



**BOARD OF REGENTS OF
THE UNIVERSITY SYSTEM OF GEORGIA**

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January 24, 2017

Presidents
University System of Georgia
sent via email

Dear Presidents:

The Board of Regents (BOR) of the University System of Georgia (USG) met on January 11, 2017 in Atlanta, Georgia. During this meeting, changes were made to the following BOR policy sections:

Institutional Governance

- **Board Policy 2.8 Compensation of Presidents**

Finance & Business

- **Board Policy 7.1.1 Allocation of Funds**
- **Board Policy 7.3.1 Tuition**
- **Board Policy 7.3.2.2 Elective Fees and Special Charges**
- **Board Policy 7.2.2.3 Auxiliary and Fee Reserves**
- **Board Policy 7.3.1.4 Tuition for Distance Learning Courses and Programs**

Information, Records & Publications

- **Board Policy 10.4 Records Retention**

Attached as an Exhibit is a document that shows the language added / deleted from each policy and also provides the effective date and helpful information regarding these policy changes.

Please share widely with the appropriate offices on your campus to include academic affairs, student affairs, human resources, the business office, legal affairs, and internal audit.

Sincerely,

Dr. Steve Wrigley
Chancellor

Enclosure

cc: Tricia Chastain, Executive Vice Chancellor for Administration
Dr. Rob Anderson, Interim Executive Vice Chancellor for Academic Affairs

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Shelley Nickel, Executive Vice Chancellor for Strategy and Fiscal Affairs
Sam Burch, Vice Chancellor for Legal Affairs and Secretary to the Board
Marion Fedrick, Vice Chancellor for Human Resources
John Fuchko, III, Vice Chancellor for Organizational Effectiveness
Dr. Joyce Jones, Vice Chancellor for Student Affairs
Dr. Bobby Laurine, Vice Chancellor and Chief Information Officer
Charlie Sutlive, Vice Chancellor for Communications
Dr. Martha Venn, Deputy Vice Chancellor for Academic Affairs
Kimberly Ballard-Washington, Associate Vice Chancellor for Legal Affairs
Tracey Cook, Associate Vice Chancellor for Fiscal Affairs & Budget Director
Christopher Davidson, Assistant Vice Chancellor
Wesley Horne, Director of Ethics and Compliance

Exhibit
BOARD OF REGENTS POLICY MANUAL
Revised Policies and Background Information
Meeting of January 11, 2017

I. Changes to Board Policy 2.8 Compensation of Presidents

A. Background:

This policy change will allow institutions to properly account for the compensation of presidents supported from sources in addition to state appropriations. Additionally, the decision by a cooperative organization to increase or decrease funds provided for this purpose will not impact the president's actual compensation package, i.e., the Board of Regents approves the president's compensation, and will control the form and amount of all compensation regardless of funding sources. Any agreement by a cooperative organization to increase or decrease funds for presidential compensation would be subject to agreement with the Chancellor and Board of Regents. Institutions are to ensure that all compensation is processed, tracked, and properly reported. The overriding legal requirement remains for the Board of Regents to control presidential compensation and that compensation must be paid through institutional funds.

A more detailed procedure will be published and shared with each institution. Questions regarding this policy provision should be directed to Vice Chancellor Marion Fedrick at (404) 962-3265 or marion.fedrick@usg.edu.

B. Effective Date:

The effective date of this policy change is January 11, 2017

C. Changes to Board Policy 2.8 Shown with Markup

The salaries, taxable income and associated fringe benefits for USG presidents and the Chancellor, as approved annually by the Board of Regents, shall be paid exclusively **by the USG institution** from state appropriations **and/or other appropriate sources held by the institution as outlined in the annual compensation letter** ~~allocated to each institution.~~ State appropriations ~~shall be used to pay salary, housing allowance, subsistence allowance, auto allowance, relocation expenses and, where applicable, salary supplement, supplemental fringe benefits, deferred compensation, and any other items as approved by the Board. State appropriations will also pay for fringe benefits for presidents that are available to all USG employees. Individuals receiving an auto allowance under a non-accountable plan for taxation purposes are not eligible for mileage reimbursements associated with travel within the home county where the institution is headquartered and are otherwise subject to the provision of the USG's travel regulations as outlined in the Business Procedures Manual. (BoR Minutes, October 2013)~~

~~The annual merit salary increase paid from state funds shall be based upon the approved salary, exclusive of any allowance, supplement, or deferred compensation (BoR Minutes, August 2004).~~

~~Non-state funds may pay for expenses and allowances such as civic memberships, business-related entertainment, and other expenses associated with the operations of the office of the president but not resulting in taxable income to the president. (BoR Minutes, October 2013)~~

II. Changes to: Board Policy 7.1.1 Allocation of Funds

Board Policy 7.3.1 Tuition

A. Background:

This policy change will aid in providing more flexibility with respect to the timing of Board approvals. Questions regarding this policy change should be directed to Associate Vice Chancellor Tracey Cook at (404) 962-3233 or tracey.cook@usg.edu.

B. Effective Date:

The effective date of these policy changes is January 11, 2017

C. Changes to: Board Policies 7.1.1 and 7.3.2.2 Shown with Markup

Section 7.0: Finance and Business

7.1.1 Allocation of Funds

The Board of Regents shall be the only medium through which formal requests shall be made for appropriations from the General Assembly and the Governor of the State of Georgia. Annually, the The Board shall make the allocation of funds to the institutions ~~at the April meeting or the next regular meeting~~ following the approval of the Appropriations Act, ~~or as soon thereafter as may be practicable in each year,~~ and shall approve the budgets of the institutions and of the office of the Board of Regents ~~at the regular June meeting in each year, or as soon thereafter as may be practicable.~~

7.3.1 Tuition

7.3.1.1 Definitions

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.

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. 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 7.3.1.4 of this Policy Manual](#) may be exempted from this policy and charged on a per credit hour basis.

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.

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~~ **Augusta** University for all undergraduate students taking ten (10) hours or more. Students enrolled at ~~Georgia Regents~~ **Augusta** University taking less than ten (10) hours 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~~ **Augusta** University and Georgia College and State University will be charged tuition on a per-credit-hour basis during the summer semester.

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](#).

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.

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, April 2014)

The salaries, taxable income and associated fringe benefits for USG presidents and the Chancellor, as approved annually by the Board

This change to the Bylaws will aid in providing more flexibility with respect to the timing of Board approvals.

III. Changes to: Board Policy 7.3.2.2 Elective Fees and Special Charges,

A. Background:

The purpose of this policy changes is to increase oversight for setting housing and dining rates at institutions. The Board of Regents Treasurer and Chief Fiscal Officer will annually review and approve all institution housing and dining rates. Previously, these rates were set at the discretion of the president, with the Board approving rates supporting Public Private Venture projects only. In addition to this policy change, additional guidance was provided to USG institutions in the *Business Procedures Manual 3.4.2 Dining and Catering Contracts*. The guidelines are intended to drive down costs to students through:

- Limits on catering allowances
- Elimination of scholarships funded by dining fees
- Greater oversight on capital improvements funded by dining fees

These limits also apply to institutions who self-operate their dining operations. Questions regarding this policy change should be directed to Associate Vice Chancellor Tracey Cook at (404) 962-3233 or tracey.cook@usg.edu.

B. Effective Date:

The effective date of these policy changes is January 11, 2017

C. Changes to: Board Policy 7.3.2.2 Shown with Markup

7.3.2.2 Elective Fees and Special Charges

Institution presidents are authorized to approve elective fees and special charges as outlined below; however, any fee or special charge that is required to be paid by any standard subgroup of students based on grade level or previous credit hours earned shall undergo the same approval process as mandatory fees. Any elective fee or special charge that is required to be paid by all students in a specific degree program or in a specific course, with the exception of laboratory fees and supplemental course material fees shall be approved by the Board, but shall not require review by a student fee committee. (BoR Minutes, January 2010, February 2015)

Housing Fees

Housing fees are defined as fees paid by students who live in institutional residential on-campus facilities. All housing fees shall be annually approved by the Board Treasurer, Chief Fiscal Officer, to become effective the following fall semester. ~~All housing fees, except for housing fees that are proposed to support debt service and operating costs on new housing projects funded with private funds, shall be approved by the institution president in April of each year. The housing fees that support debt service shall be approved by the Board. Each~~

~~institution shall notify the Chancellor annually of all institutionally approved housing fees. (BoR Minutes, February 2007; January 2010; February 2015)~~

Food Service Fees

Food service fees are defined as fees paid by students who elect to choose an institutional food service plan. Food service fees assessed to all undergraduate students, all full-time undergraduate students, or any standard subgroup of students based on grade level or previous credit hours earned are not considered an elective fee and must be approved by the Board as a mandatory fee. This includes food service fees due prior to registration that may be refunded later in the semester and food service fees for which the student receives a cash equivalent in the amount of the fee.

Institutions are permitted to require meals plans for all students residing in on-campus housing regardless of academic grade level. The decision to assess food service fees to students residing in on-campus housing does not require approval by the Board of Regents.

Food services operations must be structured with student affordability and operational efficiency as essential performance requirements. Institutions must be able to demonstrate that overhead costs are reasonable and comparable to peer institutions as a part of the fee approval process. Food service contracts with external suppliers must be procured and managed in accordance with procedures issued by the Board Treasurer, Chief Fiscal Officer.

All food service fees assessed to students ~~that support debt service~~ shall be annually approved by the Board Treasurer, Chief Fiscal Officer, to become effective the following fall semester. ~~Each institution shall notify the Chancellor annually of all institutionally approved food service fees. (BoR Minutes, January 2010; February 2015)~~

Other Elective Fees and Special Charges

Other elective fees and special charges are defined as those fees and charges that are paid selectively by students. These fees and charges may include, but are not limited to:

1. Resident hall deposits;
2. Penalty charges;
3. Non-mandatory parking fees and parking fines;
4. Library fines;
5. Laboratory fees;
6. Post office box rentals; and
7. Supplemental course material fees to cover specific costs, such as art materials, course packets/kits, museum admissions, travel to off-campus learning sites, safety equipment, software/videos, and special equipment. (BoR Minutes, January 2010; February 2015)

Institutional presidents are authorized to establish and adjust these fees, as appropriate. Prior to implementation of such fees, institutions shall be required to report to the Chancellor any establishments and adjustments made thereto under procedures established by the USG chief fiscal officer. (BoR Minutes, January 2010)

Continuing Education Fees

Institutional presidents shall be authorized to establish fees for non-credit-hour courses and programs as defined in Section 5.2 of this Policy Manual.

IV. Addition of Board Policy 7.3.2.3 Auxiliary and Fee Reserves

A. Background:

The state auditor found a wide range of auxiliary and fee reserves across USG institutions. Under current business procedures, institutions are required to fund certain reserves for capital projects, often using auxiliary revenues. This policy requires more frequent and comprehensive monitoring of institution auxiliary fund balances to ensure reserves are adequate while identifying opportunities to reduce student fees when reserves exceed reasonable balances. This new policy will also help ensure adequate reserves to maintain operations, manage risk, and fund related capital expenditures while ensuring affordability for students. Excess reserves should result in a decrease in fee levels, which directly impacts student affordability. This policy change will also aid in providing more flexibility with respect to the timing of Board approvals.

Questions regarding this policy change should be directed to Associate Vice Chancellor Tracey Cook at (404) 962-3233 or tracey.cook@usg.edu.

B. Effective Date:

The effective date of these policy changes is January 11, 2017

C. Addition of Board Policy 7.2.2.3 Shown with Markup

7.3.2.3 Auxiliary and Fee Reserves

Institutions shall manage auxiliary and fee reserves prudently and to ensure self-supporting operations as specified in Board Policy 7.2.2. Auxiliary Enterprise Revenues and Expenditures. Institutions must periodically review the existing reserves within their various auxiliary and student fee funds to ensure affordability for students while also ensuring adequate reserves to maintain operations, manage risk, and fund related capital expenditures. The results of this analysis and planned use of reserves shall be provided to the USG Office of Fiscal Affairs annually along with any recommendations for changes to fees and operations.

V. Changes to Board Policy 7.3.1.4 Tuition for Distance Learning Courses and Programs

A. Background:

Since fiscal year 1999, Board policy has allowed institutions to charge special tuition rates for distance education courses and programs. Board approval is not required provided that the rate is not less than the Board approved in-state tuition rate or greater than its out-of-state rate, and provided that the rate applies to all students regardless of residency status. This

Board policy was enacted in response to a state reciprocity agreement on distance education, entered into by Governor Roy Barnes, which enabled Georgia students to have affordable access to online programs offered by institutions in 16 southern states.

Given the significant growth in distance education, the variety of delivery models being offered and the Board's stance on affordability, Board Policy 7.3.1.4 was changed to strengthen the oversight for setting tuition rates for distance education and ensure all proposed differentials are supported by a sound business case.

For purposes of this policy, distance learning courses and programs that qualify for a special distance learning tuition rate shall be defined by the Board Treasurer and Chief Fiscal Officer in Section 8 of the Business Procedures Manual (BPM).

In addition to approving the policy changes, the BOR also approved the following:

- Institutions may request of the Chief Fiscal Officer a reduction to the FY 17 distance learning tuition rates without Board approval
- A freeze of the current FY17 distance learning tuition rates set by the institutions until such time as the Board approves new rates, with the exception of reductions approved by the Chief Fiscal Officer
- That the FY17 distance learning tuition rates be equally charged to both in-state and out-of-state students

Questions regarding this policy change should be directed to Associate Vice Chancellor Tracey Cook at (404) 962-3233 or tracey.cook@usg.edu.

B. Effective Date:

The effective date of this policy change is January 11, 2017

C. Changes to: Board Policy 7.3.1.4 Shown with Markup

7.3.1.4 Tuition for Distance Learning Courses and Programs

Board approval is required to ~~Institutions may, with Board approval,~~ charge special tuition rates for distance education courses and programs. ~~For the purposes of this policy, distance learning courses and programs shall be defined as those courses and programs in which 95% or more of class contact time is delivered by a distance technology.~~ **For purposes of this policy, distance learning courses and programs that qualify for a special distance learning tuition rate shall be defined by the Board Treasurer, Chief Fiscal Officer.**

~~If the rate is either less than the institution's in-state tuition rate or greater than its out-of-state rate, Board approval is required.~~

~~Institutions shall report annually to the USG chief fiscal officer on all tuition rates charged for distance learning courses and programs.~~

~~Notwithstanding other provisions in Sections 7.3 of this Policy Manual, rates shall apply to all students regardless of residency status.~~

VI. Changes to Board Policy 10.4 Records Retention

A. Background:

This policy was changed to align with recent changes to the University System of Georgia records retention schedule. The updated records retention schedule can be found at the following link: http://www.usg.edu/records_management/schedules/.

Questions regarding this policy change should be directed to Vice Chancellor Sam Burch at (404) 962-3263 or sam.burch@usg.edu.

B. Effective Date:

The effective date of this policy change is January 11, 2017

C. Changes to: Board Policy 10.4 Shown with Markup

10.4 Records Retention

Records retention guidelines have been adopted by the Board of Regents to establish consistent records retention practices by USG institutions. The guidelines consist of a list of ~~more than 400 types of records~~ record series organized into ~~twelve (12)~~ categories and should be consulted to determine the minimum retention time for a particular type of record.

The University System Office administers the records retention guidelines and is the source for information concerning implementation of the guidelines. The Office of Legal Affairs shall approve all additions to, deletions from, and revisions of the records retention guidelines.