

**MINUTES OF THE MEETING OF THE  
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA  
HELD AT  
Atlanta, Georgia  
May 8-9, 2012**

**CALL TO ORDER**

The Board of Regents of the University System of Georgia met on Tuesday, May 8, 2012, and Wednesday, May 9, 2012, in the Board Room, 270 Washington Street, S.W, in Atlanta, Georgia. The Chair of the Board, Regent Benjamin J. Tarbutton, III, called the meeting to order at approximately 1:00 p.m. on Tuesday, May 8, and again at 9:00 a.m. on Wednesday, May 9. Present on Tuesday and Wednesday, in addition to Chair Tarbutton, were Vice Chair William H. NeSmith, Jr., and Regents C. Dean Alford, Kenneth R. Bernard, Jr., Larry R. Ellis, Robert F. Hatcher, C. Thomas Hopkins, Jr., W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Doreen Stiles Poitevint, Willis J. Potts, Jr., Kessel D. Stelling, Jr., Richard L. Tucker, Larry Walker, and Philip A. Wilheit, Sr. Regents Rutledge A. Griffin, Jr. and Neil L. Pruitt, Jr. were present on Tuesday and excused on Wednesday.

**INVOCATION AND PLEDGE**

The invocation and Pledge of Allegiance were given on each day by Regent W. Mansfield Jennings, Jr.

**ATTENDANCE REPORT**

The attendance report was given on each day by Secretary Burns Newsome.

**SAFETY BRIEFING**

The safety briefing was given on Tuesday, May 8, by Chief Bruce Holmes.

**APPROVAL OF MINUTES**

The minutes of the Board of Regents meetings held on April 17-18, 2012, and on April 27, 2012, were unanimously approved.

**CHANCELLOR'S REMARKS**

Chancellor Henry M. Huckaby briefed the Board on the various commencement exercises occurring in the University System and on the many exciting initiatives in the University System. He recognized and thanked retiring and departing members of the Chancellor's staff, and informed the Board of issues to come before the Board in the coming months. The Chancellor also welcomed the University System's new Executive Vice Chancellor and Chief Academic Officer, Dr. Houston Davis. An audio recording of the Chancellor's remarks are on file and available for inspection in the Office of the Secretary to the Board.

**COMMITTEE OF THE WHOLE: SPECIAL CONSOLIDATION COMMITTEE**

The Special Committee on Consolidation, meeting as a committee of the whole, met on Tuesday, May 8, 2012, at approximately 1:23 p.m. in the Board Room. Vice Chair William H. NeSmith, Jr. was excused from attendance. Chair Tarbutton introduced Associate Vice Chancellor Shelley Nickel, who presented to

the committee the Chancellor's recommended mission statements, name changes, and action plans for consolidated institutions.

1. Mission Statement: South Georgia College and Waycross College

On motion properly made and unanimously seconded, the Board adopted the following mission statement for the consolidation of South Georgia College and Waycross College:

[Consolidated Institution], a state college of the University System of Georgia, is a multi-campus, student centered institution offering high-quality associate and select baccalaureate degree programs. The institution provides innovative teaching and learning experiences, a rich array of student activities and athletic programs, access to unique ecological sites, and residential options to create a diverse, globally-focused, and supportive learning environment.

2. Mission Statement: Macon State College and Middle Georgia College

On motion properly made and unanimously seconded, the Board adopted the following mission statement for the consolidation of Macon State College and Middle Georgia College:

The mission of [the Consolidated Institution] is to serve the educational needs of a diverse population through high quality programs connected to community needs in a global context and to serve as a leader for the intellectual, economic, and cultural life of the region.

3. Mission Statement: Gainesville State College and North Georgia College & State University

On motion properly made and unanimously seconded, the Board adopted the following mission statement for the consolidation of Gainesville State College and North Georgia College & State University:

[The Consolidated Institution], a regional, multi-campus institution and premier senior military college, provides a culture of academic excellence in a student-focused environment that includes quality education, service, inquiry and creativity. This is accomplished through broad access to comprehensive academic and co-curricular programs that develop students into leaders for a diverse and global society. [Consolidated Institution] is a University System of Georgia leadership institution and The Military College of Georgia.

4. Mission Statement: Augusta State University and The Georgia Health Sciences University

On motion properly made and unanimously seconded, the Board adopted the following mission statement for the consolidation of Augusta State College and the Georgia Health Sciences University:

Our mission is to provide leadership and excellence in teaching, discovery, clinical care, and service as a student-centered comprehensive research university and academic health center, with a wide range of programs from learning assistance through postdoctoral studies.

5. Name Change: University of North Georgia

On motion properly made and seconded by Regent C. Dean Alford, the Board determined that the name of the consolidated institution formerly known as Gainesville State College and North Georgia College & State University will be “University of North Georgia.” Regents Ellis, Hopkins, Jolly, and Stelling voted against the motion.

6. Action Plan and Name Change: Middle Georgia State College

On motion properly made and unanimously seconded, the Board resolved:

That the new name for the consolidated institution of Middle Georgia College and Macon State College, effective upon receiving in January 2013 approval of consolidation from both the Southern Association of Colleges and Schools (SACS) and the Board of Regents, be “Middle Georgia State College;” and

That the consolidated institution be directed to undertake a self-study for a level change to become a university to meet the needs of the Middle Georgia region; and

That upon the completion of the authorized self-study, application to SACS shall be made for their renewal and approval; and

That upon approval of the level change to university status by SACS it shall stand approved by the Board of Regents, and the name of the institution shall be “Middle Georgia University;” and

That all steps necessary be taken by the consolidated institution and the Board of Regents to insure approval of university status within 24 months of this date; and

That consideration be given to the initial advanced degree programs being offered at the Houston County campus of Middle Georgia University.

There being no further business to come before the committee, the meeting was adjourned at approximately 2:00 p.m. on Tuesday, May 8, 2012.

**SPECIAL RECOGNITION: RETIRING PRESIDENTS**

At approximately 9:05 a.m. on Wednesday, May 9, 2012, Chair Tarbutton recognized Chancellor Henry M. Huckaby for a special presentation. Chancellor Huckaby made special recognition to retiring Presidents William A. Bloodworth, Jr. and Martha T. Nesbitt, of Augusta State University and Gainesville State College, respectively. Presidents Bloodworth and Nesbitt thanked the Board to lead their institutions through many changes and accomplishments, and thanked the Board for its continued support of their institutions. An audio recording of the remarks from Presidents Bloodworth and Nesbitt is on file and available for inspection in the Office of the Secretary to the Board.

**SPECIAL RECOGNITION: REGENTS TEACHING EXCELLENCE AWARDS FOR DEPARTMENTS AND PROGRAMS**

At approximately 9:15 a.m. on Wednesday, May 9, 2012, Chair Tarbutton recognized Associate Vice Chancellor Linda Noble for a special presentation of the Regents Teaching Excellence Awards for

Departments and Programs. Dr. Noble announced that the First Year Composition Program at the University of Georgia and the Lewis F. Rogers Institute for Environmental Spatial Analysis at Gainesville State College were co-winners of this year's award. An audio recording of the acceptance remarks is on file and available for inspection in the Office of the Secretary to the Board.

### **COMMITTEE OF THE WHOLE: ACADEMIC AFFAIRS**

The Committee on Academic Affairs, meeting as a committee of the whole, met on Wednesday, May 9, 2012, at approximately 9:40 a.m. in the Board Room. Chair Kessel D. Stelling, Jr. introduced Colonel Billy Wells, Vice President of Executive Affairs at North Georgia College & State University; President Lisa Rossbacher of Southern Polytechnic State University; Dr. Jon Sizemore, the Board's Assistant Vice Chancellor for Distance Education; and Dr. Melanie Clay, Dean of eCore at the University of West Georgia; each of whom made a presentation to the Board regarding the University System's efforts at greater college completion. Copies of the presentations and an audio recording of the presentations are on file and available for inspection in the Office of the Secretary to the Board. The committee meeting adjourned at approximately 9:58 a.m. on Wednesday, May 9, 2012.

### **COMMITTEE REPORTS**

The reports of the standing committees are attached hereto.

### **UNFINISHED BUSINESS**

There was none.

### **NEW BUSINESS**

There was none.

### **PETITIONS AND COMMUNICATIONS**

The Secretary to the Board announced that the next regular meeting of the Board is scheduled for August 7-8, 2012, in Atlanta.

### **EXECUTIVE SESSION**

At approximately 10:45 a.m. on Wednesday, May 9, 2012, Chair Tarbutton called for an executive session for the purpose of discussing personnel matters. With motion properly made and unanimously seconded, the Regents voted unanimously to go into executive session. University System of Georgia staff members who were also present for portions of the executive session included Chancellor Huckaby and members of his staff. An affidavit regarding this executive session is on file with the Office of the Secretary to the Board.

At approximately 11:15 a.m. on Wednesday, May 9, 2012, Chair Tarbutton reconvened the Board meeting in its regular session and announced that no actions were taken during the executive session.

### **OPEN SESSION**

1. Reappointment of Presidents

On motion properly made and unanimously seconded, the Board reappointed Presidents Adams, Allbritten, Azziz, Becker, Blanchard, Bleicken, Bridges, Burns, Carson, Carvajal, Freeman, Hepburn, Hynes, Jacobs, Kaufman, Keel, McGaha, McKinney, Mescon, Papp, Peterson, Rivers, Rossbacher, Schwenn, Sireno, and Sethna to their respective presidencies for Fiscal Year 2012-13, per terms negotiated by the Chancellor.

2. Salary Increases: Presidents Gary McGaha and David Bridges

On motion properly made and unanimously seconded, the Board authorized increases in the annual salaries of Presidents Gary McGaha and David Bridges to \$198,000 each per year.

3. Compensation Adjustment: President Dan Papp

On motion properly made and unanimously seconded, the Board authorized an amendment to the compensation schedule for President Dan Papp of Kennesaw State University, to increase President Papp's annual salary by \$10,523 with a salary supplement in that amount from the Kennesaw State University Foundation, and to provide deferred compensation to President Papp in the amount of \$40,000, also from the Kennesaw State University Foundation. This amendment to President Papp's compensation was made expressly subject to the appropriate annual contributions from the Kennesaw State University Foundation. The amendment to the compensation schedule shall be effective upon affirmative approval of the Kennesaw State University Foundation.

4. Reappointment of President Michael Stoy

On motion properly made and unanimously seconded, the Board reappointed Dr. Michael Stoy as President of Middle Georgia College through December 31, 2012, per terms negotiated by the Chancellor.

5. Reappointment of Director James Sanders

On motion properly made and unanimously seconded, the Board reappointed Dr. James Sanders as the Director of the Skidaway Institute of Oceanography and determined that Dr. Sanders' annual salary be increased to \$198,000 per year.

6. Appointment of President Cheryl Dozier: Savannah State University

On motion properly made and unanimously seconded, the Board waived that portion of Board Policy 2.1 which prevents an interim president from being appointed on a permanent basis, and appointed Dr. Cheryl Dozier as President of Savannah State University, per terms negotiated by the Chancellor.

7. Amendment of Compensation: President Michael Adams

On motion properly made and unanimously seconded, the Board amended the compensation schedule for President Michael Adams, as follows:

- a. The Board will, not later than January 1, 2013, make a one-time contribution to President Adams' Executive 457(f) Deferred Compensation Account of \$600,000, in recognition both of distinguished service to the Board since 1997 and in anticipation of continued distinguished performance for this coming fiscal year. This sum is in addition to, and not in lieu of, current obligations to the plan.
  - b. The Board and Chancellor committed to grant 24 months of employment to President Adams following his presidency at his current compensation in a position to be determined by the Chancellor. This commitment is expressly subject to Board Policy 2.4.
  - c. The Board and the Chancellor committed to grant to President Adams, following the termination of his two years of presidential transition period, 36 months of employment as a Regents Professor at the University of Georgia at his current presidential base salary. This provision is expressly subject to the continuing approval of the President of the University of Georgia and Board Policy 8.3.2.
8. Amendment of Compensation: President G.P. Peterson

On motion properly made and unanimously seconded, the Board approved six annual contributions in equal annual installments of \$166,666 to the Executive 457(f) Deferred Compensation Account of President G.P. Peterson of the Georgia Institute of Technology. Such deferred compensation funds shall not vest prior to June 30, 2018. Each annual contribution is subject to the transfer of funds from the Georgia Tech Foundation, Inc., on or before June 30 of each fiscal year and shall be effective upon the affirmative approval of the Georgia Tech Foundation. An award, if any, to President Peterson on or after June 30, 2018, shall be subject to the sole approval of the Board of Regents.

9. Waiver of Policy on Employment of Relatives: Georgia Perimeter College

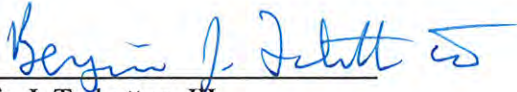
On motion properly made and unanimously seconded, the Board waived Board Policy 8.2.3, regarding the employment of relatives, to allow Rob Watts to serve as the Interim President of Georgia Perimeter College, with the understanding that all matters related to the employment of Dr. Tina Stern will be addressed by Executive Vice Chancellor Houston Davis and his staff for the duration of President Watts' appointment.

10. Authorization to Chancellor

On motion properly made and unanimously seconded, the Board authorized Chancellor Henry Huckaby to take those actions which he believes necessary and prudent to protect the Board's interests prior to the Board's regularly scheduled August meeting.

## **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at approximately 11:58 a.m. on Wednesday, May 9, 2012.



Benjamin J. Tarbutton, III  
Chair, Board of Regents  
University System of Georgia



J. Burns Newsome  
Secretary, Board of Regents  
University System of Georgia

## **MINUTES OF THE MEETING OF THE EXECUTIVE AND COMPENSATION COMMITTEE**

The Executive and Compensation Committee of the Board of Regents of the University System of Georgia met on Tuesday, May 8, 2012, in Room 7019 of the Board's offices, 270 Washington St., S.W. The chair of the committee, Regent Benjamin J. Tarbutton, III, called the meeting to order at approximately 11:00 a.m. Present, in addition to Chair Tarbutton, were Regents Robert F. Hatcher, James R. Jolly, Donald M. Leebern, Jr., Willis J. Potts, Jr., Doreen Stiles Poitevint, Richard L. Tucker, and Philip A. Wilheit, Sr. Vice Chair William H. NeSmith, Jr. was excused.

On motion properly made and unanimously seconded, the Board nominated Regents C. Thomas Hopkins, Jr. and Neil L. Pruitt, Jr. to the Board of Directors of the MCG Health System, Inc. Regent Pruitt was not present for the vote and Regent Hopkins abstained. The vote was otherwise unanimous.

### **EXECUTIVE SESSION**

At approximately 11:02 a.m. on Tuesday, May 8, 2012, Chair Benjamin J. Tarbutton, III, called for an executive session for the purpose of discussing personnel matters. 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.

Chair Tarbutton reconvened the committee in its regular session at approximately 12:05 p.m. and announced that no actions were taken during executive session.

### **ADJOURNMENT**

There being no further business to come before the committee, the meeting was adjourned at approximately 12:05 p.m. on Tuesday, May 8, 2012.



## **MINUTES OF THE MEETING OF THE ACADEMIC AFFAIRS COMMITTEE**

The Academic Affairs Committee met on Tuesday, May 8, 2012, at approximately 3:15 p.m. in Room 5158 of the Board's offices, 270 Washington St., S.W. Committee members in attendance were Chair Kessel D. Stelling, Jr., and Regents C. Dean Alford, Larry R. Ellis, W. Mansfield Jennings, Jr., Rutledge A. Griffin, Jr., Doreen Stiles Poitevint, Willis J. Potts, Jr., and Neil L. Pruitt, Jr. The Vice Chair of the Board, Regent William H. NeSmith, Jr., and Regent Robert F. Hatcher also were in attendance.

The Board approved President Brooks A. Keel's request that Georgia Southern University be authorized to establish a Master of Science with a major in Applied Physical Sciences, effective May 9, 2012.

The Board approved President Michael F. Adams' request that the University of Georgia be authorized to establish a Bachelor of Science with a major in Pharmaceutical Sciences, effective May 9, 2012.

The Board approved President Daniel S. Papp's request that Kennesaw State University be authorized to establish a Master of Science with a major in Computer Science, to be delivered both in a traditional face-to-face format and online, effective May 9, 2012.

The Board approved President Michael F. Adams' request that the University of Georgia be authorized to terminate the following four degree programs, effective May 9, 2012:

- a. Specialist in Education with a major in Reading Education;
- b. Specialist in Education with a major in Teaching Additional Languages;
- c. Master of Science with a major in Infectious Diseases; and
- d. Bachelor of Science in Education with a major in Career and Technical Education.

The Board approved President Daniel S. Papp's request that Kennesaw State University be authorized to terminate the Bachelor of Science with a major in Chemistry Education, effective May 9, 2012.

The Board approved the requests of Presidents Blanchard, Keel, Papp, and Preczewski for substantive changes and degree name changes in each of the teacher education programs listed and described in Appendix I, which is attached hereto.

The Board approved the requests of the respective presidents listed below to change the names of the following University System institutions:

- a. Request from President Gary McGaha to change the name of Atlanta Metropolitan College to Atlanta Metropolitan State College;
- b. Request from President Peter Sireno to change the name of Darton College to Darton State College;
- c. Request from Interim President Robert Boehmer to change the name of East Georgia College to East Georgia State College; and
- d. Request from President Anthony Tricoli to change the name of Georgia Perimeter College to Georgia Perimeter State College.

The Board approved the request of Interim President Stanley Preczewski that Georgia College & State University be authorized to establish the Martha Daniel Newell Visiting Distinguished Scholar position,

effective May 9, 2012.

The Committee on Academic Affairs heard a presentation from Dr. Tim Rennick, Associate Vice Provost at Georgia State University and Chair of the University System's College Completion Metrics Working Group, on matters concerning metrics used to measure the University System's college completion efforts. A copy of Dr. Rennick's presentation is on file and available for inspection in the Board's Office of Academic Affairs.

The Board also approved certain named faculty appointments, copies of which are on file and available for inspection in the Board's Office of Academic Affairs.

There being no further business to come before the committee, the meeting was adjourned at approximately 4:00 p.m. on Tuesday, May 8, 2012.

**MINUTES OF THE MEETING OF THE  
PERSONNEL AND BENEFITS COMMITTEE**

The Personnel and Benefits Committee met on Tuesday, May 8, 2012, at approximately 2:15 p.m. in Room 5158 of the Board's offices, 270 Washington St., S.W. Committee members in attendance were Chair Neil L. Pruitt, Jr., and Regents C. Dean Alford, Larry R. Ellis, W. Mansfield Jennings, Jr., Rutledge A. Griffin, Jr., Doreen Stiles Poitevint, Willis J. Potts, Jr., and Kessel D. Stelling, Jr. The Vice Chair of the Board, Regent William H. NeSmith, Jr., and Regent Robert F. Hatcher also were in attendance.

The Board approved the implementation of an Employer Group Waiver Plan for January 1, 2013. A copy of the Plan and presentation to the Board is on file, and available for inspection in the Board's Office of Human Resources.

The Board also heard a presentation from Mr. Tom Scheer, Associate Vice Chancellor for Life and Health Benefits, regarding current plan designs with options and alternatives for Healthcare Plan Changes for the Plan Year 2013. A copy of Mr. Scheer's presentation is on file and available for inspection in the Board's Office of Human Resources.

There being no further business to come before the committee, the meeting was adjourned at approximately 3:15 p.m. on Tuesday, May 9, 2012.

## **MINUTES OF THE MEETING OF THE ORGANIZATION AND LAW COMMITTEE**

The Committee on Organization and Law met on Tuesday, May 8, 2012, at approximately 4:00 p.m. in Room 5158 of the Board's offices, 270 Washington St., S.W. Committee members in attendance were Chair Larry R. Ellis, and Regents C. Dean Alford, Rutledge A. Griffin, Jr., Doreen Stiles Poitevint, Willis J. Potts, Jr., and Kessel D. Stelling, Jr. The Vice Chair of the Board, Regent William H. NeSmith, Jr., also was in attendance. Regents W. Mansfield Jennings, Jr., and Neil L. Pruitt, Jr., were excused.

The Board approved a Mutual Aid Agreement between East Georgia State College and Bulloch County, Georgia. A copy of the agreement is on file and available for inspection in the Office of the Secretary to the Board.

The Board approved President Brooks A. Keel's request that Georgia Southern University be authorized to award an honorary degree to Mr. Luis A. Aguilar.

### **EXECUTIVE SESSION**

At approximately 4:10 p.m. on Tuesday, May 8, 2012, Chair Larry R. Ellis called for an executive session for the purpose of discussing personnel matters. 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.

Chair Ellis reconvened the committee in its regular session at approximately 4:40 p.m. and announced that no actions were taken during executive session. With motion properly made and unanimously seconded, the Regents who were present voted unanimously to deny the applications for review submitted by Ms. Diane Harrison and Mr. Jamal Murray of Georgia State University and Southern Polytechnic State University, respectively.

There being no further business to come before the committee, the meeting was adjourned at approximately 4:45 p.m. on Tuesday, May 8, 2012.

**MINUTES OF THE MEETING OF THE  
FINANCE AND BUSINESS OPERATIONS COMMITTEE**

The Finance and Business Operations Committee of the Board of Regents of the University System of Georgia met at approximately 2:52 p.m. on Tuesday, May 8, 2012, in the Board Room, 270 Washington Street, S.W, in Atlanta, Georgia. The chair of the committee, Regent Philip A. Wilheit, Sr., called the meeting to order at approximately 2:00 p.m. Present, in addition to Chair Wilheit, were Regents Kenneth R. Bernard, Jr., Robert F. Hatcher, C. Thomas Hopkins, Jr., James R. Jolly, Donald M. Leebern, Jr., Richard L. Tucker, and Larry Walker. The Chair of the Board, Regent Benjamin J. Tarbutton, III, also was in attendance.

The Board approved the Fiscal Year 2013 Operating and Capital Budgets for the University System of Georgia. The budgets are attached hereto as Exhibits II through V. A copy of Vice Chancellor John Brown's presentation to the Board is on file and available for inspection in the Board's Office of Fiscal Affairs.

The Vice Chancellor for Fiscal Affairs and Treasurer of the Board, John Brown, made a presentation to the committee on Fiscal Year 2012 Third Quarter Revenues and Expenditures. A copy of Vice Chancellor Brown's presentation is on file and available for inspection in the Board's Office of Fiscal Affairs.

There being no further business to come before the committee, the meeting was adjourned at approximately 3:07 p.m. on Tuesday, May 8, 2012.

## **MINUTES OF THE MEETING OF THE COMMITTEE ON REAL ESTATE AND FACILITIES**

The Real Estate and Facilities Committee of the Board of Regents of the University System of Georgia met on Tuesday, May 8, 2012, in the Board Room, 270 Washington Street, S.W, in Atlanta, Georgia. The chair of the committee, Regent Larry Walker, called the meeting to order at approximately 3:50 p.m. Present, in addition to Chair Walker, were Regents Kenneth R. Bernard, Jr., Robert F. Hatcher, C. Thomas Hopkins, Jr., James R. Jolly, Donald M. Leebern, Jr., Richard L. Tucker, and Philip A. Wilheit, Sr. The Chair of the Board, Regent Benjamin J. Tarbutton, III, also was in attendance.

### **1. Information Item: Integrated Evaluation of Proposals**

Vice Chancellor for Facilities Linda Daniels made a presentation to the committee regarding institutional requests for academic programs, student fees and/or capital outlay projects. Such requests will be initially vetted through an integrated evaluation by the Academic, Fiscal Affairs and Facilities Vice Chancellors. Vice Chancellor Daniels briefed the Board regarding the status of current projects and those likely to come to the Board in the future.

### **2. ARRA Summary Report**

Office of Facilities staff provided the committee with a brief summary of completed projects which were funded under the American Recovery and Reinvestment Act of 2009.

### **3. Potential Actions Prior to August Board meeting**

Vice Chancellor Daniels provided the committee with an update on potential actions that the Chancellor may take prior to the Board's regular August meeting. Such actions might include:

- University of West Georgia - Ground Leases and Rental Agreements, Project No. PPV-71-1102A, East Village Housing and Dining Complex, Phase II
- Macon State College - Ground Leases and Rental Agreements, Project No. PPV-91-1001B, Student Housing II
- Georgia Southern University - Ground Leases and Rental Agreements, Project No. PPV-66-1101, Landrum Dining Hall and Lakeside Dining Hall
- Georgia Health Sciences University - Project Budget Modification, Project No. J-152, Consolidated Medical Education Commons
- Georgia Institute of Technology - Project Budget Modification, Project No. BR-30-1203, Renovation of Jesse W. Mason Building
- Georgia Institute of Technology - Construction Manager Appointment, Project No. BR-30-1204, Glenn and Towers Residence Halls

- Georgia Institute of Technology - Design Professional and Construction Manager Appointments, Project No. BR-30-1202, Phase 3 and 4 Build Out of Marcus Nanotechnology Building
- Georgia Gwinnett College - Valentine Building acquisition

Any action taken by the Chancellor will be brought to the Board for ratification at the August 7-8, 2012, meeting.

**4. Appointment of Design Professional Firm, Project No. PPV-10-1201, Bolton Dining Commons Replacement, University of Georgia**

The Board appointed the first-named design professional firm listed below for this project and authorized the execution of a contract with the identified firm. Should it not be possible to execute a contract with the top-ranked firm, staff will then attempt to execute a contract with the other listed firms in rank order.

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

**Project No. PPV-10-1201 Bolton Dining Commons Replacement, University of Georgia**

Project Description: This project was authorized by the Board in April 2012. The 67,000 square foot facility will provide an expanded dining facility, retail food sales space, catering facilities, and food services administrative office space.

The project will be funded from the university's food services reserves and a public private venture.

Total Project Cost:	\$26,700,000
Construction Cost (Stated Cost Limitation):	\$20,930,000

Number of firms that applied for this commission: 22

Recommended firms in rank order:

- 1) Smith Dalia Architects, LLC, Atlanta
- 2) Menefee Architecture, Atlanta
- 3) May Architecture + Interiors, LLC, Atlanta

**5. Authorization of Project No. BR-30-1205, Phase 3 and 4 Build Out of Marcus Nanotechnology Building, Georgia Institute of Technology**

The Board authorized Project No. BR-30-1205, Phase 3 and 4 Build Out of Marcus Nanotechnology Building, Georgia Institute of Technology ("GIT"), with a total project budget of \$8,124,000 to be funded from GIT institution funds.

The Board authorized Project BR-30-1202, Phase 1 and 2 Build Out of Marcus Nanotechnology Building at its November 2011 meeting, with a total budget of \$4,558,000. The Board was informed that the full build out, estimated to cost \$17,600,000, would be accomplished over 1-7 years in phases as funding became available to address faculty recruitment and interdisciplinary research growth.

The estimated construction cost for Phases 3 and 4 is \$6,244,000.

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

**6. Rental Agreement, Athletic Facilities, Atlanta, Georgia Institute of Technology**

The Board declared approximately 17.0 acres of real property and approximately 385,000 square feet of improved space (the real property and improved space collectively termed the “Premises”) located on the campus of the Georgia Institute of Technology (“GIT”), to be no longer advantageously useful to GIT or other units of the University System of Georgia but only to the extent and for the purpose of renting this real property and improved space to the Georgia Tech Athletic Association, Inc. (“GTAA”) for athletic purposes.

The Board also authorized the execution of a rental agreement between the Board of Regents, Landlord, and GTAA, Tenant, for the Premises located on the campus of GIT, for the period July 1, 2012 through June 30, 2017, for the use of GTAA for athletic purposes for the following consideration:

- Conduct the intercollegiate athletic programs of GIT subject to the control of the President of GIT
- Construct, maintain, repair and operate improvements to the Premises to be used as athletic and related facilities as approved by Landlord
- Allow third parties to use the Premises to conduct sporting contests, events, and camps as approved by Landlord
- Furnish to students and employees of GIT admissions to athletic events at free or reduced prices
- Contribute to the support of the GIT band
- Use any surplus funds from Tenant’s operations only in support of the mission of GIT

In October 2007, the Board authorized the execution of a rental agreement for five years with the GTAA. This proposed rental agreement is consistent with that agreement. Facilities included within this agreement are:

- James K. Luck, Jr. Building
- Bill Moore Tennis Complex
- Griffin Track Stands
- Griffin Track
- Rose Bowl Field
- Athletics portion of McCamish Pavilion
- Athletics portion of O’Keefe Gym
- Athletics portion of Aquatic Center
- Electronic Message Center
- Shirley Clements Mewborn Softball Stadium



- Women's Softball Locker Room
- John and Mary Brock Football Practice Facility
- Judy & Steve Zelnak Basketball Practice Facility

In November 2001, the Board approved a ground lease to the GTAA for renovation of the Bobby Dodd Stadium and construction of the Russ Chandler Baseball Stadium. Real property and improved space included in the ground lease are not subject to this Agreement.

## **7. Rental Agreement, Athletic Facilities, Athens, University of Georgia**

The Board declared approximately 205.0 acres of real property, and approximately 430,000 square feet of improved space (the real property and improved space collectively termed the "Premises") located on the campus of the University of Georgia ("UGA"), to be no longer advantageously useful to UGA or other units of the University System of Georgia but only to the extent and for the purpose of renting this real property and improved space to the University of Georgia Athletic Association, Inc. ("UGAAA") for athletic purposes.

The Board also authorized the execution of a rental agreement between the Board of Regents, Landlord, and UGAAA, Tenant, for the Premises located on the campus of UGA, for the period July 1, 2012, through June 30, 2017, for the use of UGAAA for athletic purposes for the following consideration:

- Conduct the intercollegiate, physical education, recreation, and athletic programs of UGA subject to the control of the President of UGA
- Construct, maintain, repair and operate improvements to the Premises to be used as athletic and related facilities as approved by Landlord
- Allow third parties to use the Premises to conduct sporting contests, events, and camps as approved by Landlord
- Furnish to students and employees of UGA admission to athletic events at free or reduced prices
- Contribute to the support of the UGA band
- Provide substantial annual financial support to enable fundraising and donor relations activities in conjunction with athletic events.
- Use any surplus funds from Tenants operations only in furtherance of the educational programs of UGA

In October 2007, the Board authorized the execution of a rental agreement for five years with the UGAAA. This proposed rental agreement is consistent with that agreement as amended in 2011. Facilities included within this agreement are:

- Butts-Mehre Complex
- Rankin M. Smith Sr. Student Athlete Academic Center
- Baseball Complex

- Tennis Complex
- Coliseum Training Facility
- Sanford Stadium
- Soccer/Softball Complex
- Athletics portion of Golf Course
- Portions of Stegeman Coliseum
- Portions of the Ramsey Center
- Equestrian Property

**8. Rental Agreement, 104 Banbury Road, Oxford, England, University of Georgia**

The Board authorized the execution of a rental agreement between The University of Georgia Foundation (the “Foundation”), Landlord, and the Board of Regents, Tenant, for approximately 9,987 square feet of residential and related amenity space located at 104 Banbury Road, Oxford, England, for the period July 1, 2012, through June 30, 2013, at a monthly rent of \$44,806 (\$537,677 per year annualized/\$54.33 per square foot per year) with options to renew on a year-to-year basis for four consecutive one-year periods, with rent increasing an average of 0.32% per year, for the use of the University of Georgia (“UGA”).

In August 2007, the Board authorized a rental agreement with the Foundation for this location, which agreement included renewal options extending through June 30, 2012. UGA has rented housing for the Oxford Study Abroad Program (the “Oxford Program”) since 1999.

This space will be used by the Oxford Program for housing UGA students studying at Oxford College, England, in support of the mission of UGA.

The need for continued use of this facility and options to renting this facility for housing will be assessed annually for the long-term needs of the Oxford Program.

Additional operating expenses consisting of utilities, janitorial services, and upkeep are estimated to be \$170,000 per year annualized.

**9. Amendment to Rental Agreements, Student Housing and Conference Center, Columbus State University**

The Board authorized the execution of amendments to the ground leases between the Board of Regents, Lessor, and Foundation Properties, Inc. (“FPI”), Lessee, to extend the termination date of the ground leases until December 1, 2033 for the Cunningham Conference and Leadership Center and Courtyard I Addition Student Housing on the campus of Columbus State University (“CSU”).

The Board also authorized the execution of an amendment to the rental agreement between FPI, Landlord, and the Board of Regents, Tenant, for approximately 66,430 square feet of space located in the Cunningham Conference and Leadership Center on the campus of CSU for the period July 1, 2012, through June 30, 2013, at an annual rent not to exceed \$390,000 with options to renew on a year-to-year basis until December 1, 2033, with rent increasing no more than 3% for each option period excised.

The Board also authorized the execution of an amendment to the rental agreement between the FPI, Landlord, and the Board of Regents, Tenant, for approximately 776 beds of student housing located at

3815 and 3915 University Avenue; 3423 College Drive (collectively known as Courtyard I), 3528 and 3546 Gentian Boulevard (collectively known as Courtyard II); 3589, 3613, 3629, 3631, 3658, and 3660 Maryland Circle; and 2-6 Maryland Court (collectively known as Maryland Properties) on the campus of CSU for the period June 1, 2012, through June 30, 2013, at an annual rent \$1,335,000 with options to renew on a year-to-year basis until April 30, 2031, with rent increasing no more than 3% for each option period excised.

CSU has requested that all student housing with FPI be consolidated under a single rental agreement to assist CSU with optimal management of the overall operation of student housing. In addition, CSU desires to rent and operate the entire Cunningham Conference and Leadership Center in order to enhance efficient operations.

At the end of the terms of the rental agreements, the land and all improvements will become the property of the Board of Regents.

#### **10. Amendment to Rental Agreements, River Park Campus, Columbus State University**

The Board authorized the execution of an amendment to the rental agreement between Foundation Properties, Inc. ("FPI"), Landlord, and the Board of Regents, Tenant, for approximately 55,203 square feet ("sf") of space located at 901 Front Avenue in the One Arsenal Building, River Park campus of Columbus State University ("CSU"), for the period July 1, 2012, through June 30, 2013, at an annual rent not to exceed \$632,000 with options to renew on a year-to-year basis until June 30, 2032, with rent increasing no more than 3% for each option period excised.

The Board also authorized the execution of an amendment to the rental agreement between FPI, Landlord, and the Board of Regents, Tenant, for approximately 25,000 sf of space located at 1009, 1011, and 1013 Broadway; and 25 West 10<sup>th</sup> Street in the Broadway Crossing and Columbus Hall Buildings, River Park campus of CSU for the period July 1, 2012, through June 30, 2013, at an annual rent not to exceed \$200,000 with options to renew on a year-to-year basis until June 30, 2030, with rent increasing no more than 3% for each option period excised.

The Board also authorized the execution of a rental agreement between FPI, Landlord, and the Board of Regents, Tenant, for approximately 27,683 sf of space located at 1004 Broadway in the Rankin, Oglethorpe, and Giglio Buildings, River Park campus of CSU for the period July 1, 2012, through June 30, 2013, at an annual rent not to exceed \$145,000 with options to renew on a year-to-year basis until June 30, 2030, with rent increasing no more than 3% for each option period excised.

The Board also authorized the execution of a rental agreement between FPI, Landlord, and the Board of Regents, Tenant, for approximately 10,000 sf of space located at 11 9<sup>th</sup> Street in the Dillingham Place Building, River Park campus of CSU for the period July 1, 2012, through June 30, 2013, at an annual rent not to exceed \$75,000 with options to renew on a year-to-year basis until June 30, 2032, with rent increasing no more than 3% for each option period excised.

The Board also authorized the execution of a rental agreement between FPI, Landlord, and the Board of Regents, Tenant, for approximately 60,000 sf of space located at 6 West 10<sup>th</sup> Street in the Theater Arts Building, River Park campus of CSU for the period July 1, 2012, through June 30, 2013, at an annual rent not to exceed \$390,000 with options to renew on a year-to-year basis until January 31, 2032, with rent increasing no more than 3% for each option period excised.

The Board also authorized the execution of a rental agreement between FPI, Landlord, and the Board of Regents, Tenant, for approximately 298 parking spaces located at 1028 Front Avenue in the River Park Parking Deck, River Park campus of CSU for the period July 1, 2012, through June 30, 2013, at an annual rent not to exceed \$188,000 with options to renew on a year-to-year basis until June 30, 2030, with rent increasing no more than 3% for each option period excised.

The Board also authorized the execution of an amendment to the rental agreement between the FPI, Landlord, and the Board of Regents, Tenant, for approximately 415 beds of student housing located at 901 Front Street, 25 West 10<sup>th</sup> Street, 1019 Broadway, and 1000 Broadway in the Broadway Crossing, Columbus Hall, Rankin, Oglethorpe, Giglio, and One Arsenal Buildings, River Park campus of CSU for the period July 1, 2012, through June 30, 2013, at an annual rent \$1,300,000 with options to renew on a year-to-year basis until June 30, 2030, with rent increasing no more than 3% for each option period excised.

CSU has requested that all River Park campus student housing with FPI be consolidated under a single rental agreement to assist CSU with optimal management of the overall operation of student housing. In addition, CSU desires to consolidate operations for the River Park Arts and Theater Arts programs at the River Park campus.

**11. Demolition of the former Continuing Education Building, Southern Polytechnic State University**

The Board declared the former Continuing Education Building, Building U, on the campus of Southern Polytechnic State University (“SPSU”), to be no longer advantageously useful to SPSU or other units of the University System of Georgia, and authorized demolition and removal of this building. The Board also requested that the Governor issue an Executive Order authorizing the demolition and removal of this building from the campus of SPSU.

The Board determined that demolition and removal of this building be subjected to a satisfactory hazardous materials survey and assessment to identify the presence of asbestos-containing materials or other hazardous materials in the building and completion of any associated abatement, management, and/or disposal measures prior to or during demolition to ensure compliance with environmental regulations.

The 10,100 square foot former Continuing Education Building (also known as the Elk’s Lodge Building), constructed in 1955, is a single story steel frame with brick veneer building in poor condition. The SPSU master plan identifies this building for demolition. As required by the Georgia Environmental Policy Act and the appropriate State Stewardship review, the Georgia Historic Preservation Division has reviewed the proposed demolition of the former Continuing Education Building and determined that mitigation is required. SPSU will comply with the proposed mitigation requirements.

The immediate use of the site will be as green space.

**12. Resolution 2012 General Obligation Issue, Georgia State Financing and Investment Commission, University System of Georgia**

The Board adopted the Resolution prepared by the Revenue Division of the Georgia Department of Law covering the issuance of 2012 General Obligation Bonds

(the “G. O. Bonds”) by the State of Georgia through the Georgia State Financing and Investment Commission for use in funding projects for the University System of Georgia.

The Revenue Division of the Georgia Department of Law has prepared on behalf of the Board of Regents a Resolution (Appendix I) to cover the sale of 2012 G. O. Bonds for the following projects:

**FY 2011 Capital Project Funding**

J-101	“Health Sciences & Administration Building” Valdosta State University	700,000
J-184	“Veterinary Medical Learning Center” University of Georgia	900,000
<b>FY 2011 Subtotal:</b>		<b>\$1,600,000</b>

**FY 2012 Capital Project Funding**

J-189	“Education Facility” Kennesaw State University	16,000,000
GRA-255	“Equipment Purchase, Various Locations” Georgia Research Alliance	3,000,000
<b>FY 2012 Subtotal:</b>		<b>\$19,000,000</b>

**FY 2013 Capital Project Funding**

J-101	“Health Sciences & Administration Building” Valdosta State University	32,000,000
J-141	“Renovation of Lewis & Herring Halls” Abraham Baldwin Agricultural College	1,500,000
J-152	“Consolidated Medical Education Commons” Georgia Health Sciences University	28,000,000
J-164	“Biology Building” Georgia Southern University	2,800,000
J-165	“Nursing Building” University of West Georgia	2,000,000
J-168	“Health and Human Sciences Building” Georgia Southwestern State University	1,400,000
J-178	“Academic Building” Dalton State College	15,000,000
J-184	“Veterinary Medical Learning Center” University of Georgia	52,300,000
J-187	“Teacher Education & Learning Center”	

	College of Coastal Georgia	1,100,000
J-188	“Historic Ennis Hall Renovation” Georgia College & State University	9,600,000
J-197	“Allied Health Building” Georgia Gwinnett College	25,200,000
J-198	“Engineered Biosystems Building” Georgia Institute of Technology	59,000,000
J-199	“Infrastructure Expansion” Kennesaw State University	6,500,000
J-200	“Griffin Food Technology Center” University of Georgia	2,500,000
J-201	“Cooperative Extension and Agricultural Experiment Station Facilities MRR” University of Georgia	4,000,000
J-202	“Cooperative Extension and Agricultural Experiment Station Facilities Equipment” University of Georgia	1,525,000
J-203	“Rock Eagle 4H Facility” University of Georgia	2,500,000
J-204	“Renovation of the Rural Development Center” University of Georgia	3,000,000
J-205	“Major Repair and Renovations” University System of Georgia	45,000,000
J-206	“Student Academic Center, Cartersville Campus” Georgia Highlands College	2,200,000
<b>FY 2013 Subtotal:</b>		<b>\$297,125,000</b>

**Pass-Thru Agency Requests**

GPL-57	“MRR - Statewide” Georgia Public Library System	2,255,000
GPL-58	“Royston Public Library System, Royston, Franklin County” Georgia Public Library System	1,325,000
GRA-256	“R & D Equipment Statewide” Georgia Research Alliance	8,000,000

GPTC-7	“Communication Systems & Information Systems Upgrades” Georgia Public Television Communications	1,780,000
GPTC-8	“Facility Roof Replacement & Cooling System Improvements” Georgia Public Television Communications	1,265,000
GMC-9	“Health & Wellness Center” Georgia Military College	7,000,000
FMP-1	“Retrofit Forces Command Building” Fort McPherson	4,000,000
<b>Pass-Thru Subtotal:</b>		<b><u>\$25,625,000</u></b>

**Total Bond Sale: \$343,350,000**

**13. Naming of the Noonan Courtyard, Christopher W. Klaus Advanced Computing Building, Georgia Institute of Technology**

The Board approved the naming of the Courtyard at the Christopher W. Klaus Advanced Computing Building at the Georgia Institute of Technology, the Noonan Courtyard, in recognition of Thomas E. and Kim P. Noonan.

**14. Acquisition of Real Property, Veterans Memorial Parkway, Statesboro, Georgia Southern University**

The Board authorized the purchase of approximately 104 acres of unimproved real property located at Veterans Memorial Parkway and Lanier Street, Statesboro (the “Parcel”), from the Brannen family d/b/a Brannen Tillman Farms, LLP (the “Brannens”), for a total purchase price of \$4,000,000 for the use and benefit of Georgia Southern University (“GSOU”).

In November 2011, the Board authorized the execution of a contract for the purchase of 208 acres of real property from the Brannens in two tracts of approximately 104 acres each, for a purchase price of approximately \$4,000,000 each. As reported to the Board in April 2012, acquisition of the initial 104 acres closed in January 2012.

Proposed uses for the real property include campus parking, student housing, athletic fields and facilities, and academic and other uses.

Three independent appraisals of the entire 208 acres of real property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
William E. Hollingsworth, MAI, Augusta	\$10,400,000	
Brian F. Considine, MAI, Savannah	\$7,100,000	\$8,066,667
Neill McDonald, MAI, Savannah	\$6,700,000	

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, except an easement in favor of Georgia Power for an electrical transmission line on the north side of the property.

Funding for this purchase is GSOU institutional funds.

**15. Acquisition of Real Property, 100 Auburn Avenue and 60 Piedmont Avenue, Atlanta, Georgia State University**

The Board authorized the purchase of an approximately 3.52 acre tract of improved real property located at 100 Auburn Avenue, Atlanta, from Atlanta Life Insurance Company (“ALIC”) for \$9,000,000 for the use and benefit of Georgia State University (“GSU”).

The Board also authorized the purchase of an approximately 0.27 acre tract of improved real property located at 60 Piedmont Avenue, Atlanta, from 60 Piedmont Associates, LLC (the “LLC”) for \$1,240,000 for the use and benefit of GSU.

The Board also determined that acquisition of the above referenced two tracts of real property (collectively the “Real Property”) include a plan for the successful mitigation of any environmental conditions on the Real Property as well as verification that the Board of Regents will receive or be the beneficiary of Brownfields protection that provides a limitation of liability for third party claims arising from any remaining site environmental contamination.

In February 2012, an information item was presented to the Board describing the proposed purchase of the Real Property. Acquisition of 60 Piedmont Avenue is dependent on the acquisition of 100 Auburn Avenue, although the reverse is not true.

100 Auburn Avenue is improved with an approximately 105,323 square foot (“sf”) five-story steel frame office building constructed in 1980, in average condition, substantially occupied by ALIC.

60 Piedmont Avenue is improved with an approximately 11,192 sf three-story office building constructed in 1956, in average condition, occupied by the Integral Group, an affiliate of the LLC.

If acquired, 100 Auburn Avenue will be used by the GSU Honors College, the GSU Alumni and Admissions offices, and the GSU Welcome Center. If acquired, 60 Piedmont Avenue building will be used by the GSU Student Housing Office.

A portion of the first floor, and the entire third and fifth floors, of 100 Auburn Avenue, and the entirety of 60 Piedmont Avenue, will be leased to the current tenants for a period of 120 calendar days. The second floor of 100 Auburn Avenue is subject to an existing lease which expires April 30, 2017.

Three independent appraisals of the real properties are as follows:

Atlanta Life Building



<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
C. Clayton Davie, MAI, Atlanta	\$10,750,000	
Daniel Boring, MAI, Atlanta	\$9,750,000	\$9,430,000
Richard S. Childers, MAI, Atlanta	\$7,790,000	

60 Piedmont Avenue Building

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
C. Clayton Davie, MAI, Atlanta	\$1,300,000	
Daniel Boring, MAI, Atlanta	\$1,230,000	\$1,240,000
Richard S. Childers, MAI, Atlanta	\$1,190,000	

60 Piedmont Avenue has an easement for parking until April 30, 2013, and a right of first refusal to purchase a 0.375 acre portion of 100 Auburn Avenue for \$650,000. Purchase of both properties together will eliminate this easement and right of first refusal. There are no other restrictions on the acquisition and no other known reversions, restrictions, or adverse easements on the real property.

Funding for the purchase of the Real Property is from GSU institution funds.

**16. Acquisition of Real Property, 950 Hudson Road, Marietta, Southern Polytechnic State University**

The Board authorized the purchase of approximately 6.045 acres of improved real property located at 950 Hudson Road, Marietta, from Antoine Boulos and Christine Boulos (the "Grantor") for \$550,000, for the use and benefit of Southern Polytechnic State University ("SPSU").

The Board determined 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.

This real property is improved with an approximately 1,600 square foot residential structure built in approximately 1975, in poor condition. It will be used by SPSU for storage until demolished.

Three independent appraisals of the real property are as follows:

<u>Appraiser</u>	<u>Appraised Value</u>	<u>Average</u>
Hall Rigdon, MAI, Marietta	\$750,000	
Matthew Retter, MAI, Lawrenceville	\$619,000	\$606,333
Jay T. Hembree, Woodstock	\$450,000	

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

Funding for this acquisition is from SPSU institution funds.

**17. Executive Session**

At approximately 4:04 p.m. on Tuesday, May 8, 2012, Chair Larry Walker called for an executive session for the purpose of discussing the acquisition of real property. With motion properly made and unanimously

seconded, the Regents who were present voted unanimously to go into executive session. Those Regents are as listed above. Also in attendance was Vice Chancellor for Facilities Linda Daniels, members of the Vice Chancellor's staff, and representatives from University System institutions. In accordance with H.B. 278, Section 3 (amending O.C.G.A. 50-14-4), an affidavit regarding this executive session is on file in the Office of the Secretary to the Board.

The executive session adjourned at approximately 4:22 p.m. Chair Walker reported that no action was taken in the executive session.

**18. Naming of the Martha T. Nesbitt Academic Building, Gainesville State College**

The Board approved the naming of the Academic IV Building at Gainesville State College the "Martha T. Nesbitt Academic Building" in recognition of President Martha T. Nesbitt, and waived Board Policy 9.1.7 requiring two years disassociation from service with the University System of Georgia.

This item was added as a walk on item with unanimous consent of the Committee.

The committee meeting adjourned at approximately 4:27 p.m.

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

The Internal Audit, Risk, and Compliance Committee of the Board of Regents of the University System of Georgia met on Tuesday, May 8, 2012, in the Board Room, 270 Washington Street, S.W, in Atlanta, Georgia. The chair of the committee, Regent Kenneth R. Bernard, Jr., called the meeting to order at approximately 3:07 p.m. Present, in addition to Chair Bernard, were Regents Robert F. Hatcher, C. Thomas Hopkins, Jr., James R. Jolly, Donald M. Leebern, Jr., Richard L. Tucker, Larry Walker and Philip A. Wilheit, Sr. The Chair of the Board, Regent Benjamin J. Tarbutton, III, also was in attendance.

The Board approved institutional audit plans, as described in Appendix II, attached hereto. The Board also authorized the University System's Chief Audit Officer to approve revisions to institutional audit plans.

The committee heard a presentation from Dr. Jeff Delaney, Associate Vice Chancellor for Information Technology – Athens, regarding key risks inherent in the operations of Dr. Delaney's office. A copy of Dr. Delaney's presentation is on file and available for inspection in the Board's Office of Internal Audit.

The committee heard a presentation from Mr. John Fuchko, Chief Audit Officer and Associate Vice Chancellor, regarding a framework for enhancing internal audit coverage within the University System. A copy of Mr. Fuchko's presentation is on file and available for inspection in the Board's Office of Internal Audit.

**ADJOURNMENT**

There being no further business to come before the committee, the meeting was adjourned at approximately 3:31 p.m. on Tuesday, May 8, 2012.

**MINUTES OF THE MEETING OF THE  
SPECIAL COMMITTEE ON GRADUATE MEDICAL EDUCATION**

The Board's Special Committee on Graduate Medical Education met on Tuesday, May 8, 2012, in the Board Room, 270 Washington Street, S.W, in Atlanta, Georgia. The chair of the committee, Regent C. Thomas Hopkins, Jr., called the meeting to order at approximately 3:31 p.m. Present, in addition to Chair Hopkins, were Regents Kenneth R. Bernard, Jr., Robert F. Hatcher, James R. Jolly, Donald M. Leebern, Jr., Richard L. Tucker, Larry Walker and Philip A. Wilheit, Sr. The Chair of the Board, Regent Benjamin J. Tarbutton, III, also was in attendance.

The committee heard a presentation from the administrative team which was commissioned by the Board to assist the committee with the distribution of funds related to graduate medical education. The administrative team presented several recommendations to the committee, which recommendations are contained in the report attached hereto as Exhibit VI.

There being no further business to come before the committee, the meeting was adjourned at approximately 3:50 p.m. on Tuesday, May 8, 2012.

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

**I. WHEREAS**, the Board of Regents of the University System of Georgia (the “Board”) was created as an institution of the State of Georgia (the “State”) in accordance with O.C.G.A. § 20-3-20;

**II. WHEREAS FURTHER**, pursuant to Article VII, Section IV of the Constitution of the State of Georgia (the “Georgia Constitution”), the State may finance certain capital needs directly through the issuance of general obligation debt;

**III. WHEREAS FURTHER**, pursuant to Article VII, Section IV, Paragraph VII(a) of the Georgia Constitution, and the “Georgia State Financing and Investment Commission Act”, O.C.G.A. § § 50-17-20 through 50-17-30 (the “Commission Act”), the Georgia State Financing and Investment Commission (the “Commission”) is the agency and instrumentality of the State charged with issuing debt of the State and ensuring the proper application, as provided by law, of the proceeds of such debt to the purposes for which the debt is incurred;

**IV. WHEREAS FURTHER**, Article VII, Section IV, Paragraph I(c) of the Georgia Constitution, and the GSFIC Act provide that certain general obligation debt (as defined by O.C.G.A. § 50-17-21 (5) and hereinafter “General Obligation Debt”) may be incurred to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, structures, equipment, or facilities of the State, its agencies, departments, institutions, and of those State authorities which were created and activated prior to November 8, 1960;

**V. WHEREAS FURTHER,** Article VII, Section IV, Paragraph I(d) of the Georgia Constitution, and the GSFIC Act provide that certain General Obligation Debt may be incurred to provide educational facilities for county and independent school systems and to provide public library facilities for county and independent school systems, counties, municipalities, and boards of trustees of public libraries or boards of trustees of public library systems;

**VI. WHEREAS FURTHER,** pursuant to Paragraphs I through III of Section IV of Article VII of the Georgia Constitution, the General Appropriations Act for fiscal year 2010-2011 (Ga. L. 2010, Volume One, Book Two Appendix, commencing at p. 1 of 164, Act No. 684, 2010 Regular Session, H.B. 948) was enacted by the General Assembly and signed by the Governor on June 4, 2010, so as to make the following appropriations, designated “General Obligation Debt Sinking Fund: GO Bonds New – Bond Financing Appropriated,” to the State of Georgia General Obligation Debt Sinking Fund, as provided by the Georgia Constitution, Article VII, Section IV, Paragraph III:

A. [Bond # 22] From State General Funds, \$1,791,020 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$7,700,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

B. [Bond # 29] From State General Funds, \$651,280 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$2,800,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

**VII. WHEREAS FURTHER,** pursuant to Paragraphs I through III of Section IV of Article VII of the Georgia Constitution, the General Appropriations Act for fiscal year 2011-2012 (Ga. L. 2011, Volume One, Book Two Appendix, commencing at p. 1 of 231, Act No. 223, 2011 Regular Session, H.B. 78) was enacted by the General Assembly and signed by the Governor on May 12, 2011, and amended by the Supplementary General Appropriations Act for State Fiscal Year 2011-2012 (Act No. 406, 2012 Regular Session, H.B. 741) signed by the Governor on March 15, 2012, so as to make the following appropriations, designated “General Obligation Debt Sinking Fund – New,” to the State of Georgia General Obligation Debt Sinking Fund, as provided by the Georgia Constitution, Article VII, Section IV, Paragraph III:

A. [Bond 379.608] From State General Funds, \$1,540,800 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$18,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of 240 months;

B. [Bond 379.613] From State General Funds, \$693,000 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$3,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of 60 months;

**VIII. WHEREAS FURTHER,** pursuant to Paragraphs I through III of Section IV of Article VII of the Georgia Constitution, the General Appropriations Act for fiscal year 2012-2013 (Act No. 775, 2012 Regular Session, H.B. 742) was enacted by the General Assembly and is pending signature by the Governor, so as to make the following appropriations,

designated “General Obligation Debt Sinking Fund: GO Bonds New – Bond Financing Appropriated,” to the State of Georgia General Obligation Debt Sinking Fund, as provided by the Georgia Constitution, Article VII, Section IV, Paragraph III:

A. [Bond # 9] From State General Funds, \$346,500 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$1,500,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

B. [Bond # 10] From State General Funds, \$254,100 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$1,100,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

C. [Bond # 11] From State General Funds, \$646,800 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$2,800,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

D. [Bond # 12] From State General Funds, \$323,400 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$1,400,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

E. [Bond # 14] From State General Funds, \$462,000 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land,



waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$2,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

F. [Bond # 15] From State General Funds, \$2,396,800 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$28,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

G. [Bond # 16] From State General Funds, \$4,476,880 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$52,300,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

H. [Bond # 17] From State General Funds, \$2,157,120 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$25,200,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

I. [Bond # 18] From State General Funds, \$5,050,400 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$59,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

J. [Bond # 19] From State General Funds, \$2,996,000 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$35,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

K. [Bond # 20] From State General Funds, \$2,310,000 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$10,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

L. [Bond # 21] From State General Funds, \$1,848,000 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$8,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

M. [Bond # 22] From State General Funds, \$411,180 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$1,780,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

N. [Bond # 23] From State General Funds, \$108,284 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$1,265,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

O. [Bond # 24] From State General Funds, \$342,400 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$4,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

P. [Bond # 25] From State General Funds, \$556,400 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$6,500,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

Q. [Bond # 26] From State General Funds, \$1,284,000 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$15,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

R [Bond # 27] From State General Funds, \$821,760 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$9,600,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

S. [Bond # 28] From State General Funds, \$2,739,200 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of

not more than \$32,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

T. [Bond # 29] From State General Funds, \$342,400 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$4,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

U. [Bond # 30] From State General Funds, \$214,000 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$2,500,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

V. [Bond # 31] From State General Funds, \$214,000 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$2,500,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

W. [Bond # 32] From State General Funds, \$352,275 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$1,525,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

X. [Bond # 33] From State General Funds, \$599,200 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition,

construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$7,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

Y. [Bond # 34] From State General Funds, \$520,905 is specifically appropriated to the Board of Regents of the University System of Georgia to provide public library facilities by grant to the boards of trustees of public libraries or boards of trustees of public library systems, through the issuance of not more than \$2,255,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

Z. [Bond # 35] From State General Funds, \$113,420 is specifically appropriated to the Board of Regents of the University System of Georgia to provide public library facilities by grant to the governing board of the Royston Public Library, for that library, through the issuance of not more than \$1,325,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

AA. [Bond # 37] From State General Funds, \$508,200 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$2,200,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of sixty months;

BB. [Bond # 38] From State General Funds, \$256,800 is specifically appropriated for the purpose of financing projects and facilities for the Board of Regents of the University System of Georgia by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$3,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months;

**IX. WHEREAS FURTHER,** with respect to the appropriations set forth in Article VI above, the State previously has issued:

A. \$6,800,000 in General Obligation Debt of the \$7,700,000 amount authorized in the appropriation set forth in Article VI.A. above, and there remains

a total aggregate principal amount of \$900,000 of unissued General Obligation Debt relating to such appropriation;

B. \$2,100,000 in General Obligation Debt of the \$2,800,000 amount authorized in the appropriation set forth in Article VI.B. above, and there remains a total aggregate principal amount of \$700,000 of unissued General Obligation Debt relating to such appropriation;

**X. WHEREAS FURTHER,** with respect to the appropriations set forth in Article VII above, the State previously has issued:

A. \$2,000,000 in General Obligation Debt of the \$18,000,000 amount authorized in the appropriation set forth in Article VII.A. above, and there remains a total aggregate principal amount of \$16,000,000 of unissued General Obligation Debt relating to such appropriation;

B. \$0 in General Obligation Debt of the \$3,000,000 amount authorized in the appropriation set forth in Article VII.B. above, and there remains a total aggregate principal amount of \$3,000,000 of unissued General Obligation Debt relating to such appropriation;

**XI. WHEREAS FURTHER,** the Board finds an immediate need for the aggregate principal amount of the General Obligation Debt authorized in the appropriations set forth in Article VI above for the purpose of financing some or all of the projects and facilities referenced in the appropriations set forth in Article VI above, as follows:

A. \$900,000 of the unissued \$900,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VI.A. above;

B. \$700,000 of the unissued \$700,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VI.B. above;

**XII. WHEREAS FURTHER,** the Board finds an immediate need for the aggregate principal amount of the General Obligation Debt authorized in the appropriations set forth in Article VII above for the purpose of financing some or all of the projects and facilities referenced in the appropriations set forth in Article VII above, as follows:

A. \$16,000,000 of the unissued \$16,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in

Article VII.A. above;

B. \$3,000,000 of the \$3,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VII.B. above;

**XIII. WHEREAS FURTHER,** the Board finds an immediate need for the aggregate principal amount of the General Obligation Debt authorized in the appropriations set forth in Article VIII above for the purpose of financing some or all of the projects and facilities referenced in the appropriations set forth in Article VIII above, as follows:

A. \$1,500,000 of the \$1,500,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.A. above;

B. \$1,100,000 of the \$1,100,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.B. above;

C. \$2,800,000 of the \$2,800,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.C. above;

D. \$1,400,000 of the \$1,400,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.D. above;

E. \$2,000,000 of the \$2,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.E. above;

F. \$28,000,000 of the \$28,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.F. above;

G. \$52,300,000 of the \$52,300,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.G. above;

H. \$25,200,000 of the \$25,200,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.H. above;

I. \$59,000,000 of the \$59,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.I. above;

J. \$35,000,000 of the \$35,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.J. above;

- K. \$10,000,000 of the \$10,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.K. above;
- L. \$8,000,000 of the \$8,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.L. above;
- M. \$1,780,000 of the \$1,780,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.M. above;
- N. \$1,265,000 of the \$1,265,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.N. above;
- O. \$4,000,000 of the \$4,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.O. above;
- P. \$6,500,000 of the \$6,500,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.P. above;
- Q. \$15,000,000 of the \$15,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.Q. above;
- R. \$9,600,000 of the \$9,600,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.R. above;
- S. \$32,000,000 of the \$32,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.S. above;
- T. \$4,000,000 of the \$4,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.T. above;
- U. \$2,500,000 of the \$2,500,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.U. above;
- V. \$2,500,000 of the \$2,500,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.V. above;
- W. \$1,525,000 of the \$1,525,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.W. above;



X. \$7,000,000 of the \$7,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.X. above;

Y. \$2,255,000 of the \$2,255,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.Y. above;

Z. \$1,325,000 of the \$1,325,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.Z. above;

AA. \$2,200,000 of the \$2,200,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.AA. above;

BB. \$3,000,000 of the \$3,000,000 aggregate principal amount of General Obligation Debt authorized in the appropriation set forth in Article VIII.BB. above;

**XIV. WHEREAS FURTHER,** the Board therefore desires to request the issuance of State of Georgia General Obligation Bonds in the aggregate principal amount of \$343,350,000, the instruments of which shall have maturities not in excess of sixty (60) months or two hundred and forty (240) months, as applicable to the appropriations set forth in Articles VI, VII and VIII above (the “General Obligation Bonds”), for the purpose of financing some or all of the projects and facilities referenced in the appropriations set forth in Articles VI, VII and VIII above (the “Projects”);

**XV. WHEREAS FURTHER,** the Board is aware that the Projects shall be completed with proceeds derived from the sale of the General Obligation Bonds with the intent that interest on such General Obligation Bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Tax Code”);

**XVI. WHEREAS FURTHER,** the Board is aware of the provisions and requirements of the Tax Code and the regulations issued thereunder respecting arbitrage bonds and private activity

bonds, and is aware that the Projects must proceed with due diligence and be timely completed following receipt of the proceeds derived from the sale of the General Obligation Bonds (the "Bond Proceeds");

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA THAT:**

**SECTION 1.**

The Board hereby approves and authorizes the Projects.

**SECTION 2.**

The Board hereby recommends to the Georgia State Financing and Investment Commission that said Commission undertake to issue the General Obligation Bonds in the aggregate principal amount of \$343,350,000, the instruments of which shall have maturities not in excess of sixty (60) months or two hundred and forty (240) months, as applicable to the appropriations set forth in Articles VI, VII and VIII above, for the purpose of financing some or all of the Projects.

**SECTION 3.**

The Board hereby determines and agrees that:

(a) the final plans for the Projects are sufficiently complete such that substantial binding obligations to a third party or parties (as defined in the regulations issued under the Tax Code), involving the expenditure of at least five percent (5%) of the Bond Proceeds herein requested, to commence or acquire the Projects will be incurred within six (6) months after the issuance of such General Obligation Bonds;

(b) eighty-five percent (85%) of the Bond Proceeds herein requested will be expended within three (3) years after the issuance of such General Obligation Bonds;

(c) the Bond Proceeds herein requested, and anticipated investment proceeds (net of interest on such General Obligation Bonds during the estimated period of construction), will not exceed the amount necessary for the governmental purposes of financing the Projects;

(d) during the time the General Obligation Bonds herein requested are outstanding, the Board will not take, or omit to take, any action which would cause such General Obligation Bonds to be deemed private activity bonds or arbitrage bonds under the Tax Code;

(e) the Board will not use the Bond Proceeds herein requested, or the Projects financed with such Bond Proceeds, for any non-governmental purpose, or any purpose that would give rise to private business use within the meaning of the Tax Code, except for those specific instances in which the Board has previously consulted with the Commission;

(f) the term of the General Obligation Bonds related to the Projects will not be longer than 120% of the reasonably expected economic life of the Projects financed thereunder;

(g) no Bond Proceeds herein requested will be used for reimbursement of any Project expenditures which were made before the anticipated delivery date of such General Obligation Bonds, except in situations where, prior to any such expenditure, the Board has obtained a declaration of "Official Intent" (as defined by the Tax Code) from the Commission, or the Board has been otherwise advised in writing by the Commission that such reimbursement will be permitted, it being the intention of the Board to comply in all respects with Section 1.150-2 of the regulations under the Tax Code;

(h) all of the expenditures of the Bond Proceeds for the Projects will constitute capital expenditures (as defined in Section 1.150-1(b) of the regulations under the Tax Code);

(i) with respect to the Projects, all of the Bond Proceeds will be allocated to Project expenditures no later than the earlier of: (i) eighteen (18) months after the date such Project is placed in service, or (ii) five (5) years after the issuance of such General Obligation Bonds; any unallocated Bond Proceeds remaining after the earlier of such dates shall be transferred to the Commission and used to redeem outstanding tax-exempt General Obligation Debt of the applicable issue.

#### **SECTION 4.**

The Board hereby determines and agrees that with respect to any Board project previously financed with proceeds of State of Georgia General Obligation Debt issued by the State with the intent that (i) the interest on such bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Tax Code or (ii) such bonds at the time of their issuance were designated by the State as Build America Bonds under Section 54AA of the Tax Code (a

“Prior Bond Project”), and where any Prior Bond Project bonds remain outstanding (including any refunding bonds), the Board certifies that such Prior Bond Project is not now being used for any private business use within the meaning of pertinent provisions of the Tax Code, except for those specific instances in which the Board has identified to the Commission such use of the Prior Bond Project(s) and (a) provision was made so as to properly retire, redeem or defease any and all then-remaining outstanding bonds for the Prior Bond Project(s) concurrent with such use so as to maintain the tax-exempt or Build America Bond status of such bonds or (b) the Commission has expressly consented to permit such use without the aforementioned retirement, redemption or defeasance of outstanding Prior Bond Project bonds, as applicable.

#### **SECTION 5.**

The Board hereby approves, authorizes, and directs the Chancellor of the University System of Georgia (the “Chancellor”), or the Chairman of the Board (the “Chairman”), to communicate a request to the Georgia State Financing and Investment Commission that said Commission undertake to issue the General Obligation Bonds in the aggregate principal amount of \$343,350,000, the instruments of which shall have maturities not in excess of sixty (60) months or two hundred and forty (240) months, as applicable to the appropriations set forth in Articles VI, VII and VIII above, for the purpose of financing some or all of the Projects.

#### **SECTION 6.**

The Chancellor, the Chairman, the Secretary of the Board, and their valid delegates are hereby each authorized and directed to execute any instruments and take whatever action which may be necessary in connection with the issuance of the General Obligation Bonds by the Commission, including, but not limited to, the preparation and execution of answers in connection with any legal proceeding as to the validity of any action by the Board with respect to the General

Obligation Bonds issued by the Commission. The Attorney General or any Assistant Attorneys General of the State are authorized to execute Acknowledgment of Service and Waiver of Process in such legal proceedings.

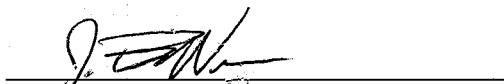
**This Resolution is hereby adopted this 9th day of May 2012.**



**CHAIRMAN**

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

**ATTEST:**



**SECRETARY**

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

**CERTIFICATE**

I, J. Burns Newsome, Secretary of the Board of Regents of the University System of Georgia, do hereby certify that I am custodian of the minutes of said Board, and that the foregoing is a true and correct copy of a Resolution duly adopted by said Board at a meeting held on the 9th day of May 2012.

SO CERTIFIED, this 16<sup>th</sup> day of May, 2012.

  
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**SECRETARY**

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

## Appendix II

## Office of Internal Audit and Compliance

## Campus Audit Plans

FY 2013

As of May 1, 2012

Institution	Engagement Type	Engagement Subject
<b>Research Universities</b>		
<b>Georgia Health Sciences University</b>	<i>Assurance</i>	Accounts receivable Contract management Financial aid Grants and contracts Information security Institutional Review Board Management of reserves Surprise cash counts
	<i>Consulting</i>	Augusta State University migration to PeopleSoft Alignment of policy and procedures
<b>Georgia Institute of Technology</b>	<i>Assurance</i>	Circular A-21 compliance BANNER security audit BuzzMart system audit Campus DNS hardening Cellphone usage Continuing Education Units Departmental Review: Georgia Tech Research Corporation Departmental Review: Business services Departmental Review: Buzzcard Center Departmental Review: Enterprise Innovation Institute, Provost Office Departmental Review: Environmental Health and Safety Departmental Review: Financial Services, AVP Departmental Review: Graduate Admissions Departmental Review: Office of Telecom Services Departmental Review: Housing Departmental Review: Property Control Departmental Review: Library Georgia Tech Research Institute personal services

		Investigations Lawful presence verification P-Card review (FY 2012 - Quarter 4) P-Card review (FY 2013 - Quarter 1) P-Card review (FY 2013 - Quarter 2) P-Card review (FY 2013 - Quarter 3) Student Government Association accounting practices Travel system audit Wireless architecture audit
	<i>Consulting</i>	PeopleSoft security architecture
	<i>Special</i>	Business intelligence dashboard Continuous Controls Monitoring Controlled self assessment Critical system analysis Institute fraud risk assessment and analysis
<b>Georgia State University</b>	<i>Assurance</i>	BANNER system access Contracts Network security - wireless access PCI data security standards compliance Reserves/Fund balances Vehicle management
	<i>Consulting</i>	Core services and facilities - research Recycling program
<b>University of Georgia</b>	<i>Assurance</i>	Department Review: Arts and Sciences - Cellular Biology Department Review: Arts and Sciences - English Department Review: Arts and Sciences - Philosophy Department Review: Arts and Sciences - Plant Biology Department Review: Arts and Sciences - Psychology Department Review: CAES - Crop and Soil Sciences Department Review: CAES - Office of Global Programs Department Review: Education - Counseling and Human Development Department Review: Education - Dean's Office Department Review: Education - Lifelong Education, Administration, and Policy Department Review: Family and Consumer Science - Dean's Office



		Food service IT Departmental Reviews Office of International Education - Costa Rica Tate Center parking Department Review: Terry College - Insurance, Legal Studies, and Real Estate University Housing - Business Office Department Review: Veterinary Medicine - Dean's Office Department Review: Veterinary Medicine - Infectious Diseases Department Review: Veterinary Medicine - Physiology and Pharmacology
	<i>Special</i>	Circular A-133 audit assistance (Grants and Contracts and SFA) IT business continuity/disaster recovery Class fees Mobile computing (smartphones, tablet computers, PDAs) Third-Party application patching UGA document imaging software solutions Vending machine contract
<b>Regional Universities</b>		
<b>Georgia Southern University</b>	<i>Assurance</i>	Department Review: College of Public Health Contract management life cycle Counseling Center Environmental safety Funds held in reserve Log management NCAA compliance PCI compliance Department Review: Writing and Linguistics
	<i>Special</i>	University policies
<b>Valdosta State University</b>	<i>Assurance</i>	Contract management life cycle Reserves accounting, management, and disclosure Third-Party hosted applications Accounts receivable - students dropped for non-payment Financial aid - SAP Personally identifiable information
	<i>Special</i>	Bookstore - follow-up on prior findings

State Universities		
Albany State University	Assurance	Accounts receivable Emergency preparedness Grade validation - carryover from FY 2012 Grants and contracts Procurement cycle Reserves - carryover from FY 2012
	Special	Internal controls training (session 1) Internal controls training (session 2)
Armstrong Atlantic State University	Assurance	Accounts receivable Graduate assistantships Residential facilities Scholarships Student fee assessment and implementation
	Consulting	Residence hall staffing
	Special	Enterprise risk management SACS compliance - preparation for campus visit
Augusta State University	Assurance	Accounts receivable Cash counts Jag Cash
	Consulting	Academic partnerships
	Special	Consolidation - Audit, compliance, risk management, and faculty credentialing
Columbus State University	Assurance	Capital asset management Contract management Financial aid Mandatory student fee Reserves accounting
Georgia State College & University	Assurance	Admissions Auxiliary services Chemical handling Contracts Financial aid
	Special	Jeanne Cleary Act
Kennesaw State University	Assurance	Accounts receivable - student payments

		Auxiliary services - follow-up Burruss Institute - follow-up Contract and grants (post-award) Contract management Facilities operations Institute of Global Initiatives - follow-up KSU Research Foundation Management of reserve accounts Jeanne Cleary Act Siegel Institute - follow-up
Savannah State University	<i>Assurance</i>	Financial aid - compliance with federal laws In-State/Out-of-State tuition waivers Mandatory student fees Plant operations - monitoring of hazardous materials Student accounts receivable University Advancement
	<i>Consulting</i>	Athletic ticket sales
	<i>Special</i>	Surprise cash counts
Southern Polytechnic State University	<i>Assurance</i>	Accounts receivable - student fees Agency accounts Cash advances Contract bids and procurement In-State/Out-of-State tuition classification Institutional travel Purchasing cards Reserves accounting Residence hall revenue review Stewardship of student fees Unscheduled cash counts
University of West Georgia	<i>Assurance</i>	Bookstore operations Budget development and control Central Warehouse - procedures and records Data Center - operations and procedures Departmental Review: To be identified

		Departmental Review: Collaborative Support Financial aid - administration and control Labor supply risk - Human Resources process and objectives Mandatory student fees Payroll disbursement Procurement and purchasing Travel expenditure processing and control Course load and compensation Year-End reserves
	<i>Consulting</i>	Contract management Department of Risk Management PCI compliance
	<i>Special</i>	Surprise cash counts
	<b>State Colleges</b>	
<b>Atlanta Metropolitan College</b>	<i>Assurance</i>	Cash collecting and receipting Federal grants and contracts review Student due process review Student hardship withdrawal process review
	<i>Special</i>	Enterprise risk management
<b>Georgia Gwinnett College</b>	<i>Assurance</i>	Accounting reserves Identity access management
	<i>Consulting</i>	Contract management Payroll
	<i>Special</i>	Cave Cash machine transactions PCI compliance
<b>Georgia Perimeter College</b>	<i>Assurance</i>	Cash receipts and handling Change Management, Logical Access and IT Operations for BANNER Configuration management for PCs and mobile devices Financial reporting Fuel acquisition and usage Mandatory fees
	<i>Consulting</i>	Bank account administration Budgeting Reserves fund balance reconciliation

*Special*

Institutional memory/Operating manuals  
IT equipment inventory and control