine the success of the program's implementation and achievement of the enrollment, quality, centrality, viability, and cost-effectiveness goals, as indicated in the proposal.

## **2. Establishment of an Instructional Site in Athens, Georgia, Gainesville College**

Approved: The Board approved the request of President Martha T. Nesbitt that Gainesville College ( GVC ) be authorized to establish an instructional site in Athens, Georgia, effective June 13, 2001.

Abstract: GVC expressed an interest in establishing an instructional site in Athens, Georgia, to serve students in the Athens area and elsewhere in northeast Georgia who qualify for admission to a two-year institution, but not to the University of Georgia. No other University System two-year college serves the needs of such students in this region. GVC has developed a detailed program to serve the needs of this target market and has the capability to deliver the required courses, programs, and degrees. The request is recommended because it is consistent with GVC's geographical mission, manageability of administration, cost incentives and efficiencies, and established collaborative endeavors with the University of Georgia.

Purpose/Need: Currently, Athens-area citizens have local access to two postsecondary public institutions: the University of Georgia and Athens Technical College, which offers occupational diplomas and degrees. Private institutions, such as Piedmont College, Truett-McConnell College, and Brenau University, also have off-campus sites in Athens. Brenau University offers upper-division work in business and the Master of Business Administration, and Truett-McConnell College offers freshman and sophomore level work in the day and evening. GVC is ready to offer two-year educational programs and student success programs to those who are unable to relocate or commute long distances. The establishment of an instructional site in Athens will allow the University System to better serve those who do not meet research university or state university admission standards.

GVC estimates a fall 2001 enrollment of 150 to 200 students. This projection is based on the availability of faculty members to offer courses, facility availability, and perceived initial demand. Access to a facility in the evening could lead to an enrollment of twice the initial estimate. Anticipated headcount for spring 2002 is projected to be 180 to 220, and for summer 2002, enrollment projections range from 220 to 250 students. GVC students will have access to online resources such as Georgia Library Learning Online ( GALILEO ), the library resources of the University of Georgia, and the Athens public library. Reserve materials will be made available to students in administrative support areas provided on-site. Student service activities will be offered without interruption.

Facilities & Fiscal Impact: Classroom space has been offered at no cost to GVC in a facility which is owned and occupied by Piedmont College. Piedmont College is operating exclusively during the evening in Athens; therefore, the building is vacant during the day, except for on-site administrative support. Piedmont College will also offer only upper-division and graduate curricula in order to not compete with GVC's course offerings. For lab space and clinical courses, GVC is investigating a 10,240 sf building which is located in close proximity to Piedmont College.



### 3. Establishment of the School of Public and International Affairs, University of Georgia

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ( UGA ) be authorized to establish the School of Public and International Affairs, effective June 13, 2001.

Abstract: UGA proposes the establishment of the School of Public and International Affairs based on the organization of comparator institutions, scholarly faculty, and the autonomy associated with the research, scholarship, and teaching effectiveness found in a unit of the institution. In reviewing the organization of 11 public institutions included among UGA s aspirational comparators in the System benchmarking study, 6 include autonomous units in public policy. The University of Georgia plans to advance its reputation for scholarship and research in its Political Science, Public Administration, and Global Policy Studies academic programs. As a consequence, the proposed school will provide a nucleus for an experienced cadre of faculties. As an autonomous unit of the university, the proposed school will be headed by a dean with the authority to develop a budget, coordinate fund raising, and advocate for the school and the university s expertise in the areas of public and international affairs. The University System currently has similar academic units located at Georgia State University (Andrew Young School of Policy Studies) and the Georgia Institute of Technology (Sam Nunn School of International Affairs). The new school at UGA will provide complementary strengths to these existing units. Approval of the new school is premised on active collaboration and interdisciplinary activities in the development of degree programs, research projects, external funding proposals, and outreach activities.

With existing units of the university, the new school will develop programs in areas that will enhance the knowledge, understanding, and skills of present and future public officials, scholars, business executives, and leaders of nonprofit organizations. The resources necessary to fund the school will be garnered through redirected funds, gifts, and grants. Administrative leaders indicate no new state funds will be sought to establish the proposed school. At least 800 to 1,000 students are expected to participate in academic studies offered by the new school.

Three faculties are envisioned for the proposed school: International Affairs, Public Policy, and Public Administration. The directors of the existing UGA Center for International Trade and Security and the Center for the Study of Global Issues have indicated their interest in joining the new school when it is established. Three UGA programs will enter into collaborative arrangements with the UGA School of Public and International Affairs: Criminal Justice Studies (currently within the UGA Franklin College of Arts and Sciences), the Institute for Nonprofit Organizations (currently within the UGA School of Social Work), and the Carl Vinson Institute of Government, which engages in service to political and nongovernmental units throughout Georgia. It is anticipated that faculty members for the new school will come from two sources: current faculties (in Political Science, for example) who want to be associated with the new

school and faculty new to UGA recruited to positions redirected from within the university. The proposed School of Public and International Affairs will be interdisciplinary, with specialists in political science, international affairs, economics, and public administration.

4. **Reorganization of the John H. Lounsbury School of Education Within the College of Arts & Sciences, Georgia College & State University**

Approved: The Board approved the request of President Rosemary DePaolo that Georgia College & State University ( GCSU ) be authorized to reorganize the John H. Lounsbury School of Education within the College of Arts & Sciences, effective June 13, 2001.

Abstract: GCSU has elected to formalize collaboration among faculty by reorganizing the John H. Lounsbury School of Education to be a part of the College of Arts & Sciences. GCSU s faculty members in the John H. Lounsbury School of Education and faculty members in the College of Arts & Sciences have worked collaboratively to create the curricula and experiences that candidates for initial preparation will need to be successful as teachers. The preparation of quality educators who are effective in helping students learn is a high-priority goal for the state and the University System. In 1998, the Board of Regents adopted the Principles for the Preparation of Educators for the Schools to guide the System toward accomplishment of this goal. A key element in the discussions was the strengthening of the partnership between faculty in arts and sciences and in education.

The proposed reorganization preserves the identity of the John H. Lounsbury School of Education as an academic unit, but places it under the College of Arts & Sciences umbrella. The reorganization formally links arts and sciences with education faculty members. Efficiencies proposed with the reorganization include having two assistant deans who will serve the joint needs of both units; currently, there are three assistant deans serving the two units. The reorganization will streamline communication among faculty members and departments who share responsibility for educator preparation. It also highlights the prominence that educator preparation has on the GCSU campus. It is the institution s goal to increase the number of qualified teachers with a strong foundation in liberal arts. The proposed reorganization is also a centerpiece of GCSU s reaffirmation self-study for the National Council for the Accreditation of Teacher Education.

5. **Establishment of the African Studies Institute, University of Georgia**

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia ( UGA ) be authorized to establish the African Studies Institute, effective June 13, 2001.

Abstract: UGA proposes the establishment of the African Studies Institute in order to advance the strategic plan of the institution; advance international aspects of its teaching, research, and

outreach missions; and enrich the learning environment of its students. The primary goals of the institute are the enhancement of the teaching of courses with an African content, initiation of new courses and degree programs in African Studies, collaboration in research opportunities in and about Africa, and the expansion of current and creation of new studies abroad, student and faculty exchange, and continuing education and outreach programs between African institutions and the University of Georgia.

UGA considers the creation of the African Studies Institute a desirable next step in the evolution of expanding, diversifying, and internationalizing the institution. For example, recognition has been brought to the university through the Institute for Behavioral Research, the Institute of Ecology, and the Institute of African-American Studies. Among Level I research universities in the Southeast, only Emory University and the University of Florida currently have centers for African Studies. The University of Georgia proposes the establishment of an institute in order to establish a leadership role in serving and expanding ties between the state and with the countries and people of contemporary Africa.

UGA's African Studies program encompasses several disciplines across its colleges and programs. A multidisciplinary certificate in African Studies is currently available to students. A majority of the instruction comes from the College of Arts & Sciences. Africanist faculty members have also developed and directed study abroad programs in Tanzania (College of Arts & Sciences), Kenya (College of Education), and West Africa (College of Arts & Sciences and Environmental Design). Pending programs will be developed in Zimbabwe and South Africa. The development of new courses and degree programs under the African Studies Institute would enhance the number and quality of topical courses. Courses would be cross-listed with individual units and complementary study opportunities. Degree programs would be developed and implemented by the African Studies Institute and its member faculty in consultation with other degree programs and area studies.

6. **Establishment of the Interdisciplinary Biomedical and Health Sciences Institute, University of Georgia**

Approved: The Board approved the request of President Michael F. Adams that the University of Georgia (UGA) be authorized to establish the Interdisciplinary Biomedical and Health Sciences Institute, effective June 13, 2001.

Abstract: UGA proposes the establishment of the Interdisciplinary Biomedical and Health Sciences Institute to facilitate the expansion, development, and support of interdisciplinary scientific activities in the biomedical and human health fields. The proposed institute will function as a centralized, readily identifiable program to enhance biomedical and health science research at UGA and assist in securing extramural funding in these fields. The proposed institute will serve as a point of collaboration in developing new interdisciplinary courses, graduate programs in the biomedical and health sciences, funding for scholarships, and other opportunities

for UGA students. The proposed institute will also seek collaborations in research and service with other universities, private clinics, state organizations and initiatives, and other entities actively involved in biomedical and health science.

Although it does not have a medical school, UGA has a broad-based involvement in biomedical and health-related research. For example, the Departments of Biochemistry & Molecular Biology, Cellular Biology, Chemistry, Genetics, Microbiology and Psychology all conduct research of biomedical significance. The Department of Foods and Nutrition in the College of Family and Consumer Sciences has strong research programs in the areas of obesity and diabetes. Research in the neurosciences exists in several colleges and departments. The Department of Health Promotion and Behavior, the Department of Environmental Health Sciences, and the Center for Food Safety all have internationally recognized research programs in the biomedical sciences. Both the College of Pharmacy and the College of Veterinary Medicine have active drug development programs. UGA has several research centers with direct biomedical significance. For example, the UGA Center for Tropical and Emerging Global Diseases, the Center for Complex Carbohydrate Research, the Georgia X-Ray Crystallography Center, and Center for Metalloenzymes are centers that receive major funding at the federal level for basic research with biomedical implications. The new UGA Center for Applied Genetics Technology will provide laboratory and instructional space for medically related research programs and major technologies as well as incubator space for university/industry collaborations in biotechnology. The principal activities of the proposed institute involve enhancing research in the biomedical and health sciences, developing interdisciplinary biomedical and health sciences instructional programs, fostering collaborative and interdisciplinary activity with other organizations, and representing UGA contributions in the biomedical and health sciences. Space and nominal funding for staff and supplies will be provided by the Office of the Vice President for Research during the planing phase of the institute, including the development of the institute s curriculum. Subsequent funding will be derived through the normal budget process, gifts, grants, and sponsorship.

#### **7. Establishment of Revised Institutional Statutes, Bainbridge College**

Approved: The Board approved the request of President Clifford M. Brock that Bainbridge College ( BC ) be authorized to establish its revised institutional statutes, effective June 13, 2001.

Abstract: The proposed revision of the statutes reflects a thorough review and brings the statutes into line with current Board of Regents policies and procedures. The statutes also clarify the position of Vice President of Student Affairs.

The general faculty at BC approved these changes, which have been reviewed by the Office of Legal Affairs and were found to be consistent with current organization and administrative processes at the institution. The revised statutes will remain on file in the Office of Academics and Fiscal Affairs at the University System Office.

**8. Establishment of Revised Institutional Statutes, Georgia State University**

Approved: The Board approved the request of President Carl V. Patton that Georgia State University ( GSU ) be authorized to establish its revised institutional statutes, effective June 13, 2001.

Abstract: The proposed revision of the statutes reflects a thorough review and brings the statutes into line with current Board of Regents policies and procedures. The statutes also clarify technical amendments made concerning the names of institutional entities and designated standing committee membership within the University Senate.

The general faculty at GSU approved these changes, which have been reviewed by the Office of Legal Affairs and were found to be consistent with current organization and administrative processes at the institution. The revised statutes will remain on file in the Office of Academics and Fiscal Affairs at the University System Office.

**9. Establishment of Revised Institutional Statutes, Gainesville College**

Approved: The Board approved the request of President Martha T. Nesbitt that Gainesville College ( GVC ) be authorized to establish its revised institutional statutes, effective June 13, 2001.

Abstract: The proposed revision of the statutes reflects a thorough review and brings the statutes into line with current Board of Regents policies and procedures. The statutes also further clarify the roles of the academic divisions, division chairs, and college faculty.

The general faculty at GVC approved these changes, which have been reviewed by the Office of Legal Affairs and were found to be consistent with current organization and administrative processes at the institution. The revised statutes will remain on file in the Office of Academics and Fiscal Affairs at the University System Office.

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

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

**11. Information Item: Service Agreements**

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

<b>Purpose</b>	<b>Agency</b>	<b>Duration</b>	<b>Amount</b>
<b>Georgia State University</b>			
Evaluate Georgia s charter schools	Georgia Department of Education	1/1/01 - 12/30/01	\$48,000
Provide medical interpreter training and service	Georgia Department of Community Health	2/5/01 - 12/31/01	\$25,000
Conduct school violence and safety program	Georgia Emergency Management Agency	2/5/01 -12/31/01	\$25,000
<b>University of Georgia</b>			
Evaluate corn hybrids for silage	Georgia Commodity Commission for Corn	7/1/00 - 6/30/01	\$1,437
Provide technical support for UGA extension corn improvement team		7/1/00 - 6/30/01	\$36,300
Evaluate yield performance of corn hybrid		7/1/00 - 6/30/01	\$10,000
Compare corn planting techniques		7/1/00 - 6/30/01	\$2,000
Study transgenic hybrids		7/1/00 - 6/30/01	\$2,000
Develop drought risk reduction techniques		7/1/00 - 6/30/01	\$3,500
Support extension education 2001		7/1/00 - 6/30/01	\$5,000
Study conservation system		7/1/00 - 6/30/01	\$800
Support Georgia Educa-tional Improvement Plan	Georgia Department of Education	2/1/99 - 1/31/02	\$5,170
Conduct obesity action program		9/25/00 - 1/31/01	\$1,000
Conduct nutrition directors conference		9/8/00 - 1/31/01	\$10,000

Assist dietetic internship program	Georgia Department of Human Resources	12/1/98 - 1/31/02	\$30,000
Provide training in Needy Families 2000 program		6/30/00 - 6/30/01	\$32,361
Study food safety issues		12/29/00 - 12/30/01	\$80,040
Train case managers and supervisors		2/22/01 - 12/31/01	\$428,808
Provide juvenile counseling	Georgia Department of Juvenile Justice	7/1/00 - 6/30/01	\$31,120
Conduct local government workshops	Georgia Department of Natural Resources	7/1/00 - 6/30/01	\$42,000
Provide testing services	Georgia Department of Public Safety	1/1/01 - 12/15/01	\$73,469
Conduct promotional testing		1/1/01 - 8/15/01	\$108,824
Study corn varieties for quail enhancement and yield	Georgia Commodity Commission for Corn	7/1/00 - 6/30/01	\$5,500
Implement fumigation technology		7/1/00 - 6/30/01	\$14,000
Study job ranks of lieutenant and sergeant	Georgia Department of Corrections	4/15/01 - 12/31/01	\$70,719
Study Georgia s quality core curriculum	Georgia Department of Education	12/15/00 - 6/30/01	\$200,000
Provide training services	Georgia Department of Human Resources	7/1/00 - 6/30/01	\$65,640
Evaluate programs	Georgia Department of Technical and Adult Education	12/15/00 - 8/31/01	\$109,584
Assess water supply watershed source	Georgia Environmental Protection Division	3/8/01 - 5/01/03	\$105,000
<b>Georgia Southern University</b>			
Conduct Georgia Family Link program fiscal year 2001 and 2002	Children s Trust Fund Commission of Fulton County	5/01/01 - 4/30/02	\$76,992
<b>Atlanta Metropolitan College</b>			
Teach Robert s Rules of Order and Business Writing	City of Atlanta	1/19/01 - 3/7/01	\$2,350
<b>Floyd College</b>			
Provide computer training	City of Rome	4/24 & 4/30/01	\$2,000

TOTAL AMOUNT — JUNE	\$ 1,653,614
TOTAL AMOUNT FY 2001 TO DATE	\$23,180,836
TOTAL AMOUNT FY 2000 (TO JUNE)	\$25,106,814
TOTAL AMOUNT FY 2000	\$25,106,814

**COMMITTEE ON ORGANIZATION AND LAW**

The Committee on Organization and Law met on Wednesday, June 13, 2001 at approximately 9:30 a.m in room 7019, the Chancellor s Conference Room. Committee members in attendance were Regents Hugh A. Carter, Jr., Allene H. Magill, and Elridge W. McMillan. Regent McMillan reported to the Board on Wednesday that the Committee had reviewed two information items regarding proposed amendments to The Bylaws and The Policy Manual. The recommendations in those items would remain on the table until the August 2001 Board meeting, when they would be up for approval. Please note that the boldfaced texts are the additions and the strike-through texts are the deletions, which reflect the proposed amendments to The Bylaws and The Policy Manual. Those proposed amendments are as follows:

**1. Information Item: Proposed Amendments to The Bylaws and The Policy Manual**

Recommended: That the Board of Regents, at its August 2001 meeting, amend the first paragraph of Bylaw IV.7, entitled Chancellor, as follows: The Board of Regents shall elect the Chancellor **at its regular May meeting** ~~who shall hold office at the pleasure of the Board.~~ **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.

Further Recommended: That the Board, at its August 2001 meeting, amend the first paragraph of Section 102 of The Policy Manual, entitled Chancellor, accordingly.

**2. Information Item: Proposed Amendments to The Bylaws**

Recommended: That the Board of Regents, at its August 2001 meeting, amend Bylaw V.4, entitled Specific Duties of Standing Committees, as follows: **The Executive and Compensation Committee shall be responsible for forwarding to the Board the nominations of all prospective officers of the Board. In all other matters,** ~~the~~ standing Committees of the Board shall have such powers, duties, and responsibilities as may be assigned to them by the Board Chair.



## **2001 CHANCELLOR S AWARD FOR COLLABORATIVE EXCELLENCE**

After the Committee reports, Chair White called upon Chancellor Portch to present help him the 2001 Chancellor s Award for Collaborative Excellence.

The Chancellor reminded the Regents that for the past six years, he and his wife, Barbara, have given an annual gift of \$1,000 to the University System of Georgia Foundation, Inc. to recognize an outstanding example of collaboration in the System. Previous winners include Bill Ray of the Georgia Institute of Technology ( GIT ) for his efforts to help Albany State University recover from the floods; Georgia Library Learning Online ( GALILEO ); Columbus State University s Intellectual Capital Partnership Program ( ICAPP<sup>®</sup> ); Dr. Gary B. Schuster, Dean of the College of Sciences and Professor of Chemistry and Biochemistry at GIT, for establishing the faculty development program for System science, mathematics, and computing faculty; the European Union Studies Certificate Program; and Mr. Anthonio P. Finger, Program Coordinator for Information Technology at Clayton College & State University, for the Technology-Enhanced Academic Mentors ( TEAM ) program. This year s award selection committee was chaired by Ms. Shelley C. Nickel, Special Assistant to the Chancellor. The committee reviewed a number of outstanding programs that were nominated by the presidents, including the Web M.B.A. (master of business administration), Albany State University s collaboration with the Andrew Young School of Policy Studies at Georgia State University, and others. The Chancellor remarked that he is particularly pleased with the committee s final selection because it is a project that is timely and important and because the winner of the award supports one of the Board s strategic goals.

Chancellor Portch announced that this year s winner is the Latino Advisory Council (the Council ) at Dalton State College ( DSC ). The Council was formed in 1998 to increase the awareness at DSC of the Latino community in Dalton and Whitfield County and to develop noncredit training and educational programs to serve that community. It is a collaborative effort among DSC, the Dalton-Whitfield Chamber of Commerce, and Centro Latino, Inc., a local community support group. The Council has created and offered classes on such topics as computer use, small business management, citizenship, and English as a second language. The Council has also offered seminars and special events designed to help the local community and businesses learn how to accommodate the growing Hispanic population. A Latino family day was held on DSC s campus to help potential Latino students and their families become familiar with the college and other higher education opportunities. DSC also hosted one of the Governor s town hall meetings on Hispanic needs. This summer, through the Center for Continuing Education, DSC will be offering a series of free classes on laws and legal rights of which immigrants should be aware.

Chancellor Portch then introduced President James A. Burran and Mr. Norberto Reyes, who would accept this award on behalf of DSC and the Council.

President Burran thanked Chancellor and Mrs. Portch and the Regents for this recognition. He stated that the Latino population has emerged as a very significant force in Georgia, and nowhere is that more evident than in Dalton, where it is estimated that approximately 25% of the population of the City of Dalton is Latino and 52% of the K-12 school population is Latino. This creates a rapidly evolving situation in which the college must take a proactive role. DSC is delighted to have had the enlightened support of members within the Dalton-Whitfield community. President Burran introduced Dr. David Sargent, Director of the DSC Center for Continuing Education. Dr. Sargent was one of the people who developed the idea to establish the Council. He then introduced Mr. Reyes and noted that he is a successful businessman in Dalton who owns restaurants in both Dalton and Atlanta, has an insurance company and travel agency, serves on the Executive Board of the Dalton-Whitfield Chamber of Commerce, and is active in the community in many other ways. He also introduced Ms. Yvette Moncus, who is a native of Venezuela, a probation officer with Georgia Probation Services in Dalton, a 2001 graduate of Leadership Dalton, a member of the Family Crisis Center Board of Directors, and a volunteer for the public library children's reading program. All three of these individuals are charter members of the Council. He asked them to stand and be recognized.

President Burran stated that the Council has been important to DSC because it has enabled the college to move forward in planning to meet the needs of the entire community in Northwest Georgia and not just part of the community. In fall 1996, the college's student population was 97% White, which was virtually unchanged from when the college opened in 1967. In fall 2000, the college's White enrollment had reduced to 92%. He acknowledged that while this does not seem like a significant reduction, it represents the beginnings of an important change at the college. If DSC represents itself to the entire community, the college will become much more reflective of the general community population. President Burran noted that Mr. Raphael Huerta is Director of the Northwest Georgia Council of the Boy Scouts in Dalton and is also a member of the Latino Advisory Council. He recently presented a proposal to the Council that would involve joint participation from the college, the Council, and Saint Joseph Catholic Church. This summer, the church is organizing Boy Scout and Girl Scout troops, and those troops will begin meeting on Tuesday evenings. Their parents have been invited to join them on Tuesday evenings for separate classes which the Council and DSC will deliver beginning this summer and continuing into the fall. While the Scouts are meeting, the DSC Center for Continuing Education will be offering English as a second language and Spanish. Already, 50 parents have signed up. The college was trying to figure out how it could make the courses available to the parents free of charge when President Burran learned that the Council was receiving this award. So, the award monies will be used to underwrite this ongoing program. On behalf of Dr. Sergeant, Ms. Moncas, Mr. Reyes, and DSC, President Burran thanked the Chancellor for bestowing this honor upon the Council.

## **SPECIAL PRESENTATION**

Chair White next called upon the Chancellor to make a special presentation to the Board.

Chancellor Portch announced that at this meeting, he wanted to recognize a few of the unsung heroes of the University System Office (USO) staff for their meritorious performance and outstanding service. They are perhaps not that visible, but nonetheless critical to the operation of the USO. He had asked various units to nominate people for this recognition, but only from outside their units, because he wanted to model the collaboration that is so important to the operation of the USO. He remarked that the USO had in the past year more collaboration across its various divisions than ever and that it is the individuals who are willing to help any office regardless of the time of day or their duties that really make it work.

First, the Chancellor would award the rookie of the year. She is a person who had only joined the USO in the past year, but her name kept popping up among the nominations. She is in the Office of Legal Affairs. Chancellor Portch asked Ms. Robyn A. Crittenden, Assistant Vice Chancellor for Legal Affairs (Contracts), to step forward to receive her award.

The next series of award recipients would be awarded an extra 1% merit increase to their annual salary increase, stated Chancellor Portch. The first of these awards was given to Ms. Cilla G. Leed, Benefits Administrator in the Office of Human Resources. Before coming to the USO, Ms. Leed worked for 25 years at Clayton College & State University. While hers is not the most glorious of jobs, Ms. Leed was nominated across the USO for making things work in the area of human resources. One of her nominators said, She is a no-nonsense workhorse, sympathetic yet strict. The Chancellor asked that Ms. Leed come forward and accept her award.

The second award was for Mr. Robert Elmore, Assistant Director for Business Affairs. Mr. Elmore came to the USO from Georgia State University, and his primary duty is payroll. Chancellor Portch noted that payroll is critical to the operation of any office and that the USO had recently upgraded to the PeopleSoft suite of human resources applications. A nominator said of Mr. Elmore that he is accurate, professional, responsive. The Chancellor asked Mr. Elmore to come forward to receive his reward.

The third and final award in this category was awarded to Ms. Kathy Ingalsbe, Project Manager in the Office of External Activities. She helps Mr. Thomas E. Daniel, Senior Vice Chancellor for External Activities and Facilities, during the legislative session and was nominated a number of times. One nominator said that Ms. Ingalsbe does what needs to be done. Another said that she is very bright, very personable, wonderful attitude, never whines! A third nominator stated that she has never uttered the word can t in her whole life. Chancellor Portch asked Ms. Ingalsbe to step forward to receive her award.

## **SPECIAL PRESENTATION**

The Chancellor remarked that the final award to be presented goes to an individual who was nominated by every nominator. He is a person who has shown that technological innovation is possible with a human approach. Mr. Matthew Kuchinski is a hero in the USO. One nominator said that he provides the best [information technology] service I've ever seen in my entire career. Another asked, How many hours does he work?! Yet another nominator responded, Time after time, Matthew comes to the rescue with skill, good will, grace, and educational spirit. Mr. Kuchinski manages a small staff of technical support specialists and wrote the program that enabled the Regents to vote on the major capital projects electronically this year. Chancellor Portch noted that for this award, Mr. Kuchinski would receive an extra 2% merit increase over his annual salary increase. He then asked Mr. Kuchinski to come forward and receive his award.

In closing, the Chancellor stated that there is one characteristic all of the award recipients share: positive attitude. With that, he stepped down.

Chair White thanked Chancellor Portch for this presentation and congratulated the award recipients. He thanked them for their hard work in supporting the Board and thanked the Chancellor for recognizing these employees.

## **STRATEGIC PLANNING COMMITTEE, COMMITTEE OF THE WHOLE**

Chair White next convened the meeting of the Strategic Planning Committee as a Committee of the Whole and turned the chairmanship of the meeting over to Regent Leebern.

Chair Leebern explained that the Strategic Planning Committee would be learning about more about its strategic planning process. Board Chair White would first give the Board a brief update, and then, Chancellor Portch would share drafts of what came out of the May Board retreat.

Chair White thanked Regent Leebern. He reminded the Regents that in May, they had attended a retreat for the purpose of strategic planning and remarked that it was a very successful planning retreat. The Regents had spent the day reviewing, reaffirming, and revising the vision statement of the University System of Georgia and had identified key goals for the System for the next five years. At this meeting, Chancellor Portch would review four draft statements, which the Regents had received in the mail. The purpose of this meeting was to present, review, and discuss those statements. Then, at its August meeting, the Board will take action on them. Chair White asked whether the Regents had any questions, and seeing that they did not, he turned the floor over to the Chancellor.

Chancellor Portch thanked Chair White and reiterated that the strategic planning session was very successful. At this meeting, he would put before the Board the drafts of what came out of the retreat. The staff and he had divided what came out of the session into four documents. The first of these is an overarching theme of the strategic plan which will permeate the strategic planning process. The second document is a vision statement that would fit on a business card. The third document developed out of the retreat is the detailed list of ten strategic planning goals. The fourth item is the Board-approved mission statement, which based on the discussions held at the retreat, needs some minor modifications. The Chancellor stated that the strategic planning theme a more educated Georgia should remain unchanged because it is just as important now as it was when it was developed seven years ago. The Chancellor then presented the following as a proposed business card vision statement: The University System of Georgia will create a better educated Georgia, well-prepared for a global, technological society, by providing first-rate undergraduate and graduate education, leading-edge research, and committed public service. He asked the Regents for their thoughts on this proposal between now and the August Board meeting, when it will be up for ratification.

Next, Chancellor Portch discussed the mission statement, which was originally adopted in 1995. He asserted that this mission statement continues to serve as an accurate statement of the System's mission. However, he was suggesting just a few minor changes. First of all, the public libraries have been added to the responsibilities of the Board of Regents. Chancellor Portch then presented the proposed new mission statement (modifications in bold), which was as follows:

The mission of the University System of Georgia is to contribute to the educational, cultural, economic, and social advancement of Georgia by providing excellent undergraduate general education and first-rate programs leading to associate, baccalaureate, masters, professional, and doctorate degrees; by pursuing leading-edge basic and applied research, scholarly inquiry, and creative endeavors; and by bringing these intellectual resources, **and those of the public libraries**, to bear on the economic development of the State and the continuing education of its citizens.

Also at the retreat, many of the Regents had suggested that part of the University System's mission should be providing the best possible facilities for its students. The Chancellor agreed that the mission statement should support that idea. Additionally, the technical institutes of the Department of Technical and Adult Education (DTAE) have become colleges, since the mission statement was adopted in 1995. Chancellor Portch said it is appropriate that these changes should be reflected in the mission statement, both for the University System Office itself and for the institutions, and he recommended that the mission statement be further amended as follows:

Each institution in the University System of Georgia will be characterized by:

- a supportive campus climate, leadership and development opportunities, and necessary services **and facilities**, all to meet the needs of students, faculty and staff;
- cultural, ethnic, racial, and gender diversity in the faculty, staff and student body, supported by practices and programs that embody the ideals of an open, democratic, and global society;
- technology to advance educational purposes, including instructional technology, student support services, and distance education; and
- a commitment to sharing physical, human, information, and other resources in collaboration with other System institutions **and the public libraries**; state agencies; local schools; and technical ~~institutes~~ **colleges** to expand and enhance programs and services available to the citizens of Georgia.

The Chancellor next discussed the goal statements for the University System. He explained that these goal statements are the key issues that the Regents determined at their retreat. They will be the foundation for the implementation of the strategic plan. Once they are developed, the Board will be able to see the big picture and fill in the rest of the plan. He asked the Regents to take a moment to read the goal statements and react to them, stressing that there was a great deal of discussion at the retreat about participation, which is directly linked to the overarching theme of a more educated Georgia and which is reflected in the first goal. In meeting these goals, the University System of Georgia will hold itself accountable to the citizens of Georgia for the effective and efficient use of every available material resource, new technology, and human insight and activity and charge its collective intellectual power on behalf of the state. The proposed goals were as follows:

The University System of Georgia will ensure access to academic excellence by:

1. Expanding participation by increasing access while maintaining quality, enhancing diversity, focusing on the needs of nontraditional-aged students, increasing distance education opportunities, advancing public library usage, and marketing the advantages of a post-secondary education to all Georgians;
2. Improving continuously the quality of its curricula, research activities, and international opportunities;
3. Increasing academic productivity through improved recruitment, increased retention, accelerated graduation, expanded credit generation, defined skills and knowledge of graduates, augmented continuing education opportunities, and current technology;

4. Emphasizing the recruitment, hiring, and retention of the best possible faculty, staff, and administration;
5. Accelerating economic development by providing, when feasible, needed graduates, appropriate academic programs, and expanding marketing of the System and its institutions as an economic asset of the state;
6. Seeking the most efficient, effective, and technologically sound best practices, and regularly comparing ourselves to national peers;
7. Providing superior facilities, funded by innovative mechanisms which increase the speed with which they are usable;
8. Making education in Georgia seamless with K-12, DTAE, and independent colleges;
9. Providing adequate funding by increasing, diversifying, and strategically allocating resources;
10. Maximizing cooperation with other state agencies, boards, the Office of the Governor, and General Assembly, while maintaining the constitutional authority of the Board of Regents.

Chancellor Portch reviewed these goals with the Regents and asked for their comments and feedback.

Regent Hunt commended the Chancellor on this list of goals.

Chancellor Portch then turned his attention to the next steps, stressing that if the Regents have any thoughts on these or any of the other documents presented at this meeting over the next 30 days, they should write them down and communicate them with the staff as input into the final drafts. The Chancellor reminded the Regents that the state also has a strategic planning process. The University System's strategic plan just happens to fall into the same cycle. While the System's plan will not be complete in time for the state's deadline, the Board will be able to share with the state as much of its draft as it can by June 30 to fulfill its obligation. The document the Board submits to the Governor's Office of Planning and Budget ( OPB ) will look slightly different but will capture the essence of the Board's draft. The staff will discuss the strategic plan with the presidents at their summer retreat and then bring it to the Board for action in August 2001. Then, the staff will develop an implementation plan and policy statements for review and approval by the Board in September and October. Finally, the staff will bring the implementation plan, including explicit targets and goals, to the Board for action early in 2002, which will give the new Chancellor time to have input into the process.

The Chancellor pointed out that budgets should follow a strategic plan. However, because of the way the budget process works in Georgia, if the Board waits until the strategic plan is adopted early next year, it will have missed a whole budget cycle. Nonetheless, in this case, the strategic planning goals are clear enough that the staff should be able to mold a budget proposal around them. Chancellor Portch suggested that as the Regents read the goals, they consider the budget and ask the legislature for some budget support for them. In closing, he thanked the Chair and the Regents for their suggestions and said that he would take them back to the presidential advisory group on the budget. He stated that the staff were seeking the Board's direction so these documents are ready for formal adoption at the August meeting and asked what goals the Regents feel are most crucial for budgetary consideration.

Chair White stated that the first goal is going to require funding support, especially with regard to distance learning and marketing.

Chancellor Portch agreed that this is a very important goal on which to focus funding. He then asked whether other Regents had any suggestions.

Regent Yancey stated that the third goal is also a very important goal for budget consideration.

The Chancellor agreed that the data from the benchmarking study supports this important need and remarked that both the first and third goals are the most mature in terms of identifying new initiatives and corresponding budget needs.

Regent Wooten asked whether the fifth and sixth goals regarding economic development are receiving enough funding resources.

Chancellor Portch responded that these are also important goals to consider; however, the University System does not need a new economic development program, because it already has the Intellectual Capital Partnership Program (ICAPP<sup>2</sup>). Instead, the staff are seriously considering broadening the umbrella of ICAPP<sup>2</sup>. One of the things being considered is whether ICAPP<sup>2</sup> could be a vehicle for collaboration with hospitals or consortia of hospitals to address the state's need for healthcare professionals. As opposed to simply increasing existing educational programs to meet healthcare shortage needs, ICAPP<sup>2</sup> expects its partners to help recruit people into the programs. This is a very new proposal, but ICAPP<sup>2</sup> could certainly use more resources not only for its traditional programs, but also for a new focus on healthcare. He reiterated that the Board would not need to create something new, because ICAPP<sup>2</sup> is already in place as its economic development vehicle.

Regent Hunt commented that if the Board were to increase the speed with which economic development needs are met, there would be a resultant cost savings.



Chancellor Portch agreed that it is always prudent to reexamine processes.

Regent Cater agreed.

The Chancellor reiterated that the staff would welcome any Regent input on the preparation of the proposed fiscal year 2003 budget. He noted that the staff had not yet received the Governor's budget preparation guidelines, but he expected them to be a bit tighter this year, given the slowing economy.

Regent White reiterated that it would be alright for the Regents to submit any written comments on the budget to the staff during the next 30 days. He asked that they take their time to review the information presented at this meeting and make recommendations and suggestions.

Regent Howell commented that, with regard to the seventh goal, he felt that it would be useful to say something a bit broader along the lines of superior facilities designed for the needs of today, but usable for the decades. He expressed his disappointment that the facilities plans of the past have not always been cognizant of future needs nor been consistent with the architectural style of the particular campus, noting that the campus itself is often an attraction for a potential student.

Chancellor Portch agreed that these are very good suggestions.

Regent Carter requested a copy of the next steps.

The Chancellor said that it would be provided.

Regent Leebern thanked the Chancellor and Chair White for their strategic planning update. He noted that the Board is making progress on its strategic plan. He commended the work of Ms. Margaret the Magician Taylor, Deputy to the Senior Vice Chancellors, who had compiled the Regents retreat work into the strategic plan and these related documents. He noted that the Board will vote on these elements of the plan at the August meeting. Seeing that there were no further questions, he adjourned the Committee of the Whole and reconvened the Board meeting in its regular session.

Chair White thanked Regent Leebern and the staff for this discussion on strategic planning.

### **CHAIRMAN S REPORT ON HIGHLIGHTS OF THE YEAR**

After the meeting of the Strategic Planning Committee as a Committee of the Whole, Chair Glenn S. White gave his report on the highlights of the past year. His report was as follows:

It's been quite a year, filled with the expected and the unexpected. It's been a year that has demonstrated that there are plans and then there is what actually

happens. We have seen a year of continued progress for the System and our goals. We have mourned the untimely passing of a good friend. We have welcomed new Regents and new perspectives. And we end a remarkable chapter in the System's history and prepare for yet a new day with new opportunities.

Through it all, I have been fortunate to work with each of you. This Board has worked together, and today, I believe we are a stronger Board. We are strong because we have a committed group of individuals with a common purpose to create a more educated Georgia. That has driven our discussions and continues to drive our plans.

It's been a privilege and an honor to serve as your Chair for the past year, but as I have hinted, it's been a somewhat unique year! And as I enjoy my final month as Chair and eagerly anticipate handing the gavel over to Regent Howell, I want to take a few minutes today to recap these past, event-filled months.

First, I will go back to August of last year. At that time, I set forth what I saw as three key areas upon which I wanted to focus our efforts. At that time, I stressed that continuity was the key to our efforts as a Board. I still believe this to be the case. Specifically, I wanted the Board to consider the importance of providing continuity in benchmarking, business relationships, and technology.

I have been very pleased by the continued progress we have made in our benchmarking efforts. Benchmarking has, and will continue to, inform our new strategic plan. Our benchmarking work could not be more timely. It provides sound support for our continued efforts to set a clear and focused direction for this System. And it dovetailed very nicely with the Governor's education reform efforts.

The second priority I set forth last August was the relationship between the System and Georgia's business community. I warned that we couldn't become complacent about the good progress we had made in this area. We had a very productive listening session with key business leaders at the Governor's mansion last November. And our efforts to connect with Georgia's business community and to meet their needs continue to receive positive reviews.

During the past year, ICAPP<sup>□</sup> (Intellectual Capital Partnership Program) Advantage created programs to meet the needs of new clients, including ZCorum, Inc., UPS, and Lockheed-Martin. Another example: the GeorgiaHire online resume program is proving to be a solid success story.

And GeorgiaHire leads me to my third priority, which was technology. The System continues to embrace technology and how it can best serve our goals. As a Board, we took an important step in the formation of the Committee on Information and Instructional Technology, currently chaired by Regent NeSmith. This was a much-needed step to formalize our approach to technology throughout the System. As you saw earlier, it will prove to be even more important in the future. Related to this, the Governor and the General Assembly agreed to create a technology factor in our funding formula, which puts our technology investments on a more sound and planned footing.

I have been pleased by the progress we have made in a number of other ongoing areas. The System continues to show solid improvement in the quality of our students as we move toward the full implementation of our new admissions requirements this fall. As the Chancellor has outlined for us, Scholastic Aptitude Test scores continue to go up while the numbers of students requiring learning support is going down. We need to keep those two key performance indicators moving in those directions.

Both the University of Georgia and Georgia Institute of Technology are in *U.S News & World Reports* Top 20 list of public universities. Only California can claim more, but we have the edge we can guarantee electric power 24-7!

The Medical College of Georgia ( MCG ) has never looked better. We have a great new president in Dr. Daniel W. Rahn, who officially takes over this month. This Board's creation of MCG Health, Inc. has resulted in a very positive financial turnaround for the hospitals and clinics.

Joining Dr. Rahn, the Chancellor and Board named other new presidents: Thomas Z. Jones at Armstrong Atlantic State University; Michael F. Vollmer at Abraham Baldwin Agricultural College; and John Randolph Pierce at Floyd College.

We continue to enjoy strong support from the Governor and General Assembly, and for that, I thank them. As we have worked over the past two days on our updated capital priorities list, the wisdom of this Board's planning in this area is borne out by the outstanding appropriations for new facilities provided in this year's legislative session.

The integration of the Office of Public Libraries into the System's administrative and fiscal areas of responsibility has been quite smooth. We look forward to increasing their strategic importance to a more educated Georgia.

Our GALILEO (Georgia Library Learning Online) statewide electronic library had a fifth birthday last September and continues to be a driving force in our use of technology to expand access across the state to public higher education and its resources.

Our first eCore“ courses debuted last fall and continue to grow both in course offerings and students served. Looking to the future, this will be a key element of our efforts to serve more nontraditional students.

And through all of these and many other activities and accomplishments, we have seen the departure of old faces and friends and the arrival of new colleagues. Most tragic was the untimely passing of Regent Thomas F. Allgood, Sr. and his wife, T, last August. But Tom would be proud of this Board's continued hard work and for the current state of MCG. He worked long and hard for MCG and the System. Each of you has helped me in ways known and unknown to you. Your hard work and dedication has made my job possible and enjoyable. I will thank you each personally. I also want to thank the staff for their support and patience during this past year.

Last month, after the Chancellor said he was sticking to his own strategic plan and stepping down, I said that there are times when words just don't do justice. Well, one month later, that still holds true. The Chancellor's announcement was a sad day for the System and for this state. All of us who have read the many articles and editorials published in papers around the state since then have gained a greater if that's possible understanding of how much Steve Portch has meant to Georgia.

But the Chancellor leaves a strong, improving System. And I'm happy that we have been able to move so swiftly and smoothly forward with the search process. Personally, I feel good. Thanks to the Chancellor's hard work, the opportunity to head this System is one that is sought by many bright and talented people. Our task, as Regents, will be to find the right match for where we are and where we need to go. And we have a great sense of direction. I'm pleased by how focused this Board has been in terms of sticking to its 1994 vision statement and strategic plan and by how much has been accomplished. But I'm even more pleased with our initial work in focusing on the next stages and our revised strategic plan. Our track record, our focus, and our collaboration put us and the next Chancellor in the driver's seat.

Again, I thank you for the opportunity to share that seat with each of you. It's been a momentous year full of emotional highs and lows, but in the end, full of achievement and promise.

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After the Chairman's report, Chancellor Portch presented a plaque to him in appreciation for his service as Chair.

Chair White thanked the Chancellor and accepted this award.

### **ELECTION OF CHAIR AND VICE CHAIR FOR FISCAL YEAR 2001**

Chair White next announced that the Board needed to elect its officers for the next fiscal year. He explained that, on behalf of the Executive and Compensation Committee, he would like to nominate Vice Chair Hilton H. Howell, Jr. as Chair for the upcoming fiscal year, beginning July 1, 2001. Chair White asked whether there were any other nominations or any discussion. Seeing that there were none, he called for a vote. With motion properly made and seconded, the Board unanimously elected Regent Hilton H. Howell, Jr. as Chair of the Board of Regents for fiscal year 2002.

Again on behalf of the Executive and Compensation Committee, Chair White nominated Regent Joe Frank Harris as Vice Chair for fiscal year 2002. He asked whether there were any other nominations or any discussion. Seeing that there were none, he called for a vote. With motion properly made and seconded, the Board unanimously elected Regent Joe Frank Harris as Vice Chair of the Board of Regents for fiscal year 2002, effective July 1, 2001.

### **UNFINISHED BUSINESS**

Chair White noted that a copy of the advertisement for the position of Chancellor was in the Regents' folders. The ad would run in the *Chronicle of Higher Education* twice and in *Black Issues in Higher Education* once. Also in each Regent's folder was a copy of the specifications developed for interested candidates. An advisory committee for the search has been appointed and will meet on August 6, 2001 to review and assess potential candidates for the position. The chair of the committee, Dr. Hugh D. Hudson, Professor of History at Georgia State University and Executive Secretary, Georgia Conference of the American Association of University Professors, was present at the meeting. A. T. Kearney, Inc. (Kearney), the firm hired to conduct the Chancellor search, has begun its work searching for candidates and Ms. Shelly Storbeck, head of the education practice at Kearney, would be calling the Regents individually to solicit their ideas on what they are looking for in the next Chancellor. Chair White noted that the staff will continue to update the Regents as events unfold before the Board meets again on August 7, 2001.

## **NEW BUSINESS**

Chair White announced that there would be no July 2001 meeting of the Board of Regents. He then asked for a motion to authorize Chancellor Portch to take any actions necessary on behalf of the Board between this meeting and the August 2001 Board meeting with such actions to be ratified by the Board at the August meeting. With motion properly made, variously seconded, and unanimously adopted, the Board approved this authorization.

## **PETITIONS AND COMMUNICATIONS**

Secretary Gail S. Weber reiterated that there would be no Board meeting in July. The next Board meeting would take place on Tuesday, August 7, and Wednesday, August 8, 2001 in the Board Room in Atlanta, Georgia. She noted that the Regents should also mark Tuesday, September 11 for a social event.

## **EXECUTIVE SESSION**

At approximately 11:10 a.m., Chair White called for an Executive Session to discuss personnel and compensation issues. With motion properly made, variously seconded, and unanimously adopted, the Board closed its regular session. The Regents who were present voted unanimously to go into Executive Session. Those Regents were as follows: Chair White, Vice Chair Hilton H. Howell, Jr., and Regents Hugh A. Carter, Jr., Connie Cater, Joe Frank Harris, George M. D. (John) Hunt III, Donald M. Leebern, Jr., Allene H. Magill, Elridge W. McMillan, Joel O. Wooten, Jr., and James D. Yancey. Also in attendance were Chancellor Stephen R. Portch and Secretary to the Board Gail S. Weber. In accordance with H.B. 278, Section 3 (Amending O.C.G.A./50-14-4), an affidavit regarding this Executive Session is on file with the Chancellor's Office.

At approximately 11:45 a.m., Chair White reconvened the Board meeting in its regular session and announced that no actions were taken in the Executive Session. In open session, he called for a motion that Chancellor Portch's housing allowance, effective October 1, 2001, be approved as recommended by the Executive and Compensation Committee. Motion properly made, seconded, and unanimously adopted, the motion was approved.

Chair White next called for a motion that salaries for Presidents, Senior Vice Chancellors, and the Secretary to the Board be accepted as recommended by the Chancellor. Motion properly made, seconded, and unanimously adopted, the motion was approved.

Then, Chair White called for a motion to accept the Chancellor's recommendation that the interim title be removed for Corlis Cummings (to Senior Vice Chancellor for Support Services), Thomas E. Daniel (to Senior Vice Chancellor for External Activities and Facilities), and William R. Bowes

(to Vice Chancellor for Fiscal Affairs). Motion properly made, seconded, and unanimously adopted, the motion was approved.

Finally, Chair White called for a motion that Chancellor Portch and the Special Regent Committee be given the authority to appoint a new president at Valdosta State University, an action which will be ratified by the full Board at the August 2001 Board meeting. Motion properly made, seconded, and unanimously adopted, the motion was approved.

### **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at approximately 11:50 a.m. on June 13, 2001.

s/

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

s/

Glenn S. White  
Chair, Board of Regents  
University System of Georgia