



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

CHANCELLOR STEVE WRIGLEY  
270 WASHINGTON STREET, S.W.  
ATLANTA, GEORGIA 30334

PHONE: (404) 962-3000  
FAX: (404) 962-3013  
EMAIL: CHANCELLOR@USG.EDU

May 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 May 16, 2017 in Atlanta, Georgia. During this meeting, changes were made to the following BOR policy sections:

**Student Affairs**

- **Board Policy 4.2 Undergraduate Admissions**

**Finance & Business**

- **Board Policy 7.17 Other Post-Employment Benefits Funding Policy**
- **Board Policy 7.3.4.1 Out-of-State Tuition Waivers**
- **Board Policy 7.5.1.1 Required Electronic Transfer of Funds**

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  
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

*"Creating A More Educated Georgia"*

[www.usg.edu](http://www.usg.edu)

**Exhibit**  
**BOARD OF REGENTS POLICY MANUAL**  
**Revised Policies and Background Information**  
**Meeting of May 16, 2017**

**I. Changes to Board Policy 4.2 Undergraduate Admissions**

**A. Background:**

The GED has historically been the only nationally recognized high school equivalency test; however, following recent changes to the GED test, interest in two alternative high school tests (HiSET and TASC) has grown across the United States. Since USG institutions enroll students from other states our policy needs to be updated so students who transfer from outside of Georgia are eligible to be admitted to USG institutions if they used an alternative high school test in lieu of the GED.

Questions regarding this policy provision should be directed to Dr. Martha Venn, Deputy Vice Chancellor for Academic Affairs, at (404) 962-3097 or [martha.venn@usg.edu](mailto:martha.venn@usg.edu).

**B. Effective Date:**

The effective date of this policy change is May 16, 2017

**C. Changes to Board Policy 4.2 Shown with Markup**

***4.2.1.2 Exceptions to Freshman Admission Requirements for Special Groups of Students***

Students may also be admitted as freshmen based on alternative evidence of college readiness. The following are modified or additional requirements for specific groups of applicants.

**Limited Admissions Category**

In recognition of the fact that a limited number of students do not meet established standards but do demonstrate special potential for success, institutions are authorized to grant admission to a limited number of such students. Institutions will use multiple measures whenever possible, such as interviews, portfolios, and records of experiential achievements, for students being considered for Limited Admission.

The number of students who may be granted Limited Admissions will be restricted based on institutional sectors, with state colleges allowed the highest percentage for Limited Admissions. Nontraditional freshmen will not be included in the Limited Admissions percentage allowed for each institution.



### **Limited Admissions and the Required High School Curriculum (RHSC)**

At research, comprehensive, and state universities, students granted Limited Admission must have completed the sixteen (16)-unit Required High School Curriculum, and students who graduate in 2012 or later must have completed seventeen (17) units. At state colleges, students may be considered for Limited Admission if they have a high school diploma or GED a state-issued high school equivalency diploma or certificate earned through the successful completion of a high school equivalency test approved by the BoR and meet the minimum SAT/ACT score requirements. A GED high school equivalency diploma or certificate is acceptable only if the student's high school class has graduated. Certificates of attendance or special education diplomas are not acceptable.

Students who enter under the Limited Admissions category, including Presidential Exceptions as noted below, must make up any Required High School Curriculum unit deficiencies in accordance with USG procedures. They must also be screened, as applicable, for placement in Learning Support as outlined in Section 2.9.1, Administrative Procedures for Learning Support Programs, of the Academic and Student Affairs Handbook.

### **Limited Admissions and SAT/ACT Scores**

In order to be considered for Limited Admission, students must meet the minimum SAT/ACT test score requirements as outlined in BOR Policy 4.2.1.1, Freshman Requirements.

### **Limited Admissions and the Freshman Index (FI)**

The FI required for Limited Admission to a:

1. Research university is 2020;
2. Comprehensive university is 1830; and
3. State university is 1790.

There is no minimum FI for Limited Admission to a state college.

### **Presidential Exceptions**

Presidents of USG institutions may grant exceptions to the Required High School Curriculum units and FI requirements for Limited Admissions if the student shows promise for academic success in college and has at least a high school diploma or GED credential a state-issued high school equivalency diploma or certificate earned through the successful completion of a high school equivalency test approved by the BoR.

Institutions will be required to report to the USG chief academic officer on those students granted Presidential Exceptions. Presidential Exceptions must be included as part of the institution's maximum percentage for Limited Admissions.

### **Alternative Requirements for Home-Schooled Students and Graduates of Non-Accredited High Schools**

Applicants from home schools or graduates of non- accredited high schools may

validate the Required High School Curriculum in an alternative way. SAT scores and satisfactory documentation of equivalent competence in each of the areas at the college- preparatory level may be used in lieu of the FI and Required High School Curriculum unit requirements.

A student whose SAT Total score (Critical Reading plus Mathematics) on the old SAT (administered prior to March 2016), or equivalent on the new SAT (or ACT) is at or above the average SAT score of the previous year's fall semester first-time freshmen admitted to the USG institution to which he/she is applying and who has completed the equivalent of each of the areas as documented by the portfolio of work and/or other evidence that substantiates completion of the Required High School Curriculum qualifies for consideration for admission.

Students in this category must also meet the minimum SAT/ACT score requirements for the sector to which they are applying, as outlined in [Policy 4.2.1.1, Freshman Requirements](#).

Applicants who achieve designated scores on each of the following SAT Subject Tests in an area will be considered to have demonstrated equivalent competence and do not need to submit additional documentation in that area: English, Literature, Math Level 1 or Math Level 2 U.S. History, World History, Biology E/M, and Chemistry or Physics.

Students admitted in this category with satisfactory documentation of competence in all areas will not be counted in the institution's Limited Admissions (including Presidential Exceptions) category. Those with qualifying SAT scores and documentation of partial completion of the Required High School Curriculum may be admitted on the same basis and with the same conditions as other students with deficiencies.

### **Admission of Students with Outstanding Scores**

Students who demonstrate very high academic ability by achieving a SAT Total score (Critical Reading plus Mathematics) on the old SAT (administered prior to March 2016), or equivalent on the new SAT or ACT), in the upper five percent (5%) of national college-bound seniors according to the most recent report from the College Board and who show other evidence of college readiness may be admitted under this section.

Institutions must carefully evaluate such students to determine their ability to benefit from college coursework. Students admitted in this section will not count in an institution's Limited Admissions exceptions.

### **Admission of International Students**

Freshman international students may be admitted in another admissions category or may be admitted in a separate category for international students under established USG procedures. If these students do not meet the alternative USG admission procedures, they might be considered as Presidential Exceptions.



**Admission of Students with Disabilities**

Because the core curriculum of each institution requires students to complete college-level courses in English, mathematics, social science, and science, all students must complete the Required High School Curriculum in these areas. Students with disabilities that preclude the acquisition of a foreign language may petition for admission without this requirement according to procedures established by the USG.

Students with disabilities are expected to meet the sector's minimum SAT or ACT score requirements, but should request the appropriate testing accommodations from the agencies administering the SAT or ACT.

**Dual Enrollment/Joint Enrollment/Early Admission of High School Students**

The USG recognizes the need to provide academically talented high school students with opportunities for acceleration of their formal academic programs. This recognition has led to the development of three organized programs:

1. A dual enrollment program in which a student, while continuing his/her enrollment in high school, enrolls in a course(s) for both high school and college credit.
2. A joint enrollment program in which a student, while continuing his/her enrollment in high school as a junior or senior, enrolls in courses for college credit.
3. An early admissions program in which the student enrolls as a full-time college student following completion of the junior year in high school.

The minimum admissions standards for the dual enrollment, joint enrollment, and early admissions programs have been developed to allow certain students to receive both high school and college credit for some courses. Procedures for admission, course selection, and instruction can be found in Section 3.0 of the Academic Affairs Handbook.

**Residential Programs**

The USG offers residential programs for gifted, talented, and motivated students at two institutions: the Advanced Academy of Georgia at the University of West Georgia, and the Georgia Academy of Mathematics, Engineering, and Sciences at Middle Georgia State University. Admissions and program requirements are established by the individual institutions.

**Early College**

Early Colleges enhance students' opportunities to accelerate their education by participating in a joint high school/college program. Each Early College represents an approved partnership between a Georgia public school system and a USG institution. Students in USG-recognized Early Colleges are eligible for enrollment in college courses while they are enrolled in the Early College.

(BoR Minutes, Sept. 2014; Aug. 2014; Nov. 2016, May 2017)

---

#### **4.2.1.4 Non-Traditional Students**

In order to make the USG more accessible to citizens who are not of traditional college-going age and to encourage a higher proportion of Georgians to benefit from life-long learning, institutions may admit as many non-traditional students as is appropriate based on institutional mission, academic programs, and success in retaining and graduating non-traditional students.

The number of non-traditional students an institution enrolls will not be counted against the percent of Limited Admissions allowed each institution. Institutions may set additional criteria for admission of non-traditional students.

##### **Non-Traditional Freshmen**

Non-traditional freshmen are defined as individuals who meet all of the following criteria:

1. Have been out of high school at least five years and whose high school class graduated at least five years ago;
2. Hold a high school diploma from an accredited or approved high school as specified in [Section 4.2.1.1 of this Policy Manual](#) or have satisfactorily completed the GED a state-issued high school equivalency certificate or diploma earned through the successful completion of a high school equivalency test approved by the BoR; and,
3. Have earned fewer than 30 transferable semester credit hours.

All non-traditional freshmen must be evaluated for Learning Support status in English (reading/writing) and mathematics using USG placement criteria (see Academic and Student Affairs 2.9.1).

For students transferring from a Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) accredited TCSG college, comparable scores from the TCSG college may be used according to guidelines issued by the USG chief academic officer.

As an alternative, an institution may allow non-traditional freshmen who have within the past seven (7) years posted SAT scores of at least 500 in both Critical Reading and Mathematics on the old SAT (administered prior to March 2016), or equivalent on the new SAT, or ACT scores of at least 21 on both English and Mathematics to exempt the placement test.

##### **Non-Traditional Transfers**

Non-traditional transfer students are defined as individuals who meet all of the following criteria:

1. Have been out of high school at least five years or whose high school class graduated at least five (5) years ago; and,



2. Have earned thirty (30) or more transferable hours of college credit, as defined in [Section 4.2.1.1 of this Policy Manual](#).

A non-traditional transfer student can be admitted, according to the institution's policy, if his/her transfer GPA is below the transfer standard for the institution's sector. These students do not count against the number of Limited Admissions allowed for transfer students at that institution. Institutions should require placement evaluation as appropriate.

(BoR Minutes, Aug. 2014; Nov. 2016; May 2017)

## **II. Addition of Board Policy 7.17 Other Post Employment Benefits Funding Policy**

### **A. Background:**

The Board of Regents Health Benefit Plan (Plan) is a single-employer, defined-benefit, healthcare plan administered by the University System Office. The Plan was authorized pursuant to O.C.G.A. § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employment health and life insurance benefits.

In accounting terms, the Board of Regents Retiree Health Benefit OPEB Fund has primarily operated on a "pay-as-you-go" basis. In other words, the cost of providing retiree health benefits is funded in the year the expense is incurred, with no significant assets accumulating as would occur in an advance funding strategy. Governmental Accounting Standards Board (GASB) 74 requires the adoption of an OPEB funding policy.

The purpose of the Funding Policy is to help ensure the systematic funding of future benefit payments for members of the Board of Regents Health Benefit Plan. It is the intent of the Board of Regents that assets begin to accumulate under the guidelines described in the Reserve Funding Levels and OPEB Trust Fund Allocation Section, so that investment income can be earned on assets not needed to pay current year retiree health benefit payments.

The Governmental Accounting Standards Board recently issued two new accounting pronouncements for governmental postretirement benefit plans and their sponsoring employers which will change the University System of Georgia's accounting and financial reporting for Other Post-Employment Benefits. GASB 74 and 75 will replace the current statements, GASB 43 and GASB 45 and are effective beginning with FY 2017 and FY 2018, respectively. GASB 74 and 75 will require applicable OPEB plan sponsors and contributing employers to recognize a net OPEB liability, defined as the total OPEB liability or actuarial accrued liability offset by the OPEB plan's market value of assets, referred to as the fiduciary net position (FNP), on the employer's statement of financial position. In FY 2017, the net OPEB obligation will continue to be reflected as a long term liability on the Consolidated Annual Financial Statements of the University System of Georgia's balance sheet. In FY 2018, the calculated share of the net OPEB liability applicable to each participating organizational unit of the University System of Georgia will be reflected on the individual organizational unit's balance sheet.

Among the assumptions needed for the liability calculation is a discount rate, as described by GASB 74. To determine the appropriate discount rate, the FNP must be projected into the future for as long as there are anticipated benefits payable under the plan's provisions applicable to the members and beneficiaries of the Plan on the Measurement Date. If the FNP is not projected to be depleted at any point in the future, the long term expected rate of return on plan investments expected to be used to finance the benefit payments may be used as the discount rate.

If, however, the FNP is projected to be depleted, the discount rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by discounting all projected benefit payments through the date of depletion by the long term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by a 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate (Municipal Bond Index Rate). The Municipal Bond Index Rate used, if necessary, for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System.

The Funding Policy will aid in the calculation of the projected FNP described above and the determination of the discount rate. Questions regarding this new policy section should be directed to Claire Arnold, Associate Vice Chancellor for Fiscal Affairs at (404) 962-3068 or [claire.arnold@usg.edu](mailto:claire.arnold@usg.edu).

**B. Effective Date:**

The effective date of these policy changes is May 16, 2017

**C. Wording of New Board Policies 7.17**

***7.17 Other Post-Employment Benefits Funding Policy***

***7.17.1 Purpose:***

The purpose of this Funding Policy is to state the intent for accumulation of reserve funding for the Other Post-Employment Benefits (OPEB) liability of the Board of Regents Health Benefit Plan. The Board of Regents establishes this Funding Policy to help ensure the systematic funding of future benefit payments for members of the Board of Regents Health Benefit Plan. The plan's OPEB liability - the actuarially calculated liability for retiree benefits - is a significant liability that will increase absent control strategies such as advance funding. Therefore, it is the intent of the Board of Regents of the University System of Georgia that the Funding Policy outlined herein be implemented and remain unchanged unless changed by subsequent board action.

***7.17.2 General Objectives:***



1. To achieve long-term funding of the cost of benefits provided by the Board of Regents Health Benefit Plan;
2. To seek reasonable and equitable allocation of the cost of benefits over time;
3. To minimize volatility of employer contributions to the extent reasonably possible, consistent with other policy goals; and
4. To maintain a policy that is both transparent and accountable to the stakeholders of the Board of Regents Health Benefit Plan.

#### ***7.17.3 Sources of Funding:***

Organizational units of the University System of Georgia pay the employer portion for group insurance for eligible retirees. The employer portion of the health insurance for its eligible retirees and retiree premium rate is based on the rates that are established annually by the Board of Regents for the upcoming plan year. With regard to life insurance, the employer covers the total costs for \$25,000 basic life insurance.

Assets are to accumulate under the guidelines described in the Reserve Funding Levels and OPEB Trust Fund Allocation Section, so that investment income can be earned on assets not needed to pay current year retiree health benefit payments.

#### ***7.17.4 Reserve Funding Levels and OPEB Trust Fund Allocation:***

Any reserve funds in the Board of Regents Health Benefit plan remaining after allowing for the plan's Incurred But Not Reported (IBNR) liability plus twenty (20%) percent of plan benefit claims expense, be transferred to the OPEB Trust Fund annually, upon completion of the financial audit. Additional one-time contributions may be made on a discretionary basis in connection with derisking and other objectives upon approval of the Board of Regents.

#### ***7.17.5 Monitoring of Objectives:***

On an annual basis the University System of Georgia, Fiscal Affairs will report to the Board of Regents the amounts accumulated in the OPEB Trust Fund. The policy should be periodically reviewed in conjunction with the most recent version of the "Report of the Actuary on the Retiree Medical Valuations" that has been submitted to the Board of Regents, and any revisions to governmental accounting standards or statutory changes.

### **III. Changes to Board Policy 7.3.4.1 Out-of-State Tuition Waivers**

#### **A. Background:**

The following language was added to BOR policy to ensure compliance with current rules and regulations related to military personnel. These policy changes were in accordance with recommendations from the Department of Veterans Affairs (VA) who recently completed an audit of USG policy language on Out-of-State Tuition and Fee Waivers.



Questions regarding this policy provision should be directed to Dr. Martha Venn, Deputy Vice Chancellor for Academic Affairs, at (404) 962-3097 or [martha.venn@usg.edu](mailto:martha.venn@usg.edu).

**B. Effective Date:**

The effective date of these policy changes is May 16, 2017

**C. Changes to: Board Policy 7.3.4.1 Shown with Markup**

***7.3.4.1 Out-of-State Tuition Waivers***

**Military**

1. Active duty military personnel, their spouses, and their dependent children who meet one of the following:
  - A. The military sponsor is currently stationed in or assigned to Georgia; or,
  - B. Military sponsor previously stationed in or assigned to Georgia is reassigned outside of Georgia, and the student(s) remain(s) continuously enrolled in a Georgia high school, Technical College System of Georgia institution, and/or a University System of Georgia institution; or,
  - C. The military sponsor is reassigned outside of Georgia and the spouse and dependent children remain in Georgia; or,
  - D. The military sponsor is stationed in a state contiguous to the Georgia border and reside in Georgia; or
  - E. Dependent children of a military sponsor, previously stationed in or assigned to Georgia within the previous five years, and/or the child completed at least one year of high school in Georgia; or,
  - F. Any student utilizing VA educational benefits transferred from a currently serving military member is also eligible.
2. Active members of the Georgia National Guard stationed or assigned to Georgia or active members of a unit of the U.S. Military Reserves based in Georgia, and their spouses and their dependent children.
3. Separated military members from a uniformed military service of the United States who meet one of the following:
  - A. Individuals who within thirty-six (36) months of separation from such service, enroll in an academic program and demonstrate intent to become domiciled in Georgia. This waiver may also be granted to their spouses and dependent children.
  - B. Any separated service member or any student utilizing transferred VA educational benefits, and physically residing in the state, who enrolls within one hundred-twenty (120) months of separation is also eligible.
  - C. Any individual as described in 38 U.S.C.3679(c).

(BoR Minutes, June 2004; October 2008; February 2009; October 2013; March 2016; May 2017)



#### **IV. Addition of Board Policy 7.5.1.1 Required Electronic Transfer of Funds**

##### **A. Background:**

As part of the OneUSG Connect project, a high level review of retiree billing processes and compliance with policy 7.5.1.1 was performed. Board of Regents Policy 7.5.1.1 requires that retiree benefits premium payments be made through electronic withdrawal of funds (auto-debit) to ensure streamlined processing and timely payment. Policy 7.5.1.1 also allows for institutions to approve an alternative method of payment for retirees if auto-debit is not possible. The alternative method of payment is mainly in the form of a direct bill mailed to the retiree for payment.

This change in the policy will move the approval for an alternative method of premium payments for retirees from the institutions to the system office. This will ensure consistent application of the policy and compliance with the policy across the system,

The approval process will be detailed in the Business Procedures Manual. Questions regarding this new policy section should be directed to Karin Elliott, Associate Vice Chancellor for Total Rewards at (404) 962-3248 or [karin.elliott@usg.edu](mailto:karin.elliott@usg.edu).

##### **B. Effective Date:**

The effective date of these policy change is May 16, 2017

##### **C. Changes to Board Policy 7.5.1.1 Shown with Markup**

#### ***7.5.1.1 Required Electronic Transfer of Funds***

Electronic funds transfer is the required method for payroll payments to employees, making funds available to the employee by the authorized pay date, unless the employee can provide documentation of having an “un-bankable” status; i.e., the employee is unable to obtain a bank account. Direct deposit is defined as the electronic transfer of funds from the employer to a depository institution designated by the employee, which makes the funds available to the employee by the authorized pay date.

Electronic withdrawal of funds (auto-debit) is the required method of payment from retirees for benefit premiums; i.e., the payment is electronically withdrawn from an account at a depository institution that is designated by the retiree to the employer, occurring on a specified date each month. Where auto-debit is not possible, **the USG System Office may review and authorize** ~~institution can determine the an~~ appropriate alternative method of **benefits premium payment** ~~employee share of premiums collection.~~

~~Requiring an auto-debit for all retirees participating in the health insurance plan will streamline the process, eliminate invoicing and greatly reduce premium collection and reconciliation efforts. (BoR Minutes, May 2011; May 2017)~~