



**BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA**  
**270 Washington Street, S.W.**  
**Atlanta, Georgia 30334**

**Wednesday, November 12, 2014**

<u><b>Approximate Times</b></u>	<u><b>Tab</b></u>	<u><b>Agenda Item</b></u>	<u><b>Presenter</b></u>
<b>9:00 AM</b> Room 5158	<b>1</b>	Intercollegiate Athletics Committee	Regent Benjamin Tarbutton
<b>9:30 AM</b> Room 7019	<b>2</b>	Executive & Compensation Committee	Chairman Philip Wilheit
<b>10:00 AM</b> Room 7007	<b>3</b>	Call to Order	Chairman Philip Wilheit
	<b>4</b>	Invocation/Presentation of Colors	Regent Kessel Stelling UNG Cadet Color Guard
	<b>5</b>	Safety Briefing	Chief Bruce Holmes
	<b>6</b>	Approval of October 14/15 Minutes	Asst. Sec. Kimberly Ballard-Washington
	<b>7</b>	Special Guest - <i>Tentative</i>	Chairman Philip Wilheit
	<b>8</b>	Special Recognition <i>President Kendall A. Blanchard</i> <i>President Timothy S. Mescon</i> <i>President John O. Schwenn</i>	Chancellor Henry Huckaby
<b>10:20 AM</b> Room 7007	<b>9</b>	Center for High Angular Resolution Astronomy Presentation	Dr. Harold A. McAlister, GSU
	<b>10</b>	Consolidation Update – MGSC	Chairman Philip Wilheit President Christopher Blake
	<b>11</b>	<i>COW: Jt. Academic Affairs/ Finance &amp; Business</i> <i>Military Initiatives Update</i>	Regent Larry Ellis Dr. Cecil Staton / Dr. David Snow President Gregory Aloia
	<b>12</b>	Chancellor's Remarks	Chancellor Henry Huckaby
<b>12:00 PM</b> Room 7010	<b>13</b>	Board Lunch	
<b>1:00 PM</b> Room 5158 Room 5158		<u><b>Track I Committee Meeting</b></u>	
	<b>14</b>	Academic Affairs	Regent Larry Ellis
	<b>15</b>	Organization & Law	Regent Richard Tucker
<b>1:00 PM</b> Room 7007 Room 7007 Room 7007		<u><b>Track II Committee Meetings</b></u>	
	<b>16</b>	Finance & Business Operations	Regent T. Rogers Wade
	<b>17</b>	Real Estate & Facilities	Regent E. Scott Smith
	<b>18</b>	Internal Audit, Risk and Compliance	Regent Larry Walker

**BOARD OF REGENTS MEETING AGENDA**  
**Wednesday, November 12, 2014**

<u>Approximate Times</u>	<u>Tab</u>	<u>Agenda Item</u>	<u>Presenter</u>
<b>2:15 PM</b>	<b>19</b>	Reconvene	Chairman Philip Wilheit
	<b>20</b>	Chairman's Remarks	Chairman Philip Wilheit
	<b>21</b>	Committee Reports: A. Executive & Compensation B. Academic Affairs C. Finance & Business Operations D. Internal Audit, Risk and Compliance E. Intercollegiate Athletics F. Organization & Law G. Real Estate & Facilities	Chairman Philip Wilheit Regent Larry Ellis Regent Rogers Wade Regent E. Scott Smith Regent Benjamin Tarbutton Regent Richard Tucker Regent Larry Walker
	<b>22</b>	Election of Officers	Chairman Philip Wilheit
	<b>23</b>	Name Interim Board Secretary	Chairman Philip Wilheit
	<b>24</b>	Unfinished Business	Chairman Philip Wilheit
	<b>25</b>	New Business <i>2015 Proposed Board Dates; Delegation of Authority; Regents' Salute to Education Update</i>	Chairman Philip Wilheit Regent James Hull, USGF, Inc., Chair
	<b>26</b>	Petitions and Communications	Assistant Secretary Ms. Kimberly Ballard-Washington
	<b>27</b>	COW: P3 Update	Chancellor Henry Huckaby Ms. Susan Ridley
	<b>28</b>	Executive Session	Chairman Philip Wilheit
<b>3:15 PM</b>	<b>29</b>	Reconvene	Chairman Philip Wilheit
	<b>30</b>	Adjourn	Chairman Philip Wilheit

**AGENDA**  
**COMMITTEE ON INTERCOLLEGIATE ATHLETICS**

**November 12, 2014**

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**INFORMATION ITEMS**

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| 1. Progress on Athletic Review | 1 |
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## **AGENDA**

### **COMMITTEE ON INTERCOLLEGIATE ATHLETICS**

**November 12, 2014**

**1.     Progress on Athletic Review**

Executive Vice Chancellor for Academic Affairs Dr. Houston Davis and Chief Audit Officer Mr. John Fuchko, III will present an interim update on the status of the athletic review.

## **AGENDA**

### **EXECUTIVE & COMPENSATION COMMITTEE**

**November 12, 2014**

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#### **EXECUTIVE SESSION**

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| 1. Personnel Matters & Presidential Searches | 1 |
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**1. Executive Session: Personnel Matters & Presidential Searches**

The Committee will discuss personnel matters, as well as presidential searches. Materials will be distributed in Executive Session.

## **AGENDA**

### **COMMITTEE ON SPECIAL CONSOLIDATION**

**November 12, 2014**

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#### **1. Institution Consolidation Update – Middle Georgia State College**

In January 2012, the Board of Regents took a bold move by consolidating eight institutions into four. Over the next year, those institutions, planned and implemented the unprecedented consolidation efforts. In December 2012, the Southern Association of Colleges gave their approval for the consolidations to move forward, a critical decision point in the process. In January 2013, the Board of Regents gave their final approval and created four new colleges and universities within the system.

Today you will hear from our final consolidated institution completed during the first phase. President Christopher Blake will present Middle Georgia State College's experience during the college's implementation. The presentation will also touch on MGSC's plan to move toward University status, a move the Board requested once consolidation was complete.

## **AGENDA**

### **COMMITTEE OF THE WHOLE: ACADEMIC AFFAIRS AND FINANCE AND BUSINESS OPERATIONS**

**November 12, 2014**

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#### **APPROVAL ITEMS**

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| 1. Policy Revision: 7.3.4.2. Waiver of Mandatory Fees | 1 |
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## AGENDA

### COMMITTEE OF THE WHOLE: ACADEMIC AFFAIRS AND FINANCE AND BUSINESS OPERATIONS

November 12, 2014

#### 1. **Policy Addition: 7.3.4.2 Waiver of Mandatory Fees**

Recommended: That the Board approve the proposed revision to the *Policy Manual*, 7.3.4.2 *Waiver of Mandatory Fees*.

Recommended further: That institutions may implement this policy effective immediately.

Background: Members of the armed services eligible for tuition assistance are not eligible to receive tuition assistance for mandatory fees. As a result, USG institutions are at a competitive disadvantage when recruiting these military students. The policy revision would both improve our military-friendliness while providing additional flexibility for USG institutions to grow enrollment and meet their Complete College Georgia goals. At this meeting, Director of Military Affairs Dr. David Snow will present the proposed policy revision.

#### ***Proposed Policy Revision***

#### **Current Policy 7.3.4.2 Waiver of Mandatory Fees**

An institution may waive mandatory fees, excluding technology fees, for:

1. Students who reside or study at another institution.
2. Students enrolled in practicum experiences (e.g., student teachers) or internships located at least 50 miles from the institution.
3. Students enrolled in distance learning courses or programs who are not also enrolled in on-campus courses nor residing on campus. If a student is enrolled in courses from more than one institution during the same term, only the home institution will charge the approved technology fee to the student. Students who participate in distance education offerings as transient students will not be charged a technology fee by the transient institution. No separate technology fee shall be established for collaborative distance learning courses or programs.

## **AGENDA**

### **COMMITTEE OF THE WHOLE: ACADEMIC AFFAIRS AND FINANCE AND BUSINESS OPERATIONS**

**November 12, 2014**

**1. Policy Revision: 7.3.4.2 Waiver of Mandatory Fees (Continued)**

4. Students enrolled at off-campus centers, except that the institution shall be authorized to charge select fees to these students for special services subject to approval by the Board of Regents.

**Proposed Policy 7.3.4.2 Waiver of Mandatory Fees**

An institution may waive mandatory fees, excluding technology fees, for:

1. Students who reside or study at another institution.
2. Students enrolled in practicum experiences (e.g., student teachers) or internships located at least 50 miles from the institution.
3. Students enrolled in distance learning courses or programs who are not also enrolled in on-campus courses nor residing on campus. If a student is enrolled in courses from more than one institution during the same term, only the home institution will charge the approved technology fee to the student. Students who participate in distance education offerings as transient students will not be charged a technology fee by the transient institution. No separate technology fee shall be established for collaborative distance learning courses or programs.
4. Students enrolled at off-campus centers, except that the institution shall be authorized to charge select fees to these students for special services subject to approval by the Board of Regents.

**An institution also may waive mandatory fees for members of the armed services utilizing the military's tuition assistance programs to attend the institution.**

## **AGENDA**

### **COMMITTEE OF THE WHOLE: MILITARY AFFAIRS UPDATE**

**November 12, 2014**

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#### **INFORMATION ITEM**

1. Vice Chancellor Cecil Staton and Dr. David Snow will provide an update on the University System of Georgia's military outreach efforts, veterans initiatives, and will highlight best practices.

# AGENDA

## COMMITTEE ON ACADEMIC AFFAIRS

November 12, 2014

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### ACTION ITEMS

#### I. Academic Programs

##### New Program Requests:

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| 1. Establishment of a Bachelor of General Studies, Albany State University                                              | 3 |
| 2. Establishment of a Bachelor of Science with a major in Health Information Management (online), Darton State College  | 5 |
| 3. Establishment of a Bachelor of Science in Aviation and Aerospace Operations Management, Middle Georgia State College | 7 |

##### Program Modification Requests:

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| 4. Request for a Substantive Change to the existing Bachelor of Arts with a major in Theatre and the Bachelor of Arts with a major in Music, to create a single Bachelor of Arts with a major in Performing Arts, Clayton State University | 9  |
| 5. Request for a Substantive Change to the existing Master of Science with a major in Community Counseling, Columbus State University                                                                                                      | 10 |

##### Program Termination Requests:

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| 6. Columbus State University                                                                                                           | 11 |
| a. Master of Education with a major in Teaching Field-Mental Retardation                                                               |    |
| b. Master of Education with a major in Teaching Field-Behavior Disorders                                                               |    |
| 7. Request to Terminate the Bachelor of Business Administration with a major in Industrial Operations Management, Dalton State College | 12 |

##### New Associate of Science Program Request, Technical College System of Georgia

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| 8. Endorsement of an Associate of Science Degree in Supply Chain Management offered by Atlanta Technical College to articulate with Clayton State University | 13 |
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**II. Named/Endowed Faculty Positions:**

- 9. Establishment of Named Faculty Positions:
  - a. Establishment of the Stanley Wade Shelton UGAF Professorship, 14  
University of Georgia
  - b. Establishment of the Travis and Mary Osborne Distinguished 15  
Chair in Psychology, University of Georgia
  - c. Redesignation of the Georgia Athletic Association Professorship 16  
in the Social Sciences to a Distinguished Professorship,  
University of Georgia
- 10. Named Faculty Position Appointments 17

# 1. **Establishment of a Bachelor of General Studies, Albany State University**

**Recommendation:** That the Board approve the request of Interim President Art Dunning that Albany State University (“ASU”) be authorized to establish a Bachelor of General Studies degree, effective November 12, 2014.

## **Program Summary:**

ASU’s proposed General Studies program is designed to support the University’s and the University System of Georgia’s (USG) initiatives to significantly improve college retention and graduation rates. The 126 credit hour program is also designed to provide affordable and flexible degree opportunities for students with some college credits in response to the worrisome labor statistics that document southwest Georgia’s unemployment and salary rates, particularly among residents with some or no education beyond high school in comparison to those with degrees.

The structure of the proposed degree will allow students the freedom to choose from three areas of study (18 semester hours each) for completion of upper level courses required for graduation. Furthermore, students have an option to either choose all three areas from the University’s approved major concentrations or to choose two (18 hours each) areas from approved concentrations and one (18 hours) “individual emphasis”, which constitutes an eclectic mix of upper division (3000 and 4000) courses of the student’s choice, approved by the general studies advisor. It is expected that the General Studies degree will increase the number of students completing their degrees at ASU by using the earned credits they have accumulated and acquiring the remaining credits required to satisfy areas of study from identified fields of interest. The program will primarily be taught face-to-face on campus, but student will have an opportunity to take numerous classes online.

## **List of Similar Existing USG Programs and Productivity:**

<b>Institution</b>	<b>Academic Program</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
Georgia Southern University	Bachelor of General Studies	110	146	142	174	222
University of North Georgia	Bachelor of Science with a major in General Studies	NA	NA	0	11	14
Armstrong State University	Bachelor of Liberal Studies	87	74	84	94	114
Clayton State University	Bachelor of Arts with a major in Liberal Studies	59	44	64	58	55
Fort Valley State University	Bachelor of Arts with a major in Liberal Studies	0	2	2	1	2
Georgia College & State University	Bachelor of Arts with a major in Liberal Studies	0	14	17	13	5

**Projected Enrollment:**

	<b>First FY 2016</b>	<b>Second FY 2017</b>	<b>Third FY 2018</b>	<b>Fourth FY 2019</b>
<b>I. ENROLLMENT PROJECTIONS</b>				
<b>Student Majors</b>				
Shifted from other programs	79	83	87	92
New to the institution	15	18	22	28
<b>Total Majors</b>	94	101	109	120

**Fiscal Summary:**

The institution's existing budget and tuition revenue will cover all costs associated with the program.

**Facilities Impact:**

The program will be delivered using existing space and technology infrastructure at the institution.

**Accountability:**

The Office of Academic Affairs will work with the institution to measure the success and continued effectiveness of the proposed program. The program will be reviewed in concert with the institution's programmatic schedule of comprehensive program reviews.

**2. Establishment of a Bachelor of Science with a major in Health Information Management (online), Darton State College**

**Recommendation:** That the Board approve the request of President Paul Jones that Darton State College (“DSC”) be authorized to establish a Bachelor of Science with a major in Health Information Management (online), effective November 12, 2014.

**Program Summary:**

DSC currently offers the Bachelor of Science in Nursing. This proposed degree program will complement the existing program by focusing on advanced knowledge, management and supervision in the health informatics arena. The program will also build on DSC’s existing programs by allowing graduates of the two-year Health Information Technology (HIT) program with the Registered Health Information Technician credential (RHIT) a convenient avenue to attain their bachelor’s degree and be eligible for the Registered Health Information Administrator (RHIA) credential. The proposed curriculum is aligned with the national standards and accreditation criteria of the Commission on Accreditation for Health Informatics and Information Management (CAHIM). The DSC program will seek CAHIM recognition once the program is approved by the Board of Regents.

According to US Department of Labor statistics, there will be an increase of 73,000 jobs nationwide in HIM by 2022 which is a faster than average growth rate. Fourteen of the top 20 fastest growing jobs are in health care. A recent study by the American Health Information Management Association (AHIMA) revealed that there are 35,000 unfilled positions in the US. Health Information Technologists recognize the need for a bachelor’s degree in order to advance to higher levels of management in their chosen career. This program will be offered via distance education from the main campus, allowing potential students who are bound by geography, work requirements and/or family responsibilities to complete this degree.

**List of Similar Existing USG Programs and Productivity\*:**

<b>Institution</b>	<b>Program</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY2013</b>
College of Coastal Georgia	BS in Health Informatics	0	0	0	0	7
Georgia Regents University	BS in Health Information Administration	14	18	17	11	13
Middle Georgia State College	Bachelor of Science in Health Information Management	18	14	18	12	21

**Georgia Perimeter College is authorized to offer a Bachelor of Science with a major in Health Informatics, but has not yet implemented the program. Gordon State College offers the Bachelor of Science with a major in Health Services and Informatics and first graduates are expected in 2015.**



**Projected Enrollment:**

	<b>First</b>	<b>Second</b>	<b>Third</b>	<b>Fourth</b>
<b>I. ENROLLMENT PROJECTIONS</b>				
<b>Student Majors</b>				
Shifted from other programs	0	0	0	0
New to the institution	10	15	20	25
<b>Total Majors</b>	10	25	37	47

**Fiscal Summary:**

The institution's existing budget and tuition revenue will cover all costs associated with the program.

**Facilities Impact:**

The program will be delivered using existing space and technology infrastructure at the institution.

**Accountability:**

The Office of Academic Affairs will work with the institution to measure the success and continued effectiveness of the proposed program. The program will be reviewed in concert with the institution's programmatic schedule of comprehensive program reviews.

3. **Establishment of a Bachelor of Science in Aviation and Aerospace Operations Management, Middle Georgia State College**

**Recommendation:** That the Board approve the request of President Christopher Blake that Middle Georgia State College (“MGSC”) be authorized to establish a Bachelor of Science in Aviation and Aerospace Operations, effective November 12, 2014.

**Program Summary:**

The Bachelor of Science in Aviation and Aerospace Operations will create work-ready graduates prepared to serve the aerospace industry. The proposed degree in Aviation and Aerospace Operations provides students with two tracks; one in flight and one in management. The flight track provides baccalaureate level training for pilots, which has recently become the required credential for industry employment. The management track prepares students for an array of careers in the aviation and aerospace industry. The program contains electives to encourage students to broaden and explore other areas of interest. The majority of all the courses are delivered in the traditional classroom; however the management track will also delivered online.

The aerospace industry contributes significantly to the State of Georgia’s economic activity and provides many high-paying jobs for Georgia citizens. According to the *2013 Economic Impact Analysis of Georgia’s Aerospace Industry*, The aerospace industry generated an estimated \$1.6 billion in revenues for the state budget in calendar year 2011. In addition, Georgia ranked fifth in the nation in aerospace employment. More than 88,000 Georgia workers were directly employed in the aerospace industry in 2011, with another 153,171 Georgia workers employed in supporting roles. The BS in Aviation and Aerospace Operations was designed in consultation with industry experts to assure the curriculum was both current and relevant to potential employers.

The Eastman campus, home to MGSC’s School of Aviation, currently has certificates and/or degrees in the following fields: Air Traffic Management, Aircraft Structural Technology, Aircraft Structural Worker, Airline Management , Flight Technology: Airplane, Flight Technology: Rotorcraft Helicopter, Flight Instructor: Airplane, Flight Instructor: Rotorcraft Helicopter, Instrument Pilot Rating: Airplane, Multi-Engine Pilot: Airplane. The proposed BS in Aviation and Aerospace Operations will provide a curricular ladder for students in these certificate and A.A.S. programs to pursue higher levels of education and a clear pathway to baccalaureate-level degree completion for students seeking pilot training as well as to credential themselves for various careers in aviation.

This program will both facilitate and benefit from partnerships with the Georgia Center of Innovation for Aerospace, MGSC’s Institute for Applied Aerospace Research, and the Workforce Investment Act. The program will be housed on the Eastman campus of Middle Georgia State College.

**List of Similar Existing USG Programs and Productivity:**

There are currently no similar programs in the USG.

**Projected Enrollment:**

	<b>First FY 15</b>	<b>Second FY 16</b>	<b>Third FY 17</b>	<b>Fourth FY 18</b>
<b>I. ENROLLMENT PROJECTIONS</b>				
<b>Student Majors</b>				
Shifted from other programs (# <b>who will change majors from current BSBA</b> )	85	0	0	0
New to the institution	20	20	25	27
Continuing from Previous Year	0	85	85	90
<b>Total Majors</b>	105	105	110	117

**Fiscal Summary:**

Because the Bachelor of Science in Aviation and Aerospace Operations is replacing the existing Bachelor of Science in Business Administration in the School of Aviation, there are no new institutional resources required for this program. The budget previously assigned to the current BSBA program will shift to the new BS program.

**Facilities Impact:**

The program will be delivered using existing space and technology infrastructure at the institution.

**Accountability:**

The Office of Academic Affairs will work with the institution to measure the success and continued effectiveness of the proposed program. The program will be reviewed in concert with the institution's programmatic schedule of comprehensive program reviews.

4. **Request for a Substantive Change to the existing Bachelor of Arts with a major in Theatre and the Bachelor of Arts with a major in Music, to create a single Bachelor of Arts with a major in Performing Arts, Clayton State University**

**Recommended:** That the Board approve the request of President Timothy Hynes that Clayton State university (“CLSU”) be authorized to substantively change the existing Bachelor of Arts with a major in Theatre and the Bachelor of Arts with a major in Music to create a single degree program, a Bachelor of Arts with a major in Performing Arts, effective November 12, 2014.

**Abstract:** These existing programs at Clayton State University are currently separate degree programs. The Bachelor of Arts with a major in Performing Arts will consolidate these two programs while providing concentrations in Music, Music Education, and Theatre that will offer students a range of options for pursuing academic studies in the performing arts. The Music and Theatre concentrations provide the opportunity to focus on a single performing arts discipline within the context of a liberal arts degree curriculum; in these concentrations the Performing Arts Electives and Guided Electives allow students to individualize their programs of study to meet their educational and professional goals. The Music Education concentration is a professional program for students who want to obtain public school certification in music. This concentration is an intensive program that includes a broad range of music and education study leading to K-12 certification in Georgia. Completion of this degree will prepare students for entering a career in a performing arts-related occupation or pursuing graduate studies. Additionally, graduates of this program will develop a broad base of skills that can translate beyond the arts and that can equip them to the workforce in any number of occupations that require an undergraduate degree, regardless of major. The Consolidated program will not require the addition of new courses to the curriculum and will have one less faculty member. The music and music education concentrations will also continue to meet the National Association of Schools of Music (NASM) accreditation standards. Students who wish to pursue the BA in Performing Arts degree must successfully audition for the program.

5. **Request for a Substantive Change to the existing Master of Science with a major in Community Counseling, Columbus State University**

**Recommended:** That the Board approve the request of President Timothy Mescon that Columbus State University (“CSU”) be authorized to substantively change the existing Master of Science with a major in Community Counseling to increase the number of required credit hours from 48 to 60, and to change the degree title to Master of Science with a major in Clinical Mental Health Counseling, effective November 12, 2014.

**Abstract:** The Community Counseling program leading to a Master of Science degree at Columbus State University is fully accredited by CACREP (Counseling and Counseling Related Educational Programs). This accreditation, under the 2001 accreditation standards, is in full effect until 2017. Recent changes, put into effect by CACREP, require all community counseling programs to transition to clinical mental health counseling. The requirements include additional coursework from the 48-hour semester program to a 60-hour semester program that follow guidelines for the specialty in Clinical Mental Health Counseling. In order to serve our counseling graduate students and to fulfill accreditation standards, the Community Counseling program will immediately begin the process toward full accreditation as a 60-semester hour Clinical Mental Health Counseling program.

6. **a. & b. Termination of the Master of Education with a major in Teaching Field – Mental Retardation and Master of Education with a major in Teaching Field – Behavior Disorders, Columbus State University**

**Recommended:** That the Board approve the request of President Timothy Mescon that Columbus State University (“CSU”) be authorized to terminate the Master of Education with a major in Teaching Field – Mental Retardation and the Master of Education with a major in Teaching Field – Behavior Disorders, effective January 12, 2015.

**Abstract:** Columbus State University seeks to terminate two programs, the Master of Education with a major in Teaching Field – Mental Retardation, and the Master of Education with a major in Teaching Field – Behavior Disorders. The request to dissolve both programs is based on the institution’s ongoing review of academic programs. Columbus State University has not admitted any new students to either program since September 2007. Students were provided advisement and afforded opportunities to complete each program. The institution has confirmed that there are no students matriculating through either of the majors and there will be no adverse impact on faculty members or students. The effective date of January 12, 2015 is commensurate with the institutional intended closure of the majors.

7. **Termination of the Bachelor of Business Administration with a major in Industrial Operations Management, Dalton State College**

**Recommended:** That the Board approve the request of President John Schwenn that Dalton State College (“DSC”) be authorized to terminate the Bachelor of Business Administration with a major in Industrial Operations Management, effective November 12, 2014.

**Abstract:** Dalton State College seeks to terminate the Bachelor of Business Administration with a major in Industrial Operations Management. The request to dissolve the major is based on the institution’s ongoing review of academic programs. The School of Business added three concentrations under the existing undergraduate major in Management one of which involved operations management. The specific major in Industrial Operations Management is being eliminated due to the concentrations offered and because it was a low enrolled program. The institution has confirmed that there are no students matriculating through this major and there will be no adverse impact on faculty members or students.

8. **Endorsement of an Associate of Science Degree in Supply Chain Management offered by Atlanta Technical College to articulate with Clayton State University**

**Recommended:** That the Board endorse the recommendation of President Tim Hynes for Atlanta Technical College to develop a new Associate of Science degree in Supply Chain Management to articulate with Clayton State University, effective November 12, 2014.

**Abstract:** This articulation agreement provides students who graduate from the proposed Associate of Science degree program in Supply Chain Management at Atlanta Technical College (ATC), and who meet the Bachelor of Business Administration with a major in Supply Chain Management transfer admission requirements at Clayton State University (CLSU), with the opportunity to enroll in a baccalaureate degree program as a rising junior. The major-specific curriculum has been modeled on programs offered at several institutions within the USG. All associate of science degree courses identified in this agreement will be taught by Atlanta Technical College faculty who meet the credentialing guidelines of SACS. This agreement has been approved by the faculty at both institutions. The new program will fully articulate only with Clayton State University and students will be advised of the specificity of the program articulation agreement. Should students transfer from Clayton State University to another USG institution, not all courses will be guaranteed to transfer.



9. **a. Establishment of the Stanley Wade Shelton UGAF Professorship, University of Georgia**

**Recommended:** That the Board approve the request of President Jere Morehead that the University of Georgia (“UGA”) be authorized to establish the Stanley Wade Shelton UGAF Professorship, effective November 12, 2014.

**Abstract:** The University of Georgia seeks to establish the Stanley Wade Shelton UGAF Professorship in the School of Public and International Affairs. The University of Georgia Foundation has confirmed that a total of \$267,931 is on deposit to support establishment of the special faculty position. The position was established through a pledge of \$125,000 from Mr. Stanley Shelton and the University of Georgia Foundation contributed a matching pledge of \$125,000 to achieve the endowment necessary to create a professorship. The endowed position will be housed in one of the School’s three departments (i.e., International Affairs, Political Science, or Public Administration and Policy). It is anticipated that the endowed position will attract a scholar with an outstanding national reputation to enhance existing programs and strengthen the overall prestige of the departments and School. Duties associated with the proposed position include teaching three courses each academic year, writing and publishing articles in refereed publications, and actively engaging in sponsored research.

**Biosketch:** The Professorship is supported through the generosity of Mr. Stanley W. Shelton, former executive vice president of State Street Global Markets and a founding partner of State Street Associates. Mr. Shelton joined State Street in 1984 in the Capital Markets group and subsequently established State Street’s trading operations in Hong Kong. He was general manager of State Street’s London operations in 1989 and was appointed division head for all of State Street’s worldwide trading, currency management, and research activities in 1992. Three years later, he was promoted to executive vice president. Mr. Shelton holds a Bachelor of Arts and Master of Public Administration degrees from the University of Georgia and a Master of Science in Finance from Boston College. Mr. Shelton is also a former member of the University Arch Foundation Board of Trustees and currently serves on the University of Georgia Board of Trustees.

9. **b. Establishment of the Travis and Mary Osborne Distinguished Chair in Psychology, University of Georgia**

**Recommended:** That the Board approve the request of President Jere Morehead that the University of Georgia (“UGA”) be authorized to establish the Travis and Mary Osborne Distinguished Chair in Psychology, effective November 12, 2014.

**Abstract:** The University of Georgia seeks to establish the Travis and Mary Osborne Distinguished Chair in Psychology to be housed within the Franklin College of Arts and Sciences. The University of Georgia Foundation has confirmed that a total of \$2,628,730 is on deposit to support establishment of the special faculty position. The position was established through a gift from the estate of Robert Travis Osborne to establish an endowed distinguished chair in human genetics in the Department of Psychology. Dr. Osborne had a long career at the University of Georgia and his research focused on human behavioral genetics. The person named to the endowed position will have an outstanding national reputation, be a full professor, and not hold the position in conjunction with another chair or special professorship.

9. **c. Redesignation of the Georgia Athletic Association Professorship in the Social Sciences to a Distinguished Professorship, University of Georgia**

**Recommended:** That the Board approve the request of President Jere Morehead that the University of Georgia (“UGA”) be authorized to redesignate the Georgia Athletic Association Professorship in the Social Sciences to a Distinguished Professorship, effective November 12, 2014.

**Abstract:** The University of Georgia seeks to redesignate the Georgia Athletic Association Professorship in the Social Sciences to the level of a Distinguished Professorship. The University of Georgia Athletic Association established an initiative to support schools and colleges by establishing professorships in specific areas of the university. The organization contributed an additional \$250,000 to this particular fund thereby raising the total deposit to exceed the qualifying level of \$400,000 for a distinguished professorship at a research university. The University of Georgia Foundation has confirmed that a total of \$565,805 is on deposit to support the redesignation request.

**10. Named Faculty Position Appointments**

Details regarding institutional requests to appoint faculty with the appropriate qualifications into named faculty positions are found in the supplemental agenda. The following are included this month.

**Institution Name:** Georgia Regents University

**Faculty's Name:** Dr. David Terris

**Chair/Professorship Name:** Regents' Professor

**Institution Name:** Georgia State University

**Faculty's Name:** Dr. Liang Peng

**Chair/Professorship Name:** Thomas P. Bowles Chair of Actuarial Science

**AGENDA**  
**COMMITTEE ON ORGANIZATION & LAW**

**November 12, 2014**

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**INFORMATION ITEM**

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| 1. Amendment to the Bylaws of the Board of Regents: Article I.6, Institutions of the University System | 1 |
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**APPROVAL ITEMS**

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| 2. Honorary Degree Requests: Columbus State University; Georgia Institute of Technology | 2 |
| 3. Executive Session: Applications for Review                                           | 3 |

**1. Amendment to the Bylaws of the Board of Regents: Article I.6, Institutions of the University System**

The committee will discuss a proposed amendment to Article I.6 of the Bylaws of the Board of Regents, revising the University System of Georgia's institutions to reflect the 2015 merger of Kennesaw State University and Southern Polytechnic State University. This amendment will be considered for approval during the Board's January 13, 2015, meeting.

**6. Bylaw I.6 Institutions of the University System**

The University System of Georgia shall consist of the following institutions and such other institutions as may be established by the Regents from time to time:

Abraham Baldwin Agricultural College  
Atlanta Metropolitan State College  
Albany State University  
Armstrong State University  
Bainbridge State College  
Clayton State University  
College of Coastal Georgia  
Columbus State University  
Dalton State College  
Darton State College  
East Georgia State College  
Fort Valley State University  
Georgia Perimeter College  
Georgia College & State University  
Georgia Gwinnett College  
Georgia Highlands College  
Georgia Institute of Technology  
Georgia Regents University  
Georgia Southern University  
Georgia Southwestern State University  
Georgia State University  
Gordon State College  
Kennesaw State University  
Middle Georgia State College  
Savannah State University  
South Georgia State College  
~~Southern Polytechnic State University~~  
University of North Georgia  
University of West Georgia  
University of Georgia  
Valdosta State University

**2. Honorary Degree Requests: Columbus State University; Georgia Institute of Technology**

Columbus State University President Timothy Mescon and Georgia Institute of Technology President G.P. “Bud” Peterson seek the Board’s approval of their requests to award honorary degrees to Mr. Jack and Mrs. JoRhee Pezold, and Mr. Bernard “Bernie” Marcus, respectively.

**3. Executive Session: Applications for Review**

Applications for review are made to the Board of Regents pursuant to Article VIII of the Bylaws. They are typically personnel matters and issues of academic status, which are discussed in executive session.



## **AGENDA**

### **COMMITTEE ON FINANCE AND BUSINESS OPERATIONS**

**November 12, 2014**

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#### **INFORMATION ITEM**

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| 1. Report on First Quarter Revenues and Expenditures | 1 |
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## **AGENDA**

### **COMMITTEE ON FINANCE AND BUSINESS OPERATIONS**

**November 12, 2014**

**1. Information Item: Report on First Quarter Revenues and Expenditures**

Vice Chancellor for Fiscal Affairs, John Brown, will present information on the First Quarter Revenues and Expenditures for the University System of Georgia.



# First Quarter Financial Report, FY 2015

# Key Financial Trends

## First Quarter – FY 2015

As of First Quarter (September 30)

	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>2 YR % Change</u>	<u>3 YR % Change</u>
Cash and Equivalents	\$ 1,326,679,719	\$ 1,448,513,392	\$1,485,565,866	3%	12%
Short Term Investments	7,898,003	10,189,063	\$3,969,652	-61%	-50%
Student Receivables	50,650,794	65,546,488	\$56,637,274	-14%	12%
Federal Receivables	95,498,583	84,061,840	\$91,224,226	9%	-4%
Other Receivables	1,030,784,983	1,162,204,804	\$1,224,090,401	5%	19%
Current Liabilities	-178,815,507	-196,440,277	-\$174,036,219	-11%	-3%
Lease Purchase Obligations	-3,451,260,424	-3,491,904,317	-\$3,509,129,956	0%	2%

# FY 2015 First Quarter Budget to Actuals – General Funds Only

	FY 2015 Amended Annual Budget	FY 2015 Budget Through Third Quarter	FY 2015 Actuals Through Third Quarter	Year-to-Date Variance (Positive variance is favorable)	Percent Variance
<b>Revenues</b>					
State Appropriations	\$ 1,729,848,309	\$ 432,444,573	\$ 432,444,573	\$ -	0.00%
Tuition	1,784,683,561	909,783,494	914,002,379	4,218,885	0.46%
Other General Funds	295,082,512	130,308,151	130,990,172	682,021	0.52%
<b>Total General Funds Revenues</b>	<b>\$ 3,809,614,382</b>	<b>\$ 1,472,536,218</b>	<b>\$ 1,477,437,124</b>	<b>\$ 4,900,906</b>	<b>0.33%</b>
<b>Expenditures</b>					
Salaries and Wages	\$ 2,968,351,345	\$ 677,092,621	\$ 660,277,849	\$ 16,814,772	2.48%
Operating Expenses	841,263,037	146,675,397	144,094,907	2,580,490	1.76%
<b>Total General Funds Expenditures</b>	<b>\$ 3,809,614,382</b>	<b>\$ 823,768,018</b>	<b>\$ 804,372,756</b>	<b>\$ 19,395,262</b>	<b>2.35%</b>
<b>Revenues less Expenditures</b>	<b>\$ -</b>	<b>\$ 648,768,200</b>	<b>\$ 673,064,368</b>	<b>\$ 24,296,168</b>	

- ❑ General funds include state appropriations, tuition, special institutional fee and other general revenues (i.e. applications fee, lab fees, fine, etc.).
- ❑ As of the 1st quarter, institutions reported operating encumbrances of \$117 million, which represent funds reserved through purchase orders and/or contracts, not yet invoiced or paid.

**AGENDA**  
**COMMITTEE ON REAL ESTATE AND FACILITIES**  
**November 12, 2014**

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2. West Campus Dining Commons, Georgia Institute of Technology	2
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6. Authorization of Project No. BR-10-1410, Irrigation System for Iron Horse Farm, University of Georgia	6
7. Authorization of Project Budget Modification, Project No. BR-50-1302, Science Park Phase II, Georgia State University	7
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## **AGENDA**

### **COMMITTEE ON REAL ESTATE AND FACILITIES**

**November 12, 2014**

**1. Environmental and Occupational Safety Annual Report**

In conformance with Board of Regents policy 9.12.4, Environmental and Occupational Safety, the University System of Georgia Chief Facilities Officer, Vice Chancellor Jim James, will update the Board on environmental and occupational safety activities for Fiscal Year 2014.

**2. West Campus Dining Commons, Georgia Institute of Technology**

Georgia Institute of Technology proposes to construct a new dining facility on their main campus referred to as the West Campus Dining Commons.

The proposed West Campus Dining Commons would replace the existing 400-seat dining facility in Woodruff Residence Hall, which would be repurposed for other residence life programs. The new facility would provide residential and retail dining services for students residing on the West Campus, and would be funded by \$25 million in Auxiliary Reserves and \$4 million in Foundation gifts and donations for a total project cost of \$29 million.

The proposed project schedule anticipates the opening of West Campus Dining Commons in time for the Fall 2017 Academic Semester. The next step involves the appropriate level of detailed development, including further scope and budget definition, due diligence, and requisite authorizations by the Board.



**3. Ledger-Enquirer Building, Columbus State University**

Columbus State University proposes to acquire and renovate the Ledger-Enquirer Building, located on 12<sup>th</sup> Street in downtown Columbus, for academic use.

The approximately 170,000 square foot office complex is adjacent to Columbus State University's RiverPark Campus and has been the home of the Ledger-Enquirer newspaper since 1930. The original 57,000 square foot Alvah Chapman Building was constructed in 1930, renovated in 1952, and placed on the National Register of Historic Places in 1981.

As the newspaper's operations expanded, the Page Building and office tower was added in 1972, and the Ashworth Building in 1988.

Columbus State University has been a key player in the redevelopment of Uptown Columbus over the past twelve years, and more recently has actively engaged in a comprehensive campaign to secure donations to acquire and adaptively reuse the Ledger-Enquirer Building for academic use. The institution has conducted a thorough architectural and engineering review of plans for the complex and a space needs assessment in support of potential construction of enhanced facilities to support the College of Education and Health Professions.

Columbus State University's Property Foundation would acquire the Ledger-Enquirer Building and renovate the historic Alvah Chapman Building, with possible demolition of some warehouse and production space on the property to allow for construction of new facilities. All of the Foundation's design, renovation, and construction activities at the site will be funded solely by donations. No state funds will be used for design or construction. Office of Real Estate and Facilities staff will engage with Columbus State University and the Foundation to review and approve program and design documents for compliance with design standards as outlined in the Building Project Procedures Manual.

Upon completion of the project, Columbus State University would lease the facility for a nominal rate from the Foundation. The Foundation would gift the property and all improvements to the Board of Regents after all associated financial obligations are met and no debt remains on the property or improvements.

The next step involves the appropriate level of detailed development, including further scope and budget definition, financing, due diligence, and requisite authorizations by the Board.

**4. Higher Education Center in Cordele, Darton State College**

Darton State College proposes to lease the newly-constructed Higher Education Center in Cordele and begin offering academic programs at that location in January 2015.

In October 2008, the Board received a briefing on a proposed new instructional facility for Darton College to be constructed by the local community and gifted to the Board of Regents. This economic development project was initiated to increase access to higher education programs in downtown Cordele.

Since that time, the Cordele-Crisp County Industrial Development Council and Cordele-Crisp County Industrial Development Authority have constructed an approximately 65,000 square foot building in downtown Cordele at 134 8<sup>th</sup> Street North known as the Higher Education Center. The three-story building contains classrooms, laboratories, and offices, and sits on a five-acre site that encompasses two city blocks. The project has been funded by donations from business and industry and an \$8 million special-purpose local-option sales tax. The community will be seeking additional funds from the legislature during the upcoming session to complete build out of a multi-purpose room and the second floor of the building, and to make exterior and infrastructure upgrades to the site.

Darton State College will be moving from 17,000 square feet of leased space in its current satellite center in Cordele into the new facility. Upon execution of a lease for the new facility, Darton State College will install information technology and furniture in the building in preparation for startup with the Spring 2015 semester. It is anticipated that the Board will be requested to take future action concerning the gift of this property and improvements.

**5. Authorization of Project No. BR-10-1409, Central Steam Plant Boiler Replacement, University of Georgia**

Recommended: That the Board authorize Project No. BR-10-1409, Central Steam Plant Boiler Replacement, University of Georgia with a total project budget of \$4,500,000 and estimated construction cost of \$4,200,000. The project will be funded by \$2,400,000 in institutional funds and \$2,100,000 in an internal loan from University of Georgia endowment and loan funds to be repaid from the energy cost savings realized by this project.

Understandings: The existing coal-fired boiler at the Central Steam Plant is fifty years old, near the end of its useful life, and utilized only during the winter heating season.

A recent study by Jacobs Engineering determined that replacing this boiler with an electrically-powered electrode boiler will save approximately \$500,000 per year compared to operation of the coal-fired boiler. This replacement would support the flexibility to consume three fuels (natural gas, heating oil, electricity) at the Central Steam Plant, mitigate the risk of a campus steam interruption due to emergency situations, and generate steam in the most cost effective manner.

This project will remove the coal-fired boiler and install an electrode boiler for campus steam production at the Central Steam Plant. Approximately 3,000 feet of additional high voltage circuit will also be installed from the main campus electrical substation to the boiler. The boiler needs to be operational prior to the winter of 2015/2016.

The project is consistent with the University of Georgia's master plan.

If authorized by the Board, the University of Georgia will proceed with design and construction of the project in accordance with Board of Regents procedures.

6. **Authorization of Project No. BR-10-1410, Irrigation System for Iron Horse Farm, University of Georgia**

Recommended: That the Board authorize Project No. BR-10-1410, Irrigation System for Iron Horse Farm, University of Georgia, with a total project budget of \$2,870,000 and estimated construction cost of \$2,700,000. The project will be fully funded from proceeds from the sale of the Oconee County Plant Sciences Farm, which are held in a land account and available for such improvements.

Understandings: This project will install an automated irrigation system to support the crop and soil science research programs performed by the College of Agricultural and Environmental Sciences at Iron Horse Farm in Oconee and Greene Counties. The system will cover all plots to be planted and maintained for research and will be installed in five phases, with each phase serving distinct areas of the farm.

In August 2012, the Board authorized the sale of the approximately 522 acre Plant Sciences Farm, and was advised that the proceeds from the sale would be used by the University of Georgia for crop research, including acquisition of appropriate crop research property.

In November 2012, the Board authorized the purchase of approximately 600 acres of agriculturally improved real property located on Georgia Highway 15 in Oconee and Greene Counties using proceeds from the sale of the Plant Sciences Farm. The Board was advised that capital investment of \$3,200,000 for irrigation systems and related equipment and other improvements would be required at the property, now known as Iron Horse Farm.

The project is consistent with the University of Georgia's master plan regarding operation of research property.

If authorized by the Board, the University of Georgia will proceed with design and construction of the project in accordance with Board of Regents procedures.

7. **Authorization of Project Budget Modification, Project No. BR-50-1302, Science Park Phase II, Georgia State University**

Recommended: That the Board modify the budget of Project No. BR-50-1302, Science Park Phase II, Georgia State University to increase the total project budget from \$25,536,000 to \$27,436,000.

Understandings: The Science Park Phase II project, approved by the Board in January 2013, is in construction. This budget modification will provide for the increase in the total project cost due to increased local construction market rates. The Stated Cost Limitation will increase from \$20,950,000 to \$22,850,000.

The project team has engaged in extensive value management efforts, including scope reduction and redesign, to reduce the construction cost. Further cost savings measures would require loss of critical scope and compromise project quality and schedule.

Funding of this cost increase of \$1,900,000 will be from institutional indirect cost recovery funds.

	<u>January 2013</u>	<u>Now</u>
Total Project Cost:	\$25,536,000	\$27,436,000
Construction Cost (Stated Cost Limitation):	\$20,950,000	\$22,850,000

**8. Appointment of Energy Service Provider, Project No. BR-10-1408, Guaranteed Energy Savings Performance Contract, University of Georgia**

Recommended: That the Board approve the ranking of the energy service providers listed below for the identified project, authorize audit agreement negotiations to proceed with the top ranked firm, and authorize the execution of an audit agreement with the top-ranked firm. Should it not be possible to execute an audit agreement with the top ranked firm, staff will then negotiate and execute an audit agreement with the other listed firms in rank order.

Understandings: In January 2014, the Board was informed of the State's Guaranteed Energy Savings Performance Contract program administered by the Georgia Environmental Finance Authority.

Understandings: University of Georgia has identified energy conservation measures that meet the criteria of the aforementioned program. These improvements will be made in these locations on campus:

- Ramsey Student Center
- Performing and Visual Arts Center
- Animal and Dairy Sciences Center

Understandings: After appointment, the selected energy services provider will conduct an Investment Grade Energy Audit of the facilities to identify Energy Conservation Measures, with related energy cost savings, which meet the scope of this project. The most advantageous energy conservation measures will be selected by University of Georgia and will determine the cost and scope of the project. The project will be brought forward to the Board for authorization prior to the execution of the Guaranteed Energy Savings Performance Contract with the selected firm.

Understandings: Construction funding for the project will be from one of four financing companies recently approved through a selection process administered by the Georgia State Financing and Investment Commission. Guaranteed energy savings derived as a result of the project construction will pay the annual financing costs.

Understandings: Following public advertisement, a qualifications-based selection process was held in accordance with Board of Regents procedures.

Number of firms that applied for this commission: 3

Recommended firms in rank order:

- 1)
- 2)
- 3)

**9. Acquisition of Real Property, Big Shanty Road, Kennesaw State University**

Recommended: That the Board authorize the purchase of approximately 3.66 acres of unimproved real property on Big Shanty Road immediately East of I-75, Kennesaw, from Cobb County for \$845,000 for the use and benefit of Kennesaw State University.

Recommended further: That the legal details involved with this purchase of real property be handled by the Georgia Department of Law.

Understandings: In August 2013, this project was identified to the Board as part of the Integrated Review Information Item.

Acquisition of this real property is consistent with the Kennesaw State University master plan.

If acquired the real property will be used to connect the Kennesaw State University Main Campus to the Kennesaw State University East Campus, to alleviate traffic congestion, and for future campus development.

Three independent appraisals of the real property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
Joseph Ball, MAI, Atlanta	\$840,000	
Gary L. Bernes, MAI, ISHC, Marietta	\$842,000	\$845,000
David Childers, MAI, Atlanta	\$853,000	

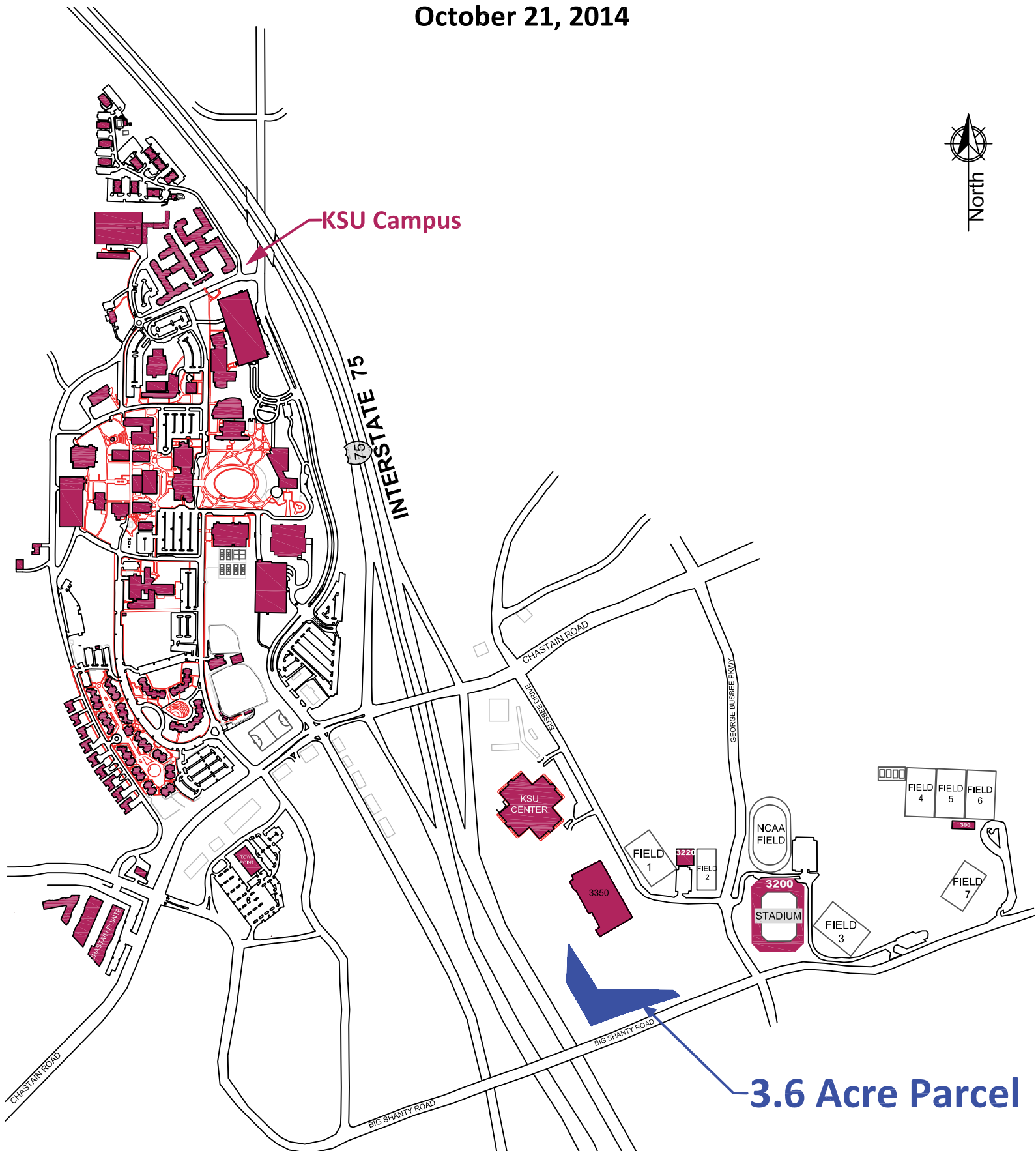
An environmental site assessment has been conducted and indicates no significant adverse environmental issues.

There are no restrictions on the acquisition and no known reversions, restrictions, or adverse easements on the real property.

Funding for the purchase is from Project J-199 Kennesaw State University Infrastructure Expansion.

# KENNESAW STATE UNIVERSITY

October 21, 2014





10. **Gift of Real Property, Shoal Creek, North Pine Hill Road, Griffin, University of Georgia**

Recommended: That the Board accept a gift of approximately 27.02 acres of unimproved real property located at North Pine Hill Road, Griffin, from the Shoal Creek Development Company for the use and benefit of the University of Georgia.

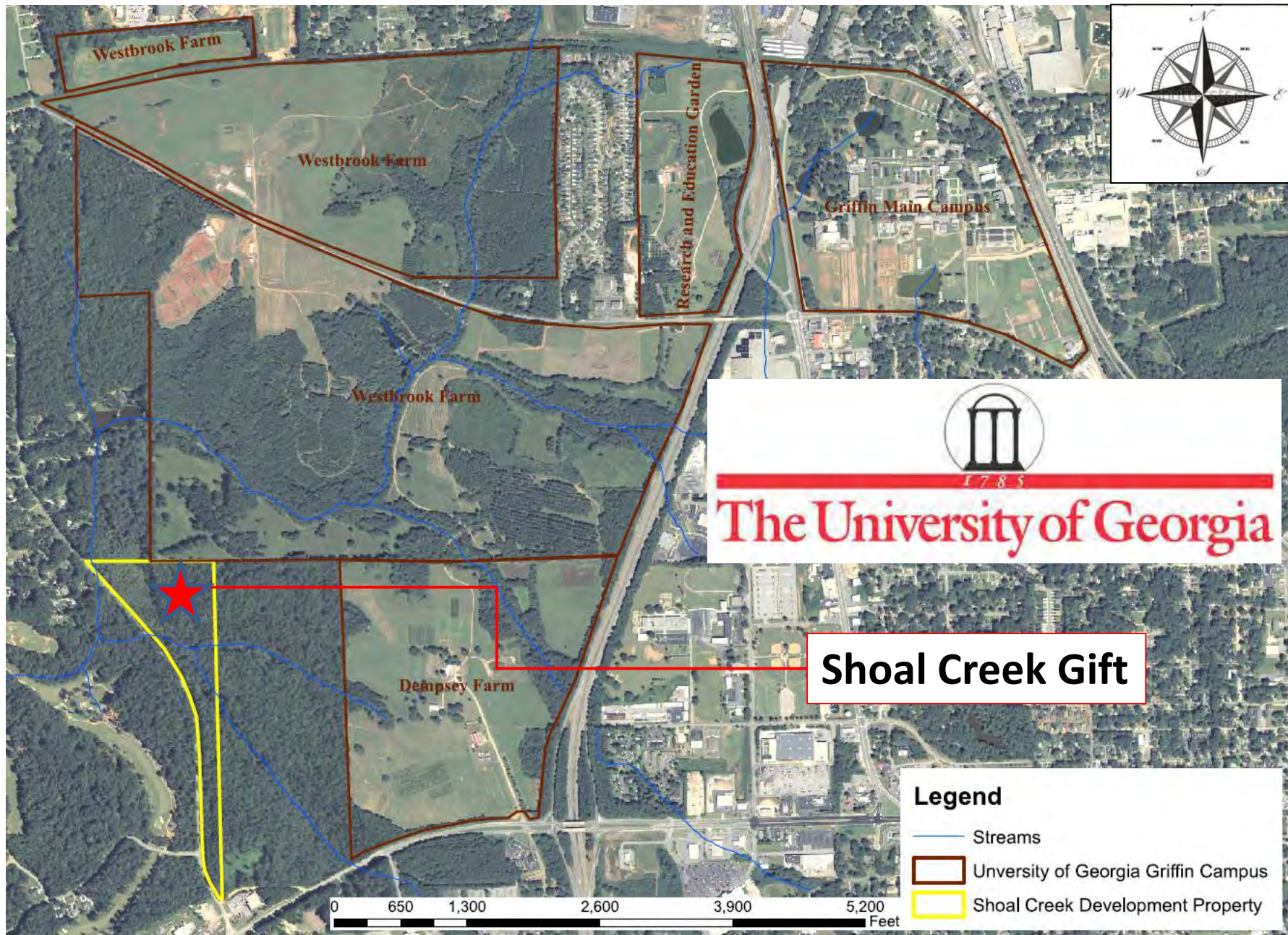
Recommended further: That acquisition of this real property be subject to completion of an environmental assessment of the real property indicating no significant problems or, if environmental problems are indicated, said problems be mitigated before the real property is acquired.

Recommended further: That the legal details involved with accepting this gift of real property be handled by the Georgia Department of Law.

Understandings: If acquired the real property will allow the University of Georgia to create an entry point from North Pine Hill Road into the southern side of the University of Georgia's adjacent Westbrook Farm for improved operational and maintenance efficiency.

An appraisal conducted by Paul A. Laneback, MAI, Macon, values the property at \$67,550.

There are no restrictions on the gift and no known reversions, restrictions, or adverse easements on the real property.



**11. Disposition of Real Property, State Route 362, Pike County, University of Georgia**

Recommended: That the Board declare approximately 80.22 acres of real property located at the intersection of State Route 362 and Beeks Road, Pike County, to be no longer advantageously useful to the University of Georgia or other units of the University System of Georgia but only to the extent and for the purpose of allowing the sale of this real property to Kermit V. Shaw and Sharon J. Shaw.

Recommended further: That the Board authorize the sale of the above referenced real property to Kermit V. Shaw and Sharon J. Shaw for \$320,880.

Understandings: The University of Georgia College of Agricultural and Environmental Sciences no longer uses this property for research purposes due to its small size and the limited availability of irrigation water. Research previously conducted on this property has been relocated to other farms in close proximity to the Griffin Campus.

Three independent appraisals of the real property are as follows:

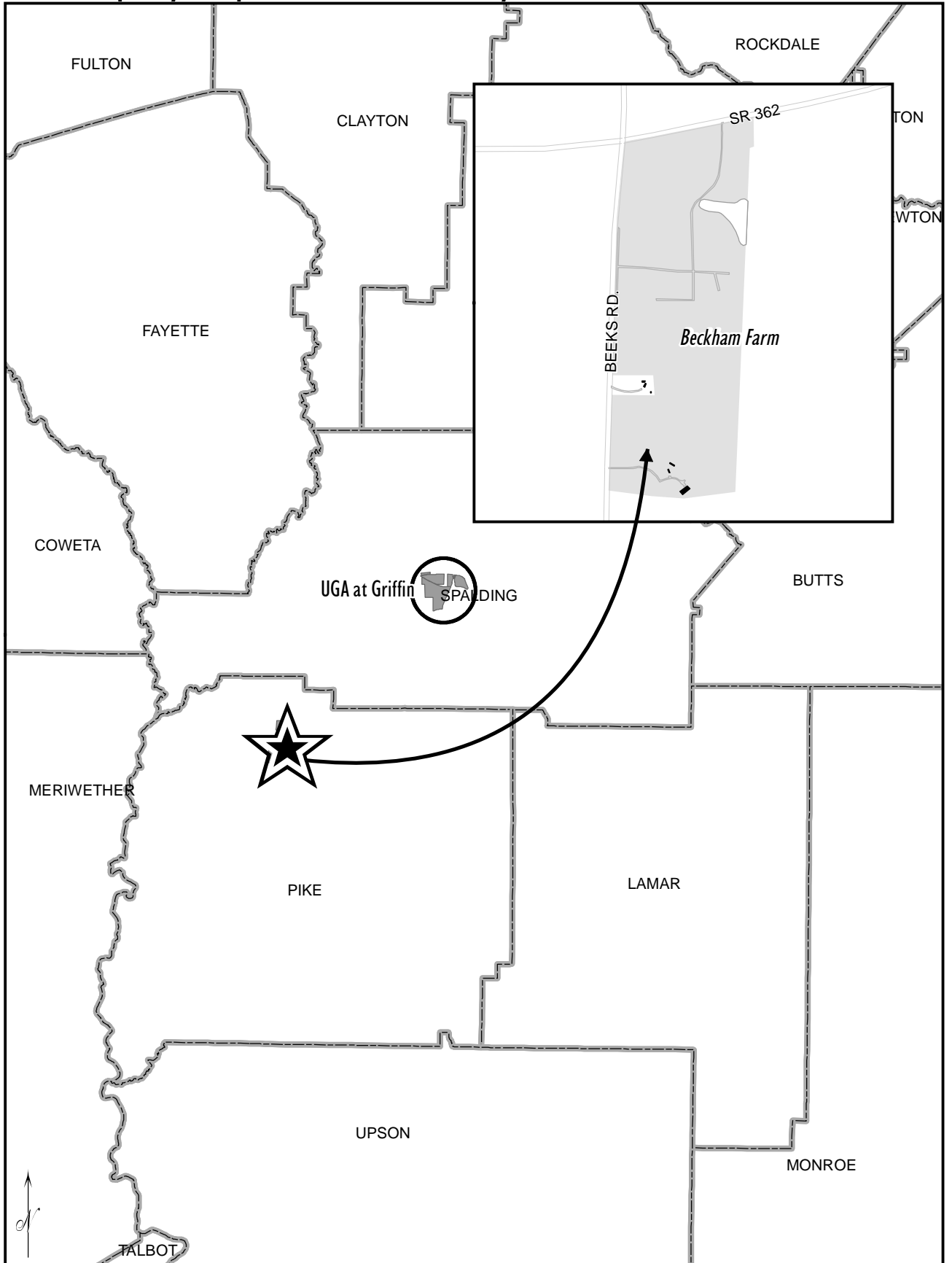
<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
Paul A. Laneback, MAI, Macon	\$240,000	
Gary L. Stroup, Macon	\$248,700	\$243,120
Anthony R. Singletary, Griffin	\$240,660	

The sale proceeds will offset maintenance costs at other University of Georgia farms.



# Real Property Disposition, Pike County

November 2014



**12. Amendment to Master Lease Agreement Between the Board of Regents and MCG Health, Inc.**

Recommended: That the Board authorize an amendment of the existing Master Lease Agreement between the Board of Regents and MCG Health Inc. (“MCGHI” or “Georgia Regents Medical Center”) to provide for a renewal term of 40 years for the purpose of securing favorable bond financing for the facilities covered by the Master Lease Agreement.

Recommended further: That the Board authorize an amendment to the existing Master Lease Agreement and related documents between the Board of Regents and MCGHI to modify the rent for the purpose of providing a more certain payment stream to Georgia Regents University.

Recommended further: That the terms of the Master Lease Agreement and related documents be subject to review of the Georgia Department of Law.

Understandings: The existing Master Lease Agreement between the Board of Regents and MCGHI was executed in 2000 and provided an initial 10-year term with the option of three, 10-year extensions of the lease term through 2040. The last renewal was executed in 2010. Only 26 years remain under the existing Master Lease if all the remaining extensions are exercised. Extension of the lease term to 40 years is necessary to facilitate refinancing through a fixed rate tax exempt bond issue that is expected to lower the annual debt service payment for MCGHI.

This amendment will also eliminate the current fluctuation of a MCGHI net income formula rent payment, and guarantee an annual rent payment of \$4,000,000, of which \$500,000 will be allocated to the Georgia Health Sciences Foundation (“GHSF”), a cooperative organization providing fundraising and philanthropic support to GRU and the entities that comprise Georgia Regents Health System. The GHSF payment would be made in lieu of a 3% net income payment currently made in other related documents. The new rent will also include conditions for a margin allocation payment beyond the \$4,000,000; such payment to be made to Georgia Regents University and for use by Georgia Regents University.

Future action will be required by the Georgia Regents Medical Center Board to approve any refinancing through future revenue bonds or other long term fixed rate debt secured under the amended Master Lease Agreement. The Medical Center Board’s action would require ratification by the Georgia Regents Health System Board.



## **AGENDA**

### **COMMITTEE ON INTERNAL AUDIT, RISK, AND COMPLIANCE**

**November 12, 2014**

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#### **APPROVAL ITEMS**

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#### **INFORMATION ITEMS**

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| 2. Executive Session | 2 |
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## **AGENDA**

### **COMMITTEE ON INTERNAL AUDIT, RISK, AND COMPLIANCE**

**November 12, 2014**

#### **1. Approval Item: Internal Audit Plan**

Recommended: That the Board approve the November 2014 System Office Internal Audit Plan as outlined in Attachment A. Be it further resolved that the University System of Georgia Chief Audit Officer be authorized to approve revisions and modifications to the System Office internal audit plan with notification to the Chair of the Committee on Internal Audit, Risk, and Compliance.

Recommended: That the Board approve the institutional internal audit plans as outlined in Attachment B. Be it further resolved that the University System of Georgia Chief Audit Officer be authorized to approve revisions and modifications to institutional internal audit plans.

Background: Internal audit professional standards require the Chief Audit Officer to establish risk-based audit plans. The USO Office of Internal Audit and Compliance (OIAC) audit plan is prepared on a “rolling” basis to include near-term (one to six months), medium-term (seven to 12), and long-term (13-18) months. The OIAC audit plan and risk assessment is intended to assist management address significant governance, risk management, compliance, and internal control risks through internal audit assurance and consulting engagements. The audit plan and risk assessment will be presented to the Committee for review and approval approximately two times per year. The Chief Audit Officer may modify the plan as needed and will report changes to the Chair of the Committee on Internal Audit, Risk, and Compliance. Changes also will be noted in the periodic updates to the plan as presented by the Chief Audit Officer.

The Chief Audit Officer and Associate Vice Chancellor is charged with providing oversight, on behalf of the Board of Regents Committee on Internal Audit, Risk, and Compliance, to the 28 institutional audit functions within the University System of Georgia. As part of this oversight process, institutional chief auditors provide their campus audit plans to the Chief Audit Officer for review and approval. The System Office audit staff reviews these plans and recommends the plan for review and approval to the Chief Audit Officer. The remaining institutions receive internal audit coverage only through Office of Internal Audit and Compliance engagements.

At this meeting, Chief Audit Officer and Associate Vice Chancellor John Fuchko, III will update the Committee on the audit plans for the next 18 months.

**2. Executive Session: Personnel Matters**

The Committee will meet in Executive Session to discuss personnel matters.