

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
HELD BY CONFERENCE CALL
December 3, 2008**

CALL TO ORDER

The Board of Regents of the University System of Georgia held a special meeting via conference call on Wednesday, December 3, 2008. The Chair of the Board, Regent Richard L. Tucker, called the meeting to order at approximately 10:00 a.m. Present on Wednesday, in addition to Chair Tucker, were Vice Chair Robert F. Hatcher and Regents James A. Bishop, Kenneth R. Bernard, Jr., Hugh A. Carter, Jr., William H. Cleveland, Felton Jenkins, W. Mansfield Jennings, Jr., James R. Jolly, Elridge W. McMillan, Donald M. Leebern, Jr., William H. NeSmith, Jr., Doreen Stiles Poitevint, Willis J. Potts, Jr., Wanda Yancey Rodwell, Kessell D. Stelling, Jr., Benjamin Tarbutton, III, and Allan Vigil.

ATTENDANCE REPORT

Secretary to the Board, J. Burns Newsome, reported that all Regents were present on the call.

BUDGET REDUCTION FOR FISCAL YEAR 2009

The Vice Chancellor for Fiscal Affairs & Treasurer to the Board, Usha Ramachandran, presented the following budget reduction plan to the Board for approval.

1. Actions to Meet an 8% Budget Reduction for FY 2009

The Board approved three actions to help institutions meet an 8% budget reduction for Fiscal Year 2009. The Board reduced the employer contribution rate for the PPO and HMO health insurance plans from 75% to 70% effective January 2009. The Board waived its policy 704.021 on mandatory student fees solely for the purpose of the next action. The Board authorized a temporary, mandatory fee for all students in the amounts of \$100 per semester at the research universities, \$75 at the comprehensive universities, and \$50 at the access institutions, effective spring semester 2009.

After receiving a briefing from the Vice Chancellor for Fiscal Affairs & Treasurer to the Board, Usha Ramachandran, the Board took the following action:

- **Reduced the employer contribution rate for the PPO and HMO health insurance plans from 75% to 70%:** The employer contribution for the PPO and HMO plans is currently set at 75% for January 2009, with the exception of the High-Deductible Health Plan, which has an employer contribution of 90%, and the indemnity plan, which caps the employer contributions at the level of the PPO plan. To meet the budget reduction target, the employer contribution rate was reduced to 70% for the PPO and HMO plans. The employer contribution for the indemnity plan will mirror

the reduced contribution amount for the PPO plan. The employer share will continue at 90% for the High-Deductible Health Plan. The new rates will be effective in January 2009. This measure is expected to meet approximately \$8 million of the reduction for the six-month period in FY 2009. The additional cost to the employees will range from a low of \$16.78 per month for individual coverage (Blue Choice HMO plan) to a high of \$65.58 per month for family coverage (PPO plan), if the employee elects to stay in the same plan. The additional cost to a retiree with Medicare will range from \$12.78 per month for individual coverage (PPO plan) to \$31.48 per month for retiree and spouse with Medicare (Kaiser HMO plan). Alternatively, the employee or retiree can select a lower cost health insurance plan such as the High-Deductible Health Plan, when open enrollment is re-opened between December 3 and December 15, 2008. The revised premiums are in Appendix I. (All appendices are on file in the Office of Fiscal Affairs.)

- **Waived Board Policy 704.021, regarding student fees, only for the purpose of the December 2008 special called meeting of the Board of Regents:** Solely for the purpose of instituting a Systemwide temporary, mandatory fee as detailed in the following action, the Board waived policy 704.021, which governs the process for mandatory fee requests.
- **Instituted a Temporary, Mandatory Fee of \$100, \$75 and \$50 per semester for research universities, comprehensive universities and access institutions, respectively:** In accordance with the Board's commitment to keep education affordable while ensuring academic quality, students will be charged an additional fee for Spring Semester 2009. A per student fee of \$100 will be assessed at the research institutions as well as Georgia Southern University, Georgia College & State University, Kennesaw State University, the University of West Georgia and Valdosta State University. This step is expected to meet \$20 million of the total reduction of \$182 million for Fiscal Year 2009. The normal process for mandatory fee requests begins with institutional steps involving student participation and a request from the President of each institution. This new fee is different in that it is being applied Systemwide to meet institutional budget reductions, and therefore required a waiver of Board policy related to mandatory student fees. (704.021 Mandatory Student Fees).

EXECUTIVE SESSION

At approximately 10:07 a.m. Chair Tucker called for an executive session for the purpose of discussing personnel matters. With motion properly made and variously seconded, the Regents who were present voted unanimously to go into executive session. Also in attendance were Chancellor Erroll B. Davis Jr. via phone; the Chief Academic Officer & Executive Vice Chancellor for Academic Affairs, Susan Herbst via phone, the Chief Operating Officer Robert E. Watts, the Vice Chancellor for Legal Affairs & Secretary to the Board, J. Burns Newsome, and the Senior Vice Chancellor for External Affairs, Thomas E. Daniel. 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.

OPEN SESSION

At approximately 10:18 a.m., Chair Tucker reconvened the Board in its regular open session and announced that no action had been taken while in executive session.

The meeting adjourned at approximately 10:20 a.m.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 10:20 a.m. on December 3, 2008.

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

s/ _____
Richard L. Tucker
Chair, Board of Regents
University System of Georgia