



SAN DIEGO STATE
UNIVERSITY

Georgia

SDSU 240-05-2019

May 29, 2019

Magda Magradze
Chief Executive Officer
Millennium Challenge Account – Georgia

Dear Ms. Magradze,

Please find enclosed herewith the revised Program Closure Plan for the Provision of Degree Accreditation and Institutional Support Initiative for Science, Technology, Engineering, and Mathematics, as required per the contract.

Please feel free to contact me if you have any questions.

Sincerely,



Halil Guven
Dean, SDSU-Georgia
San Diego State University
Address: 5 Kostava Street, 3rd floor
Tbilisi 0108, Georgia
Office: +995 32 2311611
Mobile: +995-555-768-269
E.mail: hguven@sdsu.edu

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**Program Closure Plan developed by San Diego State University and
San Diego State University Research Foundation**

1. Project closing strategy

The project closing strategy of SDSU and SDSU Research Foundation includes project closure plan which sets out the proposed approach to the project closure via listing specific actions to be taken for the successful completion of the project, and a plan for ensuring the sustainability of the results achieved.

This is the first draft of the Project Closure and Sustainability Plan presented to MCA-Georgia for consideration. The document will be finalized on the basis of feedback received on this draft.

2. Some activities to be carried out by San Diego State University and San Diego State University Research Foundation before the closure as a part of the closure and sustainability plan, such as:

- a) Formation of the Transition Committees at the partner universities shall be completed by May 2018.

The mandate of the committees: As the program transition is the key aspect for sustainability, to ensure smooth completion of the transition process, SDSU initiated to form respective committees at the partner universities. The committees shall be uniting representatives from the key (project related)¹ services/departments of the universities and they shall be actively engaged in the implementation of the PCP activities requiring their input. Transition committees shall guarantee: timely information sharing with the ad hoc teams back at their organizations; monitoring of the works to be carried out before the end of the compact and compliance with the deadlines; involvement in the important negotiations on the maintenance of the assets after the transfer takes place, as a component of sustainability of the partner institutions; Also, one of the key roles conferred upon the transition committees shall be their engagement in the review process of the partnership agreements concluded between the

¹ Committees shall unite: Academics (Dean, 1 overall coordinator, 1 academic from each program);
Administration representative (in charge of space allocation, facility maintenance, course scheduling, etc)
Finance – Budget – Operations (determination of tuition, costs, procurement-supplies, etc.)
PR (Community outreach, program awareness, PPPF issues, etc.
Recruiter/Admissions (STEM Academies, international recruitment, etc.)
HR (for faculty/staff, professional development, English language training for faculty, etc.)
Quality Assurance.

three Georgian Universities and SDSU and SDSU Research Foundation. *(Please see more regarding the revision of the existing contracts in Section 3 Legal Requirements)*

Status: *The Transition Committees are formed and operational at all three universities.*

b) Training needs assessment conducted before December 1, 2018.

Training needs for the staff of the partner universities for sustainability purposes shall be identified by the SDSU and the topics agreed together with the transition committee members before December 1, 2018. Specific information on the trainings shall be available once the committees and SDSU representatives start having discussions and select topics which shall be beneficial for the partner institutions especially post SDSU-G.

Status: *Training needs are discussed at the Transition committee meetings, some of the trainings were already held, for instance regarding maintenance issues.*

c) SDSU-G Faculty Development Program Alumni Association Charter separate for each partner university shall be developed by February 1, 2019.

Association will have “chapters” in the three partner universities, members of the chapters will act as trainers to train other members of the faculty in their respective institutions.

The FADEPA members will help train additional members of their respective faculties, and it will also help develop and disseminate information and resources in support of university activities in sustainability and continuous improvement.

The FADEPA office will serve as the liaison office of SDSU BEYOND THE COMPACT CLOSURE AND BEYOND THE SDSU-GEORGIA CLOSEOUT. It shall be in charge of coordination between SDSU and the partner universities for student exchange, scholar exchange, research projects, etc.

Due to the argument of the partner universities about the possible complications related to the formation of the new legal person (even though non-profit) partnership agreements introduced a new wording, which reads that the partner university “through the transition committee, shall collaborate with SDSU-Georgia on forming a mechanism which shall make it possible for the partner university to have links with the SDSU home campus (after the SDSU-Georgia project is over in Georgia in 2023) for undertaking a variety of activities to support continued academic excellence, such as:.....”

3. Legal Requirements

- a) Existing agreement with MCA Georgia shall be reviewed and amended as necessary before June 30, 2018.

Status: Done.

- b) Existing contracts with the three partner Universities shall be reviewed and any necessary changes introduced in September 2018, after the NAEC results shall be known/available and also ABET accreditation results. Such revisions are necessary mainly due to the purpose of sustainability, for instance one of the sustainability aspects is maintenance of the equipment procured within the frames of the contract and SDSU plans to include stronger language on maintenance in the current contracts. Another example for the importance of revision is extending the record keeping term of 3 years up to 5 years. Also, it is planned to make a reference to the ISU building construction related agreement in the existing partnership agreement with the Ilia State University and attach it as the annex to it. The revised contracts shall also cover the issue of facility sharing with the partner universities.

Status: The Partnership agreements were signed on April 12, 2019.

- c) Memorandums for regulating post compact activities (July 1, 2019 – 2023) shall be negotiated and concluded with the partner universities before March 1, 2019.²

The memorandums shall be helpful to regulate issues such as record-keeping, maintenance of the assets, facility sharing, generally preservation of what has been achieved with the assistance of the MCC grant and sustainability of the programs. The partner universities shall also undertake responsibility to cooperate with relevant research organizations who carry out evaluation of the results achieved with the second compact.

The SDSU and SDSURF are considering to involve the Ministry of Education and Science of Georgia as a party of the memorandums.

Status: It was decided during the negotiations between SDSU, MCA and MCC in March and April 2019 that there shall be a memorandum concluded between MCA successor entity, SDSU and its partner universities, MOF, MES, EQE and etc. for regulating post-compact period.

² For the post SDSU-G period SDSU shall have only academic cooperation agreements with partner universities.

- d) Labor contracts of SDSU shall be reviewed and modified as necessary after the MCA SDSU agreement is updated.

Relevant adjustments shall be made no later than March 2019 based on the employer's needs and overall needs in the process of the closure operations in 2019 and before post SDSU-G.

***Status:** The labor contracts were revised, but not in the context of the closure operations.*

4. Record keeping

- a) By March 1, 2019 a comprehensive register/list of the compact related documents shall be made and shared with MCA. After MCA-G identifies what needs to be handed over to MCA-G from SDSU, SDSU-G shall compile relevant documents and share with MCA-G.

***Status:** This topic was discussed during the March and April meetings. The comprehensive list is not developed yet, as of May 2019.*

- b) List of the types of records that shall be recommended to MCA-G to be retained by the respective government institution after the end of the compact shall also be prepared during the compact's last year and all relevant documents shall be handed over to MCA-G by July 1 2019.

5. Asset transfer, taxation and maintenance issues

- a) Final Asset register comprised of three separate lists developed:
- i. List N1 including assets that have been already transferred from MCA-G to the SDSU-G with relevant transfer dates.
 - ii. List N2 comprising all assets that shall be transferred from MCA-G to SDSURF
 - iii. List N3 uniting assets to be transferred eventually from SDSURF to Partner universities.

The Register shall list exact names of the equipment, dates purchased, their value, warranty periods and insurance information (if applicable). Once all procurements are made the list shall be finalized (no later than 3 months prior to the Compact end Date).

- b) Handing over the assets from MCA-G to SDSU-G shall be agreed with MCA-G and completed no later than the compact's end date of July 1 2019.

The timeline for handing over of the assets by SDSURF to the partner universities shall be available and presented to MCA-G and MCC by July 1 2019. The schedule shall be updated on an yearly basis by SDSU, as new items shall be put forward annually for arranging transfers. But as the transfer of the assets largely depends on the readiness of the partner universities, handing over of each item shall be processed only when SDSU is confident that the specific partner university is capable of handling/maintaining the assets adequately.

Status: *The transfers shall be handled until the end of October 2019.*

- c) As a part of sustainability plan, SDSURF will transfer the assets to the partner universities.

Prior to transferring the assets to the partner universities they have to develop comprehensive maintenance policy. Maintenance obligation shall be reinforced in the memorandums and also maintenance related document (*can be a policy document or even contract with service providers*) shall be annexed to the transfer agreements.

Status: The first transfer document was signed on April 12, 2019 with GTU (as of May 2019 waiting for an update from the university regarding the market research they are conducting concerning the insurance coverage).

The transfer shall be freed from taxes as the assets shall be transferred into the state ownership. Georgian Tax Code provides that unremunerated/priceless transfer to the state ownership is freed from taxes. Thus, SDSU shall be guided by article 168 (section 4, subsection “e”) of the tax code once transferring assets received from MCA Georgia to the partner universities in state ownership (the provision of the tax code mentioned above refers to the assets and services provided free of charge). Each asset transfer agreement shall have two parties: 1). SDSURF and 2). The partner University (legal status: Public Law Legal Entity).³

6. Sustainability Plan (including sustainability risks)

- a). Sustainability plan shall be delivered on April 15, 2019, however the draft shall be presented to MCA in June 2018.

³ At present the government of Georgia reviews package of the changes in the tax code regarding the exemptions from taxes. SDSU looks forward to receiving feedback from MCA/MCC regarding the wording of the Section 5 subsection “d” of this plan and shall revise it accordingly.

The sustainability plan

- I. shall cover all respective sustainability pillars: Institutional Sustainability, Financial, Policy/Legal, Environmental, Social.

It shall include:

- II. program transition plan and possible outcomes
- III. comprehensive maintenance policy
- IV. the tools for ensuring cohort growth
- V. information on philanthropy commitments
- VI. Information on Accreditation of the programs.

The plan shall:

- VII. introduce new facility sharing models.

7. Communications and Development Program Closure Plan developed and agreed with MCA-G in January 2019 (*Please see the draft plan attached*). The objectives of the plan:

Objective 1: Raise public awareness and communicate the program results and success stories to internal and external audiences, program stakeholders, partners and public at large;

Objective 2: Support the career development and employability of SDSU Georgia students;

Objective 3 - Support the transfer of knowledge and best practices to partner universities.

8. Closeout operations budget

There is no specifically allocated sum in the budget of SDSU-G for the compact closure in 2019, however some activities such as for instance **outreach activities** have been part of the SDSU-G 2019 year plan and can be associated with the closure, relevant expanses shall be covered from the Communications budget. Any costs anticipated in excess of the existing communication budget will be estimated and incorporated into the budget request for cohort five to be submitted no later than June 30 2018.

SDSU and SDSU RF conduct annual audits in accordance with the U.S. federal guidelines. These audits will suffice as part of the closeout function therefore no separate audit activity or budget is anticipated.

SDSU-G for its closure in the year 2023 has closure budget equaling \$312,168 allocated to cover the cost of key personnel needed to ensure an orderly closeout of the program. Any additions for specific activities required as part of the compact closeout plan will be estimated and negotiated as part of the cohort five budget to be submitted no later than June 30 2018.

9. Risk Assessment (risks that can cause delays in the process of implementing closure operations)

There are no risks identified at the moment apart from one and it concerns ISU new building. In case of delay of ISU new building construction works completion based on Article 9 SDSURF shall have fewer months for an exclusive access and use of the entire Building if not agreed otherwise. Article 9 of the ISU agreement currently reads: “SDSURF shall have an exclusive access to the entire building and shall be entitled to exclusive use of the entire space of the building for its academic purposes (except for the shared access and use of the parking garage per Article 9.2) until 1 July 2019 per the 45 –month enrollment period under the Collaborative Agreement, or longer as may be agreed between the parties.

Construction site details:

Land cadastre code: 01.14.07.010.023.

Address: Exit G. Tsereteli St. N1, Tbilisi, Cholokashvili Ave. N3-5, Tbilisi.

Phase 1 construction to be completed by April 30, 2018 (according to the agreement).

Phase 2 completed in 120 days after the act of acceptance into exploitation is issued.

The only measure for Construction completion delay risk mitigation can be regulating circumstances properly. And it can be done via amending existing contracts as required, setting new deadlines and revising other terms accordingly.

10. Annexes

- a) **Sustainability Plan (PPP)**
- b) **Asset list** (separate lists shall be provided on a later stage as noted above)
- c) **Asset transfer agreement draft form**
- d) **Communications and Development Program Closure Plan.**