



**UNIVERSITY SYSTEM
OF GEORGIA**

Board of Regents' September 15, 2020 agenda

9:30 AM

Call to Order
Chairman Sachin D. Shailendra

Room 7007

Invocation/ Pledge of Allegiance
Chairman Sachin D. Shailendra
Secretary Edward Tate

Approval of Minutes
Secretary Edward Tate
August 11, 2020 Minutes

Fiscal Year 2022 Operating Budget Request
Chairman Sachin D. Shailendra
Ms. Tracey Cook, Executive Vice Chancellor, Strategy & Fiscal
Affairs

Chancellor's Report
Chancellor Steve Wrigley

Committee Reports
A. Academic Affairs - Regent Erin Hames
B. Organization & Law - Regent C. Thomas Hopkins, Jr.
C. Personnel & Benefits - Regent Neil L. Pruitt, Jr.
D. Real Estate & Facilities - Regent Samuel D. Holmes

Unfinished Business
Chairman Sachin D. Shailendra

New Business
Chairman Sachin D. Shailendra

Nominating Committee
Regent Harold Reynolds

Petitions and Communications
Secretary Edward Tate

Executive Session
Chairman Sachin D. Shailendra

Reconvene
Chairman Sachin D. Shailendra

Adjournment
Chairman Sachin D. Shailendra

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
Atlanta, Georgia
August 11, 2020**

CALL TO ORDER

The Board of Regents of the University System of Georgia met at 9:30 a.m. on Tuesday, August 11, 2020, in Room 7007 of the Board's offices, 270 Washington St., SW, Atlanta, Georgia, and simultaneously accessible by BOR Webcast and telephonic dial in. The Chairman of the Board, Regent Sachin Shailendra, called the meeting to order. Present, in addition to Chairman Shailendra, were Vice Chairman James M. Hull; Regents W. Allen Gudenrath; Erin Hames; Bárbara Rivera Holmes; Samuel D. Holmes; C. Thomas Hopkins, Jr.; Cade Joiner; Everett Kennedy; Rachel B. Little; Lowery May; Jose R. Perez; Neil L. Pruitt, Jr.; Sarah-Elizabeth Langford Reed; Harold Reynolds; T. Dallas Smith; Kessel D. Stelling, Jr.; Don L. Waters; and Philip A. Wilheit, Sr.

INVOCATION AND PLEDGE

Secretary to the Board Edward Tate gave the invocation and led the Pledge of Allegiance.

APPROVAL OF MINUTES

With motion made and properly seconded, the Regents present voted unanimously to approve the minutes of the Board's meetings of May 12, June 9, June 26, July 1, and July 8, 2020.

2021 HEALTHCARE PLAN

Associate Vice Chancellor of Total Rewards Karin Elliott reviewed the performance of the University System of Georgia (USG) healthcare plan compared to national trends. In 2019, the USG experienced a 1.9% increase in annual claims cost per covered employee, compared to a 5.7% average national increase. The USG anticipates an increase in claims costs in 2020 due to treatment of COVID-19 and a decrease in costs due to the delay or omission of care that would have occurred under routine circumstances. Associate Vice Chancellor Elliott thanked the members of the Total Rewards Steering Committee for their work in reviewing the USG's benefits programs, healthcare data, and programming.

Associate Vice Chancellor Elliott then gave an overview of the proposed 2021 healthcare plan, premiums, and recommended employer contribution for 65+ Medicare-eligible retirees. There were no recommended plan design changes, a slight increase in premiums for employees at the family tier, and no changes to the 65+ Medicare-eligible retiree employer contribution. She announced that the USG recently completed a successful procurement for a third party administrator for its self-insured healthcare plans and selected Anthem as the vendor. The USG has also partnered with Accolade to provide care management and navigation services that will assist employees with healthcare questions and improve their interactions with the healthcare system.

With motion made and properly seconded, the Regents present unanimously approved the health plans and premiums as presented.

With motion made and properly seconded, the Regents present unanimously approved the 2021 65+ Medicare-eligible employer healthcare contribution.

FISCAL YEAR 2022 CAPITAL BUDGET REQUEST

Vice Chancellor for Real Estate & Facilities Sandra Neuse presented the Fiscal Year (FY) 2022 Capital Budget Request of \$276.85 million for the USG and its pass-through institutions.

With motion made and variously seconded, the Regents present unanimously approved the FY 2022 Capital Budget Request as presented.

NEW ONLINE DELIVERY MODEL

Executive Vice Chancellor and Chief Academic Officer Tristan Denley gave a presentation about the proposed eDegree, a new online degree model that will expand educational opportunities for adult learners in Georgia. The eDegree model will be available to all USG institutions and will offer credit for prior learning, including transfer credits and applicable life and work experience. The program will have a single, all-inclusive pricing model per credit hour and all education and student support services will be provided remotely through a shared services model. The program's format and instructional model are a more appropriate fit for busy adult learners and will help the USG serve the large population of online adult learners in the state who enroll at non-USG institutions.

CHANCELLOR'S REPORT

Chancellor Wrigley began his report by welcoming everyone to a fall semester like no other. He thanked the Regents for their hard work and leadership during the past several months. He also thanked USG presidents, faculty, and staff for their willingness to learn about public health protocols, epidemiology, clinical standards, a complex testing landscape, and other new issues related to the pandemic in order to keep our campuses safe. Lastly, the Chancellor thanked University System Office staff members for their tireless work in providing guidance and support to USG campuses as we all adapt to the new normal.

Chancellor Wrigley spoke of the USG's ongoing efforts to combat the COVID-19 pandemic while still providing a quality education to the students of Georgia. He described the measures that are being taken across the USG to protect students and employees, including the development of institution-specific plans, the implementation of social distancing rules, and the use of face coverings and other personal protective equipment. The Chancellor also emphasized the importance of physical presence on campus to the student experience, and how hybrid or online-only instruction would be detrimental both to students and to the USG.

Chancellor Wrigley then mentioned several highlights from across the University System. The USG awarded 70,879 degrees in FY 2020, the most ever and the largest year-over-year increase since joining the Complete College America initiative in 2011. He welcomed Dr. Brendan Kelly, the new president of the University of West Georgia, and congratulated Dr. David Bridges, the longest-serving president of Abraham Baldwin Agricultural College, who has been in this role for 15 years. The Chancellor also congratulated Georgia State University (GSU) and GSU President Mark Becker, who were awarded a record-breaking \$150.2 million in research funding in FY 2020. Funds from these awards will expand teacher residency programs in rural Georgia and apply advanced machine learning in the fight against Alzheimer's disease, among other projects

Chancellor Wrigley concluded his remarks with a historical note. On this day in 1918, a ship carrying passengers infected with the new influenza virus arrived in New York City—the city's first cases of the deadliest pandemic in modern world history. A century later, as we combat a new pandemic using more advanced medicine and technology, the Chancellor reminded everyone to wear a mask, wash their hands, and keep their distance.

COMMITTEE REPORTS

Reports of the standing committees are attached hereto. Upon motions made and duly seconded, the Board unanimously approved and adopted the reports of the following committees:

- the Committee on Academic Affairs
- the Committee on Intercollegiate Athletics
- the Committee on Internal Audit, Risk and Compliance
- the Committee on Organization & Law
- the Committee on Real Estate & Facilities

UNFINISHED BUSINESS

There was none.

NEW BUSINESS

With motion made and properly seconded, the Regents present unanimously approved the proposed BOR meeting dates for 2021.

Chairman Shailendra appointed the Regents' Nominating Committee to select Board officers for 2021. Regents Rachel B. Little; Neil L. Pruitt, Jr.; and Harold Reynolds will serve on the Committee, with Regent Reynolds as chair. With motion made and variously seconded, the Regents present voted unanimously to approve the roster of the Regents' Nominating Committee.

PETITIONS AND COMMUNICATIONS

A petition regarding a naming request was presented to the Board for review. Secretary to the Board Edward Tate announced that the next BOR meeting will be held on September 9, 2020, at the Board's offices in Atlanta.

EXECUTIVE SESSION

Chairman Shailendra called for an executive session at approximately 10:30 a.m. to discuss personnel matters. With motion properly made and seconded, the Regents present voted unanimously to go into executive session.

RECONVENE

Following the executive session, Chairman Shailendra reconvened the Board in its regular session at approximately 11:07 a.m. and announced that the Board took no actions during the executive session.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 11:08 a.m.

Sachin D. Shailendra
Chairman, Board of Regents
University System of Georgia

Edward M. Tate
Secretary, Board of Regents
University System of Georgia

MINUTES OF THE COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs of the Board of Regents of the University System of Georgia met at 9:00 a.m. on Thursday, August 6, 2020, via a telephonic meeting in light of the Georgia Public Health State of Emergency due to COVID-19. Committee Chairwoman Erin Hames called the meeting to order. Present, in addition to Chairwoman Hames, were Committee Vice Chairwoman Bárbara Rivera Holmes; Regents W. Allen Gudenrath; C. Thomas Hopkins, Jr.; Rachel B. Little; Lowery May; Jose R. Perez; and Don L. Waters. Chancellor Steve Wrigley, Board Chairman Sachin Shailendra, and Board Vice Chairman James M. Hull also were present. Unless otherwise noted, the Regents present approved all items unanimously.

ACTION ITEMS

1. The Committee approved the establishment of a Bachelor of Business Administration with a Major in Data Intelligence and Business Analytics at the University of West Georgia.
2. The Committee approved the establishment of a Master of Science in Athletic Training (M.S.A.T.) at the University of Georgia.
3. The Committee approved the establishment of a Master of Education with a Major in College Student Affairs at the University of West Georgia.
4. The Committee approved the establishment of an Occupational Therapy Doctorate at Georgia State University.
5. The Committee approved the establishment of a Ph.D. in Communication Sciences and Disorders at Georgia State University.

CONSENT ITEMS

6. The Committee approved the establishment of several endowed faculty positions at Augusta University, the Georgia Institute of Technology, and the University of Georgia.
7. The Committee approved appointments to several named faculty positions at Augusta University, Georgia State University, the Georgia Institute of Technology, and the University of Georgia.

ADJOURNMENT

There being no further business for Committee consideration, the meeting adjourned at 9:11 a.m. on Thursday, August 6.

MINUTES OF THE COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law of the Board of Regents of the University System of Georgia met at 9:12 a.m. on Thursday, August 6, 2020, via a telephonic meeting in light of the Georgia Public Health State of Emergency due to COVID-19. Committee Chairman Don L. Waters called the meeting to order. Present, in addition to Chairman Waters, were Committee Vice Chairman C. Thomas Hopkins, Jr.; Regents W. Allen Gudenrath; Erin Hames; Bárbara Rivera Holmes; Rachel B. Little; Lowery May; and Jose R. Perez. Chancellor Steve Wrigley, Board Chairman Sachin Shailendra, and Board Vice Chairman James M. Hull also were present. Unless otherwise noted, the Regents present approved all items unanimously.

INFORMATION ITEM

1. The Committee heard a report about actions taken pursuant to the Chancellor's delegated authority.

APPROVAL ITEMS

2. The Committee approved Georgia Institute of Technology President Ángel Cabrera's request to award an honorary degree to Mr. Stephen P. Zelnak, Jr.
3. The Committee approved Georgia Southern University entering into a mutually beneficial aid agreement with the City of Savannah.
4. The Committee approved proposed revisions to *The Board of Regents Policy Manual*, Sections 6.7, Sexual Misconduct Policy, and 4.6.5, Standards for Institutional Student Conduct Investigation and Disciplinary Proceedings, in response to new Title IX regulations issued by the U.S. Department of Education.

EXECUTIVE SESSION

Chairman Waters called for an executive session at 9:15 a.m. to discuss personnel matters and student records. With motion properly made and seconded, the Regents who were present voted unanimously to go into executive session. An affidavit regarding this executive session is on file in the Office of the Secretary to the Board.

RECONVENE

After the Committee exited executive session, Chairman Waters reconvened the Committee in its regular session at 9:34 a.m. and announced that no actions were taken during the executive session.

ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 9:34 a.m. on Thursday, August 6.

**MINUTES OF THE
COMMITTEE ON INTERNAL AUDIT, RISK AND COMPLIANCE**

The Committee on Internal Audit, Risk, and Compliance of the Board of Regents of the University System of Georgia met at approximately 10:32 a.m. on Thursday, August 6, 2020, via a telephonic meeting in light of the Georgia Public Health State of Emergency due to COVID-19. Committee Chairman Philip A. Wilheit, Sr., called the meeting to order. Present, in addition to Chairman Wilheit, were Committee Vice Chairman Cade Joiner; Regents Samuel D. Holmes; Everett Kennedy; Neil L. Pruitt, Jr.; Sarah-Elizabeth Langford Reed; Harold Reynolds; and Kessel D. Stelling, Jr. Chancellor Steve Wrigley, Board Chairman Sachin Shailendra, and Board Vice Chairman James M. Hull also were present. Regent T. Dallas Smith was excused. Unless otherwise noted, the Regents present approved all items unanimously.

INFORMATION ITEMS

1. Director of Ethics and Compliance Wesley Horne provided an overview of the Calendar Year 2019 Ethics Awareness Week Activities. Vice Chancellor for Organizational Effectiveness Dr. John M. Fuchko, III, covered EthicsLine reporting results as of the end of calendar year 2019.

ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 10:43 a.m. on Thursday, August 6.

MINUTES OF THE COMMITTEE ON REAL ESTATE & FACILITIES

The Committee on Real Estate and Facilities of the Board of Regents of the University System of Georgia met on Thursday, August 6, 2020, at approximately 10:43 a.m. via a telephonic meeting in light of the Georgia Public Health State of Emergency due to COVID-19. Committee Chairman Samuel D. Holmes called the meeting to order. Present, in addition to Chairman Holmes, were Regents Cade Joiner; Everett Kennedy; Neil L. Pruitt, Jr.; Sarah-Elizabeth Langford Reed; Harold Reynolds; Kessel D. Stelling, Jr.; and Philip A. Wilheit, Sr. Chancellor Steve Wrigley, Board Chairman Sachin Shailendra, and Board Vice Chairman James M. Hull also were present. Committee Vice Chairman T. Dallas Smith was excused. Unless otherwise noted, the Regents present approved all items unanimously.

INFORMATION ITEM

1. Vice Chancellor for Real Estate and Facilities Sandra Lynn Neuse briefed the Committee on Chancellor Wrigley's approval of 13 public private venture rental agreements and two operating rental agreements for the University of Georgia, and his approval of a 10-month rental agreement for Valdosta State University.

CONSENT ITEMS

2. The Committee authorized Project No. BR-90-2101, Carmichael Student Center Bookstore Relocation/Renovation, for Kennesaw State University.
3. The Committee authorized Project No. BR-90-2102, Marietta Campus Recreation Center Renovation, for Kennesaw State University.
4. The Committee authorized Project No. BR-66-2101, South Campus Roadway Extension, and Conveyance of Property, for Georgia Southern University.
5. The Committee approved a sub-rental agreement in Fairborn, Ohio, for the Georgia Institute of Technology.

APPROVAL ITEMS

6. The Committee adopted the Resolution 2021 General Obligation Bond Issue requesting the issuance of bonds by the State of Georgia through the Georgia State Financing and Investment Commission.
7. The Committee authorized the allocation of Fiscal Year 2021 Major Repair and Rehabilitation funds to the institutions in accordance with staff recommendations.
8. The Committee approved an amendment to extend the rental agreement for the Sports and Recreation Park on the Kennesaw campus of Kennesaw State University ("KSU") and a ground lease and rental agreement associated with the renovation of Howell Hall on KSU's Marietta campus.
9. The Committee approved the naming of the Carnes Hall for Music at Clayton State University
10. The Committee approved the naming of Center Parc Credit Union Stadium at Georgia State University.

ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 10:53 a.m. on Thursday, August 6.

**MINUTES OF THE
COMMITTEE ON INTERCOLLEGIATE ATHLETICS**

The Committee on Intercollegiate Athletics of the Board of Regents of the University System of Georgia met at 10:53 a.m. on Thursday, August 6, 2020 via a telephonic meeting in light of the Georgia Public Health State of Emergency due to COVID-19. Committee Chairwoman Sarah-Elizabeth Langford Reed called the meeting to order. Present, in addition to Chairwoman Langford Reed, were Committee Vice Chairman Everett Kennedy and Regents Samuel D. Holmes and Cade Joiner. Chancellor Steve Wrigley, Board Chairman Sachin Shailendra, and Board Vice Chairman James M. Hull also were present. Regent T. Dallas Smith was excused. Unless otherwise noted, the Regents present approved all items unanimously.

INFORMATION ITEM

Vice Chancellor for Organizational Effectiveness Dr. John M. Fuchko, III, presented the Fiscal Year 2019 intercollegiate athletics results.

ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 11:03 a.m. on Thursday, August 6.

AGENDA

FINANCE AND BUSINESS OPERATIONS

September 15, 2020

Agenda Item

Page No.

APPROVAL ITEM

1. Fiscal Year 2022 Operating Budget Request

1

AGENDA

FINANCE AND BUSINESS OPERATIONS

September 15, 2020

1. Fiscal Year 2022 Operating Budget Request

Recommended: That the Board approve the fiscal year (“FY”) 2022 Operating Budget Request.

Background: The Fiscal Year 2022 budget request instructions from the Office of Planning and Budget (OPB) called for agency budget request submissions equivalent to the FY 2021 budget levels. The Board of Regents is permitted to request increased funds for the funding formula (Teaching Program) for workload increases related to increased student credit hours and increased square footage of campus facilities.

Appendix I outlines the recommended FY 2022 operating request.

FY 2022 Formula Request (Appendix I: \$61,871,987)

Almost ninety percent of the annual University System of Georgia (USG) budget is provided through a funding formula. The formula uses credit hour changes and campus square footage to calculate the additional state funds required due to the growth of the USG’s student body. Full funding of the formula remains the most critical factor of the annual budget request and allows the USG to keep tuition costs low for students. These funds assist the USG in meeting enrollment demands, provide maintenance and operations for new facilities, and allow the Board to pursue key strategic initiatives. The formula request contains the following major components:

Enrollment Growth (\$64.81M):

Total credit hours generated by the institutions of the USG were 8.62 million in FY 2020, which represents an increase of 0.8%, or 68,539 credit hours when compared to FY 2019. Total credit hours at research institutions increased by 2.4% and credit production at comprehensive universities grew by 1.40%. Credit hours at state universities and state colleges declined by 1.2% and 3.2%, respectively. The net increase in credit hours generates an additional \$64,807,638 in state funds.

Maintenance & Operations (\$1.88M):

The total resident instruction square footage in the USG is 58.0 million square feet for FY 2022, up from 57.7 million square feet in the final FY 2021 formula. The increase of 336,227 square feet generates an additional \$1,875,267 in state funds, which are essential for plant operations such as utilities, custodial services, building maintenance, and other related operating expenditures.

1. Fiscal Year 2022 Operating Budget Request (continued)**Health Insurance Benefits (-\$920,151):**

The University System of Georgia offers four health insurance options for employees and retirees under the age of 65: (1) the Consumer Choice Health Savings Account (HSA); (2) the Comprehensive Care plan; (3) Blue Choice HMO, and (4) Kaiser Permanente HMO. Retirees over the age of 65 and enrolled in Medicare receive a subsidy to purchase supplemental health insurance on a private exchange.

The Board took action on setting the healthcare plan premiums for plan year 2021 at the August 2020 meeting. The approved changes will reduce employer healthcare charges and result in a requested reduction of \$2,174,668 in state funds. Additionally, an increase of \$1,254,517 is requested to cover the health insurance premiums for an increase in the number of retirees receiving health benefits through the Board of Regents plans.

Funding for Payback Projects (\$617,328):

Between 1989 and 2000, the construction of USG facilities with independent revenue streams typically was financed by the State of Georgia through the issuance of General Obligation (GO) bonds. Revenue generating projects utilizing this funding source are called "Payback Projects." The annual debt service on these Payback Projects was paid by the state, but funded by USG institutions through reduced appropriations. Revenue generated by the Payback Projects through mandatory student fees, parking fees, student housing rental, food service revenues, and the like was then used to replace an institution's reduced appropriation. Debt service for one project, a student housing facility at Savannah State University, has been completely paid and the reduction in appropriations of \$617,328 is scheduled to be restored.

Teachers Retirement System Payments for Members of the Optional Retirement Plan (-\$4.51M):

The Teachers Retirement System (TRS) Board of Trustees previously notified the University System of Georgia that an additional payment would be required on behalf of Optional Retirement Plan (ORP) members that were previously members of TRS, equal to 11.81% of the members' salary. The State provided an increase in the FY21 budget to partially support these payments. Subsequent to the FY21 budget passage, House Bill 292 eliminated the need for this payment. Therefore, the USG budget request includes the elimination of the \$4,508,095 in new funds provided.

1. **Fiscal Year 2022 Operating Budget Request (continued)**

Other Items (Appendix I: -\$396,395)

Health Insurance and Retirement Increases for Other Organized Activities (-\$163,942):

The decrease in state funds for employer health insurance costs for employees and retirees of the Other Organized Activities equals \$163,942.

Eliminate Special or One-Time Funds at USG Institutions (-\$232,453):

The elimination of state funds provided to Other Organized Activities for payments to TRS on behalf of ORP members equals a reduction of \$232,453.

Appendix I

**Board of Regents
University System of Georgia
Fiscal Year 2022 Operating Budget Request**

FY 2021 State Funds	
Formula Funds	2,054,132,976
All Other Activities	245,865,844
Total FY 2021 State Funds	2,299,998,820
Formula Increase Request:	
Enrollment growth	64,807,638
Maintenance and operations	1,875,267
Health insurance rate changes and new retirees	(920,151)
Payback Projects	617,328
Reduce funds for payments to TRS on behalf of ORP enrollees	(4,508,095)
Subtotal Formula Increase Request	61,871,987
B-Units - health insurance and retirement benefits	(163,942)
B-Units - reduce funds for payments to TRS on behalf of ORP enrollees	(232,453)
Subtotal Other Items	(396,395)
Total Increase Request	61,475,592
Total FY 2022 State Funds Request	2,361,474,412



UNIVERSITY SYSTEM OF GEORGIA

Finance and Business Operations
September 15, 2020

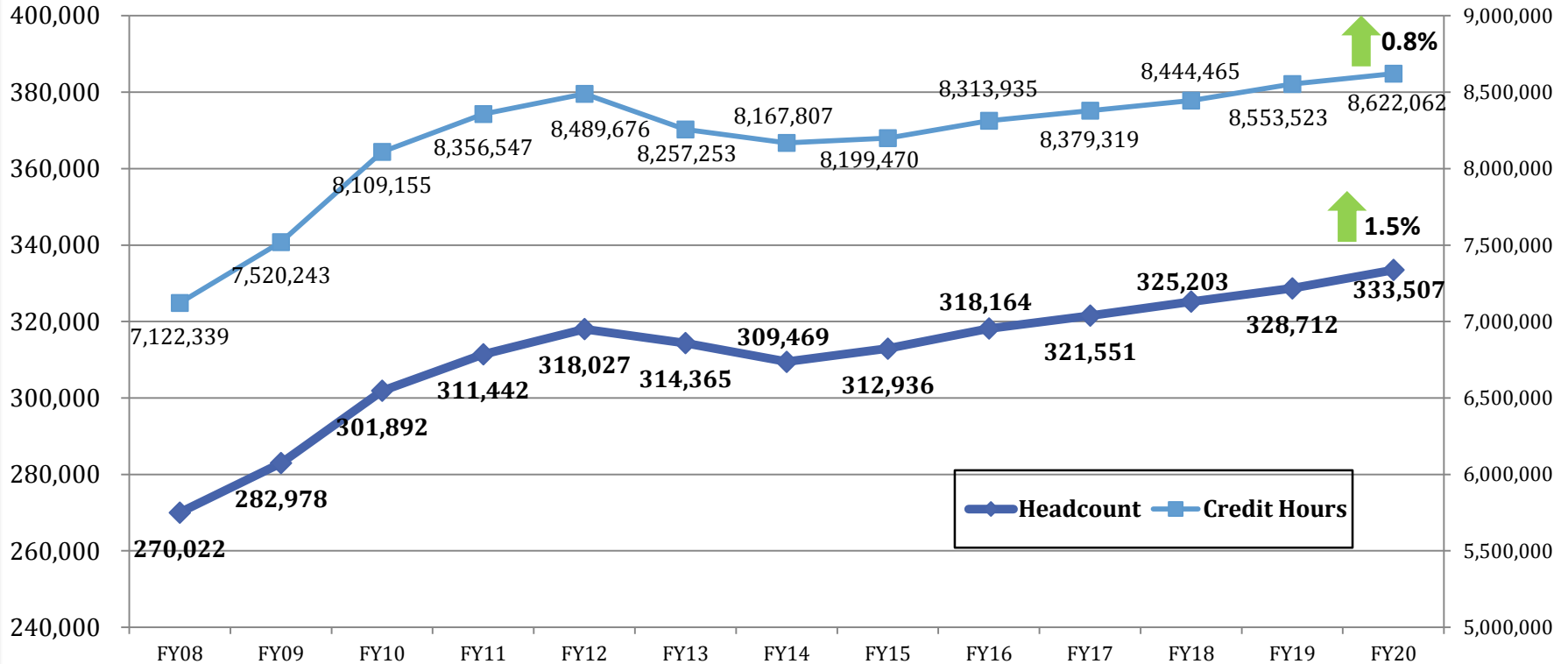
Tracey Cook, Executive Vice Chancellor for Strategy & Fiscal Affairs

FY 2022 Budget Instructions

- Provided by the Office of Planning and Budget (August 6th)
- FY 2022 - USG permitted to request workload increases for growth in enrollment, increases in square footage and health insurance changes through the funding formula
- FY 2021 Amended - Agencies directed to submit flat budgets equivalent to current FY 2021 appropriation – no changes to the current budget



USG Credit Hour Production and Fall Enrollment

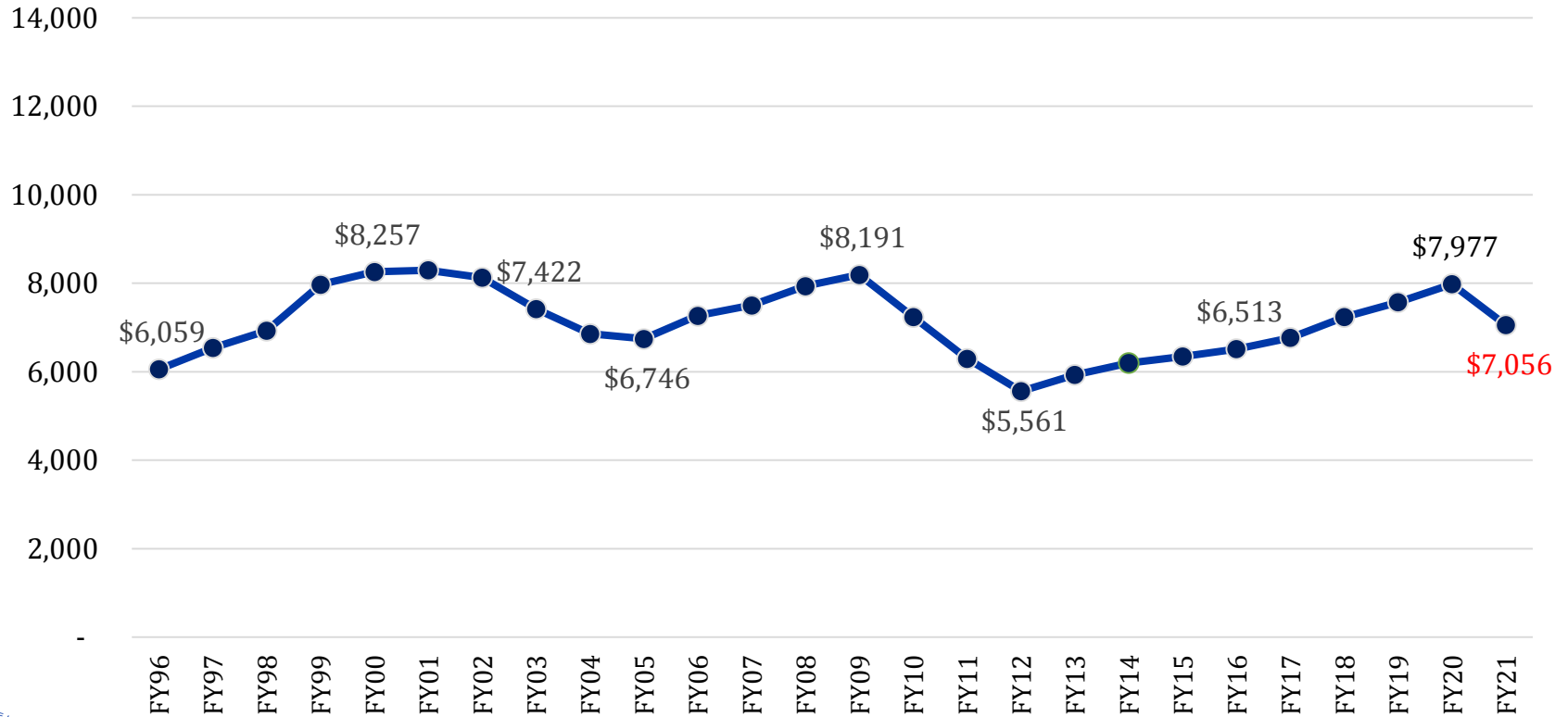


FY 2022 Operating Request

FY 2021 State Funds Budget		\$2,299,998,820
Enrollment Change	\$64,807,638	
M&O Funds – Increase in Square Footage	1,875,267	
Health Insurance and Retiree Benefits	(1,084,093)	
Payback Projects	617,328	
Eliminate New Funds for TRS for ORP Members	<u>(4,740,548)</u>	
Increase State General Funds (2.7%)		<u>\$61,475,592</u>
FY 2022 State Funds Budget Request		\$2,361,474,412



USG State Funds per Student FTE



FY 2022 Budget Cycle

(Budget Effective July 1, 2021 – June 30, 2022)

June – September 2020	• Development of FY22 Budget Request
September 2020	• Board Approval FY22 Budget Request
September 2020	• USG Submits FY22 Budget Request to Governor
November 2020– April 2021	• Institutional Budget Hearings
January 2021	• Governor Releases Budget Recommendations
March/April 2021	• General Assembly Finalizes FY22 Appropriations
April 2021	• Board Approval Allocations, Tuition and Fees
April – May 2021	• Institutions Develop and Submit FY22 Budget
May 2020	• Board Approval FY22 Budget (By Institution)
June 2020	• FY22 Annual Operating Budget Submitted to OPB

Board Action

Recommended: That the Board approve the FY 2022 Operating Budget Request totaling \$2.36 billion

