

A steady hand

State Board of Regents chairman **Robert Hatcher** (**BBA '64**) has finance in his blood — and it's a good thing, given the large-scale budget cuts that are currently threatening Georgia's university system

It's high noon on the Capitol steps.

Protestors have gathered around a podium in front of the statue of Georgia populist Tom Watson, his arm raised in a fist. Their placards read, "Stop Taxing and Spending our Grandkids' Money!" and "Can you see us now?" As legislators inside the Capitol work to reconcile shrinking revenues with growing demands — particularly for educational needs — these citizens want to know, as one t-shirt asks, "Where's My Bailout???"

The "FairTax" group has already seen a half-dozen legislators and political candidates sign a pledge to oppose tax hikes, bringing total signees to roughly one-third of the Georgia House and Senate. Now the protestors wait to hear from anti-tax activist Grover Norquist. An influential conservative so opposed to government that he once said he'd like it reduced to a size that would allow him to "drown it in a bathtub," Norquist rallies the crowd with his calls to meet reduced budgets by slashing funding. To achieve that, he emphasizes transparency, quoting a Texas official who said making state records public was akin to "turning on the lights and seeing the cockroaches scatter."

After the rally, Norquist is asked what the University System Board of Regents should focus on as they grapple with a requested \$300 million budget cut for the state's 35 colleges and universities, already strained by furloughs and staff cuts. Pressed to specify further than his reiteration of "make everything transparent," Norquist responds, "Once they are able to see everything, the people of Georgia will be able to decide that for themselves."

By **Krista Reese (MA '80)**

Photos by Erik Lesser





Regents chairman Robert Hatcher (BBA '64) responds to Norquist's statement with a weary, incredulous tone: "It's already transparent!" (Every university system salary, bid, and purchase is available online, including Hatcher's per diem of \$105 per day, about \$2,000 each year — which he promptly donates back to the University System Foundation.) Hatcher's tone sounds a lot like his response to the student who, at a February regents board meeting to protest higher fees, suggested the budget be reduced by "cutting the military."

"That's the U.S. Congress," Hatcher told the student. "We don't have anything to do with that."

Ordinarily, the Board of Regents (currently 16 men and two women, all appointed by the governor) meets monthly in staid, two-day public sessions. Those in attendance — from system presidents to contractors — are all stakeholders. Some have watched their proposals climb through the bureaucratic pipeline for years before making it to the board, whose decisions will affect some 302,000 students, and 40,200 faculty and staff. Board members constantly tweak, rebuild, and kick-start a massive network of people, facilities, and resources, all according to carefully constructed plans and complicated figures, on an annual budget of \$6.3 billion. The work is important, but not glamorous. As Hatcher says later, "No university will be known for its payroll system."

The agenda typically includes issues such as new

Hatcher (shown here at a recent regents board meeting) describes himself as more closely allied to the Republicans' pro-business, low-tax philosophy. But he supports the idea of a temporary or cigarette tax to help the university system weather the current budgetary shortfall.

degree programs and campus construction. But this year, the regents' horseshoe-shaped table has seen some high-stakes poker being played between the board and the legislature. Fortunately, Hatcher, like Chancellor Erroll Davis, has a deep background in business. He is Macon's best-known banker, and he has ridden out the mortgage meltdown with his own firm, MidCountry Financial. Davis singles out Hatcher's "inclusiveness and resolve," as well as his sensitivities to others' stances, as factors figuring in his effectiveness as regents chair.

"Bob is truly apolitical in a political environment," says Davis. "He also has a high 'say/do' index. He finishes what he sets out to accomplish." UGA President Michael Adams acknowledged at the February regents meeting that "I haven't seen [the financial situation] worse than now. Bob is a real contributor to the system and he has important relationships."

Chief among those relationships: Gov. Sonny Perdue, whose support is critical in the current financial crisis. Hatcher's "passion for improving our state," says Perdue, means he "recognizes the critical importance of higher education for the future of a growing state."

The public spat began after the governor recom-

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mended a \$265 million higher education budget cut for 2011 — a deep slash, to be sure, but Davis and the regents board had prepared for it. In March, faced with a projected \$2.4 billion revenue shortfall, the legislature summoned Davis, demanding that he, Hatcher, and the regents board produce a budget reflecting an additional \$300 million in cuts. In four days. The board complied, but its new proposals shocked citizens all over the state: Close county extension offices. Shut down the 4-H program. Eliminate degrees. Limit enrollment. Lay off thousands. Hike tuitions as much as 77 percent.

In the panic and howls of disapproval that followed, Perdue called a news conference, terming the lawmakers' strategy "scare tactics and fearmongering" and pledging he would "not dismantle a world-class university system that we spent over two decades to build up."

The regents board had gained a powerful ally — one who was now opposing some of the most conservative voices in his own party. However, Hatcher says he never asked for the show of support. "Gov. Perdue has always supported higher education," he says evenly.

Hatcher describes himself as more closely allied to the Republicans' pro-business, low-tax philosophy. But he supports the idea of a temporary or cigarette tax to help the university system through its shortfall. He also believes maintaining salaries for the system's highest-paid presidents, researchers, and professors will protect colleges from "brain drain" that would result in a loss of competitive edge, prestige — and students. Or "customers," as Hatcher sometimes refers to them. "Educating students," he says, "must be our core mission."

Hatcher was one of Perdue's choices for co-chair of his Commission for a New Georgia in 2003, which sought to instill business principles and consumer-oriented solutions in state government. In 2008, the Pew

Center on States graded Georgia as the best-managed state in the Southeast. Hatcher has brought some of the same business-oriented strategies to the university system, instituting an audit of health-care dependents. That move (accompanied by an amnesty period in the university system) uncovered some 30,000 unqualified beneficiaries in a similar audit for the state.

Nearing his 70th birthday, Hatcher seems at the top of his game, moving with the swift purpose of a downhill skier (his family keeps a second home in Beaver Creek, Colo.). He spends spare moments tapping out emails on his iPhone. He recently measured the speed of one of his downhill runs with an iPhone app, clocking in at 50 mph. "It's the closest thing to flying!" he says.

Hatcher has finance in his blood. He is the son of a Yale-educated businessman, and the grandson of Eugene Stetson, the celebrated Macon banker who brokered the sale of Coca-Cola from the Candler family to the Woodruffs, and arranged the merger of Guaranty Trust Co. Bank of NY with J.P. Morgan & Co. to form The Morgan Guaranty Trust Co.

At UGA, Hatcher married Georgia Williams (BSEd '65), promising her father she would finish her degree. He recalls that, in those times, marriage meant a male student was also his wife's official guardian — to the extent that when Georgia's grades arrived in the mail the envelope was addressed to him.

Despite his family banking connections, Hatcher began his banking career at Trust Co., now SunTrust, as a summer employee. He started in the mailroom, eventually working his way up to teller and beyond. At first, he was satisfied to climb the ladder slowly. "I loved the part about helping people, getting them loans to start

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their businesses, build their homes.” Soon, however, he was looking at a bigger picture, and his place in it.

“Community banks and communities are inextricably linked,” he says. “If they don’t lend money, the community doesn’t grow.” Over the years, he found that getting involved in organizations like the American Cancer Society and Chamber of Commerce not only helped bind the town’s businesspeople to good causes, but also widened his network. He found mentors in Trust Co. bankers like Bill Simmons, chairman of the board, and Evans Bruner.

By March 1988, Hatcher had taken the helm at First Liberty Financial Corp. and First Liberty Bank. Friend Lee Ellis, executive vice president of Alfa Insurance and current MidCountry Board chair, recalls watching Hatcher’s skills in action while serving on the First Liberty board. The group had decided to unload a floundering S&L, but Hatcher convinced the group it could be saved and made profitable — a task he helped accomplish. Later, Ellis observed as Hatcher motivated a group of uncooperative employees. “He made that group so they cared about each other, and about the company,” Ellis recalls. Hatcher’s secret? “He listens, understands, and cares,” says Ellis.

Hatcher stayed on at BB&T after the bank bought First Liberty. In August 2002, he started MidCountry, a financial services firm. “I bought stock in that right quick,” says Wade. “I knew if Bob was in charge, it would do well.”

Hatcher’s skill at bringing diverse groups of people together and motivating them showed in the board he selected, which included Carol Jackson. Now retired, Jackson had served as Hatcher’s banker during the S&L crisis, when she was executive vice president at the Federal Home Loan Bank. The two emerged from the


(left) An avid skier, Hatcher likes to spend time at his family’s vacation home in Colorado. (right) He married his college sweetheart, Georgia Williams, while the couple was still in school.

experience with strong mutual respect.

“People have a certain façade ... when they’re under stress, they show their true colors,” says Jackson. “I think Bob is a very inspiring person. This is going to be a stressful decade, and he has a calm, reassured manner, and a sense of confidence. It’s important that he doesn’t think he has to know all the answers. He’s not afraid to draw in other people.”

In fact, Hatcher’s proudest accomplishment has nothing to do with balance sheets, but with the people they affect. For years, he has championed leadership development in his own companies, as a member of the second class of Leadership Georgia, as a former member of Leadership U.S.A., and now at the university system. He is a firm believer in programs that make goals and values clear to every team member, and he asks employees to carry cards bearing the company’s mission statement and values. He gives them a \$2 bill if they can produce them at his request. “It’s easier,” says Hatcher, “when you’re all pulling in the same direction.”

As chairman of the board of regents, Hatcher feels a responsibility to help safeguard the future of higher education in Georgia.

“Education is catalytic,” he says, “and these are *investments* we’re making. . . they’re not just expenses on a balance sheet. Just because economic times are hard doesn’t mean that you stop making educational investments in people who hold the future of this state in their hands. Yes, things are tough right now, but we’re still in the business of helping students blossom.” 

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