

AGENDA

COMMITTEE OF THE WHOLE FINANCE AND BUSINESS OPERATIONS

April 15, 2014

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APPROVAL ITEMS

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AGENDA

COMMITTEE ON FINANCE AND BUSINESS OPERATIONS

April 15, 2014

1. Fiscal Year 2014 Amended Budget

Recommended: That the Board approve the allocation of state appropriations for the fiscal year (“FY”) 2014 amended budget.

Background: The FY 2014 state funds original budget for the University System of Georgia was \$1.88 billion. The final, amended state funds budget for the University System of Georgia is \$1.89 billion, which is a net increase of 0.13% from the original budget for FY 2014.

	FY 2014 Original Budget	Additions	FY 2014 Amended Budget
Formula funds	\$1,676,074,685	\$957,910	\$1,677,032,595
Line Items	\$207,054,107	\$1,400,000	\$208,454,107
Total	\$1,883,128,792	\$2,357,910	\$1,885,486,702

The FY 2014 amended budget also includes three capital items related to the University System of Georgia:

1. Redirect of \$1,100,000 of unissued bonds from Haynes Hall (Middle Georgia College) to design the academic building at Georgia Gwinnett College;
2. Redirect of \$2,430,000 of unissued bonds from Haynes Hall (Middle Georgia College) to Major Repairs and Rehabilitation (MRR), increasing FY14 MRR to \$51.6 million; and
3. Transfer of \$4,000,000, previously recommended for the Board of Regents to retrofit the Forces Command building at Fort McPherson, to the Georgia Building Authority to purchase, plan and design the Reserve Command Building at Fort McPherson.

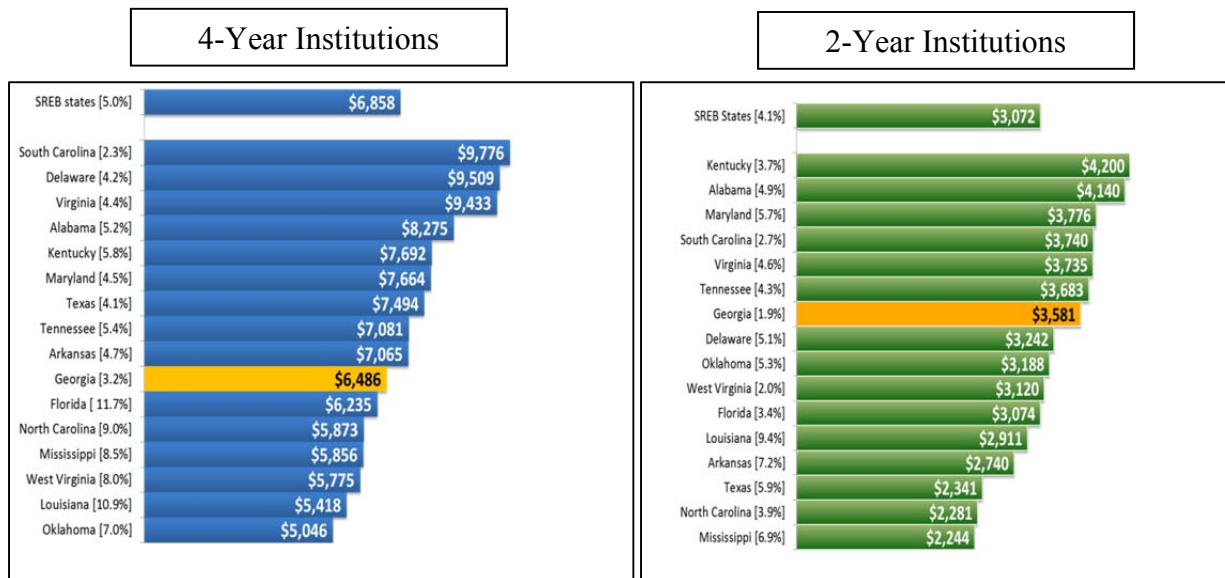
All changes identified specifically by House Bill 743 were made accordingly.

House Bill 743, the Amended Appropriations Act for FY 2014, was signed by the Governor on February 26, 2014.

2. Fiscal Year 2015 Tuition

Recommended: That the Board approve the tuition rates for fiscal year 2015, to become effective fall semester 2014. Recommended tuition rates appear in Appendix IA (Undergraduate Tuition) and Appendix IB (Graduate, Professional Programs and Distance Learning Tuition).

Background: Tuition and fees in the University System are an excellent value for students; among all 16 states of the Southern Regional Education Board (SREB), Georgia ranks 10th among four-year institutions and 7th among access institutions for FY 2013.



Proposed Undergraduate Rate Increases:

Maintaining affordability is one of the highest priorities of the University System of Georgia and, as such, the University System of Georgia is committed to keeping tuition rates low.

The recommended strategy for FY 2015 balances affordability, access and quality across all sectors of the University System, recognizing that research institutions must remain nationally competitive.

Specifically, the components of the undergraduate rate increase proposal are as follows:

1. A tuition increase of 2.5% for all institutions across all sectors, except for Georgia Institute of Technology, Georgia Regents University, Georgia State University and the University of Georgia.
2. A tuition increase of 9% for the Georgia Institute of Technology.
3. A tuition increase of 7% for the University of Georgia.

2. Fiscal Year 2015 Tuition (Continued)

4. A tuition increase of 4% for Georgia State University and Georgia Regents University.
5. Further, out-of-state tuition will increase by the same percentage for all institutions except Georgia Institute of Technology, Georgia Regents University, Georgia State University and the University of Georgia. Out-of-state tuition will increase by the same dollar amount as in-state tuition for these four universities.

	In -State		Out-of-State	
	\$ Increase per Semester	% Increase	\$ Increase per Semester	% Increase
Georgia Institute of Technology	\$ 372	9.0%	\$ 372	2.7%
Georgia Regents University - Health Sciences	\$ 155	4.0%	\$ 155	1.2%
Georgia Regents University - Summerville	\$ 93	4.0%	\$ 93	1.1%
Georgia State University	\$ 156	4.0%	\$ 156	1.2%
University of Georgia	\$ 281	7.0%	\$ 281	2.1%
Georgia College and State University				
Georgia College and State University	\$ 85	2.5%	\$ 309	2.5%
Regional Universities				
Regional Universities	\$ 62	2.5%	\$ 219	2.5%
State Universities				
State Universities	\$ 58	2.5%	\$ 210	2.5%
State Universities with Special Missions				
State Universities with Special Missions	\$ 62 - 67	2.5%	\$ 219 - 240	2.5%
Georgia Gwinnett College				
Georgia Gwinnett College	\$ 43	2.5%	\$ 162	2.5%
State Colleges				
State Colleges	\$ 32 - 36	2.5%	\$ 123 - 135	2.5%

The recommended tuition differentials for the research institutions are market driven and based on comparative tuition data for peer institutions.

A 9% in-state tuition increase is recommended for Georgia Institute of Technology. Georgia Institute of Technology is world-renowned and competes on a global scale. It offers many high-cost programs and must generate sufficient revenues to remain technologically competitive, retain superior faculty, keep classes sized small for maximum student-faculty interaction and provide quality program offerings. Based on tuition data of peer institutions, the undergraduate tuition rates at Georgia Institute of Technology are below the average tuition rates of their peers. A 9% tuition increase continues to move Georgia Institute of Technology to their peer tuition average.

In-state tuition increases of 7%, 4% and 4 % are recommended for the University of Georgia, Georgia Regents University and Georgia State University, respectively. Both the University of Georgia and Georgia State University are below the peer averages for in-state tuition. The recommended tuition increases move the tuition rates closer to the peer averages. Maintaining quality in the classroom and a competitive edge are essential for all research institutions.

2. **Fiscal Year 2015 Tuition (Continued)**

The recommended out-of-state tuition increases for the Georgia Institute of Technology, the University of Georgia, Georgia Regents University and Georgia State University are based on the same dollar increase as the in-state tuition. The current out-of-state tuition rates are more in line with comparative peers.

In FY 2014, a tuition structure was implemented at Georgia Regents University to create a new, non-health sciences tuition rate that increases progressively to match the Georgia State University rate over a seven-year period. The FY 2015 in-state and out-of-state undergraduate tuition rates for Georgia Regents University Summerville Campus reflect year two of the seven-year plan. These rates apply to all new students and those continuing from the 2014 academic year at the Georgia Regents University Summerville Campus.

Graduate and Professional Program Tuition:

The Board of Regents' policy on graduate tuition allows institutions having graduate programs to request a separate, "core" graduate tuition rate based on market and cost considerations. Similarly, institutions can request approval for separate tuition rate adjustments for select, competitive professional programs. The recommended "core" graduate tuition rates appear in Appendix IB, as do the recommendations for changes in tuition rates for professional programs.

% Increase in <u>Core</u> Graduate In-State Tuition	
Georgia Institute of Technology	9.0%
Georgia Regents University - Health Sciences	0.0%
Georgia Regents University - Summerville	6.0%
Georgia State University	4.0%
University of Georgia	5.0%
University of West Georgia	6.0%
Regional and State Universities	0% to ~3%

3. Approval to Revise Policy Manual, Section 7.3.1.1, Definitions, Remove Policy Manual, Section 7.3.1.2, The Guaranteed Tuition Plan, and Remove Policy Manual, Section 7.3.1.3, Continuing Tuition Rate

Recommended: That the Board approve to remove policy language pertaining to the Guaranteed Tuition Plan.

Background: In April 2006, the Board approved a new tuition strategy that provided a “guarantee tuition rate” for entering undergraduate students full-time and part-time, and resident and nonresident. The purpose of the plan was to provide a degree of predictability to undergraduate students regarding tuition costs and to encourage more rapid progress toward graduation.

In June 2009, the Board approved to discontinue the guaranteed tuition plan for new students beginning summer semester 2009. Fall 2013 was the final semester in which select students were eligible for the Guaranteed Tuition Plan.

Below is the revised policy. The stricken texts represent deletions.

<i>Current Policy</i>	<i>Proposed Policy</i>
<p>7.3.1.1 Definitions</p> <p>Tuition Tuition shall be defined as payment required for credit-based instruction and related services and shall be charged to all students. Tuition rates for all USG institutions and programs shall be approved annually no later than the May meeting by the Board of Regents to become effective the following fall semester. Exceptions to this requirement may be granted upon recommendation of the Chancellor and approval by the Board of Regents.</p> <p>Tuition for both undergraduate and graduate students enrolled at a USG institution shall be charged at the full rate for students enrolled for fifteen (15) credit hours or more, and at a per credit hour rate for students enrolled for less than fifteen (15) credit hours, effective July 1, 2009.</p> <p>Graduate tuition will be charged at the full rate for students enrolled for twelve (12) credit hours, and at a per credit hour rate for students enrolled for less than twelve (12) credit hours (BoR Minutes, June 2009). Distance education courses and programs as defined in Section 7.3.1.6 of this Policy Manual may be exempted from this policy and charged on a per credit hour basis.</p> <p>Further, a “finish-in-four” tuition model that provides for a flat tuition based on fifteen (15) hours a semester will be charged at University of Georgia, Georgia Institute of Technology and Georgia College and State University for all undergraduate students taking in excess of six (6) hours, to encourage students to graduate in four (4) years. Students taking six (6) hours or fewer will pay a flat rate that will be lower than the 15-hour rate. The “finish-in-four” model is effective July 1, 2009, for University of Georgia and Georgia Institute of Technology and July 1, 2011, for and Georgia College and State University.</p> <p>A “finish-in-four” tuition model that provides for a flat tuition based on fifteen (15) hours a semester will be charged at Georgia Regents University for all undergraduate students taking ten (10) hours or more.</p>	<p>7.3.1.1 Definitions</p> <p>Tuition Tuition shall be defined as payment required for credit-based instruction and related services and shall be charged to all students. Tuition rates for all USG institutions and programs shall be approved annually no later than the May meeting by the Board of Regents to become effective the following fall semester. Exceptions to this requirement may be granted upon recommendation of the Chancellor and approval by the Board of Regents.</p> <p>Tuition for both undergraduate and graduate students enrolled at a USG institution shall be charged at the full rate for students enrolled for fifteen (15) credit hours or more, and at a per credit hour rate for students enrolled for less than fifteen (15) credit hours, effective July 1, 2009.</p> <p>Graduate tuition will be charged at the full rate for students enrolled for twelve (12) credit hours, and at a per credit hour rate for students enrolled for less than twelve (12) credit hours (BoR Minutes, June 2009). Distance education courses and programs as defined in Section 7.3.1.6 of this Policy Manual may be exempted from this policy and charged on a per credit hour basis.</p> <p>Further, a “finish-in-four” tuition model that provides for a flat tuition based on fifteen (15) hours a semester will be charged at University of Georgia, Georgia Institute of Technology and Georgia College and State University for all undergraduate students taking in excess of six (6) hours, to encourage students to graduate in four (4) years. Students taking six (6) hours or fewer will pay a flat rate that will be lower than the 15-hour rate. The “finish-in-four” model is effective July 1, 2009, for University of Georgia and Georgia Institute of Technology and July 1, 2011, for and Georgia College and State University.</p> <p>A “finish-in-four” tuition model that provides for a flat tuition based on fifteen (15) hours a semester will be charged at Georgia Regents University for all undergraduate students taking ten (10) hours or more.</p>

<p>Students enrolled at Georgia Regents University taking less than ten (10) hours will continue to be charged tuition on a per-credit-hour basis. Students jointly enrolled in high school and at the University of Georgia, Georgia Institute of Technology, Georgia College and State University, or Georgia Regents University under the Accel program will continue to be charged tuition on a per-credit-hour basis. Students enrolled during the summer semester at the University of Georgia, Georgia Regents University and Georgia College and State University will be charged tuition on a per-credit-hour basis during the summer semester (BoR Minutes, April 2013).</p> <p>In-State Tuition In-State Tuition shall be defined as the rate paid by students who meet the residency status requirements as provided in Section 4.3 of this Policy Manual.</p> <p>Out-of-State Tuition Out-of-State Tuition shall be defined as the rate paid by students who do not meet the residency status requirements as provided in Section 4.3 of this Policy Manual. Out-of-state tuition at all USG institutions shall be established by the Board, taking into consideration: (1) out-of-state tuition rates of peer or comparable institutions, and (2) the full cost of instruction. The annual increase in the out-of-state tuition amount must be at least equal to the dollar increase amount in in-state tuition.</p> <p>Guaranteed Tuition Rate The Guaranteed Tuition Rate shall be defined as the rate paid by students enrolled in a USG undergraduate program who entered the USG for the first time as new students or as transfer students between fall 2006 and spring 2009 (BoR Minutes, June 2009). The guaranteed tuition rate shall be held constant for each new student or transfer student, except those that may be classified as current and continuing students as noted below, for a period of time as described in Section 7.3.1.2 of this Policy Manual.</p> <p>Continuing Tuition Rate The Continuing Tuition Rate shall be defined as the rate paid by students enrolled in a USG undergraduate program who entered the USG for the first time as new students or as transfer students prior to fall 2006.</p> <p>New Students New Students shall be defined for the purposes of this section as students enrolled in an undergraduate program at a USG institution for the first time between fall 2006 and spring 2009, and who have not previously earned academic credits at a postsecondary institution except as students jointly (or dually) enrolled in high school and a postsecondary education institution or through advanced placement credit (BoR Minutes, June 2009).</p> <p>Non-USG Transfer Students Non-USG Transfer Students shall be defined as students who, after high school graduation, entered as a first time freshman to a non-USG postsecondary institution and earned academic credit.</p> <p>Current and Continuing Students Current and Continuing Students shall be defined for the purposes of this section as students who entered the USG for the first time as new students or as transfer students prior to fall 2006.</p>	<p>Students enrolled at Georgia Regents University taking less than ten (10) hours will continue to be charged tuition on a per-credit-hour basis. Students jointly enrolled in high school and at the University of Georgia, Georgia Institute of Technology, Georgia College and State University, or Georgia Regents University under the Accel program will continue to be charged tuition on a per-credit-hour basis. Students enrolled during the summer semester at the University of Georgia, Georgia Regents University and Georgia College and State University will be charged tuition on a per-credit-hour basis during the summer semester (BoR Minutes, April 2013).</p> <p>In-State Tuition In-State Tuition shall be defined as the rate paid by students who meet the residency status requirements as provided in Section 4.3 of this Policy Manual.</p> <p>Out-of-State Tuition Out-of-State Tuition shall be defined as the rate paid by students who do not meet the residency status requirements as provided in Section 4.3 of this Policy Manual. Out-of-state tuition at all USG institutions shall be established by the Board, taking into consideration: (1) out-of-state tuition rates of peer or comparable institutions, and (2) the full cost of instruction. The annual increase in the out-of-state tuition amount must be at least equal to the dollar increase amount in in-state tuition.</p> <p>Guaranteed Tuition Rate The Guaranteed Tuition Rate shall be defined as the rate paid by students enrolled in a USG undergraduate program who entered the USG for the first time as new students or as transfer students between fall 2006 and spring 2009 (BoR Minutes, June 2009). The guaranteed tuition rate shall be held constant for each new student or transfer student, except those that may be classified as current and continuing students as noted below, for a period of time as described in Section 7.3.1.2 of this Policy Manual.</p> <p>Continuing Tuition Rate The Continuing Tuition Rate shall be defined as the rate paid by students enrolled in a USG undergraduate program who entered the USG for the first time as new students or as transfer students prior to fall 2006.</p> <p>New Students New Students shall be defined for the purposes of this section as students enrolled in an undergraduate program at a USG institution for the first time between fall 2006 and spring 2009, and who have not previously earned academic credits at a postsecondary institution except as students jointly (or dually) enrolled in high school and a postsecondary education institution or through advanced placement credit (BoR Minutes, June 2009).</p> <p>Non-USG Transfer Students Non-USG Transfer Students shall be defined as students who, after high school graduation, entered as a first time freshman to a non-USG postsecondary institution and earned academic credit.</p> <p>Current and Continuing Students Current and Continuing Students shall be defined for the purposes of this section as students who entered the USG for the first time as new students or as transfer students prior to fall 2006.</p>
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<p>Semester Semester shall be defined for the purposes of this section as the standard term of instruction for each USG institution for fall, spring, and summer. The summer semester shall be defined as the combined terms of instruction provided by USG institutions that begin after the completion of the spring semester and end prior to the start of the fall semester (BoR Minutes, October 2006).</p>	<p>Semester Semester shall be defined for the purposes of this section as the standard term of instruction for each USG institution for fall, spring, and summer. The summer semester shall be defined as the combined terms of instruction provided by USG institutions that begin after the completion of the spring semester and end prior to the start of the fall semester (BoR Minutes, October 2006).</p>
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<i>Current Policy</i>	<i>Proposed Policy</i>
<p>7.3.1.2 Guaranteed Tuition Plan</p> <p>The guaranteed tuition plan is discontinued for new students beginning summer semester 2009, and the provisions outlined below will not apply. The sections will continue to apply for students already on the guarantee for the period of the guarantee (BoR Minutes, June 2009).</p> <p>Pursuant to Section 7.3.1.1 of this Policy Manual, the Board of Regents shall annually approve guaranteed tuition rates for each USG institution. The provisions of this section shall not apply to courses offered as distance learning courses or to undergraduate programs for which differential rates have been approved, except that the provisions shall apply to the undergraduate programs in Landscape Architecture and Forestry and Natural Resources at the University of Georgia (BoR Minutes, October 2006; March 2007).</p> <p>Research, Regional, or State University New students enrolled in an undergraduate program at a USG research, regional, or state university shall be charged the approved guaranteed tuition rates for these institutions, which shall be fixed for new students for a period of four (4) years, or twelve (12) consecutive semesters, including fall, spring, and summer.</p> <p>State College New students enrolled in an undergraduate program at a USG state college shall be charged the approved guaranteed tuition rates for these institutions as follows: For new students enrolled in lower-division programs, the lower-division guaranteed tuition rate shall be charged and fixed for these new students for a period of three (3) years, or nine (9) consecutive semesters including fall, spring, and summer. For new students enrolled in upper-division programs, the upper-division guaranteed tuition rate shall be charged and fixed for these new students for a period of two (2) years, or six (6) consecutive semesters including fall, spring, and summer.</p> <p>Two-Year College New students enrolled in an undergraduate program at a USG two-year college shall be charged the approved guaranteed tuition rates for these institutions, which shall be fixed for new students for a period of three (3) years, or nine (9) consecutive semesters, including fall, spring, and summer.</p> <p>University College Programs New students enrolled initially in the university college programs at Armstrong Atlantic State University's Liberty Center, Augusta State University, Columbus State University, and Savannah State University who progress to the regular undergraduate programs offered by these institutions shall be charged the approved guaranteed tuition rates, which</p>	<p>7.3.1.2 Guaranteed Tuition Plan</p> <p>The guaranteed tuition plan is discontinued for new students beginning summer semester 2009, and the provisions outlined below will not apply. The sections will continue to apply for students already on the guarantee for the period of the guarantee (BoR Minutes, June 2009).</p> <p>Pursuant to Section 7.3.1.1 of this Policy Manual, the Board of Regents shall annually approve guaranteed tuition rates for each USG institution. The provisions of this section shall not apply to courses offered as distance learning courses or to undergraduate programs for which differential rates have been approved, except that the provisions shall apply to the undergraduate programs in Landscape Architecture and Forestry and Natural Resources at the University of Georgia (BoR Minutes, October 2006; March 2007).</p> <p>Research, Regional, or State University New students enrolled in an undergraduate program at a USG research, regional, or state university shall be charged the approved guaranteed tuition rates for these institutions, which shall be fixed for new students for a period of four (4) years, or twelve (12) consecutive semesters, including fall, spring, and summer.</p> <p>State College New students enrolled in an undergraduate program at a USG state college shall be charged the approved guaranteed tuition rates for these institutions as follows: For new students enrolled in lower-division programs, the lower-division guaranteed tuition rate shall be charged and fixed for these new students for a period of three (3) years, or nine (9) consecutive semesters including fall, spring, and summer. For new students enrolled in upper-division programs, the upper-division guaranteed tuition rate shall be charged and fixed for these new students for a period of two (2) years, or six (6) consecutive semesters including fall, spring, and summer.</p> <p>Two-Year College New students enrolled in an undergraduate program at a USG two-year college shall be charged the approved guaranteed tuition rates for these institutions, which shall be fixed for new students for a period of three (3) years, or nine (9) consecutive semesters, including fall, spring, and summer.</p> <p>University College Programs New students enrolled initially in the university college programs at Armstrong Atlantic State University's Liberty Center, Augusta State University, Columbus State University, and Savannah State University who progress to the regular undergraduate programs offered by these institutions shall be charged the approved guaranteed tuition rates, which</p>

<p>shall be fixed for a period of five (5) years, or fifteen (15) consecutive semesters, including fall, spring, and summer. New students who enter the regular undergraduate program at these institutions shall be charged the guaranteed tuition rate for four (4) years, or twelve (12) consecutive semesters) as noted above.</p> <p>Summer Semester New students enrolling in an undergraduate program at a USG institution in summer 2006 may be charged either the non-guaranteed tuition rate approved by the Board of Regents effective fall 2005, or the guaranteed tuition rate approved by the Board of Regents effective fall 2006 pursuant to the policy established by each USG institution and subject to: If charged the non-guaranteed tuition rate for summer 2006, new students shall be charged the guaranteed tuition rate beginning fall 2006, which shall be fixed as noted above. If charged the guaranteed tuition rate for summer 2006, new students shall continue to be charged the same guaranteed tuition rate beginning fall 2006, which shall be fixed at that rate beginning with fall 2006 as noted above. New students enrolling in an undergraduate program at a USG institution for the first time in summer 2007 and any summer thereafter shall be charged the guaranteed tuition rate approved by the Board of Regents for the year in which that summer occurs and be charged the new fall guaranteed tuition rate as noted above.</p> <p>Transfer Students Transfer students from non-USG institutions shall be charged the guaranteed tuition rate effective the year in which they transferred, which shall be fixed for two (2) years, or six (6) consecutive semesters. This policy shall become effective for such students beginning with spring semester 2007. Transfer students from USG institutions who first entered the USG in fall 2006 or thereafter shall be charged the guaranteed tuition rate at their new institution that was approved for the year in which they first entered the USG, if that year does not precede the year of transfer by more than the period of time as described above. This provision, however, shall not apply to students who transfer to the Medical College of Georgia's health profession programs as third-year students. These students shall pay the guaranteed tuition rate in effect in the year they transfer and shall retain that guaranteed tuition rate for no more than two (2) years, or six (6) consecutive semesters.</p> <p>Students Enrolled in Programs Requiring More than Four (4) Years to Complete USG research, regional, and state universities may, under limited circumstances, extend the guaranteed tuition rate up to three (3) additional consecutive semesters for certain selected programs that require more than four (4) years to complete. A list of these programs must be provided to the Board of Regents annually.</p> <p>Students Jointly Enrolled in High School and a USG Institution Students jointly enrolled in high school and a USG institution should be charged the prevailing guaranteed tuition rate. The period of time is not fixed. Students who graduate from a high school with college credit are eligible for the guaranteed tuition rate as new students as noted above. Students in the Georgia Academy for Mathematics and Engineering at Middle Georgia College and the Advanced Academy of Georgia at the University of West Georgia are treated as new students when they first enter the USG. They are eligible for the tuition rate prevailing when they start their program for a period of twelve (12) consecutive semesters.</p>	<p>shall be fixed for a period of five (5) years, or fifteen (15) consecutive semesters, including fall, spring, and summer. New students who enter the regular undergraduate program at these institutions shall be charged the guaranteed tuition rate for four (4) years, or twelve (12) consecutive semesters) as noted above.</p> <p>Summer Semester New students enrolling in an undergraduate program at a USG institution in summer 2006 may be charged either the non-guaranteed tuition rate approved by the Board of Regents effective fall 2005, or the guaranteed tuition rate approved by the Board of Regents effective fall 2006 pursuant to the policy established by each USG institution and subject to: If charged the non-guaranteed tuition rate for summer 2006, new students shall be charged the guaranteed tuition rate beginning fall 2006, which shall be fixed as noted above. If charged the guaranteed tuition rate for summer 2006, new students shall continue to be charged the same guaranteed tuition rate beginning fall 2006, which shall be fixed at that rate beginning with fall 2006 as noted above. New students enrolling in an undergraduate program at a USG institution for the first time in summer 2007 and any summer thereafter shall be charged the guaranteed tuition rate approved by the Board of Regents for the year in which that summer occurs and be charged the new fall guaranteed tuition rate as noted above.</p> <p>Transfer Students Transfer students from non-USG institutions shall be charged the guaranteed tuition rate effective the year in which they transferred, which shall be fixed for two (2) years, or six (6) consecutive semesters. This policy shall become effective for such students beginning with spring semester 2007. Transfer students from USG institutions who first entered the USG in fall 2006 or thereafter shall be charged the guaranteed tuition rate at their new institution that was approved for the year in which they first entered the USG, if that year does not precede the year of transfer by more than the period of time as described above. This provision, however, shall not apply to students who transfer to the Medical College of Georgia's health profession programs as third-year students. These students shall pay the guaranteed tuition rate in effect in the year they transfer and shall retain that guaranteed tuition rate for no more than two (2) years, or six (6) consecutive semesters.</p> <p>Students Enrolled in Programs Requiring More than Four (4) Years to Complete USG research, regional, and state universities may, under limited circumstances, extend the guaranteed tuition rate up to three (3) additional consecutive semesters for certain selected programs that require more than four (4) years to complete. A list of these programs must be provided to the Board of Regents annually.</p> <p>Students Jointly Enrolled in High School and a USG Institution Students jointly enrolled in high school and a USG institution should be charged the prevailing guaranteed tuition rate. The period of time is not fixed. Students who graduate from a high school with college credit are eligible for the guaranteed tuition rate as new students as noted above. Students in the Georgia Academy for Mathematics and Engineering at Middle Georgia College and the Advanced Academy of Georgia at the University of West Georgia are treated as new students when they first enter the USG. They are eligible for the tuition rate prevailing when they start their program for a period of twelve (12) consecutive semesters.</p>
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<p>Students Called to Active Military Duty A student eligible to receive the guaranteed tuition rate who is called to active duty will receive an extended guarantee for the period of service up to two (2) years, or six (6) consecutive semesters.</p> <p>Transient and Non-degree-seeking Students Transient and non-degree-seeking students who enrolled at a USG institution in fall 2006 or later and who are assigned a guaranteed rate shall be charged at the assigned rate at the institution they attend. New non-USG transient students enrolling at a USG institution should be assessed the same rates applicable for non-USG transfer students and have the benefit of maintaining that rate for two (2) years, or six (6) consecutive semesters.</p> <p>Expiration of the Guaranteed Tuition Rate The guaranteed tuition rate for new and transfer students will expire at the end of the periods described under this section. Students shall be charged the prevailing guaranteed tuition rates established for the next semester in which they enroll at a USG institution and be charged the new guaranteed tuition rates established each year by the Board of Regents. At the expiration of the guaranteed tuition rate term, part-time students, as defined in this section, shall be charged the non-guaranteed tuition rate as described in Section 7.3.1.3 of this Policy Manual. This section is applicable only to those part-time students who began as freshmen in the USG in fall 2006 (or later) and who were on the guaranteed tuition plan. Part-time students shall be defined as attempting no more than 48 cumulative semester credit hours over the four-year period. For students enrolled at two-year institutions, part-time students shall be defined as attempting no more than thirty-six (36) hours over the three-year guarantee period. For students enrolled at state colleges, part-time students shall be defined as attempting no more than an average of twelve (12) credit hours for each year of the guarantee period.</p> <p>Appeal Process Each USG institution shall establish a process to allow students to appeal their eligibility for the guaranteed tuition rate based upon extenuating circumstances. Each institution shall have the final decision on any appeal.</p>	<p>Students Called to Active Military Duty A student eligible to receive the guaranteed tuition rate who is called to active duty will receive an extended guarantee for the period of service up to two (2) years, or six (6) consecutive semesters.</p> <p>Transient and Non-degree-seeking Students Transient and non-degree-seeking students who enrolled at a USG institution in fall 2006 or later and who are assigned a guaranteed rate shall be charged at the assigned rate at the institution they attend. New non-USG transient students enrolling at a USG institution should be assessed the same rates applicable for non-USG transfer students and have the benefit of maintaining that rate for two (2) years, or six (6) consecutive semesters.</p> <p>Expiration of the Guaranteed Tuition Rate The guaranteed tuition rate for new and transfer students will expire at the end of the periods described under this section. Students shall be charged the prevailing guaranteed tuition rates established for the next semester in which they enroll at a USG institution and be charged the new guaranteed tuition rates established each year by the Board of Regents. At the expiration of the guaranteed tuition rate term, part-time students, as defined in this section, shall be charged the non-guaranteed tuition rate as described in Section 7.3.1.3 of this Policy Manual. This section is applicable only to those part-time students who began as freshmen in the USG in fall 2006 (or later) and who were on the guaranteed tuition plan. Part-time students shall be defined as attempting no more than 48 cumulative semester credit hours over the four-year period. For students enrolled at two-year institutions, part-time students shall be defined as attempting no more than thirty-six (36) hours over the three-year guarantee period. For students enrolled at state colleges, part-time students shall be defined as attempting no more than an average of twelve (12) credit hours for each year of the guarantee period.</p> <p>Appeal Process Each USG institution shall establish a process to allow students to appeal their eligibility for the guaranteed tuition rate based upon extenuating circumstances. Each institution shall have the final decision on any appeal.</p>
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<i>Current Policy</i>	<i>Proposed Policy</i>
<p>7.3.1.3 Continuing Tuition Rate</p> <p>The continuing tuition rates as defined in Section 7.3.1.1 of this Policy Manual and shown below shall be charged to all students classified as current and continuing students. The Continuing Tuition Rate shall be defined as the rate paid by students enrolled in a USG undergraduate program who entered the USG for the first time as new students or as transfer students prior to fall 2006.</p>	<p>7.3.1.3 Continuing Tuition Rate</p> <p>The continuing tuition rates as defined in Section 7.3.1.1 of this Policy Manual and shown below shall be charged to all students classified as current and continuing students. The Continuing Tuition Rate shall be defined as the rate paid by students enrolled in a USG undergraduate program who entered the USG for the first time as new students or as transfer students prior to fall 2006.</p>

4. Fiscal Year 2015 Mandatory and Elective Fees

Recommended: That the Board approve the proposed mandatory student fees for fiscal year 2015 for institutions of the University System of Georgia, to become effective fall semester 2014. Recommended mandatory student fees appear in Appendix II.

Further Recommended: That the Board approve the elective fee requests for Fort Valley State University, Kennesaw State University and College of Coastal Georgia as outlined on page 12. These elective fee requests require Board approval based on Board Policy 7.3.2.2.

Further Recommended: That the Board approve the housing and food service fee increases that support debt service as outlined on page 13. Board Policy 7.3.2.2 requires Board approval for housing fees and food service fees that support debt service.

Background: By policy, the Board of Regents approves all mandatory fees and fee increases. The major mandatory fees include intercollegiate athletic fees, student health service fees, student activity fees, parking and transportation fees, technology fees, and, in recent years, fees to support private funding of facilities such as recreation centers, parking decks, student centers and similar projects. The recommendations contained in Appendix II were developed following a review of institutional fee requests that considered, among other things, the current financial position of the programs and activities supported by fees. Further, each request was accompanied by documentation provided by the related institution concerning the committee review process required by Board of Regents policy, which requires each fee and the budget it supports to be reviewed by a committee comprised of at least fifty percent students with a minimum of four students.

4. Fiscal Year 2015 Mandatory and Elective Fees (Continued)

A summary of fee recommendations is provided below.

New Fees, Fee Increases and Fee Decreases:

Georgia Regents University	<ul style="list-style-type: none"> • Health Fee, \$10 • Technology Fee, \$10
Georgia Regents University – Summerville Only	<ul style="list-style-type: none"> • Special Institutional Fee, \$33
Georgia State University	<ul style="list-style-type: none"> • Athletic Fee, \$14 • Health Fee, \$5 • International Fee, \$4 • Library Fee, \$5 (New) • Student Center-Library Fee, (\$35) • Sustainability Fee, \$3 (New) • Transportation Fee, \$4
University of Georgia	<ul style="list-style-type: none"> • Connect UGA Fee, \$6
Valdosta State University	<ul style="list-style-type: none"> • Athletic Fee, \$19 • Health Facility, \$6 (PPV) • Health Service Fee, \$17 (PPV) • Parking Deck, \$18 (PPV) <i>Combine Parking Deck Fee #1 & #2 into one fee.</i> • Technology Fee, \$17
Armstrong Atlantic State University	<ul style="list-style-type: none"> • Athletic Fee, \$44
Fort Valley State University	<ul style="list-style-type: none"> • Multi-Use Center/Stadium, \$22 (PPV)
Georgia Southwestern State University	<ul style="list-style-type: none"> • Athletic Fee, \$15
Savannah State University	<ul style="list-style-type: none"> • Transportation Fee, \$9
Bainbridge State College	<ul style="list-style-type: none"> • Activity Fee, (\$7) • Parking Fee, (\$7) • Technology Fee, (\$7) • Wellness Center, \$100 (PPV)
College of Coastal Georgia	<ul style="list-style-type: none"> • Facility Fee, \$25 (PPV)
Darton State College	<ul style="list-style-type: none"> • Athletic Fee, \$5
East Georgia State College	<ul style="list-style-type: none"> • Athletic Fee, \$25
Georgia Gwinnett College	<ul style="list-style-type: none"> • Student Center, \$10 (PPV)
Gordon State College	<ul style="list-style-type: none"> • Athletic Fee, \$13
Middle Georgia State College	<ul style="list-style-type: none"> • Athletic Fee, \$45

4. Fiscal Year 2015 Mandatory and Elective Fees (Continued)

Elective Fees Requiring Board Approval:

The policy revisions adopted by the Board in January 2010 require certain elective fees to be approved by the Board. They include any fee or special charge that is required to be paid by all full-time, undergraduate students at the institution or by all undergraduate students in a specific degree program, with the exception of specific course fees for supplementary costs. Prior to this change in Board Policy, program fees were already in place at Clayton State University, Kennesaw State University, and Columbus State University. All three institutions have been allowed to continue these charges through FY 2015. No action by the Board is required for FY 2015, except as noted below.

In accordance with the Board Policy, the following elective fees are recommended for approval.

Institution	Fee	Current Amount	Proposed Rate	Students Impacted
Fort Valley State University	Wildcat Cash	\$ 100	\$ 100	All non-residential, full-time, undergraduate students.
Kennesaw State University	48 Meals	\$ 431	\$ 452	Commuter, full -time, first year students with less than 30hrs.
Kennesaw State University	16 Meals	\$ 145	\$ 152	Commuter, full -time, sophomores and juniors (≥30-89 hrs.).
Kennesaw State University	8 Meals	\$ 75	\$ 78	Commuter, full -time, seniors (≥90 hrs.).
College of Coastal Georgia	Dining Dollars	\$ 125	\$ 130	Students with 8 or more hours attending classes at the Camden Center.
College of Coastal Georgia	Summer Dining Dollars	\$ 50	\$ 55	Students with 6 or more hours attending classes during the summer session.
College of Coastal Georgia	30 Meal Pack Dining Plan	\$ 205	\$ 215	Brunswick campus students with 8 or more credit hours, who do not live in the residence hall.

4. Fiscal Year 2015 Mandatory and Elective Fees (Continued)**Housing and Food Service Fees Requiring Board Approval:**

Board Policy 7.3.2.2 requires Board approval for housing fees and food service fees that support debt service. The institutions listed below charge housing and/or food services fees that support one or more public private ventures. Rates vary by room type and meal plan. The chart below includes the proposed percent increases by institution for housing and food service fees. The actual plans and rates reflecting the increases will be published on the USG website.

FY 2015 Recommended Increases to Housing and Food Service Fees that Support Debt Service		
Institution	Housing Fees	Food Service Fees
Georgia Institute of Technology	2% - 4%	9%
Georgia Regents University	5% - 7%	n/a
Georgia State University	3%	n/a
University of Georgia	0%	0%
Georgia Southern University	3% - 5%	3%
Kennesaw State University	2%	4% - 5%
University of West Georgia	3% - 8%	1%
Valdosta State University	5%	3%
Albany State University	3%	n/a
Armstrong Atlantic State University	0%	n/a
Clayton State University	0% - 3%	n/a
Fort Valley State University	0%	0%
Georgia College & State University	0% - 8%	n/a
Georgia Southwestern State University	1% - 2%	n/a
Savannah State University	3%	n/a
Southern Polytechnic State University	3% - 8%	4%
University of North Georgia	3%	3%
Abraham Baldwin Agricultural College	3%	n/a
College of Coastal Georgia	3% - 5%	n/a
Darton State College	3%	n/a
East Georgia State College	3%	n/a
Georgia Gwinnett College	3% - 8%	n/a
Gordon State College	3%	n/a
Middle Georgia State College	0% - 9%	n/a
South Georgia State College	0%	0%

5. **Fiscal Year 2015 Budget Allocations**

Recommended: That the Board approve the allocation of state appropriations for fiscal year 2015 among institutions and operating units of the University System of Georgia (“USG”) as outlined Appendix IIIB and Appendix IIIC. All allocations for FY 2015 are pending the Governor’s signing of House Bill 744, the Appropriations Act for FY 2015.

Further Recommended: That the Board approve the FY 2015 Capital Budget, totaling \$223,860,000 as outlined in Appendix IV.

Background: The total state funds budget for the USG at the beginning of FY 2014 was \$1.88 billion. The recommended state funds budget for FY 2015 is \$1.94 billion. Appendix IIIA lists the changes from FY 2014 to FY 2015. Allocations by institution are shown in Appendix IIIB. Appendix IIIC lists the changes from FY 2014 to FY 2015 in the Special Funding Initiatives and Research Consortium.

FY 2015 Budget:

The state funds budget for FY 2015 is \$1.94 billion, including \$1.73 billion in formula funds and \$209 million in all other line items. The FY 2015 budget represents a total net increase of \$56.0 million, or 2.97%.

	FY 2014 Original Budget	Additions	Transfers and Other Adjustments	Net Increase to Pass- Through Organizations	FY 2015 Original Budget
Formula funds	\$ 1,676,074,685	\$ 46,620,949	\$ 7,212,296	\$ -	\$ 1,729,907,930
Line Items	\$ 207,054,107	\$ 10,494,460	\$ (8,587,296)	\$ 218,563	\$ 209,179,834
Total	\$ 1,883,128,792	\$ 57,115,409	\$ (1,375,000)	\$ 218,563	\$ 1,939,087,764

FY 2015 Additions: \$57.1 Million

The \$57.1 million increase for fiscal year 2015 includes the following major components:

- \$46.6 million for the formula funds:
 - \$9.0 million for maintenance and operations of new facilities
 - \$10.0 million for merit-based pay adjustments and employee recruitment and retention initiatives
 - \$11.9 million for the TRS rate increase from 12.28% to 13.15%
 - \$173,877 for Employees’ Retirement System (ERS) rate increase
 - \$7.4 million for the employer share of health insurance
 - \$5.6 million for new system retiree health benefits

5. Fiscal Year 2015 Budget Allocations (Continued)

- \$1.0 million for debt service payback project at Georgia Southern University
- \$775,000 for the Competitive EDGE Program for Small Business Incubators
- \$784,721 for the Rome Medical Expansion at Georgia Regents University
- \$10.5 million in increases for line items:
 - \$2.5 million for GALILEO enhancements
 - \$2.0 million for the Health Professions Initiative
 - \$1.3 million for merit-based pay adjustments and employee recruitment and retention initiatives
 - \$1.4 million for employer share of health insurance and retiree health benefits
 - \$721,939 for the TRS and ERS rate increases
 - \$400,000 to develop curriculum in Fayette County for workforce development
 - \$460,000 to support Archives operations
 - \$415,000 to provide E-Rate training and technical assistance
 - \$106,078 in funding for the Public Library formula increase
 - \$845,000 to support the Agricultural Experiment Station
 - \$150,000 for the Georgia Youth Science and Technology Initiative
 - \$75,000 in funding to create a North Georgia Master Plan
 - \$50,000 to support the Cooperative Extension Station
 - \$28,210 for SREB payments

These increases reflect the State's continued commitment to the University System of Georgia to fulfill its mission of teaching, research and service.

FY 2015 Transfers and Other Adjustments: \$(1,375,000)

- Reduce funding for Georgia Gwinnett College by \$1,375,000 to reflect year one of the plan to eliminate start-up funds over a seven year period
- Transfer existing funds for Georgia Regents University's Medical Expansion Program from the Special Funding Initiative to the Teaching Program (\$2,482,849)
- Transfer funds from the Research Consortium program to the Teaching Program (\$6,104,447)

5. Fiscal Year 2015 Budget Allocations (Continued)**FY 2015 Allocation Recommendations:**

Allocations of state funds by institution are listed in Appendix IIIB.

- The FY 2015 budget maintains the current FY 2014 level of enrollment funding rather than reducing funds to reflect a 2.74% decline in semester credit hour production during academic year 2012-2013. The University System would have experienced a loss of \$20.1 million in state funds. The allocation strategy seeks to appropriate funding for growth while mitigating reductions on a case by case basis after carefully accessing the impact on each institution.
- Allocations of merit funding are allocated to institutions in proportion to salary requirements at each institution with some exceptions.
- Allocations of cost increases for maintenance and operations for new space are allocated based on institutional projections of cost increases.
- Allocations of cost increases for health insurance, new retiree health benefits, and the TRS and ERS rate increases are allocated based on institutional projections of cost increases.
- Any changes identified specifically by House Bill 744 were made accordingly.

FY 2015 Capital Budget:

The total bond package for capital projects for the Board of Regents is approximately \$223.86 million for FY 2015 and includes:

- \$40 million for Major Repairs and Rehabilitation (MRR) for USG institutions
- \$4.0 million for Major Repairs and Rehabilitation (MRR) at the Cooperative Extension and Agricultural Experiment Station
- \$14.9 million for equipment for buildings previously funded for design and construction at Georgia Regents University, Georgia State University and Clayton State University
- \$54.2 million in construction funds for projects at the University of Georgia and Georgia Southern University
- \$6.6 million in planning and design funds for Georgia Institute of Technology, Albany State University, Georgia College and State University and Savannah State University
- \$44.85 million for 13 small capital projects at various institutions
- \$5.0 million for Facility Improvements for Roosevelt Warm Springs at Georgia Regents University
- \$10 million for Science Park Phase II at Georgia State University
- \$11.5 million for Design and Construction of a Turfgrass Research and Education Building at the University of Georgia

5. Fiscal Year 2015 Budget Allocations (Continued)

- \$300,000 for the Tift Building at the University of Georgia
- \$1.0 million for equipment at the Agricultural Experiment Station
- \$9.9 million for the Purchase of Brandsmart Property at Kennesaw State University
- \$2.0 million for the Aviation College Airplane Replacement (Multi-Year Plan) at Middle Georgia State College
- \$2.5 million for Digital Broadband PeachNet Access at the Regents Central Office
- \$8.97 million for the Georgia Research Alliance equipment
- \$6.78 million for the Georgia Public Libraries
- \$1.36 million for Georgia Public Telecommunications

The FY 2015 budget also includes three capital redirects related to the University System of Georgia:

1. Redirect \$799,963 in 5-year unspent bond proceeds from FY 2010 for the design of the academic building at Georgia Perimeter College to be used for equipment at the Reese Library Building at Georgia Regents University, Augusta, Richmond County;
2. Redirect \$678,990 in 20-year unspent bond proceeds from FY 2011 for Augusta State University to be used for HVAC modification at the Student Center, Darton State College, Albany, Dougherty County; and
3. Redirect \$1,676,592 in 20-year unspent bond proceeds from FY 2010 for the Northeast Regional Library in the Sequoyah Regional Library System to be used for Public Libraries major repairs and renovations statewide.

6. Fiscal Year 2015 Salary and Wage Administration Policy

Recommended: That the Board approve the fiscal year 2015 salary and wage administration policy for the University System of Georgia.

Background: The FY 2015 budget includes \$11.4 million in state funds for merit-based pay adjustments and employee recruitment and retention initiatives.

Policy: The Board of Regents allocated to each institution funds to provide for salary increases for employees. Salary increases shall be awarded solely on merit with a range determined by the institution President. Institutions are permitted to augment state funds using other appropriate fund sources to create a salary pool. It is expected that individual merit salary increases will be reasonably distributed among employees based on the range determined by the institution President. Across the board increases are not permitted. Generally, merit increases for administrators whose salary is \$100,000 or greater will be limited to 4%. Salary increases may exceed ten percent for employees exhibiting exceptionally meritorious performance; however, institutions must request prior approval from the Chancellor in writing of any merit increases exceeding ten percent.

Additionally, the policy allows flexibility for institutions to make appropriate promotions or position reclassifications, special changes to recruit or retain employees, adjustments for targeted populations or adjustments to address market and compression issues. Such salary adjustments must be supported by appropriate documentation (e.g., market analysis or internal salary studies).

Employees covered from other fund sources such as sponsored funds and auxiliary funds will be subject to the same policy requirements noted above and must be paid from the corresponding fund source – not state funds.