



**Spring Board of Trustees Meeting
March 27, 2008
NCPC Executive Board Room**

Minutes

Attendance: Mr. Anthony Welters, Dr. Regina M. Benjamin, Dr. Lonnie R. Boaz III, Dr. William H. Cleveland, Dr. Jordan J. Cohen, Mr. Jackie Collins, Dr. Nerimiah L. Emmett, Ms. Joy Fitzgerald, Dr. Robert M. Franklin, Dr. DeLutha H. King, Jr., Mr. Kevin E. Lofton, Mr. W. Thomas Lomax, Dr. Ruth B. Love, Dr. Thomas N. Malone, The Honorable Judge Greg Mathis, Ms. Soyini A. Mattis, Dr. John E. Maupin, Jr., Mr. Phillip H. McCall, Jr., Dr. Sylvester McRae, The Honorable Calvin Smyre, Mr. Bruce D. Sullivan, Mr. Felker W. Ward, Jr., Dr. Philip G. Wiltz, Jr., Dr. Robert L. Wright.

Members Absent: Mr. Michael J. Calhoun, Mr. John H. Downs, Jr., Mrs. Sally Hambrecht, Mr. Eric Holder, Mr. Brian O. Jordan, Dr. John W. Rowe.

Staff: Dr. William A. Alexander, Ms. Lori J. Collins, Ms. Sally M. Davis, Ms. Andrea D. Fox, Dr. Eve J. Higginbotham, Ms. Sondra Rhoades Johnson, Mr. Harold W. Jordan, II, Dr. Juan A. Magruder, Ms. Nicole A. Miller, Mr. Eli H. Phillips, Dr. Lawrence L. Sanders, Ms. Gloria S. Steele, Ms. Sandra E. Watson, Ms. Terri A. Winston.

Introduction

Mr. Welters opened the meeting at approximately 8:40 a.m., with a welcome and thanked everyone for attending the meeting. The invocation was given by Dr. Robert Franklin, followed with Roll Call by Ms. Gloria S. Steele.

Approval of Minutes

The Minutes of the October 25, 2007 meeting were reviewed and unanimously approved as presented.

Report of the President

Dr. Maupin began his report by recognizing the Student Trustee, Soyini Mattis, and the Faculty Trustee, Dr. Nerimiah Emmett. He then introduced and welcomed the new members of the Board of Trustees as follows:

- Mr. Jackie Collins, Vice President and Director of Internal Audits, Southern Company Services, Inc.

- Mr. Kevin E. Lofton, President and CEO, Catholic Health Systems
- Mr. Bruce D. Sullivan, Retired partner, Ernst & Young
- Dr. Robert L. Wright, Chairman, Flight Explorer

Dr. Maupin then introduced and welcomed Representative Calvin Smyre, and thanked him for his invaluable service at the Capitol with state government relations. He invited Rep. Smyre to briefly address the Board.

Dr. Maupin continued his report by commending the executive leadership team for their hard work and progress on advancing the academic programs and addressing infrastructure challenges. He reported that the FY 2009 Budget is near completion. A draft budget was presented to the finance committee yesterday and a final budget proposal will be presented to the Finance Committee and the full Board for approval on or about the first week in June, pending final confirmation of all sources of revenue, in particular our State of Georgia funding.

He then provided an update on new leadership and organizational changes as follows:

- Juan A. Magruder, Ph.D., Associate Vice President for Major Gifts, Office of Institutional Advancement
- Nicole Miller, JD, Associate General Counsel, Office of General Counsel
- Lori Collins, JD, Chief Compliance Officer, Office of General Counsel
- Ms. Sondra Rhoades Johnson, M.B.A., Chief of Staff, Office of the President
- Ms. Racquel Benford, Executive Director, Morehouse Medical Associates

The President reported that the search continues for an Associate Vice President for Information Technology Services and the department chairpersons for Internal Medicine and Physiology.

Governmental Relations

Dr. Maupin then gave a brief state government relations update, noting that we submitted a request for an increase in our State Operating Grant of \$.2.1 million for the next three years in support of class size expansion. The State Senate recently voted to approve an increase of \$1.75 million in our operating grant and also added one (1) additional resident slot and increased the stipend for residents to \$22,000. Dr. Maupin indicated that while his approved amount is slightly less than our request, he was pleased by the Senate's action and is fairly confident that this increased funding level will be approved by the House of Representatives and the Governor.

Dr. Maupin reported on federal government activities, noting that he testified before the House Military Construction, Veteran Affairs and Related Agencies Appropriations Subcommittee on March 13, 2008, and on February 12, 2008, he testified before the Senate Health Education Labor, Pension Committee. Dr. Maupin provided an update on efforts to increase appropriation for the Title VII Health Professions Training Program, in particular the Diversity Programs and activity surrounding suspension of a CMS proposed rule that would limit the use of Medicaid funds in support of graduate medical education. He also stated that the U.S. Department of Education Title III program provides the school with its largest single source of funding (approximately \$12 million/per year), and therefore a significant amount of our government

relations efforts continues to be focused on the reauthorization of the Higher Education Act and related appropriation increases.

Grady Memorial Hospital

Dr. Maupin then provided an overview of the Grady Hospital restructuring and operational improvement efforts since the last Board meeting. A timeline of significant reorganization events and a list of the new Grady Board members were distributed. It was also noted that a consultant has been engaged to implement a series of operational improvement initiatives. Dr. Maupin also noted the significance of the involvement of corporate and philanthropic leadership in efforts to “save Grady.” Chairman Welters requested that the Board be kept informed about the progress of Grady Health System revitalization efforts via email.

Strategic Planning

Dr. Maupin provided a brief update on the progress on the strategic plan. A draft copy of the Plan was distributed to each Board member for their review. Dr. Maupin stated that Board members will receive a call from a staff person regarding feedback on the plan.

Atlanta University Center Consortium

Dr. Maupin reported that the relationship between the Atlanta University Center consortium schools is stronger than ever before. He noted that the Council of Presidents (COP) has agreed to pursue the feasibility of contracting with MSM for student and employee health services. He also reported that the COP met and shared their respective campus master plans and agreed to create a consolidated master plan that would also conceptualize a revitalized community surrounding our collective campuses.

Dr. Maupin then provided an update on the College Partners, Inc. property which involves MSM’s partnership with Morehouse and Spelman Colleges. He noted that MSM’s parcel of land faces I-20 along Park Street beginning at Lee Street and extending down to Lowery Street. McAfee 3 Architects then made a presentation to the Board providing an overview of a “medical park development” concept for the property which would include medical facilities, residential buildings for facility/staff/students, senior housing/assisted living, and commercial space. The development cost was estimated at approximately \$90-100 million with nearly all components of the project being revenue generating. The President reported that additional information regarding the feasibility of the project will be presented at the fall board meeting.

The meeting was adjourned at approximately 10:40 a.m. for a fifteen minute break. The meeting was reconvened at approximately 10:55 a.m.

Committee Reports

Finance and Investment

Mr. Thomas Lomax, Vice Chairman, presented the Finance and Investment Committee report. It was recommended that the Finance and Audit Committee be combined. Mr. Lomax reported that the 2009 budget would be ready for approval by the end of May and submitted to the President by June 1, 2008. Chairman Welters reported that the budget can be approved telephonically, but wanted the entire Board to approve the budget rather than just the Executive Committee. It was agreed that the President would send out the budget documents to the Board for approval via Conference Call.

Academic Policy, Faculty and Student Affairs

Dr. DeLutha King, Chairman, presented the report of the Academic Policy, Faculty and Student Affairs Committee. He presented the following items for approval:

A motion to approve nine (9) faculty appointments and promotions since October 2007 was unanimously approved.

A motion to approve candidates for the MD, MPH, PHD and MSCR Degrees (*pending completion of all requirements*) was unanimously approved.

A motion to approve a certificate & Masters Programs in Biomedical Sciences was unanimously approved.

A motion to approve a certificate in Public Health Program was unanimously approved.

A motion to approve a Sexual Health Scholars Program was unanimously approved.

Dr. King further reported that Ms. Soyini Mattis gave a consolidated report from the students, reporting that members of the 1st Year Class participated in a trip to Haiti to volunteer in a clinic, the 2nd Year students are preparing for the Step I Examination with a goal of 100% pass rate, the 3rd Year students are excited about utilizing a new form of technology such as PDA or mini computers, and 64% of the 4th Year students are going into Primary Care with 22% of the students staying in Georgia or at the Morehouse School of Medicine. Ms. Mattis further reported that the MPH students are excited about their upcoming events and the PHD students will recite a new Biomedical Oath at the Commencement ceremony, as well as become a member of the National Black Student Graduate Association (NBGSA).

Dr. King reported that the 4th year gift will be a legacy scholarship to be given ten years from now to a deserving student. Finally, Dr. King reported that Match Day was very successful. Dr. Love stated that she was encouraged by the hard work on the curriculum and commended the Dean for a great job.

Dean Higginbotham reported that Dr. Gary Gibbons, an internal candidate, is the new Chair of the Department of Physiology. The Dean also reported that she is in the final stage of recruiting a candidate for Chair of the Department of Pharmacology. She also reported that an External Review of the National Center for Primary Care and the Department of Surgery is underway. Lastly, she reported that strides continue to be advanced in research and referenced the list of new grants, compared to the list of grants that will be ending.

Development and External Affairs

In the absence of Chairwoman Sally Hambrecht, Sally Davis, Vice President for Institutional Advancement, presented the report of the Development and External Affairs Committee. Ms. Davis provided a brief overview of the implementation of their enhanced annual giving program, noting improved quality and consistency of the direct response efforts; targeting lapsed donors; and a positive response to the Gloster Society initiative. She reported that the Board of Advisors and the Board of Visitors will be revitalized as an off spring of the Development Committee. Ms. Davis agreed to present a proposed structure and a plan for staffing these entities for the Board's review.

Audit and Compliance

Mr. Thomas Lomax, Chairman, presented the report of the Audit and Compliance Committee. Mr. Lomax reported that the audit firm DeLoitte and Touche has been engaged to complete the internal audit for the school. He reviewed the proposed plan for the next 12-18 months to complete the audit. He also reported that the Audit Committee will be trained on the A-133 Audit by the firm Ernst & Young to give the Audit Committee an overview of what is involved with the A-133 audit.

Mr. Lomax reported that the Compliance Plan will be reviewed and finalized. It was noted that Ernst and Young has been the School's auditor for five years and the committee believed the Audit firm should be rotated every five years, beginning in July 2009.

Mr. Felker Ward reported a charter for each Board committee is needed; noting that the Bylaws would be fixed, but a charter would be a working document. The President agreed and directed the Office of General Counsel to move forward in developing charters for each Board committee.

Administration and Facilities Management

At the request of Mr. Philip M. McCall, Jr., Dr. William Alexander, Vice President for Administration and Strategic Management presented the report of the Administration and Facilities Management Committee. Dr. Alexander provided an update on activities in the Department of Human Resources, stating that two U.S. Department of Labor Audits have been completed, a Manager of Compensation has been identified and a market survey analysis has been completed to be used in the education of the next level of managers.

In Planning and Institutional Research, Dr. Alexander reported that Project Scorpio/Datatel has been launched to better leverage HR/Payroll and Finance Systems. He reported that a candidate for Information Technology has been identified, in addition to a conversation with Datatel regarding providing an Executive on Loan. He also reported that plans to create a Data Center to house all servers are being instituted. Lastly, he noted that in the Information Technology area, the voice mail system has been upgraded and there have been security upgrades. He further reported that in the campus operations area, the cooling tower has been replaced, but there are some challenges related to the HVAC and security systems.

Dr. Alexander concluded his report by providing an update on the strategic planning process and reviewed the goals of the strategic priorities pertinent to the committee for comments and feedback.

It was noted that the Vice Chair of the Administration and Facilities Management Committee, John H. Downs, would not stand for re-election. It was agreed that Mr. Philip McCall will serve as Vice Chairman of the Administration and Facilities Management Committee.

Governance

Dr. Philip G. Wiltz, Vice Chairman, presented the Governance Committee report.

A motion to approve Class C – Board members whose terms ends at the close of the March 26, 2008 Board meeting, be reappointed to the Board was unanimously approved.

Regina M. Benjamin, M.D., M.B.A., (2005)
Jordan J. Cohen (2005)
Eric H. Holder, Jr., J.D. (1005) -- (Vice Chairman)
W. Thomas Lomax (2005)
Sylvester McRae (2000)
The Honorable Judge Greg Mathis (2005)
John W. Rowe, M.D. (2005)

Health Services

Dr. William Cleveland, Chairman, presented the report of the Health Services Committee. He reported that Ms. Racquel Benford, Executive Director, Morehouse Medical Associates (MMA), and Dr. Lawrence Sanders, Associate Dean for Clinical Affairs, provided a tour of (MMA) 75 Piedmont Medical Office. Dr. Cleveland invited Dr. Sanders to present the remainder of the report.

Dr. Sanders provided an overview of the MMA FY 2008 operational objectives and provided a progress report for each objective. He then summarized MMA 2008 year-to-date financial performance, noting that operational expenses exceed operating revenue by \$43,000. He further summarized the year-end projections and a forecasted operation loss of \$340,000, compared to a deficit of \$714,066 in 2007. Dr. Sanders provided a summary of the FY 2009 budget, noting that

the budget is balanced. He reviewed the patient services income components and highlighted the challenges.

Dr. Sanders provided an update on the clinical affiliates and outlined the critical issues and challenges related to Grady Hospital and the Atlanta VA Medical Center. He completed his report by stating that Alvarez and Marshall, a consulting firm, is leading an effort to open South West Hospital in April 2008, with a focus on ambulatory surgery.

Executive Session

The Board went into Executive Session at approximately 12:15 p.m.

The following items were discussed during Executive Session:

- the Aguayo lawsuit (settlement thereof)
- the Roots lawsuit
- the Nazarian lawsuit
- the Torrance Stephens faculty disciplinary matter

Respectfully submitted,

Philip G. Wiltz, Jr., M.D.
Secretary