

**MINUTES OF THE MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD AT
Atlanta Georgia
August 10-11 2010**

CALL TO ORDER

The Board of Regents of the University System of Georgia met on Tuesday, August 10, 2010, and Wednesday, August 11, 2010, in the Board Room, 270 Washington St., S.W. The Chair of the Board, Regent Willis J. Potts, Jr., called the meeting to order at approximately 1:00 p.m. on Tuesday, August 10, 2010, and again at 10:00 a.m. on Wednesday, August 11, 2010. Present on Tuesday and Wednesday, in addition to Chair Potts, were Vice Chair Felton Jenkins and Regents Kenneth R. Bernard, Jr., Frederick E. Cooper, Larry R. Ellis, Robert F. Hatcher, C. Thomas Hopkins, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., William H. NeSmith, Jr., Wanda Yancey Rodwell, Kessel D. Stelling, Jr., Benjamin Tarbuton, III, Richard L. Tucker, and Larry Walker. Regent James A. Bishop was present on Tuesday, August 10, 2010, and excused on Wednesday, August 11, 2010. Regent Doreen Stiles Poitevint was excused on Tuesday, August 10, 2010, and on Wednesday, August 11, 2010.

INVOCATION AND PLEDGE

The invocation and Pledge of Allegiance were given on each day by Regent C. Thomas Hopkins.

SAFETY BRIEFING

The safety briefing was given on each day by Chief Bruce Holmes.

ATTENDANCE REPORT

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

APPROVAL OF MINUTES

The minutes of the Board of Regents meeting held on June 8-9, 2010, were unanimously approved.

CHAIR'S REMARKS

Chair Willis J. Potts, Jr., thanked the Board for the vote of confidence in him in electing Regent Potts as Chair of the Board.

Chair Potts noted that the Board's four chief areas of focus during the next fiscal year will be student success, research and economic development, relationships with our educational partners,

and strengthening the Board's strategic plan. Toward that end, Chair Potts reviewed amendments to the Board's organization and governing processes designed to increase transparency and efficiency. The Chair reviewed the eight standing and two special committees of the Board, noted and thanked the chair of each committee. Chair Potts also emphasized that topics of interest and importance to all Regents will be heard by the Board in committees of the whole.

The Chair was reminded of The Story of the Seven Scopes: the microscope, the telescope, the stethoscope, the proctoscope, the gyroscope, the periscope, and the horoscope. He noted that in struggling with all of the issues which will be before the Board in the coming year, the Board will need all seven of these tools.

Chair Potts concluded by reading the Board's mission statement and asked all Regents to remember the Board's purpose and focus: teaching, research, and service.

A copy of the Chair's remarks are on file and available for inspection in the Office of the Secretary to the Board.

COMMITTEE OF THE WHOLE: STUDENT SUCCESS

The Committee on Student Success, meeting as the Committee of the Whole, met on Tuesday, August 10, 2010, at approximately 1:10 p.m. in the Board Room. Committee members in attendance included all Regents except Regent Poitevint. Chair Larry R. Ellis, reported to the Board that the Committee reviewed two items, one of which required action.

1. Information Item: Presentation of Learning Support Task Force Recommendations

During the 2009-2010 Academic Year, the Learning Support Task Force conducted a detailed study of current organization, policy, and practice throughout the University System of Georgia. The Learning Support Task Force reviewed numerous data reports on student placement and eventual student success. After thorough study and discussion of all available data, the Learning Support Task Force finalized a set of recommendations, which was presented to the Board by Associate Vice Chancellor Virginia Michelich. A copy of Dr. Michelich's presentation is on file and available for inspection in the Board's Office of Academic Affairs.

2. Revision to Board Policy 4.2.1.1

With the understanding that the Chancellor shall present to the Board a periodic review (not less than annually) of the effectiveness of the following policy revision, the Board approved the following amendment to Policy 4.2.1.1 regarding admissions and the Freshman Index (with the addition to current policy denoted by shading):

4.2.1.1 Freshman Requirements

Students applying for freshman admissions to a USG institution must meet the following criteria.

Required High School Curriculum

Completion of the USG's Required High School Curriculum ("RHSC") requirements and graduation from a high school accredited by a regional accrediting association (such as the Southern Association of Colleges and Schools) or the Georgia Accrediting Commission or from a public school regulated by a school system and state department of education.

Students applying to any institution must present credit for sixteen (16) specified units. Students who graduate from high school in 2012 or later must present credits for seventeen (17) specified units. The 16 (17 for students who graduate in 2012 or later) specified USG units are:

1. **MATHEMATICS:** Four (4) units of Mathematics, including Algebra I, Algebra II, and Geometry. For students who graduate from a Georgia Public School in 2012 or later, the 4 units of Mathematics must include a course at the level of Math 3 or higher.
2. **ENGLISH:** Four (4) units of English which have as their emphasis grammar and usage, literature (American, English, World), and advanced composition skills.
3. **SCIENCE:** Three (3) units of science, with at least one laboratory course from the life sciences and one laboratory course from the physical sciences. Students who graduate in 2012 or later must have four (4) units of science. Georgia Public high School graduates must have at least one (1) unit of biology, one (1) unit of physical science or physics, and one (1) unit of chemistry, earth systems, environmental science, or an advanced placement science course.
4. **SOCIAL SCIENCE:** Three (3) units of social science, with at least one (1) course focusing on United States studies and one (1) course focusing on world studies.
5. **FOREIGN LANGUAGE:** Two (2) units in the same foreign language emphasizing speaking, listening, reading, and writing. Two (2) units of American Sign Language may be used to satisfy this requirement.

In addition to these minimum requirements, students are encouraged to take additional academic units in high school to improve their probability for admission and success.

Freshman Index

Effective Fall Semester, 2011, presidents shall require one of the following: a) submission of SAT/ACT test scores and meeting of the Freshman Index, as described below; or b) a minimum high school grade point average (HSGPA) and mandatory placement testing in lieu of SAT/ACT test scores for admissions.

A designated score on the Freshman Index (“FI”), which is based on a combination of a student’s SAT I or ACT assessment scores and high school grade point average (HSGPA). The Freshman Index is:

1. $FI = 500 \times (HSGPA) + SAT \text{ Verbal/Critical Reading} + SAT \text{ I Math (or)}$
2. $FI = 500 \times (HSGPA) + (ACT \text{ Composite} \times 42) + 88$

The minimum FI required for admission to a:

1. Research university is 2500;
2. Regional university is 2040;
3. State university is 1940; and,
4. State or two-year college is 1830

In addition to the FI, students must have a minimum SAT I Verbal score of 430 and Mathematics score of 400 (or ACT equivalent) for admission to a university (research, regional, or state).

Students without these minimum scores but with SAT I scores of at least 330 Verbal and 310 Mathematics may be considered for admission to a two-year college, but will be required to exempt or exit learning support (“LS”) in the areas of deficiency.

Institutions may set higher requirements for admission. Students meeting the minimum FI requirements are not guaranteed admission.

The committee meeting adjourned at approximately 2:19 p.m.

JOINT COMMITTEE OF THE WHOLE: FINANCE & BUSINESS OPERATIONS AND PERSONNEL & BENEFITS

The Committees on Finance & Business Operations and Personnel & Benefits, meeting jointly as the Committee of the Whole, met on Tuesday, August 10, 2010, at approximately 2:20 p.m. in the Board Room. Committee members in attendance included all Regents except Regent Poitevint. Chairs Wanda Yancey Rodwell and Benjamin Tarbutton, III, reported to the Board that the Committee reviewed five items, each of which required action.

With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Fiscal Year 2011 Amended and Fiscal Year 2012 Operating and Capital Budget Request

The Board approved the Fiscal Year 2012 operating and capital budget request, as well as contingency reduction plans at 4%, 6% and 8% for Fiscal Year 2011 Amended and continuing into FY 2012. In addition, the Board approved a 10% reduction plan for Fiscal Year 2012 only.

Copies of the Fiscal Year 2012 operating and capital budget request, the contingency reduction plans at 4%, 6% and 8% for Fiscal Year 2011 Amended and continuing into FY 2012, and the 10% contingency reduction plan for Fiscal Year 2012 are on file and available for inspection in the Offices of the Secretary and the Treasurer to the Board.

2. Approval of Professional Program Tuition for Master of Science in Supply Chain Engineering, Georgia Institute of Technology

The Board approved the request of the Georgia Institute of Technology for a professional program, in-state student tuition rate of \$5,569 per semester and a professional program, out-of-state student tuition rate of \$17,480 per semester for the Master of Science in Supply Chain Engineering degree program, effective Fall Semester, 2010.

3. Approval of Health Insurance Plan Changes for Plan Year 2011 (Joint meeting with Personnel & Benefits)

The Board approved the following health insurance plan changes for the University System of Georgia for Plan Year 2011 to become effective on January 1, 2011.

- Implement a voluntary, alternative network as an additional option for Preferred Provider Organization (PPO) and High Deductible Health Plan (HDHP)
- Self-fund Blue Cross Blue Shield (BC/BS) HDHP and Health Maintenance Organization (HMO)
- Continue to seed Health Savings Account (HSA) for both current and new enrollees at one-half of the 2010 levels
- Institute a tobacco use surcharge of \$50 monthly
- Implement minor changes to prescription plan
- Implement various “wellness” provisions
- All future retirees and spouses of retirees will pay the full cost of insurance for not enrolling in Medicare Part B when they become eligible

4. Approval of Healthcare Plan Premiums for Plan Year 2011 (Joint meeting with Personnel & Benefits)

The Board approved the Healthcare Plan premiums for the University System of Georgia for Plan Year 2011 as shown in Appendix A, to become effective on January 1, 2011.

5. **Approval of Dental Plan Premiums for Plan Year 2011 (Joint meeting with Personnel & Benefits)**

The Board approved the Dental Plan premiums for the University System of Georgia for Plan Year 2011 as shown in Appendix B, to become effective on January 1, 2011.

6. **Approval of Revisions to *The Policy Manual*, Section 8.2.19 Tuition Assistance Program**

The Board approved the following revisions to the Board Policy 8.2.19, *Tuition Assistance*, effective on January 1, 2011:

New Policy 8.2.19 Tuition Assistance Program

8.2.19 Tuition Assistance Program

The USG and its institutions will encourage full-time faculty, staff, and administrators to participate in development activities and study by remitting tuition for those activities that have been authorized by the employee's institution. Participation in the Tuition Assistance Program shall be available to full-time, benefits-eligible employees who have successfully completed at least six (6) months of employment in a benefits-eligible position as of the date of the Tuition Assistance Program application deadline for the desired academic semester.

Full-time employees (who meet the applicable admissions standards and who have received appropriate prior authorization from their institution) may enroll in up to ~~eight (8)~~ **nine (9)** academic semester credit hours for each of the three (3) designated semester periods: fall semester, spring semester, and summer semester.

Student status will be secondary to employee status in all considerations, including student fee waivers. Tuition assistance is the waiver of tuition and the waiver of certain fees. Tuition Assistance Program participation will be granted on a space-available basis. For limited-slot enrollment programs, approval must be granted by the teaching institution. An employee must receive a grade of C or better in each approved Tuition Assistance Program academic course.

Employees may not enroll in the following professional schools:

1. Dental
2. Medical
3. Pharmacy
4. Veterinary
5. Law
6. Executive/premiere or comparable graduate programs

COMMITTEE REPORTS

EXECUTIVE AND COMPENSATION COMMITTEE

The Executive and Compensation Committee met on Tuesday, August 10, 2010, at approximately 11:00 a.m. in room 7019. Committee members in attendance were Chair Willis J. Potts, Jr., Vice Chair Felton Jenkins, and Regents Robert F. Hatcher, W. Mansfield Jennings, Jr., James R. Jolly, Donald M. Leebern, Jr., Wanda Yancey Rodwell, and Richard L. Tucker. Chancellor Erroll B. Davis, Jr., and members of his staff also were present. Chair Potts reported to the Board that the Committee reviewed three items, only one of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Board Meeting Calendar

The Board approved its meeting calendar for Fiscal Year 2011, a copy of which is attached hereto as Appendix C.

2. Information Item: September Retreat

The Chancellor presented to the committee information regarding the Board September retreat.

3. Information Item: University of Georgia Enrollment

The Chancellor presented to the committee information regarding enrollment patterns at the University of Georgia.

4. Executive Session: Personnel and Litigation Matters

At approximately 11:20 a.m. on Tuesday, August 10, 2010, Chair Willis J. Potts, Jr., called for an executive session for the purpose of discussing personnel and litigation matters. With motion properly made and seconded, the Regents who were present voted unanimously to go into executive session. Those Regents are as listed above. The Chancellor and members of his senior staff also were present. 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.

Chair Potts reconvened the committee in its regular session at approximately 11:53 a.m. and announced that no actions were taken during executive session.

The committee meeting adjourned at approximately 11:54 a.m.

COMMITTEE ON ACADEMIC AFFAIRS

The Committee on Academic Affairs met on Tuesday, August 10, 2010, at approximately 3:40 p.m. in room 5158. Committee members in attendance were Chair William H. NeSmith, Jr., Vice Chair Donald M. Leebern, Jr., and Regents Kenneth R. Bernard, Jr., C. Thomas Hopkins, W. Mansfield Jennings, Jr., Wanda Yancey Rodwell, Benjamin Tarbutton, III, and Larry Walker. The Vice-Chair of the Board, Felton Jenkins, also was in attendance. Also in attendance were Chief Academic Officer & Executive Vice Chancellor, Susan Herbst, and other System Office staff. Representatives from System institutions were also present. Chair NeSmith reported to the Board that the Committee had reviewed 11 items, 9 of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Revised Institutional Mission Statement, Georgia Southwestern State University

The Board approved the request of President Kendall A. Blanchard that Georgia Southwestern State University be authorized to revise its institutional mission statement, effective August 11, 2010. The university's new mission statement is as follows:

Georgia Southwestern State University cultivates excellence in learning and teaching that encourages intellectual, personal, and social growth for students, faculty, staff, and the community. Georgia Southwestern State University is a comprehensive state university within the University System of Georgia that offers a full range of bachelor degree programs, along with selected master's and specialist degree programs.

2. Revised Institutional Mission Statement, University of Georgia

The Board approved the request of President Michael F. Adams that the University of Georgia be authorized to revise its institutional mission statement, effective August 11, 2010. The university's new mission statement is as follows, with additions shaded:

The University of Georgia, a land-grant and sea-grant university with statewide commitments and responsibilities is the state's oldest, most comprehensive, and most diversified institution of higher education. Its motto, "to teach, to serve, and to inquire into the nature of things," reflects the University's integral and unique role in the conservation and enhancement of the state's and nation's intellectual, cultural, and environmental heritage.

The University of Georgia shares with the other research universities of the University System of Georgia the following core characteristics:

- a statewide responsibility and commitment to excellence and academic achievements having national and international recognition;
- a commitment to excellence in a teaching/learning environment dedicated to serve a diverse and well-prepared student body, to promote high levels of student achievement, and to provide appropriate academic support services;

- a commitment to excellence in research, scholarship, and creative endeavors that are focused on organized programs to create, maintain, and apply new knowledge and theories; that promote instructional quality and effectiveness; and that enhance institutionally relevant faculty qualifications;
- a commitment to excellence in public service, economic development, and technical assistance activities designed to address the strategic needs of the state of Georgia along with a comprehensive offering of continuing education designed to meet the needs of Georgia's citizens in life-long learning and professional education;
- a wide range of academic and professional programming at the baccalaureate, master's, and doctoral levels.

With its statewide mission and core characteristics, the University of Georgia endeavors to prepare the University community and the state for full participation in the global society of the twenty-first century. Through its programs and practices, it seeks to foster the understanding of and respect for cultural differences necessary for an enlightened and educated citizenry. It further provides for cultural, ethnic, gender, and racial diversity in the faculty, staff, and student body. The University is committed to preparing the University community to appreciate the critical importance of a quality environment to an interdependent global society.

As a comprehensive land-grant and sea-grant institution, the University of Georgia offers baccalaureate, master's, doctoral, and professional degrees in the arts, humanities, social sciences, biological sciences, physical sciences, agricultural and environmental sciences, business, **ecology**, environmental design, family and consumer sciences, forest resources, journalism and mass communication, education, law, pharmacy, **public health**, social work, and veterinary medicine.

The University attracts students nationally and internationally as well as from within Georgia. It offers the state's broadest array of **possibilities** in graduate and professional education, and thus a large minority of the student body is post-baccalaureate. The predominantly Georgian undergraduate student body is a mix of highly qualified students originally admitted as freshmen and selected transfer students principally from other University System institutions.

With original scholarship, basic and applied research, and creative activities constituting an essential core from which to draw, the impact of the land-grant and sea-grant mission is reflected throughout the state. Cooperative extension, continuing education, public service, experiment stations, and technology transfer are all designed to enhance the well-being of the citizens of Georgia through their roles in economic, social, and community development.

As it has been historically, the University of Georgia is responsive to the evolution of the state's educational, social, and economic needs. It aspires through its strategic planning to even closer contact and interaction with public and private institutions throughout the state as well as with the citizens it serves.

3. **Establishment of a Master of Education in Teacher Leadership, Augusta State University**

The Board approved the request of President William A. Bloodworth, Jr. that Augusta State University be authorized to establish a Master of Education in Teacher Leadership, effective August 11, 2010.

4. **Establishment of a Master of Science in Supply Chain Engineering, Georgia Institute of Technology**

The Board approved the request of President G. P. Peterson that the Georgia Institute of Technology be authorized to establish a Master of Science in Supply Chain Engineering, effective August 11, 2010.

5. **Establishment of a Collaborative Bachelor of Science / Master of Arts in Teaching Degree in STEM Fields, Georgia Institute of Technology (Bachelor of Science) and Georgia State University (Master of Arts in Teaching, STEM)**

The Board approved the requests of Presidents Mark P. Becker and G. P. Peterson that Georgia State University and the Georgia Institute of Technology be authorized to establish collaborative opportunities for students to earn Bachelor of Science and Master of Arts in Teaching degrees in STEM (science, technology, engineering, mathematics) fields, effective August 11, 2010.

6. **Ratification of the External (2 + 2, site-based), Bachelor of Science with a major in Early Childhood Education at the Paulding County Site with Georgia Highlands College, Kennesaw State University**

The Board ratified Chancellor Erroll B. Davis' approval of Kennesaw State University's request to provide the external delivery of a site-based, 2 + 2 Bachelor of Science with a major in Early Childhood Education at a Paulding County site in cooperation with Georgia Highlands College.

7. **Termination of the Doctor of Philosophy with a major in Pharmacology, University of Georgia**

The Board approved the request of President Michael F. Adams that the University of Georgia be authorized to terminate the Doctor of Philosophy with a major in Pharmacology, effective August 1, 2015.

8. **Termination of the RN to BSN, Bachelor of Science in Nursing, Medical College of Georgia**

The Board approved the request of President Ricardo Azziz that the Medical College of Georgia be authorized to terminate the RN to BSN, Bachelor of Science in Nursing, effective January 5, 2011.

9. Establishment of a Degree Credit-Hour Waiver for the Bachelor of Science in Health Information Administration, Medical College of Georgia

The Board approved the request of President Ricardo Azziz that the Medical College of Georgia be authorized to establish a degree credit-hour waiver for the Bachelor of Science in Health Information Administration, effective August 11, 2010.

10. Establishment of the Distinguished Donald L. Hollowell Professorship of Social Justice and Civil Rights Studies, University of Georgia

The Board approved the request of President Michael F. Adams that the University of Georgia be authorized to establish the Distinguished Donald L. Hollowell Professorship of Social Justice and Civil Rights Studies, effective August 11, 2010.

11. Establishment of the Athletic Association Professorship in Family and Consumer Sciences, University of Georgia

The Board approved the request of President Michael F. Adams that the University of Georgia be authorized to establish the Athletic Association Professorship in Family and Consumer Sciences, effective August 11, 2010.

12. Establishment of the K. Harrison Brown Family Chair, Georgia Institute of Technology

The Board approved the request of President G. P. Peterson that the Georgia Institute of Technology be authorized to establish the K. Harrison Brown Family Chair, effective August 11, 2010.

13. Named Faculty Positions

The administrative and academic appointments were reviewed by the Chair of the Committee on Academic Affairs. A list of the named faculty positions is on file and available for inspection in the Board's Office of Academic Affairs.

14. Exception to the Awarding of Emeritus Status, Augusta State University

The Board approved the request of President William A. Bloodworth, Jr. that Augusta State University be authorized to award emeritus status to Prof. Tom Nakashima, effective August 11, 2010.

The committee meeting adjourned at approximately 4:00 p.m.

COMMITTEE ON INTERNAL AUDIT, RISK, AND COMPLIANCE

The Committee on Internal Audit, Risk, and Compliance met on Wednesday, August 11, 2010, at approximately 9:00 a.m. in the Boardroom. Committee members in attendance were Chair Kessel D. Stelling, Jr., Vice Chair Robert F. Hatcher, and Regents Frederick E. Cooper, Larry R. Ellis, James R. Jolly, and Richard L. Tucker. The Chair of the Board, Willis J. Potts, Jr., and the Chief Audit Officer & Associate Vice Chancellor for Internal Audit, John M. Fuchko, III, were also in attendance. Chair Stelling reported to the Board that the Committee reviewed five items, each of which required action.

1. Policy Addition: 7.15 Risk Management Policy

The Board approved the following addition to the *Policy Manual*: 7.15 Risk Management:

7.15 Risk Management Policy

7.15.1 Risk

Risk refers to the probability of an event and potential consequences to an organization associated with that event's occurrence. Risks do not necessarily exist in isolation from other risks; as a result, a series of risk events may result in a collective set of consequences that is more impactful than the discrete set of consequences associated with risk events taking place in isolation. Risk is inherent to any activity. It is neither possible, nor advantageous, to entirely eliminate risk from an activity without ceasing that activity. The safest ships are the ones that do not sail, but that is not what they are designed for.

A risk is defined as **Major** when the combination of an event's probability and the potential consequences is likely to:

1. Impair the achievement of a University System of Georgia (USG) strategic goal or objective;
2. Result in substantial financial costs either in excess of the impacted institution's ability to pay or in an amount that may jeopardize the institution's core mission;
3. Create significant damage to an institution's reputation or damage to the USG's reputation;
or,
4. Require intervention in institutional or USG operations by the Board of Regents and/or an external body.

Major Risks are a subset of the larger category of **Significant Risks** referenced in the Risk Management Policy. **Major Risks** are the most critical risks and must meet the definition of **Major Risk** as defined in Section 7.15.1 of this Policy Manual. **Significant Risks** includes **Major Risks** but also include less critical risks. The definition of **Significant Risk** will be detailed in the System-

level procedures manual referenced in Section 7.15.5.4 of this Policy Manual. However, the level at which a risk becomes **Significant** will vary by institution given each institution's risk tolerance, resources, and ability to manage risk events.

7.15.2 Purpose

The Board of Regents recognizes that the proper management of risk is a core leadership function that must be practiced throughout the USG. The Enterprise Risk Management (ERM) framework shall be the accepted framework for USG risk management. ERM is defined as a process-driven tool that enables management to visualize, assess, and manage significant risks that may adversely impact the attainment of key organizational objectives. It is the responsibility of USG and institutional leaders to identify, assess, and manage risks using the ERM process. The successful implementation of ERM policies and practices can enhance potential opportunities to help achieve organizational objectives.

Some level of risk is not only expected in normal everyday activities but can be beneficial. However, acceptance of risk shall not include:

1. Willful exposure of students, employees, or others to unsafe environments or activities;
2. Intentional violation of federal, state, or local laws;
3. Willful violation of contractual obligations; or,
4. Unethical behavior.

Risk management decisions should be made after conducting a cost-benefit analysis; such analysis should take into account the potential costs associated with the identified risk should the risk event take place as compared to the costs associated with mitigating the risk. It should be noted that these costs are not only financial but may also include substantial damage to reputation, opportunity costs, potential litigation, distraction from core missions, obsolescence and others.

While it is challenging to properly assess some risk events prior to them happening, **Major Risks** that could result in significant long-term damage to the USG or a USG institution must be identified to the Board and the Chancellor as soon as possible. Acceptance of **Major Risks** must be at the discretion of the Board and the Chancellor. The System-level procedures manual referenced in Section 7.15.5.4 of this Policy Manual shall provide additional guidance on the timing and form pertaining to the reporting of **Major Risks**. **Significant Risks** should be identified in a timely manner. **Significant Risks** specific to an institution or unit shall be accepted and/or managed by the institution's president or the president's designee.

Categories of risks managed through the ERM framework include:

1. Strategic Risks – Affect ability to carry out goals and objectives as articulated in the USG Strategic Plan and individual Institution Strategic Plans;

2. Compliance Risks – Affect compliance with laws and regulations, student, faculty and staff safety, environmental issues, litigation, conflicts of interest, etc;
3. Reputational Risks – Affect reputation, public perception, political issues, etc;
4. Financial Risks – Affect loss of or ability to acquire assets, technology, etc; and,
5. Operational Risks – Affect on-going management processes and procedures.

An identified risk may fall into multiple categories.

7.15.3 General Objectives

The purpose of the Risk Management Policy is to strengthen the proper management of risks through proactive risk identification, risk management, and risk acceptance pertaining to all activities within the University System Office and USG institutions.

The Risk Management Policy is intended to:

1. Ensure that **Major Risks** are reported to the Board and the Chancellor for review and acceptance;
2. Result in the management of those risks that may significantly affect the pursuit of the stated strategic goals and objectives;
3. Embed a culture of evaluating and identifying risks at multiple levels within the USG and USG institutions;
4. Provide a consistent risk management framework in which the risks concerning USG and institutional business processes and functions are identified, considered, and addressed in key approval, review and control processes;
5. Ensure that institutions communicate **Significant Risks** to the USG level so risk can be measured across the System;
6. Inform and improve decision-making throughout the University System;
7. Meet legal and regulatory requirements;
8. Assist in safeguarding USG and institutional assets to include people, finance, property and reputation; and,
9. Ensure that existing and emerging risks are identified and managed within acceptable risk tolerances.

7.15.4 Applicability

The Risk Management Policy applies to all USG institutions and the University System Office.

7.15.5 Implementation

7.15.5.1 Frameworks and Procedures

An institution-wide approach to risk management shall be adopted by all USG institutions. It is expected that risk management processes will be embedded into the institution's management systems and processes. All risk management efforts will be focused on supporting the institution's objectives. Therefore, each institution president shall develop a campus risk management framework and associated procedures that include:

1. Formal and ongoing identification of risks that impact the institution's goals;
2. Development of risk management plans;
3. Monitoring the progress of managing risks;
4. Periodic updates of risk management plans; and
5. Reporting of risks so that **Significant Risks** can be rolled up to the System level.

7.15.5.2 Risk Management Methodology

Risks may be managed by using one or more of the following methods:

1. Avoid (eliminate, withdraw from or do not become involved in an activity creating risk);
2. Retain (accept the risk and plan for the expected impact);
3. Transfer/Share (move the risk to another party by hedging against undesired outcome or reduce the risk through processes such as insurance); and,
4. Reduce (control the risk through additional or optimized controls).

7.15.5.3 Oversight

Each president shall designate in writing a Risk Management Policy coordinator to assist campus administrators in maintaining the campus risk management framework and procedures. The Risk Management Policy coordinator shall have sufficient authority to ensure high-level management of the institution's risk management efforts.

At the System level, the Chancellor shall designate an executive-level position to oversee implementation of the Risk Management Policy across the University System of Georgia. The Chancellor also shall designate a Risk Management Policy coordinator to assist University System Office (USO) administrators in maintaining the USO risk management framework and procedures. The Committee on Internal Audit, Risk and Compliance is the Board committee that shall provide oversight to implementation of the Risk Management Policy and review **Major Risks** on behalf of the Board of Regents.

7.15.5.4 Accountability

Campus risk management framework and procedures shall be reviewed annually. Periodic reviews for compliance with the system wide guidelines shall also be conducted by internal audit or a similar accountability function. Additional procedures for risk management policy reporting and implementation shall be established in a System-level procedures manual.

2. **Policy Revision: 7.10.2 Internal Audits**

The Board approve the following revision to the *Policy Manual: 7.10.2 Internal Audits*, with additions shaded:

Policy 7.10.2 Internal Audits

7.10.2 Internal Audits

The Board of Regents shall establish and support an internal audit function to assist the Board, the Chancellor, and institution presidents in the effective discharge of their responsibilities. The internal audit function shall be governed by an audit charter approved by the Board, which shall describe the purpose of an internal audit, reporting requirements, responsibility, authority and scope of work. Responsibility for approving an annual audit plan, ~~and~~ reviewing audit results, reports and recommendations, **and approving the Chancellor's appointment and termination of the USG chief audit officer** shall be assigned to the Committee on Internal Audit, Risk and Compliance of the Board of Regents.

All directors of internal audit at institutions having an internal auditor or internal audit department shall have a direct reporting relationship to the president of that institution and the USG chief audit officer. The president of each institution having an internal auditor shall determine the organizational and operating reporting relationships of the internal auditors at their institution **and exercise oversight of institutional risk management as defined in Section 7.15 of this Policy Manual. However,** the USG chief audit officer shall have the authority to direct the internal auditors to audit specific functions at their institutions **as needed to address system-wide issues or directives. The president of each institution having an internal auditor shall consult with the USG chief audit officer on significant personnel actions involving the institutional internal auditor to include appointment and termination. The president may also consult with the Committee on Internal Audit, Risk, and Compliance as to proposed personnel actions involving the institutional internal auditor.**

The director of internal audit of each USG institution with an internal auditor shall meet at least annually with the USG chief audit officer to discuss audits, audit findings, audit department independence and a proposed audit schedule.

The USG chief audit officer is responsible for internal auditing and the directors of internal audit for USG institutions with an internal auditor. The USG chief audit officer shall provide a system-wide annual report to the Committee on Internal Audit, Risk and Compliance of the Board of Regents (BoR Minutes, 1935, p.73; 1991, p. 378).

3. Internal Audit Charter

The Board approved a revised internal audit charter, which removed reference to the oversight right of the Committee on Internal Audit, Risk, and Compliance, as that role will be defined in a separate charter. A copy of the revised audit charter is on file and available for inspection in the Board's Office of Internal Audit.

4. Approval Item: Compliance Charter

The Board approved a revised compliance charter, which removed reference to the oversight right of the Committee on Internal Audit, Risk, and Compliance, as that role will be defined in a separate charter. A copy of the revised compliance charter is on file and available for inspection in the Board's Office of Internal Audit.

5. Approval Item: Committee on Internal Audit, Risk and Compliance Charter

The Board approved the Committee on Internal Audit, Risk, and Compliance Charter. A copy of the committee charter is on file and available for inspection in the Board's Office of Internal Audit.

The Committee meeting adjourned at approximately 9:45 a.m.

COMMITTEE ON ORGANIZATION AND LAW

The Committee on Organization and Law met on Tuesday, August 10, 2010, at approximately 4:10 p.m. in room 5158. Committee members in attendance were Chair Larry Walker, Vice-Chair Wanda Yancey Rodwell, and Regents Kenneth R. Bernard, Jr., C. Thomas Hopkins, W. Mansfield Jennings, Jr., Donald M. Leebern, Jr., William H. NeSmith, Jr., and Benjamin Tarbuton, III. The Vice-Chair of the Board, Felton Jenkins, also was in attendance. Chair Walker reported to the Board that the Committee reviewed three items, two of which required action. In accordance with H.B. 278, Section 3 (amending O.C.G.A. § 50-14-4), an affidavit regarding the committee's executive session is on file with the Office of the Secretary to the Board. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Waiver of Board Policy 8.2.3: University of West Georgia

The Board authorized a waiver of Policy 8.2.3, but only for the purpose of allowing Dr. Peter Hoff to serve as the Acting Provost of the University of West Georgia and only for such as time as Dr. Hoff serves as the Acting Provost.

2. Applications for Review

At approximately 4:20 p.m. on Tuesday, August 10, 2010, Chair Larry Walker called for an executive session for the purpose of discussing personnel matters and academic records of students. With motion properly made and seconded, the Regents who were present voted unanimously to go into executive session. Those Regents are as listed above. Also in attendance was the Vice Chancellor for Legal Affairs, Burns Newsome, Associate Vice Chancellor for Faculty Affairs, Linda M. Noble, and Assistant Vice Chancellor for Legal Affairs, Kimberly Ballard-Washington. 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.

Chair Walker reconvened the committee meeting in its regular session at approximately 4:47 p.m. With motion properly made, seconded, and unanimously adopted, the Board accepted the committee's report of the following:

- a. In the matter of Mr. Harrison C. Hartman, at the University of Georgia, concerning non-renewal, the institution's decision was upheld.
- b. In the matter of file no. 2093, at Middle Georgia College, concerning the suspension of a student, the institution's decision was upheld.
- c. In the matter of Dr. Frank Atuahene, at Georgia Southern University, concerning non-renewal, the institution's decision was upheld.
- d. In the matter of Ms. Andrea Scott, at Augusta State University, concerning her termination, the institution's decision was upheld.
- e. In the matter of Ms. Connie Williams, at the University of West Georgia, concerning her termination, the institution's decision was upheld.
- f. In the matter of Ms. Doris Wise, at the University of Georgia, concerning her termination, the institution's decision was upheld.
- g. In the matter of Mr. John L. Gaskins, at Georgia Southern University, concerning his termination, the institution's decision was upheld.
- h. In the matter of Ms. Jackie Cody, at Georgia Perimeter College, concerning her termination, the institution's decision was upheld.

- i. In the matter of Ms. Judy Gatts, at Abraham Baldwin Agricultural College, concerning her termination, the institution's decision was upheld.
- j. In the matter of Dr. George Kieh, at the University of West Georgia, concerning removal from his position as Dean of the College of Arts & Sciences and a salary dispute, the application for review was remanded to the institution for further consideration.

3. Executive Session: Real Property and Litigation Matters

At approximately 4:48 p.m. on Tuesday, August 10, 2010, Chair Larry Walker called for an executive session for the purpose of discussing real property and litigation matters. With motion properly made and seconded, the Regents who were present voted unanimously to go into executive session. Those Regents are as listed above. Also in attendance was the Vice Chancellor for Legal Affairs, Burns Newsome, Associate Vice Chancellor for Faculty Affairs, Linda M. Noble, Associate Vice Chancellor for Facilities, Peter Hickey, Assistant Vice Chancellor for Legal Affairs, Kimberly Ballard-Washington, and President Randolph Pierce. 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.

Chair Walker reconvened the committee in its regular session at approximately 5:10 p.m. and announced that no actions were taken during executive session.

The committee meeting adjourned at approximately 5:15 p.m.

COMMITTEE ON REAL ESTATE AND FACILITIES

The Committee on Real Estate and Facilities met on Tuesday, August 10, 2010, at approximately 3:40 p.m. in the Board room. Committee members in attendance were Chair James R. Jolly, Vice Chair Frederick E. Cooper, and Regents James A. Bishop, Larry R. Ellis, Robert F. Hatcher, and Richard L. Tucker. Chair of the Board, Willis J. Potts, Jr., the Vice Chancellor for Facilities, Linda M. Daniels, and representatives from System institutions were also in attendance. Chair Jolly reported to the Board that the Committee reviewed 13 items, 12 of which required action. With motion properly made, seconded, and unanimously adopted, the Board approved and authorized the following:

1. Executive Session

At approximately 3:40 p.m. on Tuesday, August 10, 2010, Chair James R. Jolly called for an executive session for the purpose of discussing real property matters. With motion properly made and seconded, the Regents who were present voted unanimously to go into executive session. Those Regents are as listed above. Also in attendance was the Vice Chancellor for Facilities, Linda Daniels,

and members of her staff. 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.

Chair Jolly reconvened the committee in its regular session at approximately 4:54 p.m. and announced that no actions were taken during executive session.

2. Authorization of Project No. J-174, Infrastructure and IT Network, North Georgia College & State University

The Board authorized Project No. J-174, Infrastructure and IT Network, North Georgia College and State University, with a total project budget of \$1.3 million to be funded from State General Obligation Bonds.

The project will replace water and sewer infrastructure and complete the information technology data network upgrade within the original core campus/drill field area. A mini-chiller loop for four key core campus buildings (Barnes Hall, Young Hall, Hoag Student Center, and Stewart Library) will also be installed.

The project will replace 100-year old terra-cotta sewer pipes within the historic core campus, and ensure adequate utility and infrastructure capacity for renovation and new construction projects in progress.

The estimated construction cost for this project is \$1,165,000. This project was approved for funding during the 2010 Legislative session as part of the FY 2011 capital budget..

3. Authorization of Project No. J-184, Veterinary Medicine Learning Center, University of Georgia

The Board authorized Project No. J-184, Veterinary Medicine Learning Center, University of Georgia, with a total project budget of \$113 million to be funded from \$38 million in non-State funds and \$75 million in General Obligation Bond funds.

The approximately 287,000 square foot facility will comprise a teaching hospital to accommodate both large and small animals. This facility will include a community practice clinic, lameness center, large lecture hall and instructional spaces for veterinary students, offices for clinical faculty and staff, and outdoor spaces for animals.

The estimated construction cost for this project is \$87 million.

This project was approved for \$7.7 million of design funding during the 2010 legislative session as part of the fiscal year 2011 capital budget.

4. Authorization of Project and Appointment of Program Management Firm, Project No. PPV-94-1001, Student Activity Center, Atlanta Metropolitan College

The Board authorized Project No. PPV-94-1001, Student Activity Center, Atlanta Metropolitan College, with a total budget of \$9 million to be funded through a public private venture.

The Board appointed the first-named program management firm listed below for the identified 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, the Chancellor's Office will attempt to execute a contract with the other listed firms in rank order.

The approximately 33,000 square foot Student Activity Center will include physical fitness, dance studio, student study, game room, lounge spaces, a bookstore, and meeting and support spaces.

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

Total Project Cost:	\$9,000,000
Construction Cost (Stated Cost Limitation):	\$6,750,000

Number of firms that applied for this commission: 16

Recommended firms in rank order:

- 1) Woodline Solutions, LLC
- 2) Hendessi & Associates, LLC
- 3) Carter USA
- 4) Brookwood Program Management, LLC d/b/a Brookwood Group

5. Authorization of Project and Appointment of Program Management Firm, Project No. PPV-87-1001, Student Center, Georgia Highlands College – Bartow Campus

The Board authorized Project No. PPV-87-1001, Student Center, Georgia Highlands College - Bartow Campus, with a total project budget of \$16.4 million to be funded through a public private venture. The Board also appointed the first-named program management firm listed below for the identified 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, the Chancellor's Office will attempt to execute a contract with the other listed firms in rank order.

The approximately 55,000 square foot Student Center will include physical education space, indoor recreation space, offices, food service facilities, an auditorium, student union spaces, student study areas, a book store and a student life center. It is anticipated that the Board will be requested to take further action concerning this project, including the approval of ground leases and rental agreements.

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

Total Project Cost:	\$16,400,000
Construction Cost (Stated Cost Limitation):	\$12,000,000

Number of firms that applied for this commission: 17

Recommended firms in rank order:

- 1) BDR Partners, LLC
- 2) Hendessi & Associates, LLC
- 3) Hal Gibson Companies, LLC
- 4) Jones Lang LaSalle

6. Authorization of Project Budget Modification, Project No. J-137, Health & Human Sciences Renovation, Georgia Southern University

The Board modified the budget of Project No. J-137, Health & Human Sciences Renovation, Georgia Southern University, to increase the total project budget from \$6,841,000 to \$6,973,000.

The Health & Human Sciences Renovation project, approved by the Board in August 2007, and modified by the Board in August 2009, is in construction. The project scope was increased to include network data and cabling. The Stated Cost Limitation will increase from \$5,561,120 to \$6,118,012. Funding of this cost increase of \$132,000 will be from GSOU institutional funds.

	<u>August 2009</u>	<u>Now</u>
Total Project Cost	\$6,841,000	\$6,973,000
Construction Cost (Stated Cost Limitation)	\$5,561,120	\$6,118,012

7. Ground Lease and Rental Agreement, Dining Hall, South Georgia College

The Board declared an approximately 0.666 acre tract of improved real property on the campus of South Georgia College, to be no longer advantageously useful to the college or other units of the University System of Georgia, but only to the extent and for the purpose of allowing this real property to be ground leased to the SGC Real Estate Foundation III, LLC, (the “LLC”) for the purpose of providing an approximately 15,773-square-foot dining hall (the “Dining Hall”) and site amenities.

The Board also authorized the execution of a ground lease, including necessary access, use, and construction easements and encroachments, between the Board of Regents, Lessor, and the LLC, Lessee, for the above-referenced approximately 0.666 acre tract of real property on the campus of

SGC for a period not to exceed 32 years (not to exceed 30 years from the date the LLC obtains a certificate of occupancy for the Dining Hall and providing a construction period of not more than two years), with an option to renew for up to an additional five years should there be debt outstanding at the end of the original ground lease term, for the purpose of providing the Dining Hall and site amenities.

The Board further authorized the execution of a rental agreement between the LLC, Landlord, and the Board of Regents, Tenant, for the Dining Hall and site amenities for the period commencing on the first day of the first month after the LLC obtains a certificate of occupancy for the Dining Hall, but not earlier than August 1, 2011, and ending the following June 30, at a rent not to exceed \$250,000, with an option to renew for one year at a rent not to exceed \$500,000, with further options to renew on a year-to-year basis for up to 28 consecutive one-year periods (the total not to exceed 30 years from the date the LLC obtains a certificate of occupancy for the Dining Hall), with rent increasing no more than 3% for each further option period exercised.

The Board also authorized the execution of site licenses between the LLC, Licensee, and the Board of Regents, to allow early site access to mobilize and install erosion control, commence site work including clearing and grading, install access roads, and relocate utilities.

The project will convert and expand the Nursing and Industrial Technology Building into an approximately 15,325 square foot dining hall. The anticipated schedule is for the LLC to have a bond closing by the end of October 2010, and commence construction immediately thereafter. Construction is expected to be complete in August 2011 to allow use for the fall semester 2011.

At the end of the term of the ground lease, the real property, all improvements, and any accumulated capital reserves will become the property of the Board of Regents.

8. Rental Agreement, Golf Course, South Georgia College

The Board declared approximately 37.47 acres of land located on the campus of South Georgia College to be no longer advantageously useful to the college or other units of the University System of Georgia, but only to the extent and for the purpose to allow this land to be rented to the City of Douglas, Georgia, for the operation of a golf course for the benefit of the college and the Douglas community.

The Board also authorized the execution of a rental agreement between the Board of Regents and the City of Douglas, Georgia, covering the above-referenced approximately 37.47 acres of land at the college for use by the City of Douglas in the operation of a golf course for the period beginning July 1, 2010 and ending June 30, 2011, with option to renew for four consecutive one-year periods at an annual rental of \$1 with either party having the right to cancel upon 90 days notice.

9. Delegation of Naming, Pedestrian Walkways and Plazas, Campuswide, Valdosta State University

The Board approved the delegation of naming six (6) outdoor walkways and plazas at Valdosta State University in recognition of particular donors and participants to the President of VSU.

VSU and the Valdosta State University Foundation (the “Foundation”) have identified certain outdoor walkways and plazas that receive significant amounts of campus pedestrian traffic for sponsorship opportunities. These sponsorships will be offered to individuals, businesses, foundations, and other entities external to VSU.

Sites that have been identified include:

- (1) The brick area facing Oak Street in front of the new Student Union.
- (2) The brick area at the base of the front steps at the Odum Library.
- (3) The area surrounding the fountain at courtyard entrance to Hopper Residence Hall.
- (4) The covered kiosk located at the northwest corner of Nevins Hall.
- (5) The concrete area between Langdale and Georgia Residence Halls.
- (6) The concrete walkway in front of the Bailey Science Center.

Sponsorships will be offered for a minimum sponsorship agreement of \$10,000 per year for a maximum time period of ten (10) years per agreement. Each sponsorship will be independently negotiated and is anticipated that certain sponsorships will be negotiated at a rate significantly higher than the \$10,000 annual minimum. Sponsorship agreements will be renewable at a rate not less than the previous agreement.

All signage shall conform to campus architectural standards and shall not deviate from appropriate color schemes and shall not include any advertising slogans or sponsor contact information.

10. Authorization of Projects Funded by American Recovery and Reinvestment Act

The Board authorized projects to be funded by the American Recovery and Reinvestment Act (the “ARRA”).

This approval is for projects to be presented to the Committee. Should ARRA funding not be available, these projects will not proceed. Should full ARRA funding not be obtained, these projects will be reprogrammed within available funding, or supplemental funding will be provided. If alternative funding is provided to supplement the ARRA funding then further Board authorization will be obtained. These projects are included in the respective campus’ Capital Implementation Plan (the “CIP”), however none are currently contemplated for State General Obligation Bond funding within the rolling six-year CIP.

11. Authorization of Project, Project No. BR-81-1002, Public Computing Center, Darton College

The Board authorized Project No. BR-81-1002, Public Computing Center, Darton College, with a total project budget of \$2,605,000 to be funded from the American Recovery and Reinvestment Act through the Broadband Technology Opportunities Program.

The project will add a public computing center to the Technology Building on the college campus. This facility will provide Southwest Georgia with free access to computers and broadband and to free training in computer/internet skills through workshops and seminars.

12.a. Authorization of Project Budget Modification, Physical Plant Administrative Building, Georgia Southern University

The Board ratified Chancellor Erroll B. Davis' modification of the budget of Project No. BR-66-1001, Physical Plant Administrative Building, Georgia Southern University, to increase the total project budget from \$1,750,000 to \$2,687,000.

The Physical Plant Administrative Building project, approved by the Board in March 2010, is in design. During the conceptual design phase, the scope of the program increased by approximately 5,000 square feet to accommodate an additional user group, the Environmental Services Department. This budget modification will provide for the increase in construction costs related to the additional square footage. The Stated Cost Limitation will increase from \$1,305,000 to \$2,130,625.

Funding of this project (including the cost increase of \$937,000) will be from institutional funds.

	<u>March 2010</u>	<u>Now</u>
Total Project Cost:	\$1,750,000	\$2,687,000
Construction Cost (Stated Cost Limitation):	\$1,305,000	\$2,130,625

12.b. Authorization of Project, Project No. 052-4-2008, Renovate Ground Floor, Boggs Chemistry Building, Georgia Institute of Technology

The Board ratified Chancellor Erroll B. Davis' authorization of Georgia Tech Project No. 052-4-2008, Renovate Ground Floor, Boggs Chemistry Building, Georgia Institute of Technology, with a total budget of \$3,187,000 to be funded from GIT institutional funds.

This project will relocate the Radiation Containment Zone ("RCZ") from the Neely Research Building and construct a new RCZ on the ground floor of Boggs Chemistry Building. The Neely Research Building is in deteriorating condition, has failing mechanical systems, and is slated for decommissioning and demolition. The Board approved demolition of this building in November 2003. The level of safety, security and access in the RCZ does not meet current industry standards. The estimated construction cost for this project is \$2,898,000.

12.c. Change in Name, Ground Leases and Rental Agreement, Student Housing and Student Center, Albany State University

The Board ratified Chancellor Erroll B. Davis' authorization of the change in name of the Lessee for the ground leases for approximately 4.80 acres of real property on the campus of Albany State University, approved by the Board in June 2010, from ASU Campus Facilities I, LLC to Campus Facilities I, LLC.

The Chancellor also administratively authorized the change in name of the Landlord for the rental agreements for approximately 626 student housing beds and site amenities on the campus of ASU, approved by the Board in June 2010, from ASU Campus Facilities I, LLC to Campus Facilities I, LLC.

The Chancellor also administratively authorized the change in name of the Landlord for the rental agreements for an approximately 59,890-square-foot student center and site amenities on the campus of ASU, approved by the Board in June 2010, from ASU Campus Facilities I, LLC to Campus Facilities I, LLC.

Walk-On

All remaining actions and understandings contained in the June 2010 Board action remain the same.

13. Prepayment of Rent (de facto acquisition of real property), East Campus Village Parking Deck, University of Georgia

The Board acknowledged the advance rental payment (de facto acquisition of real property) of an amount not to exceed \$10,000,000 for the East Campus Village Parking Deck (the "Parking Deck") on the campus of the University of Georgia for the use and benefit of the university.

The Board consented to the termination of the ground lease to UGAREF East Campus Housing, LLC (the "LLC") for the Parking Deck. The Board also consented to the termination of the rental agreement with the LLC for the Parking Deck.

The Parking Deck contains 850 parking spaces. The rent prepayment will result in immediate ownership of the Parking Deck by the Board of Regents and will consequently eliminate the need to make any additional rental payments for the Parking Deck. The current annual rent payment for the Parking Deck is \$819,000, of which \$775,000 is rent and \$44,000 is to fund a repair and replacement reserve. The rent prepayment of approximately \$10,000,000 will result in rent savings of approximately \$16,985,000 for the remaining option periods of the rental agreement. Thus, this rent prepayment will net roughly \$7,000,000 in rent payment savings.

There are no known reversions, restrictions, or adverse easements on the Parking Deck.

Funding for the rent prepayment is from UGA auxiliary funds.

The committee meeting adjourned at approximately 5:16 p.m.

REPORT OF THE REGENTS SPECIAL RESIDENCY VERIFICATION COMMITTEE

Regent James R. Jolly, Chair of the Committee on Residency Verification, updated the Board on the committee's progress.

Chair Jolly began his report by reminding the Board of the committee's charge: to review the University System's current residency verification processes and, if appropriate, to recommend to the Board of Regents any changes or new processes that will ensure that all USG students have been classified correctly for purposes of tuition.

Chair Jolly made two important points about the Board's prerogatives in this regard: First, that the Board is (and will continue to be) in compliance both with federal and Georgia law. He noted also that, while our data are not yet complete, the number of undocumented students in the University System is low.

Chair Jolly stated that if the Board's goal was simply to verify the lawful presence in the United States of its students, then the federal government's S.A.V.E. program (Systematic Alien Verification for Entitlements) might well be worth considering. If, however, the Board's goal is to categorize all of its students correctly, the self-certification with appropriate documentation is the best means to safeguard scarce state resources.

Chair Jolly stated that the University System's institutions have completed the Board's and the Chancellor's directives to conduct a review of all students. The chair noted that, as of August 1, 2010, all undocumented students accepted for Fall, 2010, enrolment have been classified as non-resident students and will pay the out-of-state tuition rate. Out of a projected 50,000 new students for Fall Semester, 242 are undocumented. This number represents approximately one-half of one percent of new students. Though not all are completed, institutional audits demonstrate that the relative number of undocumented students in all University System programs and classes will be commensurate with this number. While registration is ongoing, we expect the number of undocumented students to fall over time.

Finally, Chair Jolly informed the Board that his committee will be meeting again in September to complete its work and to finalize any policy changes which the committee will bring to the Board. The chair encouraged Board members to bring to the committee any questions or comments which Board members might have prior to the committee's September meeting.

REPORT OF THE REGENTS SPECIAL STATE HISTORY MUSEUM COMMITTEE

Regent Larry Walker updated the Board on the work of the Board's State History Museum Committee. He thanked the Board for its support of this important endeavor, in particular committee

members Regents Cooper and NeSmith. He noted also that Senator George Hooks and Representative Joe Wilkinson have been very valuable committee members and that former Atlanta Journal-Constitution editor Jim Minter has agreed to serve on the committee.

The last meeting of the committee took place at The World of Coca-Cola Museum near the State Capitol. The committee was very impressed with the facility and reminded the Board that the facility, which was built with the primary purpose of serving as a museum, would be a very good place for a state history museum. Other alternatives would very likely be less convenient and substantially more expensive.

Regent Walker also noted that the committee is in the planning stages of a trip to Columbia, South Carolina to visit the South Carolina State History Museum. Regent Walker invited all interested Regents to attend this trip.

Regent Walker noted that efforts are underway to secure planning and development funding for the museum, though the state's tight economic posture is making this effort more difficult.

Regent Walker closed by thanking the Georgia Secretary of State's Office for their good work in partnering with the Board of regents in this endeavor.

UNFINISHED BUSINESS

There was none.

NEW BUSINESS

The Board approved the request of President Timothy Mescon that Columbus State University be authorized to award honorary degrees to Mr. Billy Key.

PETITIONS AND COMMUNICATIONS

The Chair updated the Board regarding details and logistics for the Board's September retreat.

The Secretary announced that the next regular meeting of the Board is scheduled for October 12-13, 2009, in Atlanta.

EXECUTIVE SESSION

At approximately 11:00 a.m. on Wednesday, August 11, 2010, Chair Willis J. Potts, Jr., called for an executive session for the purpose of discussing personnel and litigation matters. With motion properly made and variously seconded, the Regents who were present voted unanimously to go into executive session. Those Regents are as listed above. University System of Georgia staff members who were also present for a portion of the executive session included Chancellor Erroll B. Davis Jr., the Vice Chancellor for Legal Affairs, J. Burns Newsome, the Chief Operating Officer, Robert E.

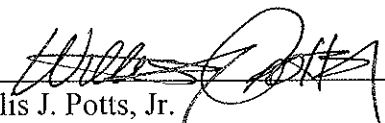
Watts, and the Chief Academic Officer & Executive Vice Chancellor for Academic Affairs, Susan Herbst. In accordance with H.B. 278, Section 3 (amending O.C.G.A. § 50-14-4), an affidavit regarding this executive session is on file with the Office of the Secretary to the Board.

At approximately 2:00 p.m., Chair Potts reconvened the Board meeting in its regular session and announced that no actions were taken during the executive session.

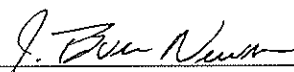
On motion properly made and seconded in open session, the Board authorized and affirmed the Chancellor's execution of an amended contract with President Beheruz Sethna of the University of West Georgia. A copy of said contract is on file and available for inspection in the Office of the Secretary to the Board.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 2:05 p.m. on Wednesday, August 11, 2010.



Willis J. Potts, Jr.
Chair, Board of Regents
University System of Georgia



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