

# AGENDA

## FINANCE AND BUSINESS OPERATIONS

April 13, 2016

**Agenda Item**

**Page No.**

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### APPROVAL ITEMS

- |    |  |    |
|----|--|----|
| 1. | Fiscal Year 2016 Amended Budget                        | 1  |
| 2. | Fiscal Year 2017 Tuition – No Increase in Tuition      | 2  |
| 3. | Fiscal Year 2017 Mandatory Fees                        | 3  |
| 4. | Fiscal Year 2017 Elective Fees and Special Charges     | 6  |
| 5. | Fiscal Year 2017 Budget Allocations                    | 10 |
| 6. | Fiscal Year 2017 Salary and Wage Administration Policy | 13 |

**AGENDA****FINANCE AND BUSINESS OPERATIONS****April 13, 2016****1. Fiscal Year 2016 Amended Budget**

**Recommended:** That the Board approve the allocation of state appropriations for the fiscal year (“FY”) 2016 amended budget.

**Background:** The FY 2016 state funds original budget for the University System of Georgia was \$2.020 billion. The final, amended state funds budget for the University System of Georgia is \$2.025 billion, which is a net increase of 0.25% from the original budget for FY 2016.

	<b>FY 2016 Original Budget</b>	<b>Additions</b>	<b>FY 2016 Amended Budget</b>
Formula funds	\$ 1,795,857,875	\$ -	\$ 1,795,857,875
Line Items	\$ 224,537,816	\$ 5,000,000	\$ 229,537,816
<b>Total</b>	<b>\$ 2,020,395,691</b>	<b>\$ 5,000,000</b>	<b>\$ 2,025,395,691</b>

The FY 2016 amended budget includes an increase in state funding of \$5,000,000 to provide funds for one-time enhancement for an economic development project at Augusta University.

House Bill 750, the Amended Appropriations Act for FY 2016, was signed by the Governor on February 17, 2016.

**2. Fiscal Year 2017 Tuition**

Recommended: That the Board approve the tuition rates for fiscal year 2017, which are the same as the rates for fiscal year 2016, to become effective Fall semester 2016. The recommended tuition rates appear in Appendix IA (Undergraduate Tuition) and Appendix IB (Graduate, Professional Programs and Distance Learning Tuition).

Further Recommended: That the Board approve to decrease the eMajor rate from \$250 per credit hour to \$199 per credit hour.

Further Recommended: That the Board approve the request of Kennesaw State University to eliminate the premium-priced tuition rate and return to the core graduate tuition rate for the MSN Nurse Practitioner Program, and for in-state students in the MS in Conflict Management and the MA in Global Integrated Communication programs. The recommended tuition rates appear in Appendix IB.

Background: The Board is committed to college affordability. After carefully assessing the tuition rates for the USG institutions, it has been decided that there will be no tuition increase for all USG institutions for the 2016-2017 academic year. USG students will pay the same tuition for the 2016-2017 academic year as the current 2015-2016 academic year.

The Board's action ensures the USG will continue to offer some of the lowest tuition rates among peer state public higher education systems. Out of the 16 states that make up the Southern Regional Education Board (SREB), the USG is the seventh lowest in tuition and fees for four-year institutions and tenth lowest in tuition and fees for two-year institutions.

**Tuition Structure for Newly Consolidated Georgia State University:**

On January 6, 2016, the Board approved creation of the new Georgia State University from the consolidation of Georgia State University and Georgia Perimeter College. The combined institution will have two distinct pathways, admissions criteria and corresponding tuition. The plan for the newly formed Georgia State University is student-driven. Students will apply for entry into either a Georgia State University baccalaureate degree program or a Perimeter College at Georgia State University associate degree program. Admission requirements for associate degree programs will be the same as admission to the former Georgia Perimeter College. Admission requirements for bachelor degree programs will be set at the former Georgia State University level. This process will ensure that both access and academic excellence are maintained. Tuition will follow this general rule, with Perimeter College at Georgia State University students paying the state college tuition rate and all other students paying the current Georgia State University tuition rate.

**3. Fiscal Year 2017 Mandatory Fees**

Recommended: That the Board approve the proposed mandatory student fees for fiscal year 2017 for institutions of the University System of Georgia, to become effective Fall semester 2016. Recommended mandatory student fees appear in Appendix II.

Background: By policy, the Board of Regents approves all mandatory fees and fee increases. The major mandatory fees include intercollegiate athletic fees, student health service fees, student activity fees, parking and transportation fees, technology fees, and, in recent years, fees to support private funding of facilities such as recreation centers, parking decks, student centers and similar projects and mandatory food service fees for commuter students. The recommendations contained in Appendix II were developed following a review of institutional fee requests that considered, among other things, the current financial position of the programs and activities supported by fees. Further, each request was accompanied by documentation provided by the related institution concerning the committee review process required by Board of Regents policy, which requires each fee and the budget it supports to be reviewed by a committee comprised of at least fifty percent students, with a minimum of four students.

Mandatory fees are an important component of college costs. Reaffirming its commitment to affordability, the Board has not increased rates for 95% of mandatory fees. The recommended fee increases are to support important campus needs that enhance the student learning experience. A summary of recommended fee changes is provided below.

New Fees, Fee Increases, Decreases and Fee Reclassifications:

Augusta University	<ul style="list-style-type: none"> <li>• Health Fee, \$15</li> <li>• Technology Fee, \$10</li> <li>• Transportation Fee, \$15</li> </ul>
Augusta University – Summerville Only	<ul style="list-style-type: none"> <li>• Special Institutional Fee, \$30</li> </ul>
Georgia Institute of Technology	<ul style="list-style-type: none"> <li>• Transportation Fee, \$4</li> </ul>
Perimeter College at Georgia State University	<ul style="list-style-type: none"> <li>• Student Center Facility Fee, \$24 (PPV)</li> </ul>
University of Georgia	<ul style="list-style-type: none"> <li>• ConnectUGA Fee, \$6</li> </ul>
Georgia Southern University <i>(No overall increase)</i>	<ul style="list-style-type: none"> <li>• Recreation Activity Center, <b>(\$12)</b> (PPV)</li> <li>• Recreation Fee, \$12</li> </ul>
Kennesaw State University* <i>(For informational purposes only)</i>	<ul style="list-style-type: none"> <li>• Activity Fee, <b>(\$12)</b></li> <li>• Recreation Center Fee, \$12</li> </ul>
Valdosta State University <i>(No overall increase)</i>	<ul style="list-style-type: none"> <li>• Activity Fee, <b>(\$70)</b></li> <li>• Recreation Fee, \$48</li> <li>• Student Union Operating Fee, \$22</li> </ul>

**3. Fiscal Year 2017 Mandatory Fees (Continued)**

Columbus State University	<ul style="list-style-type: none"> <li>• Recreation-Facility Fee, \$10 (PPV)</li> </ul>
Georgia College and State University	<ul style="list-style-type: none"> <li>• Activity Fee, \$10 (PPV)</li> <li>• Parking Fee, \$6 (PPV)</li> </ul>
Atlanta Metropolitan State College	<ul style="list-style-type: none"> <li>• Student Center Fee, \$60 (PPV)</li> </ul>
Dalton State College	<ul style="list-style-type: none"> <li>• Health Center Fee, \$30 (New)</li> </ul>
Georgia Highlands College	<ul style="list-style-type: none"> <li>• Athletic Fee, \$35</li> <li>• Student Support Service Fee, \$30 (PPV)</li> </ul>

\* In June 2011, the Board approved to redirect \$32 of the student activity fee to the new Student Recreation & Activity Center project. The redirection of the \$32 fee was to occur in two phases: \$20 in FY 2012 and \$12 in FY 2017.

**Mandatory Fee Name Changes:**

Georgia Southern University has requested to change the name of the Recreation Activity Center Fee to the Recreation Fee to clarify and more accurately reflect the fee’s purpose to support the programming and operating cost associated with student recreation.

Additionally, Georgia Southern University requested to change the name of the Recreation Activity Center Expansion Fee to the Recreation Activity Center Fee to clarify and more accurately reflect the fee’s purpose in funding the debt and related costs associated with this PPV project.

Kennesaw State University has requested to change the name of the Shuttle Fee to the Transportation Fee. While the largest expenditure is the shuttle, the fee also supports charter bus services, ride-sharing, and bikes. The new name better reflects the services supported by the fee.

Valdosta State University has requested to separate the current activity fee into three fees, consistent with the activities supported by the fee.

**Mandatory Fee Structure for Newly Consolidated Georgia State University:**

On January 6, 2016, the Board approved creation of the new Georgia State University from the consolidation of Georgia State University and Georgia Perimeter College. The mandatory fees for the newly formed institution are included in Appendix II. The existing fee structure will remain intact for FY 2017 to balance community, access and affordability. Georgia State University will move to a consolidated fee structure after having an opportunity to observe and assess student behavior for one year.

**3. Fiscal Year 2017 Mandatory Fees (Continued)**

**Mandatory Food Service Fees:**

Kennesaw State University and Georgia Gwinnett College charge mandatory food service fees to commuter students based on the criteria below. Effective Fall 2016, these fees are considered mandatory student fees based on changes made to Board policy section 7.3.2.1 in February 2015 and are reflected in Appendix II.

Mandatory food service fees will be reviewed annually to determine appropriateness. The goal is to phase out mandatory food service fees for commuter (non-residential) students in the near future.

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<b>Institution</b>	<b>Fee</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Students Impacted</b>
Kennesaw State University	Access 40 (40 Meals plus \$75 Dining Dollars)	\$ 475	\$ 475	Commuter, full -time, first year students with less than 30hrs
Kennesaw State University	Access 14 (14 Meals plus \$20 Dining Dollars)	\$ 160	\$ 160	Commuter, full -time, sophomores and juniors (≥30-89 hrs.)
Kennesaw State University	Access 7 (7 Meals plus \$10 Dining Dollars)	\$ 82	<b>Terminated</b>	Commuter, full -time, seniors (≥90 hrs.)
Kennesaw State University	All students enrolled at the former Southern Polytechnic State University during the 2014-2015 academic year will be exempt from commuter meal plan requirements as long as they are continuously enrolled at Kennesaw State University.			
Georgia Gwinnett College	Commuter Plan Freshmen Block - 15 Block Meals & \$100 Munch Money	\$ 250	\$ 250	All commuter students with 0-30 credit hours (all freshmen)
Georgia Gwinnett College	Commuter Plan 240 - \$240 in Dining Dollars	\$ 240	\$ 240	All full time (FT) commuter students with 31-60 credit hours (sophomores)
Georgia Gwinnett College	Commuter Plan 150 - \$150 in Dining Dollars	\$ 150	\$ 150	All full time (FT) commuter students with over 61 credit hours (juniors and seniors)
Georgia Gwinnett College	Commuter Plan 120 - \$120 in Dining Dollars	\$ 120	\$ 120	All part time (PT) commuter students with 31-60 credit hours (sophomores)
Georgia Gwinnett College	Commuter Plan 75 - \$75 in Dining Dollars	\$ 75	\$ 75	All part time (PT) commuter students with over 61 credit hours (juniors and seniors)
Georgia Gwinnett College	Commuter plans for students with 30 or more credit hours are fully refundable if the plan has not been used.			

**4. Fiscal Year 2017 Elective Fees and Special Charges**

Recommended: Pursuant to Board Policy 7.3.2.2, that the Board approve the fiscal year 2017 elective fees and special charges as outlined on page 7. These fees for institutions of the University System of Georgia become effective Fall semester 2016.

Further Recommended: Pursuant to Board Policy 7.3.2.2, that the Board deny the continuation of elective fees and special charges as outlined on page 8. These fees for institutions of the University System of Georgia must be discontinued by Fall semester 2016.

Further Recommended: Pursuant to Board Policy 7.3.2.2, that the Board approve the housing and food service fee increases that support debt service as outlined on page 9 effective Fall 2016.

Background: The policy revisions adopted by the Board in January 2010 require certain elective fees to be approved by the Board. They include any fee or special charge that is required to be paid by all full-time, undergraduate students at the institution or by all undergraduate students in a specific degree program, with the exception of specific course fees for supplementary costs. In February 2015, the Board approved additional policy revisions to strengthen policies regarding elective fees and increase the level of scrutiny and oversight of elective fees and special charges. Student affordability is one of the highest priorities of the University System of Georgia and, as such, the University System of Georgia is committed to keeping the cost of education low. To that end, institutions must demonstrate that these fees are necessary and provide a direct and additional benefit to the classroom and educational experience. These fees are not intended to supplant tuition.

Due to the timing of the policy change, institutions were given a one-year grace period to continue to charge these fees as elective fees without Board approval. Therefore, academic year 2016-2017 is the first year that elective fees and special charges require Board approval.

As required by Board policy 7.3.2.2, elective fees and special charges will be reviewed on an annual basis to determine use, effectiveness and appropriateness for continuation.

**4. Fiscal Year 2017 Elective Fees and Special Charges (Continued)**

In accordance with Board Policy section 7.3.2.2, the following elective fees are recommended for approval.

<b>Institution</b>	<b>Name of Fee</b>	<b>Existing Fee</b>	<b>Proposed Fee</b>
Augusta University	COE - Counselor Ed. Clinical / Intern Fee	\$ 200	\$ 200
Augusta University	COE - Leadership Residency Supervision Fee	\$ 35	\$ 35
Augusta University	COE - Student Teaching Fee	\$ 200	\$ 200
Georgia State University	Law Activity Fee	\$ 57	\$ 57
Kennesaw State University	ECE Practicum Fee	\$ 50	\$ 50
Kennesaw State University	Support Collaborating Teacher Fee	\$ 50	\$ 50
Kennesaw State University	TOSS/YCE Fee (Undergraduate)	\$ 50	\$ 50
Kennesaw State University	TOSS/Field Experience Fee (Graduate)	\$ 120	\$ 120
Valdosta State University	Doctor of Public Administration (DPA) Fee	\$ 15	\$ 15
Valdosta State University	Student Teaching Fee	\$ 100	\$ 100
Valdosta State University	KSPE Fitness Fee	\$ 5	\$ 5
Valdosta State University	Honors Program Course Fee	\$ 20	\$ 20
Valdosta State University	MA Social Work Field Fee	\$ 60	\$ 60
Clayton State University	Telecourse/Online Course Fee	\$ 35	\$ 35
Clayton State University	BSN Program Fee (Per Semester for Undergraduate Nursing majors)	\$ 283	\$ 283
Clayton State University	Teacher Education Internship Fee (Spring semester of senior year)	\$ 100	\$ 100
Clayton State University	FNP Program Fee (Paid upon acceptance into the FNP Program - One-time fee)	\$ -	\$ 1,029
Columbus State University	HESC 4698 Internship Fee (Liability Insurance)	\$ 150	\$ 150
Columbus State University	ISOC - CRJU & SOCI Ind Study / Intern Fee	\$150 - \$200	\$150 - \$200
Columbus State University	LCOM - Communication Lab Fee	\$36 - \$150	\$36 - \$150
Columbus State University	LTHE - Theater Lab Fee	\$15 - \$125	\$15 - \$125
Columbus State University	LBIO - Internship / Independent Study	\$100 - \$200	\$100 - \$200
Columbus State University	LCSC - Computer Science Lab Fee	\$50 - \$150	\$50 - \$150
Savannah State University	Biology Major Field Test Fee	\$ 25	\$ 25
Savannah State University	School of Teacher Education Fee	\$ 250	\$ 250
Georgia Gwinnett College	Liability Insurance (Internships)	\$ 20	\$ 20
Georgia Gwinnett College	Nursing Lab Fee	\$ 250	\$ 250



**4. Fiscal Year 2017 Elective Fees and Special Charges (Continued)**

The fees noted below are not being recommended for Board approval. **Institutions will be required to discontinue charging these fees effective Fall 2016.**

<b>Institution</b>	<b>Name of Fee</b>	<b>Existing Fee</b>	<b>Proposed Fee</b>
Kennesaw State University	BUS/MSIS Major Fee	\$75	Discontinue
Kennesaw State University	EDL Practicum/Seminar Fee	\$175	Discontinue
Kennesaw State University	Galleria Location Fee	\$210	Discontinue
Kennesaw State University	MACC Major Fee	\$100	Discontinue
Kennesaw State University	MBA Major Fee	\$100	Discontinue
Kennesaw State University	UG BUS Information Systems Fee	\$25	Discontinue
Kennesaw State University	UG Business Core Course Fee	\$30	Discontinue
Clayton State University	MBA Program Fee (Per Semester)	\$30	Discontinue
Clayton State University	Undergraduate Business Program Fee (Per Semester for Undergraduate Business Majors)	\$41	Discontinue
Clayton State University	Fayette Special Site Charge	\$20/credit hr max \$120	Discontinue
Columbus State University	<b>LBQT - Business Quantative Tutorial Fee</b>		
Columbus State University	Accounting and Finance	\$36	Discontinue
Columbus State University	Management and Marketing	\$36	Discontinue
Columbus State University	Regular Wellness Course	\$12 - \$72	Discontinue
Columbus State University	LHIS - History & Geography Lab Fee	\$30 - \$75	Discontinue
Columbus State University	LFRL - Mod & Classical Language Lab Fee	\$15	Discontinue
Columbus State University	LUNC - Basic Studies Lab Fee	\$10 - \$100	Discontinue
Georgia Gwinnett College	Freshman Tutorial Fee	\$20	Discontinue
Georgia Gwinnett College	Library Access Fee	\$10	Discontinue

**4. Fiscal Year 2017 Elective Fees and Special Charges (Continued)**

**Housing and Food Service Fees Requiring Board Approval:**

Board Policy 7.3.2.2 requires Board approval for housing fees and food service fees that support debt service. The institutions listed below charge housing and/or food services fees that support one or more public private ventures. Rates vary by room type and meal plan. The chart below includes the proposed percent increases by institution for housing and food service fees. The actual plans and rates reflecting the increases will be published on the USG website.

<b>FY 2017 Recommended Increases to Housing and Food Service Fees that Support Debt Service</b>		
<b>Institution</b>	<b>Housing Fees</b>	<b>Food Service Fees</b>
Augusta University	1% - 2%	n/a
Georgia Institute of Technology	2% - 3%	2% - 6%
Georgia State University	3% - 5%	n/a
University of Georgia	3%	0%
Georgia Southern University	0%	0%
Kennesaw State University	3% - 5%	3%
University of West Georgia	2% - 5%	3% - 13%
Valdosta State University	1%	0% - 3% (Pending Contract Approval)
Albany State University	3%	n/a
Clayton State University	3%	n/a
Fort Valley State University	3%	3%
Georgia College & State University	3% - 5%	n/a
Georgia Southwestern State University	3%	n/a
Middle Georgia State University	3%	n/a
Savannah State University	3%	n/a
University of North Georgia	3%	2%
Darton State College	3%	n/a
Georgia Gwinnett College	3%	n/a
Gordon State College	3%	n/a
South Georgia State College	3%	0%

**5. Fiscal Year 2017 Budget Allocations**

Recommended: That the Board approve the allocation of state appropriations for fiscal year 2017 among institutions and operating units of the University System of Georgia (“USG”) as outlined Appendix IIIB and Appendix IIIC. All allocations for FY 2017 are pending the Governor’s signing of House Bill 751, the Appropriations Act for FY 2017.

Further Recommended: That the Board approve the FY 2017 Capital Budget, totaling \$219,590,000 as outlined in Appendix IV.

Background: The total state funds budget for the USG at the beginning of FY 2016 was \$2.020 billion. The recommended state funds budget for FY 2017 is \$2.138 billion. Appendix IIIA lists the changes from FY 2016 to FY 2017. Allocations by institution are shown in Appendix IIIB. Appendix IIIC lists the changes from FY 2016 to FY 2017 in the Special Funding Initiatives.

**FY 2017 Budget:**

The state funds budget for FY 2016 is \$2.137 billion, including \$1.897 billion in formula funds and \$240 million in all other line items. The FY 2017 budget represents a total net increase of \$117.3 million, or 5.81%.

	<b>FY 2016 Original Budget</b>	<b>Additions</b>	<b>Reductions</b>	<b>Transfers, Eliminations, and Other Adjustments</b>	<b>Net Increase to Pass-Through Organizations</b>	<b>FY 2017 Original Budget</b>
Formula Funds	\$ 1,795,857,875	\$ 99,587,301	\$ (1,414,000)	\$ 3,424,174	\$ -	\$ 1,897,455,350
Line Items	\$ 224,537,816	\$ 19,033,121	\$ -	\$ (5,110,958)	\$ 1,786,745	\$ 240,246,724
<b>Total</b>	<b>\$ 2,020,395,691</b>	<b>\$ 118,620,422</b>	<b>\$ (1,414,000)</b>	<b>\$ (1,686,784)</b>	<b>\$ 1,786,745</b>	<b>\$ 2,137,702,074</b>

Additionally, the Board of Regents received \$8 million in state general funds to support Major Repairs and Rehabilitation (MRR).

**FY 2017 Additions: \$120.4 Million**

The \$120.4 million increase for fiscal year 2017 includes the following major components:

- \$99.6 million for the formula funds:
  - \$37.62 million for instruction and educational costs due to increase credit hour production
  - \$5.90 million for maintenance and operations of new or expanded facilities
  - \$55.53 million for merit-based pay adjustments and employee recruitment and retention initiatives
  - \$538,100 for the Military and Academic Training Center in Warner Robins

**5. Fiscal Year 2017 Budget Allocations (continued)**

- \$20.8 million in increases for line items:
  - \$4.01 million for merit-based pay adjustments and employee recruitment and retention initiatives
  - \$14,854 for adjustments to DOAS administered self-insurance programs
  - \$8,635 for Employees' Retirement System (ERS) rate increase
  - \$125,000 for the Georgia Youth Science and Technology Center
  - \$252,000 to provide funds for a Ruminant Nutritionist and a Raw Crop Physiologist reflecting staggered start dates at the Agricultural Experiment Station
  - \$378,000 to provide funds for a Viticulturist, a Grain Crop Agronomist and a Vegetable Pathologist at the Cooperative Extension Service
  - \$720,000 for increased funds for 12 Extension Agents at the Coop. Extension Service
  - \$30,000 to provide funds for travel and operations for Extension Agents at the Forestry Cooperative Extension
  - \$2.67 million for Public Library Materials at the Georgia Public Libraries
  - \$10.59 million for the Advanced Technology Development Center
  - \$200,000 for MCG Hospitals and Clinics to fund an Obstetrics Recertification Program for OB/GYN Physicians licensed in Georgia and practicing in underserved areas
  - \$37,440 for SREB payments
  - \$1.63 million for Georgia Military College
  - \$156,196 for Georgia Public Telecommunications Commission

These increases reflect the State's continued commitment to the University System of Georgia to fulfill its mission of teaching, research and service.

**FY 2017 Net Reductions, Eliminations & Transfers and Other Adjustments: (\$3.1) Million**

- Reduce funding for Georgia Gwinnett College by \$1.375 million to reflect year three of the plan to eliminate start-up funds over a seven year period
- Reduce funds for one-time expenditures by \$39,000
- Reduce funds to DOAS administered self-insurance programs by \$326,551
- Increase funds for a Legislative Commission on Government Structure by \$25,000
- Transfer \$1.138 million in funding for the Health Professions Initiative to the Georgia Board for Physician Workforce
- Eliminate Tobacco Settlement funds of \$247,158 for GRA
- Transfer \$3.725 million for Fort Valley State University Land Grant Funding from Special Funding Initiatives to the Teaching Program
- Transfer \$5.097 million for Georgia Research Alliance from Special Funding Initiatives
- Transfer \$738,500 for shared costs of positions from Agricultural Experiment Station to Cooperative Extension Service

**5. Fiscal Year 2017 Budget Allocations (Continued)****FY 2017 Allocation Recommendations:**

Allocations of state funds by institution are listed in Appendix IIIB.

- The strategy employed in allocating the \$37.6 million in new enrollment funding seeks to appropriate funding for growth while mitigating reductions on a case-by-case basis after carefully assessing the impact on each institution.
- Allocations of merit funding are allocated to institutions in proportion to salary requirements at each institution.
- Allocations of cost increases for maintenance and operations for new space are allocated based on institutional projections of cost increases.
- Any changes identified specifically by House Bill 751 were made accordingly.

**FY 2017 Capital Budget:**

The total budget for capital projects for the Board of Regents is \$219.59 million. This includes \$211.59 million in general obligation bonds and \$8 million in state general funds. The capital projects are as follows:

- \$60 million for Major Repairs and Rehabilitation (MRR) for USG institutions
- \$12.4 million for equipment for buildings previously funded for design and construction at Albany State University, Georgia College and State University, Georgia Gwinnett College, Savannah State University and the University of Georgia
- \$79.025 million in construction funds for projects at Atlanta Metropolitan State College, Clayton State University, Georgia Highlands College, Georgia State University, the University of North Georgia and the University of West Georgia
- \$4.5 million in planning and design funds for Georgia College and State University, Georgia Gwinnett College and Kennesaw State University
- \$43.045 million for 12 small capital projects are various institutions
- \$650,000 for equipment replacement in the Athens/Tifton Vet labs at the University of Georgia
- \$1 million for equipment at the Agricultural Experiment Station at the University of Georgia
- \$4 million for MRR for the Cooperative Extension and Agricultural Experiment Station at the University of Georgia
- \$11.8 million for the Georgia Public Libraries
- \$1.805 million for the Georgia Military College
- \$1.365 million for Georgia Public Telecommunications Commission

**6. Fiscal Year 2017 Salary and Wage Administration Policy**

Recommended: That the Board approve the fiscal year 2017 salary and wage administration policy for the University System of Georgia.

The FY 2017 budget includes \$59.5 million in state funds for merit-based pay adjustments and employee recruitment and retention initiatives. The merit increase is to be effective July 1, 2016. The FY 2017 Allocation Sheet reflects the institution's share of these funds.

**POLICY:** The Board of Regents allocated to each institution funds to provide for salary increases for employees. Salary increases shall be awarded solely on merit, ranging from 0% to a high of 5%. Institution presidents are permitted to narrow the range but may not exceed the range. It is expected that individual merit salary increases will be reasonably distributed among employees based on the range determined by the institutional president. Institutions are required to develop a merit increase matrix demonstrating reasonable distribution. Across-the-board increases are not permitted. Institutions must request **prior approval** from the Chancellor in writing of any merit increases exceeding five percent.

Institutions will need to identify other appropriate sources to fund salary adjustments related to promotions or position reclassifications, adjustments for targeted populations or adjustments to address market and compression issues. Additionally, such salary adjustments must be supported by appropriate documentation (e.g., market analysis or internal salary studies).

Employees covered from other fund sources such as sponsored funds and auxiliary funds will be subject to the same policy requirements noted above and must be paid from the corresponding fund source rather than state funds.