

AGENDA

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

May 19, 2015

Agenda Item	Page No.
--------------------	-----------------

INFORMATION ITEMS

- | | |
|---|---|
| 1. Update on USG Tuition and Mandatory Fee Payment Plans | 1 |
| 2. Third Quarter Revenue and Expenditure Report, Fiscal Year 2015 | 2 |
| 3. Update on USG Debt Management Plan | 3 |

APPROVAL ITEMS

- | | |
|--|---|
| 4. Request for Multi-Year Leasing Contract Value Authority | 4 |
| 5. Fiscal Year 2016 Operating and Capital Budgets | 6 |

AGENDA

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

May 19, 2015

1. Information Item: Update on USG Tuition Payment Plans

Background: In April 2012, the Board of Regents amended Board policy 7.3.3 to allow collection of tuition and mandatory fees on an installment basis in advance of services provided. Installment payment plans are utilized in many higher education institutions. The Georgia Institute of Technology was chosen as the pilot site for this new policy revision. This pilot program provided the Georgia Institute of Technology with a mechanism for developing and internally managing an installment payment program for students with balances outstanding for tuition and mandatory fees after application of financial assistance. In January 2015, Georgia State University also implemented the program; the University of Georgia plans to implement the program in fall 2015. Nelnet Business Solutions (NBS) provides a guaranteed payment plan to more than 20 other University System of Georgia institutions for tuition and fees.

Vikki Williamson, Associate Vice Chancellor for Fiscal Affairs, Carol Payne, Professional Advisor from the Georgia Institute of Technology and Charmaine Daniels, Director, Office of Student Accounts from Georgia State University, will provide an update on the tuition and mandatory fee installment plans.

2. **Information Item: Third Quarter Revenue and Expenditure Report, Fiscal Year 2015**

John Brown, Vice Chancellor for Fiscal Affairs, will provide a report on the University System of Georgia's third quarter revenues and expenditures for fiscal year 2015.

3. Information Item: Update on USG Debt Management Plan

John Brown, Vice Chancellor for Fiscal Affairs, and Susan Ridley, Associate Vice Chancellor for Fiscal Affairs, will provide an update on the University System of Georgia's debt plan.

4. **Request of Resolution for Multi-Year Leasing Contract Value Authority**

Recommended: That the Board approve by resolution a request to the Georgia State Financing and Investment Commission (GSFIC) for contract value authority of \$150 million for multi-year office leases for FY 2016.

Understandings: Upon approval of the request by the Commission, the Office of Facilities will seek information from institutions concerning potential cost savings associated with conversion of existing annual rental agreements to multi-year rental agreements, and the potential for utilizing the multi-year option for new rental agreements.

Background: GSFIC must approve the proposed multi-year contract value authority for participating agencies for each fiscal year. Term of the contracts may not exceed 20 years. The State Properties Commission administers the multi-year leasing program. The Board of Regents' proposed contract value authority is incorporated in the Board of Regents Capital Liability Management Plan.

**RESOLUTION REQUESTING ESTABLISHMENT OF
MULTIYEAR CONTRACT VALUE AUTHORITY**

WHEREAS, at the general election held on November 6, 2012, voters of the State approved an amendment to the Georgia Constitution to authorize the Board of Regents of the University System of Georgia (“BOR”) to enter into lease and rental contracts exceeding one year;

WHEREAS FURTHER, the General Assembly amended O.C.G.A. 50-16-41 effective January 1, 2013 to authorize the BOR through the State Properties Commission to enter into lease and rental contract exceeding one year;

WHEREAS FURTHER, O.C.G.A. 50-16-41 provides that the Georgia State Financing and Investment Commission “each year, may establish a total multi-year contract value authority”;

WHEREAS FURTHER, O.C.G.A. 50-16-41 provides that “[n]o multi-year lease or rental agreement shall be entered into under the provisions of this Code section until the Georgia State Financing and Investment Commission has established the fiscal policies and multi-year contract value authority for the current and future fiscal years.”;

WHEREAS FURTHER, on December 12, 2012, the Georgia State Financing and Investment Commission established the fiscal policies required by O.C.G.A. 50-16-41;

WHEREAS FURTHER, the BOR has considered its expected needs for multi-year lease and rental agreements for fiscal year 2016, will comply with the aforementioned fiscal policies governing multi-year agreements, and determined to request the specific amount of contract value authority to be established for fiscal year 2016 in the amount of \$150,000,000.

NOW THEREFORE, BE IT RESOLVED THAT:

The BOR has considered its expected needs for multi-year lease and rental agreement for fiscal year 2016 and requests the Georgia State Financing and Investment Commission establish contract value authority for the BOR for fiscal year 2016 in the amount of \$150,000,000.

This resolution is adopted this ___ day of May, 2015.

Board of Regents of the University System of Georgia

By: _____
Chairman, Board of Regents of the University System of Georgia

(SEAL)

Attest: _____
Secretary to the Board, Board of Regents of the University System of Georgia

5. Fiscal Year 2016 Operating and Capital Budgets

Recommended: That the Board approve the fiscal year (“FY”) 2016 operating and capital budgets for the University System of Georgia as shown in Appendix I.

Summary: The total FY 2016 budget for the University System of Georgia is approximately \$8.106 billion, which includes funding from all unrestricted and restricted sources. The FY 2016 budget includes the allocation of state funds as approved by the Board in April 2015. This budget also reflects enrollment and other projections made by each institution, which incorporate the tuition and fee rates approved by the Board in April 2015.

The FY 2016 budget includes the following major categories:

Educational and General Funds: Educational and General Funds serve the primary mission of the University System: teaching, research and public service, as well as academic support, student services, institutional support and plant operations. It includes restricted funds, such as sponsored research funding from federal, state and private sources, and unrestricted funds, such as state funds, tuition, and other general funds. The total educational and general budget for the University System for FY 2016 is \$6.856 billion.

Auxiliary Enterprises: Auxiliary Enterprises include student housing, parking, food services, bookstore operations, transportation, athletics, health clinics and other functions that primarily serve the students, faculty and staff at the institutions. The FY 2016 auxiliary enterprises budget is \$923 million, as compared with \$939 million in the original budget for FY 2015. Auxiliary operations should be self-supporting and rates for the various services are set to cover the cost of operations.

Capital: The capital budget includes routine maintenance and repair projects, MRR projects, and other capital projects that are managed by the institutions. The FY 2016 capital budget is \$198 million, as compared with \$139 million in the original budget for FY 2015. All bond projects funded by the state are recorded and accounted for in GSFIC’s budget, unless the institution has responsibility for managing the project. The FY 2016 MRR bond funds totaling \$60 million will be allocated to the institutions at the next scheduled Board meeting.

Student Activities: Student Activities include a range of activities funded by student fees, such as student government activities, campus newspaper, radio/television, and other extracurricular activities. The FY 2016 student activities budget is \$129 million, as compared with \$128 million in the original budget for FY 2015. The student activities budget reflects changes in enrollment, mandatory fees, and the use of prior year reserves for specific purposes.