The minutes of January 8 were approved as distributed.

President’s Remarks

Dr. Patton commented on the budgetary situation for Georgia State and the University System, noting the economy might not rebound fully for 5-10 years. He praised Chancellor Meredith for his budget presentation to the legislature. Dr. Patton observed Georgia State was in a position to become a stronger, but thinner institution, with attention to doing things it does well, even if it does fewer things. He urged efforts to improve the quality of life on campus by attending campus events. Dr. Patton noted Georgia was not as experienced as other states in dealing with downturns. He acknowledged discussions at the state level about salary cuts, but indicated such cuts were unlikely. He pointed out concern among staff because of a prior no-raise year and the shift to October 1-raise dates. He cautioned that jobs could not be guaranteed. He stressed that this decade would be a test of leadership capabilities.

Dr. Patton emphasized that this was not a time to reduce giving to Georgia State. He described development activities in this economy as friend-raising with an eye to better times ahead.

Dr. Patton recommended reading the comments by Dr. Henry in the AJC (February 5, 2003) regarding how Georgia State would handle the budget cuts.

Dr. Henry cited tuition increases as critical to avoiding layoffs. He reported FACP had recommended a plan for reducing the FY2003 budget by $3M, which would be communicated to the deans and vice presidents shortly. He pointed to FY2005 as a recovery year based on workload dollars from FY2003 enrollments, but cautioned funding would still be contingent on the economy at that time. He urged continued cautiousness in hiring.

Dr. Fritz commented on the opportunity to improve the quality of incoming students. He noted the number of applications was much higher than last year, and that the deadline for freshman applications was being moved up. Dr. Patton called attention to the very positive article in the AJC regarding Georgia State admissions.

Dr. Adamson added there was also an opportunity to increase quality in faculty hires, because of cancelled searches elsewhere. She reiterated the need to increase the number of tenure track faculty.

Gerontology Institute

Dr. Henry presented a proposal to change the inter-disciplinary Gerontology Center to the Gerontology Institute so to be able to offer a master’s degree program. Drs. Adamson and Rosenbloom voiced support for the proposal. Dr. Henry made a motion to make this change. Dr.
Adamson seconded the motion. The motion passed.

**State Ethics Policy**

Dr. Patton opened discussion of the executive order from Governor Perdue concerning the state ethics policy. Dr. Marshall noted Governor Barnes had issued a similar order in 1999, which was re-issued three weeks later with revisions after reactions from state agencies. He pointed out that the Perdue order would include actual expense payments by professional organizations as gifts and prohibit service on boards of start-up companies originating on campus. He recalled that the 1999 revised order shifted the whole to the Board of Regents as having its own policies.

Dr. Colarusso asked how the Board of Regents was included if the policy applied only to the executive branch. Dr. Marshall replied that since the Board of Regents was not in the legislative or judicial branch, it was treated as a part of the executive branch for these purposes.

Dr. Adamson offered the example of payments from NIH for travel expenses and an honorarium. Dr. Marshall recommended holding the honorarium check. Dr. Henry suggested treatment of such honoraria as consultancies.

Dr. Colarusso asked about Internet spam containing pornography as a potential violation. Mr. Christenberry responded such spam was clearly unsolicited, and content on the Internet was not centrally monitored.

Dr. Marshall emphasized employees should use their own credit cards, cell phones, etc. for personal business. Dr. Colarusso commented SDOE had allowed personal use of cell phones on grant money when the calls did not exceed the contract limit.

**Audit Policy**

Dr. Patton stated that Chancellor Meredith was business-oriented and had ordered audit functions to report directly to the presidents. Dr. Patton observed that emphasis on clean audits would remain high in the wake of the Enron, Arthur Andersen, etc. scandals. He advocated Georgia State taking the lead in this arena and being in a position to provide the Board of Regents with our model. He noted the need for training administrators to know their responsibilities.

**GSU Foundation**

Dr. Marshall reported concern in some departments about spending policies for GSU Foundation funds. He reminded that foundation funds are invested, not in a bank drawing interest, so that the stock market affected the fund balances. He noted accounting rules called for cessation of spending when balances went below the base of the endowment. He suggested having someone from the Robinson College of Business explain the issue to department chairs who might not be as knowledgeable about the stock market. Ms. Peterman asked that units contact Ms. Harden in her office to arrange these meetings. She cited greater difficulty for Georgia State because so many of the endowments were relatively new. Ms. Hurt raised a question about a Chronicle of Higher Education article showing a relatively high loss for Georgia State. Dr. Patton responded that other institutions were similarly affected on investments, but Georgia State did
not have the influx of new funds to offset. Ms. Peterman explained this was the case because of the timing of the Results Campaign with fewer major gifts received in the last year.