



# **Middle Tennessee State University Finance and Personnel Committee**

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1:00pm CDT  
Wednesday  
November 29, 2017

President's Conference Room  
Cope Administration Building  
1301 East Main St.  
Murfreesboro, Tennessee 37132





**Middle Tennessee State University  
Finance and Personnel Committee**

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Wednesday, November 29, 2017 – 1:00pm

**ORDER OF BUSINESS**

- I. Call to Order
- II. Roll Call
- III. Remarks by Board Chairperson / President
- IV. Approval of the Minutes
  - August 15<sup>th</sup> and 30<sup>th</sup> Committee Meetings (Action) ..... Tab 1
- V. Rule Promulgation and Related Policies (Action) ..... Tab 2
  - Installment Payment Plan Rule
  - Policy 644 – Installment Fee Payment Program
  - Policy 641 – Student Fees, Incidental Charges and Refunds
- VI. Capital Disclosures and Capital Outlay (Information)..... Tab 3
- VII. Severance of Procurement Services from TBR (Action) ..... Tab 4
- VIII. 2017 – 18 October Revised Budget (Action)..... Tab 5
- IX. THEC 2018 – 19 Recommendations (Information) ..... Tab 6
- X. Budget Process Calendar and Timeline (Information) ..... Tab 7
- XI. Compensation Strategies (Action) ..... Tab 8





**Middle Tennessee State University  
Finance and Personnel Committee**

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Wednesday, November 29, 2017

Tab 1

Approval of Minutes





**Middle Tennessee State University  
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [Minutes of August 15, 2017 and August 30, 2017 Finance and Personnel Committee Meetings](#)

DATE: November 29, 2017

PRESENTER: Alan Thomas

ACTION REQUIRED: Voice Vote

STAFF RECOMMENDATION: Approval

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**BACKGROUND INFORMATION:**

The Finance and Personnel Committee met in regular session on August 15, 2017 and August 30, 2017.

Attached for your review and approval are the minutes from these meetings.



**REPORT FROM THE  
FINANCE AND PERSONNEL COMMITTEE**

The Finance and Personnel Committee met on Tuesday, August 15, 2017, at Middle Tennessee State University.

Before the meeting was called to order, Joe Bales, Vice President for University Advancement, gave a presentation to all in attendance on the background and history of the University Foundation, and the status of current fundraising activities.

Chairman Joey Jacobs called the meeting to order at 1:00 p.m. (CDT). A quorum was present with the following Committee members in attendance: Joey Jacobs, Steve Smith, J.B. Baker, Pete Delay, Darrell Freeman, Tony Johnston, and Lindsey Weaver. Also present were Trustee Pamela Wright; Sidney A. McPhee, President; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, Interim University Provost; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Joe Bales, Vice President for University Advancement; Debra Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services; Andrew Oppmann, Vice President for Marketing and Communications; and, Heidi Zimmerman, University Counsel and Board Secretary.

Chairman Jacobs began the meeting with a request for the Committee to consider setting a goal for expense reduction in the University's budget for the next fiscal year. Discussion followed during which Dr. McPhee referenced budget information provided to the Committee showing a cumulative budget reduction totaling 21% since FY 2001-02. The Committee agreed that the primary goal should be to manage expense reduction without creating a negative impact on students and programs. Chairman Jacobs asked Mr. Thomas to provide an update on final enrollment numbers and the effect on budget revenues at the next Committee meeting. He then turned the meeting over to Mr. Thomas. Mr. Thomas gave a brief summary of the agenda items and introduced Patti Miller, Assistant Vice President for Campus Planning, and Joe Whitefield,

Assistant Vice President for Facilities Services, who were presenting the agenda items for the meeting.

The first item on the agenda was an informational item concerning the submittal process for capital outlay and capital maintenance projects for funding. Ms. Miller briefly discussed policies governing THEC's role in working with the Locally Governed Institutions (LGI) on capital investment and real estate transactions. She explained that capital outlay, capital maintenance, and disclosure projects are submitted to THEC for approval in the annual Capital Budget Request. She then presented information to the Committee describing the submittal process for each of the three categories of projects.

The second item on the agenda was a recommendation to submit the Academic Classroom Building to THEC for FY 2018-19 capital outlay funding. Ms. Miller explained the building was originally accepted as a Tennessee Board of Regents (TBR) priority outlay project in June 2012 and moved to a #3 TBR priority on the 2016 capital list, placing it in line to receive full project funding in FY 2017-18. MTSU received SBC approval for the project in June of 2016 for full planning and use of local match funding to complete the project design. Since the project was not selected for 2017-18 capital funding and due to the passage of the FOCUS Act, the project must be resubmitted to THEC for approval. Trustee Baker made a Motion for approval of the project. Trustee Johnston seconded the Motion. Chairman Jacobs expressed concern over the proposed cost of the construction and how Turner Construction was selected. Ms. Miller responded that the University must adhere to the State requirements on all capital projects and that Turner was selected through the state RFP process. President McPhee noted that MTSU is bound by the state procurement process. A voice vote was taken and the Motion carried to approve submitting the Academic Classroom Building project for 2018-19 capital outlay funding. See Attachment 1.

The third item on the agenda was a recommendation to submit seven (7) projects to THEC for 2018-19 capital maintenance funding. Mr. Whitefield presented information on the process for identifying capital maintenance projects, along with documentation to be submitted to THEC for approval. Trustee Baker made a Motion to approve the submittal. Board Chairman Smith seconded the Motion. A voice vote was taken and the Motion carried to approve submittal of

seven (7) projects to THEC for 2018-19 capital maintenance funding. Chairman Jacobs thanked Mr. Whitefield for doing a good job of maintaining the campus facilities. See Attachment 2.

The final item on the agenda was a recommendation for approval of the request for severance of Capital Project Management Services from TBR. Mr. Thomas explained to the Committee that under the FOCUS Act, THEC has the authority to approve or deny an LGI's request to assume capital project management duties beginning December 1, 2017. He informed the Committee that MTSU was recommending a request for approval of an official severance date of July 1, 2018. Ms. Miller presented information to the Committee highlighting the criteria established by THEC for obtaining approval to sever. Ms. Miller further explained to the Committee that MTSU was already performing a large part of the capital project management duties, but that more staff would be needed to handle the additional procurement and accounting responsibilities. Mr. Thomas noted that any positions needed would be created using repurposed vacant positions rather than new positions. Chairman Jacobs asked for the net savings to the University in assuming these duties. Mr. Thomas responded that it would be a breakeven situation. Trustee Freeman made a Motion to approve the recommendation for severance of Capital Project Management Services from TBR to be effective July 1, 2018. Trustee Johnston seconded the Motion. Board Chairman Smith suggested that additional staff should not be hired until closer to the date of severance. Mr. Thomas stated that the positions are still being evaluated and would not be filled until an accurate identification of the positions needed was made. A voice vote was taken and the Motion carried to approve severance of Capital Project Management Services from TBR to be effective July 1, 2018. See Attachment 3.

The meeting adjourned at 2:30 p.m. (CDT).

Respectfully submitted,  
Finance and Personnel Committee



**REPORT FROM THE  
FINANCE AND PERSONNEL COMMITTEE**

The Finance and Personnel Committee met on Wednesday, August 30, 2017, at Middle Tennessee State University. Chairman Joey Jacobs called the meeting to order at 2:00 p.m. (CDT). Roll call was taken with the following Committee members physically present at the time of roll call: Board Chairman Steve Smith and Tony Johnston. Committee members participating telephonically were: Joey Jacobs, Darrell Freeman, Pete Delay, and J.B. Baker. Trustees Pamela Wright and Christine Karbowski joined the meeting telephonically. Also present at the meeting were Sidney A. McPhee, President; Alan Thomas, Vice President for Business and Finance; Heidi Zimmerman, University Counsel and Board Secretary; Joe Bales, Vice President for University Advancement; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; and Dr. Debra Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services.

Pursuant to T.C.A. §8-44-108(c)(3), as several Committee members were participating telephonically, those Committee members were individually asked the following questions by Ms. Zimmerman: (1) "Can you hear those present in the room clearly;" and, (2) "Is anyone else present in the room with you?" The first question was responded to in the affirmative by all. All responses to the second question indicated no additional individuals present were with those Committee members. Those physically present at the meeting were asked the additional following question by Ms. Zimmerman: "Are you able to hear the Committee members present on the phone clearly?" The response was in the affirmative.

Ms. Zimmerman stated that a quorum of the Committee was not physically present but that a quorum existed with the inclusion of those members participating by telephone. In accordance with T.C.A. §8-44-108(b)(2), the necessity of proceeding with a meeting without a physical quorum required a determination by the Committee of the necessity for the meeting. Ms. Zimmerman presented the following facts to support the meeting's necessity:

(1) An agenda item concerned the presentation of a second capital outlay project for funding that must be presented to the Tennessee Higher Education Commission by September

15, 2017. This item must be approved by the Committee in order to bring the matter to the full Board of Trustees for approval at its September 12, 2017 meeting. Thus, the THEC submittal deadline necessitated the meeting;

(2) The 2017-18 Academic Year began on August 28, 2017, and a permanent Provost is needed by the University to coincide with that date as closely as possible. Dr. McPhee recommends the permanent appointment of Dr. Mark Byrnes as Provost. The Committee must accept this recommendation and forward it to the full Board for acceptance. The Board next meets on September 12, 2017; and

(3) There was not adequate time for all trustees to be physically present for the meeting to form a quorum.

Based on the aforementioned facts, Chairman Jacobs requested a motion to determine that necessity has been established to hold this meeting. The motion was made by Board Chairman Smith and seconded by Trustee Johnston. Committee Chairman Jacobs requested a roll call vote on the motion. A roll call vote was taken and the motion carried unanimously. Necessity for the meeting was established and the meeting then proceeded.

Chairman Jacobs called the Committee's attention to the first item on the agenda regarding the permanent appointment of the Provost. Dr. McPhee provided a summary of Dr. Byrnes' qualifications, which included: (1) many years of service to MTSU; (2) his being a native resident of Tennessee; (3) his academic teaching and scholarship; and (4) his job performance to date as Interim Provost. Chairman Jacobs called for a motion to approve the appointment of Dr. Byrnes as Provost. The motion was made by Trustee Freeman and seconded by Trustee Johnston. Prior to a roll call vote on the motion by the Trustees, Chairman Jacobs inquired of Ms. Zimmerman if there were any regulations by the State that might impede the approval of Dr. Byrnes. Ms. Zimmerman explained that there was nothing, from State regulations, to prevent the approval. Trustee Johnston commented that Dr. Byrnes was a good choice and that faculty feedback concerning Dr. Byrnes was favorable. Board Chairman Smith called for the question on the vote. A roll call vote was taken and the motion to approve the appointment of Dr. Byrnes to the permanent position of University Provost was unanimous.

Chairman Jacobs introduced the second agenda item concerning the capital outlay construction project of the Mechatronics Engineering Building. Prior to the discussion of the second agenda item, Trustee Lindsey Weaver arrived at the meeting. Mr. Thomas provided a brief introduction on the project and explained that with the passing of the FOCUS Act and changes in the way THEC ranks capital projects, the Committee's recommendation for approval, and the full Board's approval of the recommendation, was required. Patti Miller, Assistant Vice President for Campus Planning, discussed the details of the capital project, which included: (1) the relocation of 30 faculty offices; (2) chiller-plant expansion; (3) newly constructed labs and classrooms equipped with advanced technology; (4) a plan for projected student enrollment growth in the Mechatronics and Engineering programs; and (5) integration of the new building with the Math and Sciences corridors of campus. Ms. Miller additionally discussed the \$54M cost of the project, of which \$45M is funded by the State and \$9M is provided from matched gift funds. Ms. Miller explained that building construction costs also were inflated through year 2020 at a rate of 3.5 percent annually to accommodate for inflation. The total project cost also was compared to similar types of buildings at other universities; namely, Texas A & M University and a university in Ontario, according to Ms. Miller. Chairman Jacobs called for a motion to approve submission of the capital outlay project to THEC. The motion was made by Board Chairman Smith and seconded by Trustee Freeman. Chairman Jacobs asked for discussion. Trustee Johnston commented on the high growth and demand for graduates in the fields of Mechatronics and Engineering. Dr. McPhee explained that the project was presented to the Committee quickly because THEC granted MTSU permission to submit a second project for this fiscal year and additionally agreed to help accelerate the review process of this proposal. Chairman Jacobs asked for a roll call vote on submitting the capital outlay project. The Committee members voted unanimously in support of the project and the motion carried to submit a second capital outlay project to THEC (Mechatronics Engineering Building).

The meeting adjourned at 2:31 p.m. (CDT).

Respectfully submitted,  
Finance and Personnel Committee





**Middle Tennessee State University  
Finance and Personnel Committee**

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Wednesday, November 29, 2017

**Tab 2**

**Rule Promulgation and Related Policies  
Installment Payment Plan**





**Middle Tennessee State University  
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [Rule Promulgation and Related Policies](#)  
[Installment Payment Plan](#)

DATE: November 29, 2017

PRESENTER: Heidi Zimmerman

ACTION REQUIRED: Roll Call Vote

STAFF RECOMMENDATION: Approval

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**BACKGROUND INFORMATION:**

T.C.A. § 49-9-109 requires the Board of Trustees to promulgate a rule concerning an installment payment plan for payment of tuition and student fees, as well as, consequences for failure to make payments. The proposed rule is drafted to comply with that mandate, and is provided for review by the Finance and Personnel Committee. Upon its recommendation, the proposed rule must be approved by the Board of Trustees.

MTSU has a corresponding policy, Policy 644 – Installment Payment Plan, which has been revised for consistency with the proposed rule. In addition, MTSU Policy 641 – Student Fees, Incidental Charges and Refunds contained references to the installment payment plan and therefore, minor changes were made in the policy for consistency with the rule. The revised policies are provided, in a redlined format as well as a clean format, for review by the Finance and Personnel Committee. Upon its recommendation, the proposed policies must be approved by the Board of Trustees.



Rules  
of  
Middle Tennessee State University, Murfreesboro  
Chapter 0240-07-02  
Installment Payment Plan

New

Table of Contents is added to Chapter 0240-07-02 Installment Payment Plan and shall read as follows:

Table of Contents

0240-07-02-.01 Purpose  
0240-07-02-.02 General Provisions

0240-07-02-.01 Purpose is added to Chapter 0240-07-02 Installment Payment Plan and shall read as follows:

0240-07-02-.01 Purpose

This rule outlines significant provisions for consistent administration of the installment payment plan for payment of tuition and all student fees at Middle Tennessee State University (“MTSU” or “University”).

Authority: T.C.A. § 49-8-113.

0240-07-02-.02 General Provisions is added to Chapter 0240-07-02 Installment Payment Plan and shall read as follows:

0240-07-02-.02 General Provisions

- (1) The installment payment plan for tuition and student fees is only available for tuition and student fees incurred at the time the first payment for either the Fall academic term or the Spring academic term is due.
- (2) Eligibility
  - (a) All students in good financial standing with MTSU, and with no outstanding account balances from previous terms, may be eligible to participate in the installment payment plan.
  - (b) Students who have failed to make timely payments in previous terms may be denied the right to participate in the installment payment plan in additional enrollment periods.
  - (c) The minimum balance due by the student for the academic term to which the installment payment plan would apply must be at least four hundred dollars (\$400.00).
  - (d) The University reserves the right to decline or deny students participation in this plan.
- (3) Payment Terms
  - (a) All financial aid awarded, including, but not limited to, student loans, scholarships and discounts, must be applied toward payment of total fee balances before the installment payment plan may be utilized.
  - (b) The remaining balance after financial aid and discounts are applied will be divided into four (4) equal payments, with the first (1<sup>st</sup>) payment due before the first (1<sup>st</sup>) day of class and the remaining payments due on the 30th of each subsequent month. All installment payments should be scheduled so that the entire balance due is paid by the end of the academic term.
- (4) Service Charges and Fines
  - (a) A service fee of fifty dollars (\$50.00) will be charged to help defray administrative costs associated with each installment payment plan.

- (b) An additional late payment charge of twenty-five dollars (\$25.00) may be assessed on each installment payment which is not paid on or before the due date and each thirty (30)-day period past the second (2<sup>nd</sup>) installment payment, up to a maximum of one hundred dollars (\$100.00).
- (c) Withdrawals from classes will not alter any remaining balance due, except to the extent that any refund may be applied in accordance with University policy.

(5) Approval of Exceptions

- (a) In accordance with these rules, the President or the President's designee has the authority to determine the applicability of the provisions of the installment payment plan and to approve exceptions in instances of unusual circumstances if doing so is to the benefit of the student.
- (b) All such actions must be properly documented for auditing purposes.

Authority: T.C.A. § 49-8-113.



## 644 Installment ~~Fee~~ Payment Plan ~~rogram~~

Approved by ~~President~~ Board of Trustees

Effective Date: June 5, 2017

Responsible Division: Business and Finance

Responsible Office: Business and Finance

Responsible Officer: Associate Vice President, Business and Finance

### I. Purpose

This policy outlines significant provisions for consistent administration of the installment ~~fee~~ payment plan ~~rogram~~ for payment of tuition and all student fees at Middle Tennessee State University (MTSU or University).

### II. General Provisions

A. The installment payment plan for tuition and student fees is only available for ~~regular academic terms and not for summer or other short term~~ tuition and student fees incurred at the time the first payment for either the Fall academic term or the Spring academic term is due.

#### B. Eligibility

1. All students in good financial standing with MTSU, and with no outstanding account balances from previous terms, ~~are~~ may be eligible to participate in the installment ~~fee~~ payment ~~program~~ plan.
2. Students who have failed to make timely payments in previous terms may be denied the right to participate in the installment ~~fee~~ payment plan ~~rogram~~ in additional enrollment periods.
3. The minimum balance due by the student for the academic term to which the installment payment plan would apply must be at least four hundred dollars (\$400.00).
- ~~3-4.~~ The University reserves the right to decline or deny students participation in this plan.

#### C. Payment Terms

1. All financial aid awarded, including, but not limited to, student loans, scholarships, and discounts, must be applied toward payment of total fee balances before the installment ~~fee~~-payment plan may be utilized.
2. The remaining balance after financial aid and discounts are applied will be divided into four (4) equal payments, with the first (1<sup>st</sup>) payment due before the first (1<sup>st</sup>) day of class and the remaining payments due on the 30th of each subsequent month. All installment payments should be scheduled so that the entire balance due is paid by the end of the semester academic term.

#### D. Service Charges and Fines

1. A service fee of fifty dollars (\$50.00) will be charged to help defray administrative costs associated with ~~the~~each installment payment plan~~program~~.
2. An additional late payment charge of twenty-five dollars (\$25.00) ~~will~~may be assessed on each installment payment which is not paid on or before the due date and each thirty (30)-day period past the second (2<sup>nd</sup>) installment payment, up to a maximum of one hundred dollars (\$100.00).
3. Withdrawals from classes will not alter any remaining balance due, except to the extent that any refund may be applied in accordance with Policy 641 Student Fees- Incidental Charges and Refunds institutional policy.

#### E. Approval of Exceptions

1. In accordance with this policy, the President or his/her designee has the authority to determine the applicability of the provisions of the installment ~~fee~~-payment program plan and to approve exceptions in instances of unusual circumstances for individuals if doing so is to the benefit of the student.

~~2. The President or designee has the authority to permit policy related exceptions.~~

~~3.2.~~ All such actions must be properly documented for auditing purposes.

Forms: none.

Revisions: ~~none~~ June 5, 2017 (original); \_\_\_\_\_, 2017.

References: Policy 641 Student Fees- Incidental Charges and Refunds ~~none~~.



## **644 Installment Payment Plan**

**Approved by Board of Trustees**

**Effective Date:** \_\_\_\_\_, 2017

**Responsible Division:** Business and Finance

**Responsible Office:** Business and Finance

**Responsible Officer:** Associate Vice President, Business and Finance

### **I. Purpose**

This policy outlines significant provisions for consistent administration of the installment payment plan for payment of tuition and all student fees at Middle Tennessee State University (MTSU or University).

### **II. General Provisions**

- A. The installment payment plan for tuition and student fees is only available for tuition and student fees incurred at the time the first payment for either the Fall academic term or the Spring academic term is due.
- B. Eligibility
  - 1. All students in good financial standing with MTSU, and with no outstanding account balances from previous terms, may be eligible to participate in the installment payment plan.
  - 2. Students who have failed to make timely payments in previous terms may be denied the right to participate in the installment payment plan in additional enrollment periods.
  - 3. The minimum balance due by the student for the academic term to which the installment payment plan would apply must be at least four hundred dollars (\$400.00).
  - 4. The University reserves the right to decline or deny students participation in this plan.
- C. Payment Terms

1. All financial aid awarded, including, but not limited to, student loans, scholarships and discounts, must be applied toward payment of total fee balances before the installment payment plan may be utilized.
2. The remaining balance after financial aid and discounts are applied will be divided into four (4) equal payments, with the first (1<sup>st</sup>) payment due before the first (1<sup>st</sup>) day of class and the remaining payments due on the 30th of each subsequent month. All installment payments should be scheduled so that the entire balance due is paid by the end of the academic term.

D. Service Charges and Fines

1. A service fee of fifty dollars (\$50.00) will be charged to help defray administrative costs associated with each installment payment plan.
2. An additional late payment charge of twenty-five dollars (\$25.00) may be assessed on each installment payment which is not paid on or before the due date and each thirty (30)-day period past the second (2<sup>nd</sup>) installment payment, up to a maximum of one hundred dollars (\$100.00).
3. Withdrawals from classes will not alter any remaining balance due, except to the extent that any refund may be applied in accordance with institutional policy.

E. Approval of Exceptions

1. In accordance with this policy, the President or his/her designee has the authority to determine the applicability of the provisions of the installment payment plan and to approve exceptions in instances of unusual circumstances if doing so is to the benefit of the student.
2. All such actions must be properly documented for auditing purposes.

Forms: none.

Revisions: June 5, 2017 (original); \_\_\_\_\_, 2017.

References: none.



## 641 Student Fees – Incidental Charges and Refunds

Approved by Board of Trustees

Effective Date: June 5, 2017

Responsible Division: Business and Finance

Responsible Office: Business and Finance

Responsible Officer: Associate Vice President, Business and Finance

### I. Purpose

This policy outlines significant provisions for the administration of fees, fines, charges, and refunds at Middle Tennessee State University (MTSU or University).

### II. Establishment of Fees, Fines, and Charges

- A. The MTSU Board of Trustees (Board) must establish or approve all University fees, fines, and charges, unless specific exceptions are provided.
- B. The President is responsible for the enforcement and collection of all fees, fines, and charges. Fees, fines, and charges which specifically do not require Board approval must receive formal approval by the President or designee.
- C. The University should attempt to follow a general format in publishing information on fees, fines, and charges, including, but not limited to, the following:
  1. All statements which include the fee amount should be complete and specific enough to prevent misunderstanding by readers.
  2. When a fee is quoted, the refund procedures should be clearly stated. If there are qualifying conditions for refunds (i.e., specific dates), those conditions also should be stated. If there is no refund, it should be labeled as non-refundable.
  3. It should be made clear that all fees are subject to change at any time.
- D. Current tuition and fee rates, fee payment dates, and refund procedures can be found ~~either in Policy 640 Payment of Student Fees and Enrollment of Students or~~ on the "[What Does it Cost](#)" webpage.

### **III. Approval of Exceptions**

- A. In accordance with this policy, the President has the authority to determine the applicability of certain fees, fines, charges, and refunds, and to approve exceptions in instances of unusual circumstances or for special groups.
- B. All such actions should be properly documented for auditing purposes.

### **IV. Appeals Process**

- A. An appeals process should be established by the University, and communicated to students, faculty, and staff.
- B. The process should provide for final appeal to the President or designee.
- C. Separate appeals processes may exist for different types of fees, charges, and refunds.

### **V. Exchange of Revenue**

Public institutions exchange funds for tuition and fees of employees' spouses and dependents who participate in an education assistance program.

### **VI. Tuition and Fees Subject to Board Approval**

- A. Maintenance Fees. Charged to students enrolled in credit courses or on an audit basis. It is an enrollment or registration fee and is calculated based on the number of Student Credit Hours (SCH's).
  - 1. Rates are established by student level (undergraduate and graduate). The hourly rate will be discounted when undergraduate students enroll in greater than twelve (12) hours and graduate students in greater than ten (10) hours, unless stated otherwise elsewhere in this policy.
  - 2. For multiple summer sessions, maintenance fees and tuition are assessed by using the current part-time rate with no maximum amount for total credit hours enrolled.
  - 3. Maintenance fees may not be waived unless specific exceptions are outlined in state statute. T.C.A. § 49-7-113 provides exceptions for certain disabled and elderly students, as well as state service retirees; T.C.A. § 49-7-102 outlines certain exceptions for dependents and spouses of military personnel; and T.C.A. § 49-7-2304 provides exceptions for certain military reserve and National Guard personnel.

- B. Out-of-State Tuition. An additional fee charged to students classified as non-residents who are enrolled in for-credit courses, including audit courses. This fee is in addition to the maintenance fee.
1. A separate hourly rate for out-of-state tuition will be set for undergraduate and graduate students. A full-time student is defined as an undergraduate enrolled in twelve (12) hours or a graduate student enrolled in ten (10) hours.
  2. Applicability of out-of-state tuition is determined pursuant to [Policy 501 Classifying Students In-State and Out-of-State for Paying University Fees and Tuition and for Admission Purposes](#). The Business Office will collect fees based upon student classification as determined under that policy.
- C. Regional Scholars Program
1. This program is restricted to:
    - a. admitted undergraduate students who graduate from a high school located in a county within a ~~specified two hundred fifty (250) mile~~ radius of the MTSU campus as determined by the Board of Trustees and published on the Regional Scholars Program website, have at least a twenty-five (25) ACT, or the SAT equivalent, maintain full-time status (minimum of twelve [12] hours), and remain in good academic standing.
    - b. admitted graduate students who have a permanent address that is located in a county within ~~the same specified radiustwo hundred fifty (250) miles~~ of the MTSU campus as noted above, maintain full-time status (minimum of ten [10] hours), and remain in good academic standing.
  2. If a student drops below minimum hours stated above, they are assessed out-of-state fees for that term.
  3. The out-of-state tuition rate charged to students eligible for the program rate will equal the University's state subsidy per full-time equivalent for the prior fiscal year. This rate is capped at twelve (12) hours for undergraduate students and ten (10) hours for graduate students.
  4. The program rate does not impact students who otherwise qualify for border county classification or other in-state residency classification.
- D. eRate. Available to students who enroll at MTSU, who are classified as non-residents of Tennessee, and who are enrolled exclusively in online courses.

1. The eRate is one hundred fifty percent (150%) of the University's approved undergraduate or graduate maintenance fee.
  2. The hourly rate will not be discounted for students receiving the eRate and enrolling in greater than twelve (12) undergraduate hours or ten (10) graduate hours.
  3. To qualify for an eRate, students must meet all University admission requirements and be verified as an online out-of-state student enrolled exclusively in courses delivered online by a procedure documented by the University. Out-of-state students refers to geographic location and does not include undocumented students living in Tennessee.
  4. Students enrolled in any type courses other than online (on-ground, telecourse, distance education, etc.) will not be eligible for the eRate specified in this policy and will instead incur traditional non-resident fees and charges. Students who enroll in both online courses and other type courses, and subsequently drop the other type courses, will not then become eligible for the eRate.
  5. Enrollment of eRate students as defined in this standard must mitigate any negative impact on the opportunity for Tennessee student enrollment in online courses.
- E. Corporate Partnership Rate. Available to corporations that have entered into a formal partnership with MTSU to develop and deliver a degree completion program to their employees. The rate applies to out-of-state employees and is equal to the approved eRate above. The major difference is that it can be any type of course (hybrid, telecourse, distance education, etc.) offered as part of a Corporate Partnership. In-state students involved in a Corporate Partnership will pay normal in-state rates.
- F. Program Services Fee. A fee charged to students to support the following programs of the University:
1. Debt Service. Debt service fee revenue is used to retire debt on various capital projects of the University. At the conclusion of the debt retirement for a given project, the debt service fee attributed to the project will cease. Any new project requires the approval of a new debt service fee on its own merits without the reallocation of any existing fee. Any continuation of fees necessary for renewal and replacement of a project for which the debt is totally retired must be approved for that purpose by the Board.
  2. Student Government Activity Fee. A student government activity fee may be established pursuant to T.C.A. § 49-8-109. Any increase in this fee shall be subject to a referendum pursuant to T.C.A. § 49-8-110 for student body approval or rejection. The fee will be administered in accordance with the provisions adopted by the University. These fees will be recorded as restricted revenue.

3. Technology Access Fee. Assessed by the University for the purpose of providing student access to computing and similar technologies.
  - a. The revenue from Technology Access Fees (TAF) should be used by the University for direct student benefit, for items such as new and improved high technology laboratories and classrooms, appropriate network and software, computer and other equipment, and technological improvements that enhance instruction. Specifically, TAF funds may be used for the following items:
    - (1) Computers and other technical laboratory supplies, equipment, software, and maintenance.
    - (2) Network costs (internet, interactive video, etc.)
    - (3) Classroom equipment and classroom modifications.
    - (4) Lab, helpdesk, and instructional support staffing by student employees.
    - (5) Renewal and replacement reserves as necessary.
    - (6) New machines for faculty use when faculty are actively engaged in developing and conducting on-line courses.
    - (7) Faculty and staff development directly related to the introduction or application of new technology which impacts students. Travel costs are not to be funded from TAF revenues
    - (8) Infrastructure (wiring, network, servers, etc.) necessary to provide students maximum computing capability.
  - b. As part of the budget process, the University shall prepare a detailed spending plan for the use of funds generated by TAF.
  - c. The spending plan will be maintained by the University and will be updated throughout the year as needed. The President shall ensure that the spending plan is prepared. At the end of the fiscal year, a summary of the actual money generated and actual use of the money shall be prepared and maintained by the University.
  - d. Compliance with this policy will be audited by the internal audit staff and reported as determined by the internal auditor's annual risk-based planning process or other appropriate means.
4. Campus Access Fee. Assessed to all students each academic term for services provided related to parking and transportation on campus, as well as maintenance of the transportation infrastructure.
5. Postal Services Fee. Charged for U.S. postal services provided on campus to students.
6. Facilities Fee. Used to improve facilities and fund expenditures such as replacing carpets in student lounges, remodeling classrooms, provide matching funds for new

- academic building projects, etc. The fee is used to make improvements to areas that have an impact on students.
7. Student Recreation Fee. Used to improve facilities and fund expenditures related to operating the student recreation center for student, faculty, staff, and alumni use. The Student Recreation center is an auxiliary fully funded by this fee and sales revenue from fitness programs, locker rental, facility rental, etc.
  8. Sustainable Campus Fee. A project voted on and approved by the students to support MTSU's participation in the TVA Green Power Switch program and clean energy initiatives on campus. A campus committee reviews proposals and assigns the funds to various projects.
  9. Athletics Fee. A fee used to support athletics which allows students access to all athletic events with no additional entrance fee. This fee, along with general fund support from the education and general fund, ticket sales, game guarantees, concessions, etc. fully supports athletics.
  10. Health Services Fee. Used to improve facilities and fund expenditures related to operating a Health Services facility for students, including a pharmacy. The Health Services center is an auxiliary fully supported by this fee and sales revenue.
  11. International Education Fee. A fee charged to all students to support international programs. Fees are used to provide travel support for study abroad students participating in consortia programs, MTSU faculty led programs, bilateral exchange programs, and international experiential and service learning experiences and for internationalization of courses across the curriculum.
- G. Specialized Academic Course Fees. Certain academic programs require expensive maintenance/updating of equipment and software and the employment of highly qualified staff. The high costs of instruction for these programs can be offset by establishing specialized academic fees, with the Board's approval. Specialized academic course fee revenues are limited to funding only the related costs for providing these courses. To receive approval for a specialized academic fee, a program will be required to submit documentation to establish that the following criteria are met:
1. High Cost of Instruction. Programs qualifying for charging specialized academic fees must demonstrate that they are more costly than other programs offered by the University. If appropriate, the extraordinary cost of the program must be validated including benchmarking with similar programs in the region and nation.
  2. High Demand. The number of students enrolled in the program and the student credit hours generated are sufficient to justify additional fees.

3. High Cost of Updating/Maintaining Equipment and Software. Programs qualifying for charging specialized academic fees are expected to be those that require extensive maintenance and regular updating of equipment and/or software, all of which are very expensive. An average hardware/software cost per student credit hour serves as the basis for determining the amount of the fee.
  4. Accreditation. Meeting standards of specific accrediting agencies may also qualify a specialized program for charging specialized academic fees. The accrediting standards that justify a fee are those that specify the possession and use of certain equipment and unique software that are extraordinarily costly and/or the employment of faculty with specific credentials that demand high salaries.
  5. High Recognition and Quality. The programs approved for specialized academic fees are expected to be distinctive and with a regional or national reputation. The program must demonstrate that it has achieved exceptional recognition in its particular enterprise.
  6. High Value to Tennessee. The program must demonstrate that it is a good investment for the State of Tennessee to justify charging extra fees to the student. The program should be distinctive and of integral value to Tennessee. The graduates' earning potential and the associated benefit to the state economy should be projected, as well as the efforts taken by the University to aid graduates in finding appropriate employment in Tennessee.
  7. Impact on Affected Students. Through surveys, questionnaires, or other suitable means, the program must demonstrate that the charging of additional fees will not diminish enrollment. The program should demonstrate that enrolled students realize that the potential earning power in the work force justifies their additional investment.
- H. Materials Fees. A fee charged for certain academic labs requiring students have specialized consumable materials. These supplies should be consumable products that the student will use up during the semester. Non-hazardous materials may be retained by the student at the end of the semester. Each request should include course number and a list of expendable supplies that will be purchased as a convenience to the students. It should be financially advantageous to students for the University to purchase the course materials.
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- J. Other Fees, Fines, and Charges

1. **Application Fee.** This is a non-refundable fee paid by an individual who applies for admission to the University. A student is required to pay this fee when he/she applies for admission as a graduate student even if the student attended another institution as an undergraduate student. Additionally, the student is required to pay this fee when he/she applies for admission to a doctoral-level program after receiving a masters-level degree from the institution.
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## **VII. Fees, Fines, and Charges to be Established and Administered by the University**

The following fees, fines, and charges may be established and administered by the University. No specific approval or notification to the Board will be required, unless subject to other Board or State requirements. These charges should be governed by an approved contract and/or approved by the Provost or the appropriate Vice President. The University will establish appropriate refund policies. Approval documents should be sent to the Office of Business and Finance.

- A. Sales of goods and services of a commercial nature, including bookstores, food services, vending, laundry, and similar activities. This includes the University's IncludED program which allows students to receive required course materials at a discounted rate and on day one of a course.
- B. Rental of non-student housing and facilities.

- C. Admissions fees to athletic and other events open to the public, including special events sponsored by campus organizations and activities.
- D. Sales and services of educational activities such as clinical services, publications, etc.
- E. Registration for conferences, institutes, and non-credit activities.
- F. Fees for use of campus facilities for recreational purposes.

~~G. Parking permits and parking meters for use by guests and visitors.~~

~~H.G.~~ \_\_\_\_\_ Nonrefundable library fines, which apply to students, faculty, staff, and other library users.

~~H.H.~~ Thesis and dissertation fee - nonrefundable. The fee will be determined based upon cost to the University.

~~H.I.~~ Child Care Fees. Kindergarten, preschool, early childhood, day care, or similarly defined activities.

~~H.J.~~ Special Exam Fee - nonrefundable. The fee will be determined based upon cost to the University (i.e., certification fees, etc.).

~~H.K.~~ Standardized Test Fees - nonrefundable. The fee will be determined based upon the cost for administering the tests.

~~H.L.~~ \_\_\_\_\_ Identification Card Replacement - nonrefundable. There will be no charge for the original identification card. A fee may be set by the University to offset the cost of replacing the card. This fee applies only to student ID cards and not to faculty and staff ID's.

~~H.M.~~ \_\_\_\_\_ Returned Check Fee. The University will charge a nonrefundable returned check fee that is the maximum set by state law. This fee will apply to all returned checks received by the institution, whether from students, faculty, staff, or other parties. The University will review state statutes each spring to determine any changes.

~~H.N.~~ \_\_\_\_\_ Diploma Fee. Students wanting a second (2<sup>nd</sup>) copy of their diploma will be charged for the reproduction.

## VIII. Deposits

A deposit may be established by the University for rent or lease of buildings and facilities, or for the issuance of other University property or equipment. Deposits should be subject to a one hundred percent (100%) refund if no damage or loss occurs. The amount of such deposits

should be related to the value of the facilities or equipment subject to loss and the general ability of the University to secure reimbursement should loss or damage occur.

#### **IX. Student Residence Halls and Apartments**

- A. All regular and special rental rates for student dormitories and student apartments shall be approved by the Board upon the recommendation of the University. The University may recommend special rates for non-student groups during summer periods, etc.
- B. Pursuant to [Policy 640 Payment of Student Fees and Enrollment of Students](#), rental for student dormitory or residence hall units shall be payable in full in advance of the beginning of a term. However, residence hall students can participate in the installment payment plan. See [Policy 644 Installment Fee Payment Program](#).

#### **X. Other Fee and Charge Considerations**

- A. Fees may be established to control the utilization of facilities and services or to offset the cost of extraordinary requirements as a result of specific programs or activities. See [Policy 100 Use of Campus Property and Facilities Scheduling](#).
- B. When fees and charges are incorporated in agreements with outside contractors and vendors, specific rates, refunds, and conditions must be clearly stated.
- C. Fees for auxiliary services must take into consideration that auxiliary enterprises should be a break-even operation with rates and charges generating revenue sufficient to cover all expenses as defined in operating budget policies.
- D. Fees established for non-credit courses and activities shall be sufficient to cover the total costs incurred in providing instruction plus a minimum of twenty-five percent (25%) of the annual instructional salary costs including contractual salary costs or personal services contracts.
- E. Students enrolled for six (6) or more hours are eligible for full-time privileges, i.e., access to social, athletic, and cultural functions, pursuant to T.C.A. § 49-8-109.

#### **XI. Refunds and Fee Adjustments**

- A. Adjustments to all fees and charges must be in accordance with the following provisions except as previously stated, or when required by federal law or regulation to be otherwise.
- B. Pursuant to T.C.A. §§ 49-7-2301 and 49-7-2302, students called to active military or National Guard service during the semester are entitled to a one hundred percent

(100%) adjustment or credit of mandatory fees. Housing and meal ticket charges may be prorated based on usage.

C. Maintenance Fee, Tuition, and Program Services Fee Refunds and Adjustments

1. Refunds are one hundred percent (100%) for courses canceled by the University.
2. Changes in courses involving the adding and dropping of equal numbers of SCH's for the same term at the same time require no refund or assessment of additional tuition or fees, unless the dropping and adding involves TN eCampus courses for which there would be a fee adjustment.
3. The fee adjustment for withdrawals or drops during regular terms (fall and spring) is seventy-five percent (75%) from the first (1<sup>st</sup>) day of classes through the fourteenth (14<sup>th</sup>) calendar day of classes and then reduced to twenty-five percent (25%) for a period of time which extends twenty-five percent (25%) of the length of the term. When the first (1<sup>st</sup>) day of the academic term falls on a Saturday, the one hundred percent (100%) refund period is extended through the weekend until the following Monday morning (12:01 am). There is no fee adjustment after the twenty-five percent (25%) period ends. Dropping or withdrawing from classes during either the seventy-five percent (75%) or the twenty-five percent (25%) fee adjustment period will result in a fee adjustment of assessed tuition and fees based on the total credit hours of the final student enrollment.
4. All fee adjustment periods will be rounded to whole days and included in all student communication. In calculating the seventy-five percent (75%) and twenty-five percent (25%) fee adjustment periods for other than the fall and spring (i.e., summer sessions), the number of calendar days during the term will be considered.
5. A full refund (one hundred percent [100%]) is provided on behalf of a student whose death occurs during the term. Any indebtedness should be offset against the refund.
6. A one hundred percent (100%) refund will be provided for students who enroll under an advance registration system but who drop a course or courses prior to the beginning of the first day of class.
7. A one hundred percent (100%) refund will be provided to students who are compelled by the University to withdraw when it is determined that through University error they were academically ineligible for enrollment or were not properly admitted to enroll for the course(s) being dropped. An appropriate official must certify in writing that this provision is applicable in each case.
8. When courses are included in a regular term's registration process for administrative convenience, but the course does not begin until later in the term, the seventy-five

- percent (75%)/twenty-five percent (25%) fee adjustment periods will be based on the particular course's beginning and ending dates. This provision does not apply to classes during the fall or spring terms which may meet only once per week. Those courses will follow the same refund dates as other regular courses for the term.
9. The fee adjustment is calculated as the difference between (1) the per credit hour cost of originally enrolled hours and (2) the per credit hour cost of the courses at final enrollment after adjustments have been applied for all courses dropped. Adjustments are calculated at the full per credit hour rate less the fee adjustment credit at the applicable fee adjustment percentage (regardless of the original number of hours enrolled). Not all drops/withdrawals will result in fee adjustments.
- D. Student Residence Hall/Apartment Rent and Meal Plan Refunds. Refund of residence hall rent and meal plans after registration will be prorated on a weekly calendar basis when the student is forced to withdraw from the residence hall or University:
1. Because of personal medical reasons confirmed in writing by a licensed physician, or
  2. At the request of the University for other than disciplinary reasons. Full refund will be made in the case of the death of the student. Withdrawals for other approved reasons will be subject to the same seventy-five percent (75%)/twenty-five percent (25%) fee adjustment periods as outlined for tuition and fees above. ~~No refund will be made other than under the above conditions.~~

Forms: none.

Revisions: ~~none~~ June 5, 2017 (New); \_\_\_\_\_, 2017.

References: T.C.A. §§ 49-7-102; 49-7-113; 49-7-2301-2304; 49-8-109; 49-8-110; Policies 100 Use of Campus Property and Facilities Scheduling; 501 Classifying Students In-State and Out-of-State for Paying University Fees and Tuition and for Admission Purposes; 640 Payment of Student Fees and Enrollment of Students; 644 Installment Fee Payment Program.



## 641 Student Fees – Incidental Charges and Refunds

Approved by Board of Trustees

Effective Date: **TO BE PRESENTED AT 12/5/17 BOARD MEETING**

Responsible Division: Business and Finance

Responsible Office: Business and Finance

Responsible Officer: Associate Vice President, Business and Finance

### I. Purpose

This policy outlines significant provisions for the administration of fees, fines, charges, and refunds at Middle Tennessee State University (MTSU or University).

### II. Establishment of Fees, Fines, and Charges

- A. The MTSU Board of Trustees (Board) must establish or approve all University fees, fines, and charges, unless specific exceptions are provided.
- B. The President is responsible for the enforcement and collection of all fees, fines, and charges. Fees, fines, and charges which specifically do not require Board approval must receive formal approval by the President or designee.
- C. The University should attempt to follow a general format in publishing information on fees, fines, and charges, including, but not limited to, the following:
  1. All statements which include the fee amount should be complete and specific enough to prevent misunderstanding by readers.
  2. When a fee is quoted, the refund procedures should be clearly stated. If there are qualifying conditions for refunds (i.e., specific dates), those conditions also should be stated. If there is no refund, it should be labeled as non-refundable.
  3. It should be made clear that all fees are subject to change at any time.
- D. Current tuition and fee rates, fee payment dates, and refund procedures can be found on the ["What Does it Cost"](#) webpage.

### **III. Approval of Exceptions**

- A. In accordance with this policy, the President has the authority to determine the applicability of certain fees, fines, charges, and refunds, and to approve exceptions in instances of unusual circumstances or for special groups.
- B. All such actions should be properly documented for auditing purposes.

### **IV. Appeals Process**

- A. An appeals process should be established by the University, and communicated to students, faculty, and staff.
- B. The process should provide for final appeal to the President or designee.
- C. Separate appeals processes may exist for different types of fees, charges, and refunds.

### **V. Exchange of Revenue**

Public institutions exchange funds for tuition and fees of employees' spouses and dependents who participate in an education assistance program.

### **VI. Tuition and Fees Subject to Board Approval**

- A. Maintenance Fees. Charged to students enrolled in credit courses or on an audit basis. It is an enrollment or registration fee and is calculated based on the number of Student Credit Hours (SCH's).
  - 1. Rates are established by student level (undergraduate and graduate). The hourly rate will be discounted when undergraduate students enroll in greater than twelve (12) hours and graduate students in greater than ten (10) hours, unless stated otherwise elsewhere in this policy.
  - 2. For multiple summer sessions, maintenance fees and tuition are assessed by using the current part-time rate with no maximum amount for total credit hours enrolled.
  - 3. Maintenance fees may not be waived unless specific exceptions are outlined in state statute. T.C.A. § 49-7-113 provides exceptions for certain disabled and elderly students, as well as state service retirees; T.C.A. § 49-7-102 outlines certain exceptions for dependents and spouses of military personnel; and T.C.A. § 49-7-2304 provides exceptions for certain military reserve and National Guard personnel.

B. Out-of-State Tuition. An additional fee charged to students classified as non-residents who are enrolled in for-credit courses, including audit courses. This fee is in addition to the maintenance fee.

1. A separate hourly rate for out-of-state tuition will be set for undergraduate and graduate students. A full-time student is defined as an undergraduate enrolled in twelve (12) hours or a graduate student enrolled in ten (10) hours.
2. Applicability of out-of-state tuition is determined pursuant to [Policy 501 Classifying Students In-State and Out-of-State for Paying University Fees and Tuition and for Admission Purposes](#). The Business Office will collect fees based upon student classification as determined under that policy.

C. Regional Scholars Program

1. This program is restricted to:
  - a. admitted undergraduate students who graduate from a high school located in a county within a specified radius of the MTSU campus as determined by the Board of Trustees and published on the [Regional Scholars Program website](#), have at least a twenty-five (25) ACT, or the SAT equivalent, maintain full-time status (minimum of twelve [12] hours), and remain in good academic standing.
  - b. admitted graduate students who have a permanent address that is located in a county within the same specified radius of the MTSU campus as noted above, maintain full-time status (minimum of ten [10] hours), and remain in good academic standing.
2. If a student drops below minimum hours stated above, they are assessed out-of-state fees for that term.
3. The out-of-state tuition rate charged to students eligible for the program rate will equal the University's state subsidy per full-time equivalent for the prior fiscal year. This rate is capped at twelve (12) hours for undergraduate students and ten (10) hours for graduate students.
4. The program rate does not impact students who otherwise qualify for border county classification or other in-state residency classification.

D. eRate. Available to students who enroll at MTSU, who are classified as non-residents of Tennessee, and who are enrolled exclusively in online courses.

1. The eRate is one hundred fifty percent (150%) of the University's approved undergraduate or graduate maintenance fee.

2. The hourly rate will not be discounted for students receiving the eRate and enrolling in greater than twelve (12) undergraduate hours or ten (10) graduate hours.
  3. To qualify for an eRate, students must meet all University admission requirements and be verified as an online out-of-state student enrolled exclusively in courses delivered online by a procedure documented by the University. Out-of-state students refers to geographic location and does not include undocumented students living in Tennessee.
  4. Students enrolled in any type courses other than online (on-ground, telecourse, distance education, etc.) will not be eligible for the eRate specified in this policy and will instead incur traditional non-resident fees and charges. Students who enroll in both online courses and other type courses, and subsequently drop the other type courses, will not then become eligible for the eRate.
  5. Enrollment of eRate students as defined in this standard must mitigate any negative impact on the opportunity for Tennessee student enrollment in online courses.
- E. Corporate Partnership Rate. Available to corporations that have entered into a formal partnership with MTSU to develop and deliver a degree completion program to their employees. The rate applies to out-of-state employees and is equal to the approved eRate above. The major difference is that it can be any type of course (hybrid, telecourse, distance education, etc.) offered as part of a Corporate Partnership. In-state students involved in a Corporate Partnership will pay normal in-state rates.
- F. Program Services Fee. A fee charged to students to support the following programs of the University:
1. Debt Service. Debt service fee revenue is used to retire debt on various capital projects of the University. At the conclusion of the debt retirement for a given project, the debt service fee attributed to the project will cease. Any new project requires the approval of a new debt service fee on its own merits without the reallocation of any existing fee. Any continuation of fees necessary for renewal and replacement of a project for which the debt is totally retired must be approved for that purpose by the Board.
  2. Student Government Activity Fee. A student government activity fee may be established pursuant to T.C.A. § 49-8-109. Any increase in this fee shall be subject to a referendum pursuant to T.C.A. § 49-8-110 for student body approval or rejection. The fee will be administered in accordance with the provisions adopted by the University. These fees will be recorded as restricted revenue.

3. Technology Access Fee. Assessed by the University for the purpose of providing student access to computing and similar technologies.
  - a. The revenue from Technology Access Fees (TAF) should be used by the University for direct student benefit, for items such as new and improved high technology laboratories and classrooms, appropriate network and software, computer and other equipment, and technological improvements that enhance instruction. Specifically, TAF funds may be used for the following items:
    - (1) Computers and other technical laboratory supplies, equipment, software, and maintenance.
    - (2) Network costs (internet, interactive video, etc.)
    - (3) Classroom equipment and classroom modifications.
    - (4) Lab, helpdesk, and instructional support staffing by student employees.
    - (5) Renewal and replacement reserves as necessary.
    - (6) New machines for faculty use when faculty are actively engaged in developing and conducting on-line courses.
    - (7) Faculty and staff development directly related to the introduction or application of new technology which impacts students. Travel costs are not to be funded from TAF revenues
    - (8) Infrastructure (wiring, network, servers, etc.) necessary to provide students maximum computing capability.
  - b. As part of the budget process, the University shall prepare a detailed spending plan for the use of funds generated by TAF.
  - c. The spending plan will be maintained by the University and will be updated throughout the year as needed. The President shall ensure that the spending plan is prepared. At the end of the fiscal year, a summary of the actual money generated and actual use of the money shall be prepared and maintained by the University.
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- C. Admissions fees to athletic and other events open to the public, including special events sponsored by campus organizations and activities.
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- E. Registration for conferences, institutes, and non-credit activities.
- F. Fees for use of campus facilities for recreational purposes.
- G. Nonrefundable library fines, which apply to students, faculty, staff, and other library users.
- H. Thesis and dissertation fee - nonrefundable. The fee will be determined based upon cost to the University.
- I. Child Care Fees. Kindergarten, preschool, early childhood, day care, or similarly defined activities.
- J. Special Exam Fee - nonrefundable. The fee will be determined based upon cost to the University (i.e., certification fees, etc.).
- K. Standardized Test Fees - nonrefundable. The fee will be determined based upon the cost for administering the tests.
- L. Identification Card Replacement - nonrefundable. There will be no charge for the original identification card. A fee may be set by the University to offset the cost of replacing the card. This fee applies only to student ID cards and not to faculty and staff ID's.
- M. Returned Check Fee. The University will charge a nonrefundable returned check fee that is the maximum set by state law. This fee will apply to all returned checks received by the institution, whether from students, faculty, staff, or other parties. The University will review state statutes each spring to determine any changes.
- N. Diploma Fee. Students wanting a second (2<sup>nd</sup>) copy of their diploma will be charged for the reproduction.

### **VIII. Deposits**

A deposit may be established by the University for rent or lease of buildings and facilities, or for the issuance of other University property or equipment. Deposits should be subject to a one hundred percent (100%) refund if no damage or loss occurs. The amount of such deposits should be related to the value of the facilities or equipment subject to loss and the general ability of the University to secure reimbursement should loss or damage occur.

## IX. Student Residence Halls and Apartments

- A. All regular and special rental rates for student dormitories and student apartments shall be approved by the Board upon the recommendation of the University. The University may recommend special rates for non-student groups during summer periods, etc.
- B. Pursuant to [Policy 640 Payment of Student Fees and Enrollment of Students](#), rental for student dormitory or residence hall units shall be payable in full in advance of the beginning of a term. However, residence hall students can participate in the installment payment plan. See [Policy 644 Installment Fee Payment Program](#).

## X. Other Fee and Charge Considerations

- A. Fees may be established to control the utilization of facilities and services or to offset the cost of extraordinary requirements as a result of specific programs or activities. See [Policy 100 Use of Campus Property and Facilities Scheduling](#).
- B. When fees and charges are incorporated in agreements with outside contractors and vendors, specific rates, refunds, and conditions must be clearly stated.
- C. Fees for auxiliary services must take into consideration that auxiliary enterprises should be a break-even operation with rates and charges generating revenue sufficient to cover all expenses as defined in operating budget policies.
- D. Fees established for non-credit courses and activities shall be sufficient to cover the total costs incurred in providing instruction plus a minimum of twenty-five percent (25%) of the annual instructional salary costs including contractual salary costs or personal services contracts.
- E. Students enrolled for six (6) or more hours are eligible for full-time privileges, i.e., access to social, athletic, and cultural functions, pursuant to T.C.A. § 49-8-109.

## XI. Refunds and Fee Adjustments

- A. Adjustments to all fees and charges must be in accordance with the following provisions except as previously stated, or when required by federal law or regulation to be otherwise.
- B. Pursuant to T.C.A. §§ 49-7-2301 and 49-7-2302, students called to active military or National Guard service during the semester are entitled to a one hundred percent (100%) adjustment or credit of mandatory fees. Housing and meal ticket charges may be prorated based on usage.

### C. Maintenance Fee, Tuition, and Program Services Fee Refunds and Adjustments

1. Refunds are one hundred percent (100%) for courses canceled by the University.
2. Changes in courses involving the adding and dropping of equal numbers of SCH's for the same term at the same time require no refund or assessment of additional tuition or fees, unless the dropping and adding involves TN eCampus courses for which there would be a fee adjustment.
3. The fee adjustment for withdrawals or drops during regular terms (fall and spring) is seventy-five percent (75%) from the first (1<sup>st</sup>) day of classes through the fourteenth (14<sup>th</sup>) calendar day of classes and then reduced to twenty-five percent (25%) for a period of time which extends twenty-five percent (25%) of the length of the term. When the first (1<sup>st</sup>) day of the academic term falls on a Saturday, the one hundred percent (100%) refund period is extended through the weekend until the following Monday morning (12:01 am). There is no fee adjustment after the twenty-five percent (25%) period ends. Dropping or withdrawing from classes during either the seventy-five percent (75%) or the twenty-five percent (25%) fee adjustment period will result in a fee adjustment of assessed tuition and fees based on the total credit hours of the final student enrollment.
4. All fee adjustment periods will be rounded to whole days and included in all student communication. In calculating the seventy-five percent (75%) and twenty-five percent (25%) fee adjustment periods for other than the fall and spring (i.e., summer sessions), the number of calendar days during the term will be considered.
5. A full refund (one hundred percent [100%]) is provided on behalf of a student whose death occurs during the term. Any indebtedness should be offset against the refund.
6. A one hundred percent (100%) refund will be provided for students who enroll under an advance registration system but who drop a course or courses prior to the beginning of the first day of class.
7. A one hundred percent (100%) refund will be provided to students who are compelled by the University to withdraw when it is determined that through University error they were academically ineligible for enrollment or were not properly admitted to enroll for the course(s) being dropped. An appropriate official must certify in writing that this provision is applicable in each case.
8. When courses are included in a regular term's registration process for administrative convenience, but the course does not begin until later in the term, the seventy-five percent (75%)/twenty-five percent (25%) fee adjustment periods will be based on the particular course's beginning and ending dates. This provision does not apply to

classes during the fall or spring terms which may meet only once per week. Those courses will follow the same refund dates as other regular courses for the term.

9. The fee adjustment is calculated as the difference between (1) the per credit hour cost of originally enrolled hours and (2) the per credit hour cost of the courses at final enrollment after adjustments have been applied for all courses dropped. Adjustments are calculated at the full per credit hour rate less the fee adjustment credit at the applicable fee adjustment percentage (regardless of the original number of hours enrolled). Not all drops/withdrawals will result in fee adjustments.

D. Student Residence Hall/Apartment Rent and Meal Plan Refunds. Refund of residence hall rent and meal plans after registration will be prorated on a weekly calendar basis when the student is forced to withdraw from the residence hall or University:

1. Because of personal medical reasons confirmed in writing by a licensed physician, or
2. At the request of the University for other than disciplinary reasons. Full refund will be made in the case of the death of the student. Withdrawals for other approved reasons will be subject to the same seventy-five percent (75%)/twenty-five percent (25%) fee adjustment periods as outlined for tuition and fees above.

Forms: none.

Revisions: June 5, 2017 (New); \_\_\_\_\_, 2017.

References: T.C.A. §§ 49-7-102; 49-7-113; 49-7-2301-2304; 49-8-109; 49-8-110; Policies 100 Use of Campus Property and Facilities Scheduling; 501 Classifying Students In-State and Out-of-State for Paying University Fees and Tuition and for Admission Purposes; 640 Payment of Student Fees and Enrollment of Students; 644 Installment Fee Payment Program.



**Middle Tennessee State University  
Finance and Personnel Committee**

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Wednesday, November 29, 2017

**Tab 3**

**Capital Outlay and Capital Disclosure**





**Middle Tennessee State University  
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [Capital Outlay and Capital Disclosure](#)

DATE: November 29, 2017

PRESENTER: Alan Thomas

ACTION REQUIRED: None

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**BACKGROUND INFORMATION:**

**Capital Outlay:**

In anticipation of the upcoming capital budget cycle, the following information is presented for consideration of proposed capital outlay projects for submission to THEC by July 2018 for the FY 2019 – 20 budget.

On September 15, 2017, MTSU submitted two capital outlay project requests to THEC for FY 2018 – 19 funding, in order of priority:

- ***Academic Classroom Building Construction Funding*** – Total Project Cost \$39,600,000 (State Request of \$35,100,000 and Match Funds of \$4,500,000)
- ***Applied Engineering Building*** – Total Project Cost \$54,000,000 (State Request of \$45,000,000 and Gift Funds of \$9,000,000)

The results of the THEC staff review and ranking of all proposed capital projects will be presented for approval to the full Commission at their fall meeting on November 16, 2017. Based on the meeting materials just released by THEC related to capital outlay projects, they will be recommending ten (10) projects for funding in FY 2018 – 19. Both of MTSU's projects are being recommended for funding. The Academic Classroom Building is the No. 1 ranked project on THEC's list with the Applied Engineering Building as ranked as No. 7.

In late January or early February, Governor Haslam will announce his recommended budget, including recommended capital outlay projects, to the State Legislature in his State of the State address. The final approval of the budget by the State Legislature will be late spring of 2018.

The following projects are in development as potential capital outlay requests with full submittal documentation due July 2018. These two projects were listed as “outyear” projects in the FY 2018 – 19 capital budget.

- **Concrete and Construction Management Building** – Preliminary estimated cost of \$20 - \$30 million.
- **Math and Computer Science Building** – Preliminary estimated cost of \$45 - \$55 million.

Both of these capital outlay projects have been identified in the Facilities Master Plan as top priority projects for the campus. A large portion of the programming has been completed in previous years on both projects; however, this information will need to be revisited and updated before submittal of the final documentation in July.

An update on the status of our FY 2018 – 19 capital project requests and any recommendations for funding in the Governor’s Budget will be provided at the February 2018 Committee meeting. Refined cost estimates for the above two projects will also be presented along with discussion of any effect the Governor’s Budget may have on their status.

### **Capital Disclosure:**

In accordance with revised THEC Policy 4.0.6C for disclosure of projects funded through bonds, gifts, grants or local funds (revised May 11, 2017), MTSU submitted a disclosure project to THEC on September 29, 2017 to make improvements to Peck Hall.

**(Note - A project will remain on the Disclosure list for two fiscal years before having to be resubmitted.)**

The \$800,000 project cost will be funded through non-auxiliary plant funds. It includes maintenance of terrazzo flooring in the four corner stairwells and in the second and third floor hallways, repairs to the exterior façade and walkway, and ceilings, lighting, and other related upgrades as allowed within the allocated budget.

Campus Planning staff are currently evaluating the scope of work and expect to submit the project within the next few months to the State Building Commission for approval.



**Middle Tennessee State University  
Finance and Personnel Committee**

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Wednesday, November 29, 2017

**Tab 4**

**Severance of Procurement Services from TBR**





**Middle Tennessee State University  
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: Severance of Procurement Services from  
TBR

DATE: November 29, 2017

PRESENTER: Alan Thomas

ACTION REQUIRED: Voice Vote

STAFF RECOMMENDATION: Approval

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**BACKGROUND INFORMATION:**

The FOCUS Act provided that, during a transition period beginning July 1, 2016 and ending November 30, 2017, TBR would continue to perform the following three functions for the Locally Governed Institutions (LGIs): Data Systems, Capital Project Planning and Management, and Procurement. Under the FOCUS Act, an LGI may sever from TBR for each of the three remaining functions effective December 1, 2017, or any time thereafter, upon application and approval of the Tennessee Higher Education Commission (THEC). For the procurement function, an LGI must submit its application six months in advance of the desired effective date of severance. The general conditions necessary for independence regarding procurement include demonstration of understanding of all state reporting requirements applicable to procurement and contracts, demonstration of readiness to prepare submission documentation and make presentations to the Fiscal Review Committee of the Tennessee General Assembly when its approval is required (generally for high dollar value agreements/procurements), and commitment to continue to participate in existing Master Contracts held by TBR on behalf of all institutions in the TBR system.

This section provides an overview of the requirements set forth by THEC for obtaining approval for severance. If approved by this Committee and the Board of Trustees, we will submit our proposal for severance to THEC before the end of December 2017, intending for severance to be effective July 1, 2018.





MIKE KRAUSE  
Executive Director

BILL HASLAM  
Governor

STATE OF TENNESSEE  
HIGHER EDUCATION COMMISSION  
PARKWAY TOWERS, SUITE 1900  
NASHVILLE, TENNESSEE 37243-0830  
(615) 741-3605

**TO:** President Glenda Glover  
President Sidney McPhee  
President Brian Noland  
President Phil Oldham  
President David Rudd  
President Alisa White

**FROM:** Mike Krause  
THEC Executive Director

**DATE:** April 26, 2017

**RE:** Procurement Severance Process

It is the intent of the Tennessee Higher Education Commission (THEC) that this document provides an overview of the general conditions necessary for independence on procurement, including understanding all reporting requirements, mandated interactions with fiscal review, and continued participation in current master contracts. The requirements outlined below are not exhaustive. State law and administrative procedures may require additional actions as an LGI engages in procurement management on its own.

Independence for procurement will allow a Locally Governed Institution (LGI) to enter bilateral contracts with vendors, but will not prohibit an institution from joining master, group, or statewide contracts initiated through the Tennessee Board of Regents (TBR), consortia, or partnerships. Beyond management of vendor relationships, an LGI will need to undertake full responsibility for all contract and reporting requirements, including annual reporting to the Senate Finance, Ways and Means Committee and quarterly reporting to the Fiscal Review Committee and Governor's Office of Diversity Business Enterprise (GoDBE).

Per the FOCUS Act, an LGI may sever from the Tennessee Board of Regents for the purposes of procurement beginning on December 1, 2017, or any time thereafter, pending the approval of THEC. Each LGI shall inform THEC in writing six months prior of its intent to sever from TBR.

## **Requirements for Severance on Procurement**

### *Procurement and Contract Policy Development*

Each LGI will be required to show that proper policies, procedures and guidelines associated with the process of procurement and contracting have been developed on their campuses and approved by their governing boards. As a higher education agency, an LGI is exempt from the purchase and service requirements governed by the State's Central Procurement Office, including the presentation of rules to the Procurement Commission. However, each institution is still held to the same state laws related to contracts and purchasing, required reporting on contracting, and representation at fiscal review for any non-competitive contracts.

*Action Required for Severance:* LGI will provide links to policies and procedures for procurement and contracting on their website. LGI will also make available pro forma contracts and templates for RFPs, RFQs, amendments, monitoring, and any other purchasing and contracts forms or templates on their website. The LGI's governing board shall certify that the policies and procedures approved by them meet at minimum all requirements of state and federal law.

### *Fiscal Review Committee*

Pursuant to Tennessee law, the Fiscal Review Committee of the Tennessee General Assembly is required to review and comment on proposed non-competitive contracts with a term (time period) of more than one year and a cumulative payable value of \$250,000 or more. Institutions are also required to submit amendments to payable contracts that are equal to or exceed \$250,000 and have a term longer than one year to the Fiscal Review Committee, even if the original contract was procured competitively. Contracts and amendments that require action by the Fiscal Review Committee must be submitted to the Committee at least 60 days prior to the start date.

Institutions are required to provide any information requested by Fiscal Review to allow the Committee to complete their review process. The Fiscal Review Committee requires that most contracts be formally presented in person by a representative. Institutions are responsible for identifying appropriate agents to present contracts before Fiscal Review. Several contracts are exempt from the Fiscal Review Committee reporting requirement, including contracts submitted to the State Building Commission, any sponsored grants or contracts, and revenue-producing contracts.

For more information on what must be included in a request to Fiscal Review, please see TCA § 4-56-107.

Action Required for Severance: LGI will provide a checklist outlining all proper documents that must be submitted to Fiscal Review when a contract or amendment is under review. LGI will also make available online the Fiscal Review forms required to address non-competitive contracts and amendments and will provide written documentation to THEC identifying who will represent the LGI in front of the Fiscal Review Committee.

### *Reporting Requirements*

Each LGI must exhibit the ability to file appropriate reports as required by Tennessee State Code or the bylaws and policies of the identified reporting body, including but not limited to the following:

- Governor's Office of Diversity Business Enterprise Diversity Report  
Any requests for proposals administered in a given quarter where small, minority-, and/or women-owned businesses participated must be reported on a ***quarterly basis*** to the Governor's Office of Diversity Business Enterprise.
- Governor's Office of Diversity Business Enterprise Small, Minority, Women-Owned Business Report  
Any expenditures made on small, minority-, or women-owned businesses must be reported on an ***annual basis*** to the Governor's Office of Diversity Business Enterprise.
- Fiscal Review Goods and Services Contract Report  
All personal, professional, and consultant contracts that are (1) awarded in a competitive or non-competitive method totaling from \$2,000 to \$50,000 and (2) contracts awarded in a non-competitive method that total over \$50,000 must be reported on a ***quarterly basis*** to the Fiscal Review Committee. Refer to TCA § 4-56-107 for further information on the requirements of this report.
- Governor's Office of Diversity Business Enterprise Goals Report  
Each state procurement agency is required to establish annual state agency level internal goals for minority-owned business, woman-owned business, service-disabled veteran-owned business, or small business contracting. These internal goals and results must be reported on an ***annual basis*** by the Go-DBE at the end of the calendar year.
- Senate Finance, Ways and Means Committee Contract Reporting Requirements  
All contracts for expenditures (both goods and services) in a given fiscal year that exceed \$49,999 must be reported. This report must include all contracts

currently active and is reported on an **annual basis** as part of the legislative session reporting requirements for budget review.

It is the responsibility of each LGI to guarantee all reporting requirements for state procurement agencies are met in a timely manner.

**Action Required for Severance:** LGI will provide THEC with the contact information for those responsible for meeting these reporting requirements. The LGI will also provide examples of the most recent versions of these reports for review.

#### *Master Contracts Severance*

If not already in practice, the LGI is encouraged to review and evaluate existing contracts for cost, performance, and benefits that accrue from participation in master, group, or statewide contracts. The full term of master contracts includes all renewals indicated at the time that the contract was executed. With this in mind, THEC encourages each LGI to remain in master contracts in which they participate until the full term is concluded. If an LGI determines it intends to exit a master contract agreement when the full-term expires, the institution shall notify TBR at least six months before the full contract term ends. An LGI that has been granted severance and that has properly notified TBR of its intention to leave a completed master contract may do so with no penalty. Please see the attached file indicating when each current master contract's full-term will conclude.

An LGI that has been granted severance from TBR by THEC that determines it desires to exit a master, group or statewide contract agreement before the full-term concludes shall work with TBR and THEC to determine the process for exiting the contract. This process shall be determined on a case-by-case basis. An early exit shall be granted to an institution unless doing so causes undue injury to other institutions or state procurement agencies involved in that contract. If it is determined that exiting a master contract early will lead to injury to other participants, the LGI will be provided with written cause for the decision.

**Action Required for Severance:** Each LGI agrees to work with TBR and THEC on a case-by-case basis to identify the terms under which the LGI may exit a master contract before the full-term is completed. The LGI understands that TBR will determine if exiting a master contract early will cause injury to the remaining participating institutions or procurement agencies, and agrees to abide by the determination of TBR on exit strategies. The LGI acknowledges that it will notify the Assistant Vice Chancellor for Purchasing and Contracts at TBR which master contracts the institution intends to leave at the end of the full contract term at least six months in advance of the contract expiring.

**Intent to Sever**

*The FOCUS Act (amending TCA § 49-8-101) authorizes THEC to “solicit and receive requests from state university boards to assume the performance of [data systems, capital project planning and management, and procurement].” The signature of the Chairman of the Board (or President with proper Board authorization) below indicates that the Locally Governed Institution understands the reporting, compliance, and existing contract requirements associated with procurement severance and that the indicated Locally Governed Institution intends to sever on December 1, 2017 for the purposes of procurement. The board of the Locally Governed Institution understands and agrees that it shall not be permitted to assume the performance of the procurement functions until such time as severance is granted.*

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**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Institution:** \_\_\_\_\_

**Signature:** \_\_\_\_\_





**Middle Tennessee State University  
Finance and Personnel Committee**

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Wednesday, November 29, 2017

**Tab 5**

**2017 – 18 October Revised  
Operating Budget**





**Middle Tennessee State University  
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: 2017-18 October Revised Operating Budget

DATE: November 29, 2017

PRESENTER: Alan Thomas

ACTION REQUIRED: Voice Vote

STAFF RECOMMENDATION: Approval

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**BACKGROUND INFORMATION:**

The Board of Trustees is charged with approving the operating budgets and setting the fiscal policies for Middle Tennessee State University. As required by THEC, one of the three budgets submitted by the University annually is an October (Revised) budget.

The attached budget being submitted for your approval contains the following changes since the July (Original) Budget:

- Adjustments to Tuition and Fee Revenue for (1) inclusion of the remaining 3.5% tuition increase and (2) reflecting a 1.1% decrease in FTE for fall enrollment.
- Increased appropriations for state funded employee benefits.
- Adjusted expenditure budgets for (1) state funded employee benefits, (2) re-budgeting of various student fee balances from the prior year, (3) purchases in process at year end but not be completed until the current fiscal year, (4) additional safety and security initiatives, and (5) limited funding for new academic programs approved by THEC for FY 2017 – 18.
- Adjustments to auxiliary and restricted budgets based on information obtained since the July Budget submission.



# Revised 2017-18 Operating Budgets

# Suggested Student Revenue Increase

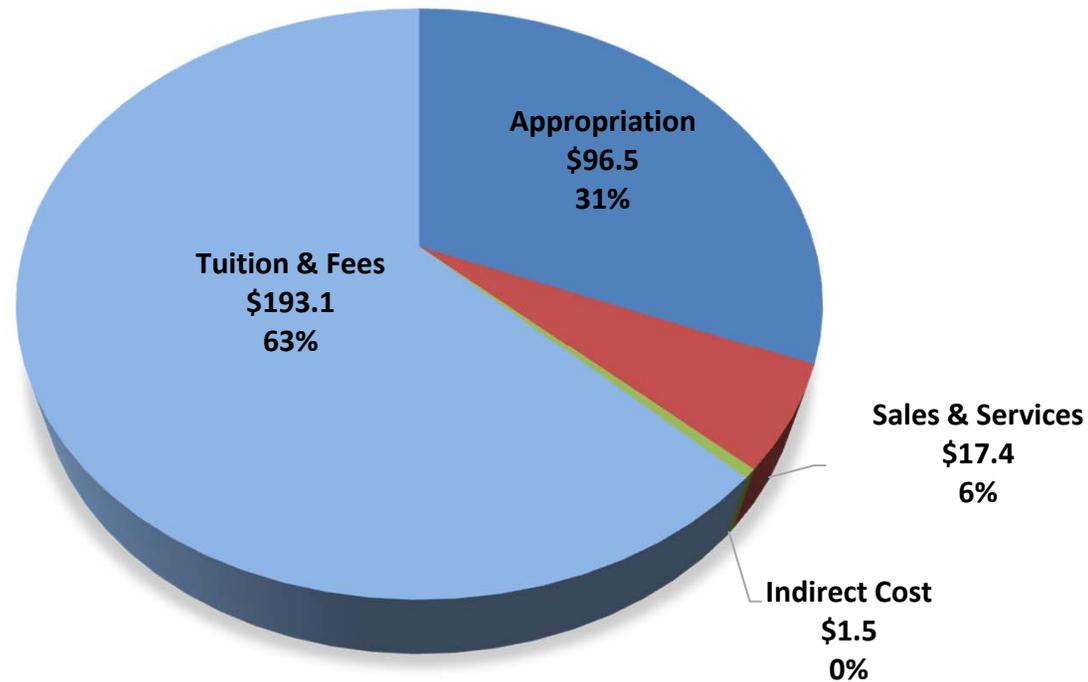
	<u>Approved Increase</u>	<u>October Budget</u>
Personnel Costs	\$ 5,924,000	\$ 5,210,000
Scholarships & Discounts	1,551,800	1,362,500
Other Fixed Costs and Specific Needs	2,546,000	1,298,400
	<u>\$ 10,021,800</u>	<u>\$ 7,870,900</u>
Outcomes Funding	479,100	479,100
Funding for 3% Salary Pool	3,007,800	3,007,800
Health Ins./401k Match	1,110,000	1,110,000
Tuition	5,425,000	2,450,100
TBR Chargeback recovered	-	823,900
	<u>\$ 10,021,900</u>	<u>\$ 7,870,900</u>
FY 17-18 Incr. in State Funds		

**MIDDLE TENNESSEE STATE UNIVERSITY  
ANALYSIS OF BUDGET CHANGES FOR REVENUE CATEGORIES  
REVISED BUDGET 2017-18**

	<b>2017-18</b>	<b>2017-18</b>	
	<b>July Budget</b>	<b>Revised Budget</b>	<b>Difference</b>
Tuition and Fees	\$ 191,644,700	\$ 193,126,100	\$ 1,481,400
State Appropriations	94,860,600	96,514,200	1,653,600
Federal Grants and Contracts	950,000	950,000	-
Local Grants and Contracts	60,000	60,000	-
State Grants & Contracts	55,000	55,000	-
Private Grants & Contracts	467,000	467,000	-
Private Gifts	-	-	-
Sales & Services of Educ Activities	633,100	633,100	-
Sales & Services of Other Activities	16,535,400	16,483,600	(51,800)
Other Sources	272,700	272,700	-
	<b>\$ 305,478,500</b>	<b>\$ 308,561,700</b>	<b>\$ 3,083,200</b>

# Education & General Revenue Revised Budget 2017-18

(millions)

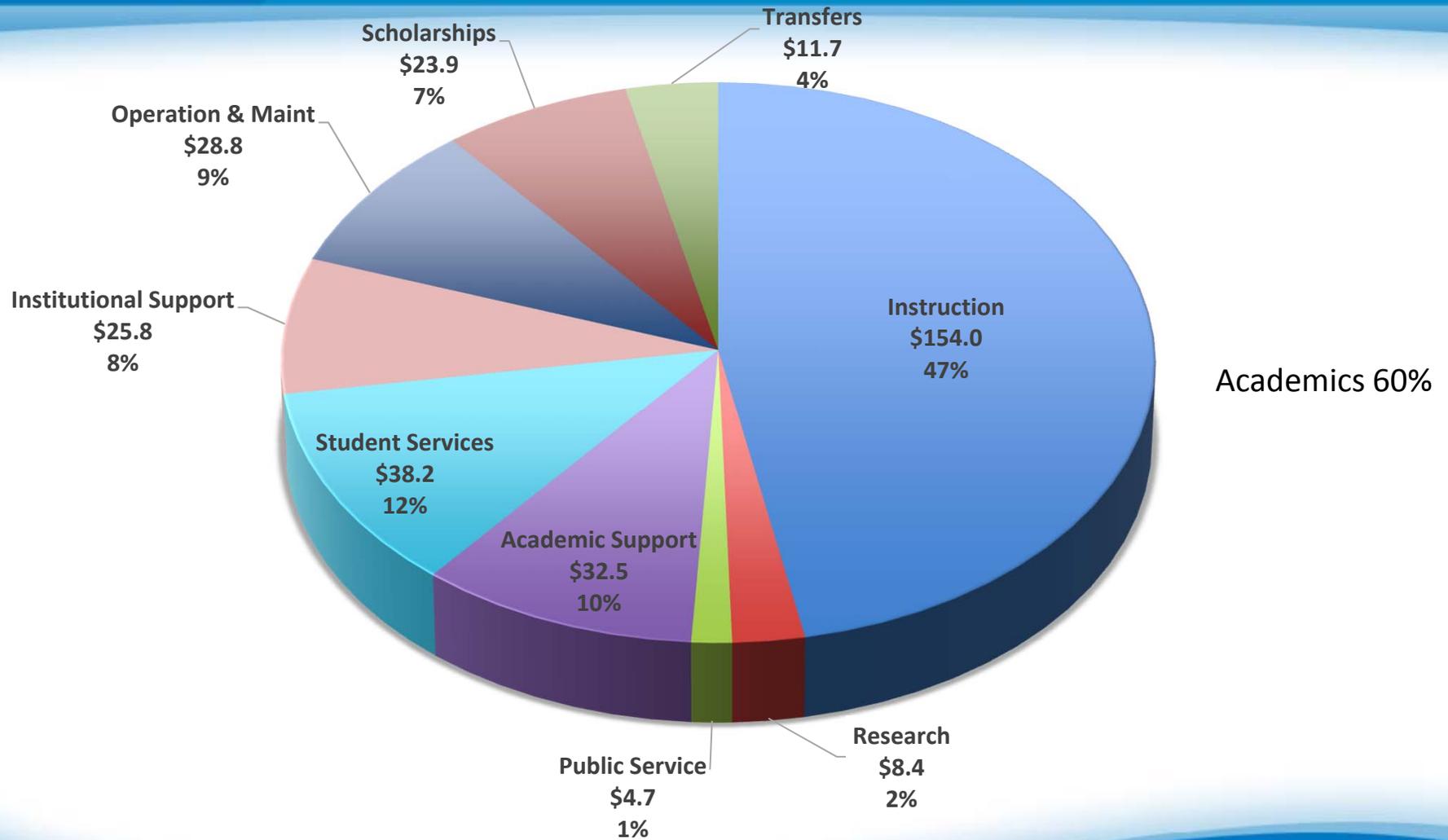


Total E&G Budget \$308.5

**MIDDLE TENNESSEE STATE UNIVERSITY  
UNRESTRICTED EDUCATION AND GENERAL EXPENDITURES BY FUNCTIONAL CATEGORY  
REVISED BUDGET 2017-18**

<b>Function</b>	<b>July Budget 2017-18</b>	<b>Revised Budget 2017-18</b>	<b>Difference</b>
Instruction	\$ 144,586,800	\$ 153,960,400	\$ 9,373,600
Research	4,641,200	8,419,200	3,778,000
Public Service	3,523,700	4,734,200	1,210,500
Academic Support	31,171,900	32,517,500	1,345,600
Student Services	44,447,000	38,224,200	(6,222,800)
Institutional Support	23,736,600	25,755,600	2,019,000
Operation and Maintenance	27,687,600	28,752,900	1,065,300
Scholarships and Fellowships	14,400,700	23,887,400	9,486,700
Transfers	<u>11,283,000</u>	<u>11,738,000</u>	<u>455,000</u>
Total	<u>\$ 305,478,500</u>	<u>\$ 327,989,400</u>	<u>\$ 22,510,900</u>

# Revised 2017-18 E&G Budget By Functional Totals (Millions)

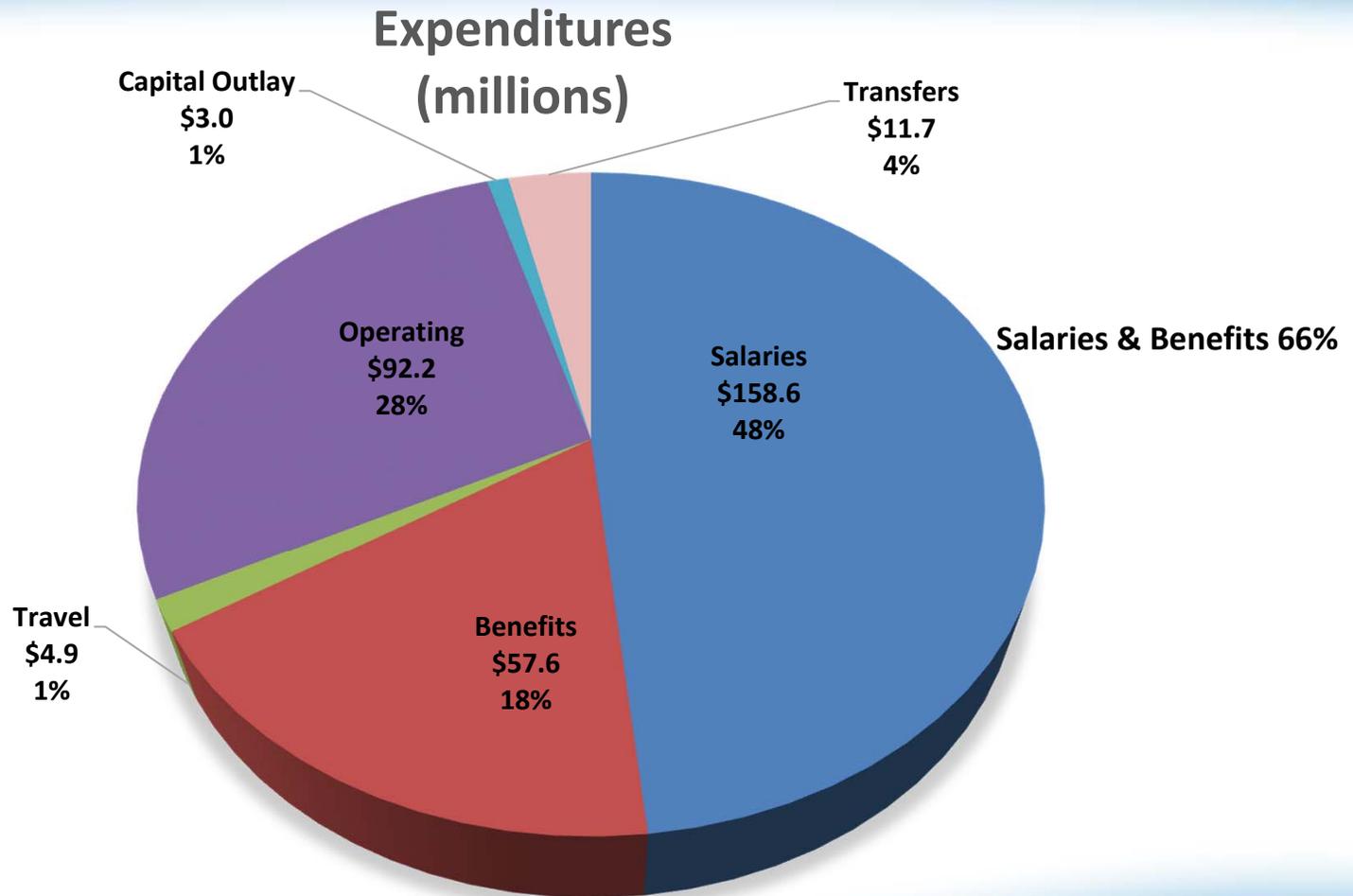


Total E&G Budget \$328.0

**MIDDLE TENNESSEE STATE UNIVERSITY  
UNRESTRICTED EDUCATION AND GENERAL EXPENDITURES BY NATURAL CATEGORY  
REVISED BUDGET 2017-18**

	<b>July Budget 2017-18</b>	<b>Revised Budget 2017-18</b>	<b>Difference</b>
Professional Salaries	\$ 136,477,700	\$ 137,824,200	\$ 1,346,500
Other Salaries	20,709,300	20,753,700	44,400
Employee Benefits	56,188,700	57,589,700	1,401,000
Travel	4,296,700	4,870,600	573,900
Operating Expense	70,957,400	92,214,900	21,257,500
Capital Outlay	5,565,700	2,998,300	(2,567,400)
Transfers	11,283,000	11,738,000	455,000
Total	<u>\$ 305,478,500</u>	<u>\$ 327,989,400</u>	<u>\$ 22,510,900</u>

# Education & General Budget by Natural Classification Revised 2017-18



**Total E&G Budget \$328.0**

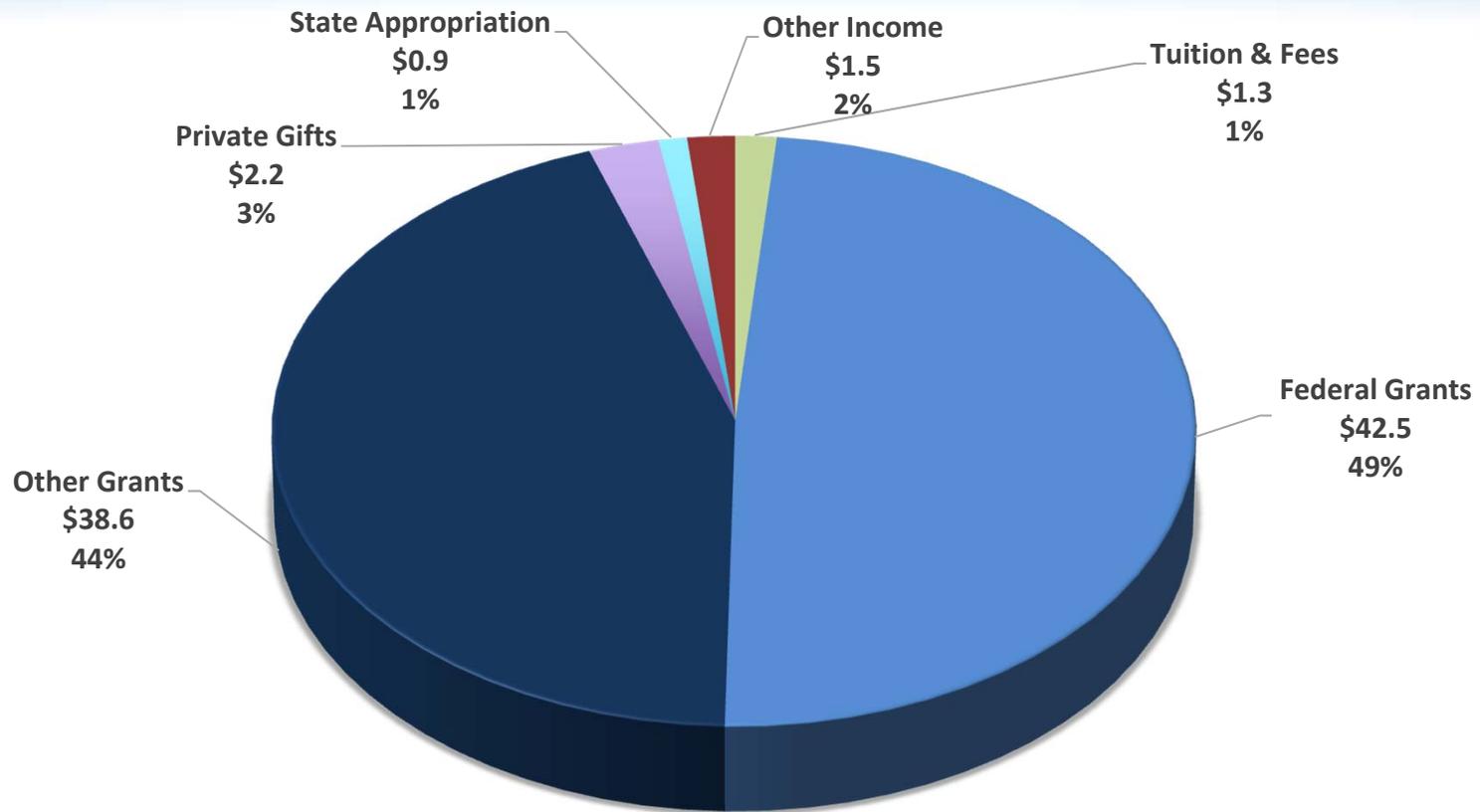
**MIDDLE TENNESSEE STATE UNIVERSITY  
REVISED BUDGET 2017-18  
AUXILIARY ENTERPRISE SUMMARY SCHEDULE**

<u>Auxiliary</u>	<u>July 2017-18</u>		<u>Revised 2017-18</u>	
	<u>Revenues</u>	<u>Expenditures and Transfers</u>	<u>Revenues</u>	<u>Expenditures and Transfers</u>
Bookstore	\$ 432,468	\$ 411,328	\$ 500,000	\$ 478,860
Food Service	2,367,000	2,345,860	2,367,000	2,345,860
Housing	16,733,902	16,733,902	16,733,902	16,733,902
Vending	114,000	114,000	130,000	130,000
Recreational Center	3,028,500	3,028,500	3,028,500	3,028,500
Post Office	397,600	397,600	397,600	397,600
Parking Services	5,091,200	5,070,060	5,091,200	5,070,060
Residential & Commercial Rentals	250,000	250,000	280,000	280,000
Greek Row	106,852	106,852	119,000	119,000
Health Services	4,078,373	4,078,373	4,078,373	4,078,373
TN Miller Coliseum	660,614	724,034	660,614	724,034
Student Long Distance Service	10,000	10,000	10,000	10,000
Total Auxiliaries	<u>\$ 33,270,509</u>	<u>\$ 33,270,509</u>	<u>\$ 33,396,189</u>	<u>\$ 33,396,189</u>

**MIDDLE TENNESSEE STATE UNIVERSITY**  
**SUMMARY OF RESTRICTED CURRENT FUNDS AVAILABLE AND APPLIED**  
**REVISED BUDGET 2017-18**

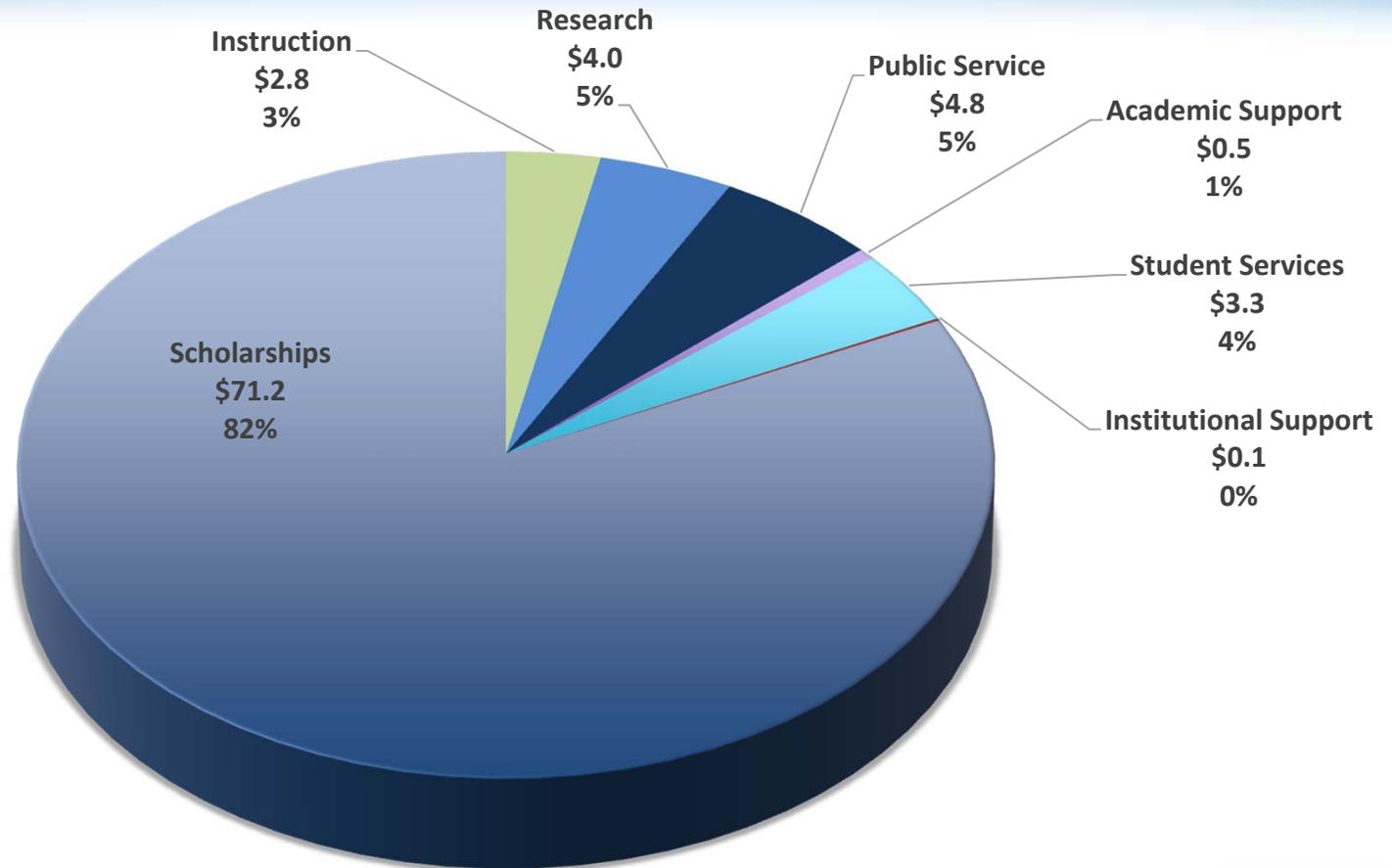
<b>Revenues</b>	<b>2017-18 July Budget</b>	<b>2017-18 Revised Budget</b>	<b>Difference</b>
Tuition and Fees	\$ 1,590,000	\$ 1,318,400	\$ (271,600)
Federal Grants and Contracts	42,000,000	42,500,000	500,000
State Appropriations: Centers of Excellence	371,800	374,500	2,700
State Appropriations: Special Allocations	489,500	489,500	-
State Grants & Contracts	36,750,000	37,700,000	950,000
Local Grants & Contracts	80,000	90,200	10,200
Private Grants & Contracts	600,000	800,000	200,000
Private Gifts	2,000,000	2,175,000	175,000
Endowment Income	725,000	900,000	175,000
Other Income	500,000	580,000	80,000
Total Revenues	<u>\$ 85,106,300</u>	<u>\$ 86,927,600</u>	<u>\$ 1,821,300</u>
<b>Expenses</b>			
Instruction	\$ 2,000,000	\$ 2,824,300	\$ 824,300
Research	2,800,000	4,000,000	1,200,000
Public Service	4,500,000	4,800,000	300,000
Academic Support	475,000	500,000	25,000
Student Services	2,800,000	3,300,000	500,000
Institutional Support	50,000	90,000	40,000
Operation and Maintenance	2,300	2,000	(300)
Scholarships and Fellowships	72,100,000	71,200,000	(900,000)
Total Expenses	<u>\$ 84,727,300</u>	<u>\$ 86,716,300</u>	<u>\$ 1,989,000</u>

# Revised 2017-18 Restricted Revenue Budget (Millions)



Total Restricted Revenue Budget \$87.0

# Revised 2017-18 Restricted Budget by Functional Total (Millions)



Total Restricted Budget \$86.7



**Middle Tennessee State University  
Finance and Personnel Committee**

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Wednesday, November 29, 2017

**Tab 6**

**THEC 2018 – 19  
Recommendations**





**Middle Tennessee State University  
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [THEC 2018 – 19 Recommendations](#)

DATE: November 29, 2017

PRESENTER: Alan Thomas

ACTION REQUIRED: None

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**BACKGROUND INFORMATION:**

Each year, the Tennessee Higher Education Commission (THEC), at its fall meeting, makes the following recommendations for the campuses:

- Operating appropriations
- Tuition guidance range
- Capital project outlay and maintenance funding

THEC is recommending operating state appropriations for 2018 – 19 in the amount of \$101.5 million for MTSU, representing a \$4.5 million increase over 2017 – 18 appropriations. This net increase is a combination of a decrease of \$706,000 in the outcomes formula adjustments and a \$5.2 million in proposed new funding for higher education. As in prior years, it is not presently known if the State will mandate salary increases for higher education; however, the Committee will be updated on any proposed funding and salary increases when the Governor’s Budget is presented in early 2018. A schedule of THEC’s 2018 – 19 state appropriations distribution recommendation is included in these materials.

The allocation of state appropriations was based on funding formula outcomes for 2016 – 17, the most recent year of data. The University awarded more Bachelor’s and Doctoral degrees in 2016 – 17 than the previous three years, an increase of 103 and 28

degrees, respectively, over the previous year. As noted in THEC's presentation at the September 2017 Board of Trustees meeting, the University has been experiencing declines in the areas of Master's/Ed Specialist degrees and Research/Service funding. Even though there was an increase in Master's/Ed Specialist degrees in 2016 – 17, the three year average declined. A schedule showing all changes in the three-year averages for funding formula outcomes is included in these materials.

The Complete College Tennessee Act (CCTA) requires THEC to make student fee and state appropriation recommendations concurrently. The FOCUS Act expanded THEC's authority on student fees, requiring THEC to issue binding tuition ranges each year. THEC has approved a tuition guidance range of zero to three percent for universities. A final binding tuition range will be approved later in the fiscal year once clarity around the state budget and overall impact on higher education funding is determined.

As covered under Tab 3 of these materials, both capital projects submitted by the University for 2018 – 19 capital outlay funding are being recommended by THEC, representing over \$93 million in funding. In addition, the seven (7) capital maintenance projects submitted in September 2017 are being recommended for funding in the amount of \$8.2 million.

## ATTACHMENT II

### 2018-19 State Appropriations Distribution Recommendation

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
	<b>Breakdown of 2018-19 Changes</b>							
Academic Formula Units	2017-18 Appropriation <sup>1</sup>	2018-19 Formula Calculation	Outcomes Formula Adjustments	Share of New Funding	2018-19 Changes	2018-19 Recommendation	Percent Change	Percent Funded
<b>LGI Universities</b>								
Austin Peay	\$44,621,700	\$68,775,400	\$198,900	\$2,427,200	\$2,626,100	\$47,247,800	5.9%	68.7%
East Tennessee <sup>2</sup>	60,749,800	93,186,000	(21,000)	3,288,700	3,267,700	64,017,500	5.4%	68.7%
Middle Tennessee	97,003,700	147,765,100	(706,000)	5,214,900	4,508,900	101,512,600	4.6%	68.7%
Tennessee State	36,757,500	56,099,700	(197,600)	1,979,800	1,782,200	38,539,700	4.8%	68.7%
Tennessee Tech <sup>2</sup>	46,731,100	72,418,100	463,400	2,555,700	3,019,100	49,750,200	6.5%	68.7%
University of Memphis	110,827,200	168,880,200	(768,900)	5,960,000	5,191,100	116,018,300	4.7%	68.7%
<b>Subtotal</b>	<b>\$396,691,000</b>	<b>\$607,124,500</b>	<b>(\$1,031,200)</b>	<b>\$21,426,300</b>	<b>\$20,395,100</b>	<b>\$417,086,100</b>	<b>5.1%</b>	<b>68.7%</b>
<b>Community Colleges<sup>3</sup></b>								
Chattanooga	\$31,118,200	\$45,946,800	(\$1,174,900)	\$1,621,500	\$446,600	\$31,564,800	1.4%	68.7%
Cleveland	10,988,200	16,024,700	(544,900)	565,700	20,800	11,009,000	0.2%	68.7%
Columbia	15,026,400	22,770,300	(187,100)	803,600	616,500	15,642,900	4.1%	68.7%
Dyersburg	9,388,600	13,967,900	(285,800)	492,900	207,100	9,595,700	2.2%	68.7%
Jackson	13,561,500	20,389,500	(273,800)	719,600	445,800	14,007,300	3.3%	68.7%
Motlow	13,292,500	21,567,600	763,000	761,200	1,524,200	14,816,700	11.5%	68.7%
Nashville	20,259,300	32,035,600	618,100	1,130,600	1,748,700	22,008,000	8.6%	68.7%
Northeast	18,137,200	28,420,700	384,400	1,003,000	1,387,400	19,524,600	7.6%	68.7%
Pellissippi	30,477,800	47,210,300	288,900	1,666,100	1,955,000	32,432,800	6.4%	68.7%
Roane	21,087,900	32,335,900	(14,800)	1,141,200	1,126,400	22,214,300	5.3%	68.7%
Southwest	27,147,100	40,644,900	(659,000)	1,434,400	775,400	27,922,500	2.9%	68.7%
Volunteer	20,809,700	33,720,200	1,165,600	1,190,000	2,355,600	23,165,300	11.3%	68.7%
Walters	23,469,700	35,155,300	(559,200)	1,240,700	681,500	24,151,200	2.9%	68.7%
<b>Community College Subtotal</b>	<b>\$254,764,100</b>	<b>\$390,189,700</b>	<b>(\$479,500)</b>	<b>\$13,770,500</b>	<b>\$13,291,000</b>	<b>\$268,055,100</b>	<b>5.2%</b>	<b>68.7%</b>
<b>UT Universities</b>								
UT Chattanooga	\$51,005,300	\$79,558,000	\$842,200	\$2,807,700	\$3,649,900	\$54,655,200	7.2%	68.7%
UT Knoxville <sup>2</sup>	214,270,000	329,357,500	370,600	11,623,500	11,994,100	226,264,100	5.6%	68.7%
UT Martin <sup>2</sup>	32,045,400	48,561,500	(398,100)	1,713,800	1,315,700	33,361,100	4.1%	68.7%
<b>Subtotal</b>	<b>\$297,320,700</b>	<b>\$457,477,000</b>	<b>\$814,700</b>	<b>\$16,145,000</b>	<b>\$16,959,700</b>	<b>\$314,280,400</b>	<b>5.7%</b>	<b>68.7%</b>
<b>Total Colleges and Universities</b>	<b>\$948,775,800</b>	<b>\$1,454,791,200</b>	<b>(\$696,000)</b>	<b>\$51,341,800</b>	<b>\$50,645,800</b>	<b>\$999,421,600</b>	<b>5.3%</b>	<b>68.7%</b>
TN Colleges of Applied Technology	\$66,857,600	\$103,658,300	\$696,000	\$3,658,200	\$4,354,200	\$71,211,800	6.5%	68.7%
<b>Total Academic Formula Units</b>	<b>\$1,015,633,400</b>	<b>\$1,558,449,500</b>	<b>\$0</b>	<b>\$55,000,000</b>	<b>\$55,000,000</b>	<b>\$1,070,633,400</b>	<b>5.4%</b>	<b>68.7%</b>

1 - Recurring funding. Includes historical funding of \$2.81M for legislative initiatives. A breakdown of these initiatives by campus is included in Appendix A.

2 - Does not include recurring funds appropriated to the ETSU Gray Fossil Site (\$350K), TTU Carnegie Classification Change (\$500K), UT Knoxville for the engineering college (\$3M), UT Martin Parsons Center (\$200K), or to UT Martin Somerville Center (\$250K). These appropriations are included as Program Initiatives.

3 - THEC's community college recommendation is only for the sector as a whole. Institutional detail displayed here is for informational purposes only.

**THEC  
2018-19 Funding Formula Data**

	30 CH	60 CH	90 CH	Assoc	Rvrs Artic Assoc	Bach	Masters/ Ed Spec	Doctoral	Rsrch, Srvc & Spnsrd Prog	Degrees per FTE	Grad Rate
<b>MTSU</b>											
2016-17	2,711	3,157	3,716	-	175	4,137	820	75	\$ 9,183,451	24.9	49.7%
2015-16	2,885	3,090	3,765	-	194	4,034	791	37	\$ 9,551,390	23.9	50.2%
2014-15	2,928	3,228	3,601	-	-	4,051	847	30	\$ 9,789,671	22.7	51.1%
2013-14	3,001	3,135	3,904	-	-	4,012	861	32	\$ 11,740,917	21.9	53.2%
<b>Averages</b>	<b>(97)</b>	<b>7</b>	<b>(63)</b>	<b>-</b>	<b>58</b>	<b>42</b>	<b>(14)</b>	<b>14</b>	<b>(852,489)</b>	<b>1.0</b>	<b>-1.2%</b>

\*Data reflects individual year outcomes, not three-year averages



**Middle Tennessee State University  
Finance and Personnel Committee**

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Wednesday, November 29, 2017

**Tab 7**

**Budget Process  
Calendar and Timeline**





**Middle Tennessee State University  
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [Budget Process Calendar and Timeline](#)

DATE: November 29, 2017

PRESENTER: Alan Thomas

ACTION REQUIRED: None

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**BACKGROUND INFORMATION:**

The University's annual budget process starts in August of each year for the following fiscal year. It begins with a request from the Tennessee Higher Education Commission (THEC) of various data elements from each campus in the areas of finance, physical facilities, and enrollment.

The calendar timeline provided in these materials is typical for the budget process and will be used to develop the FY 2018 – 19 budget. The budget process and timeline can be affected by outside agencies such as THEC, other state governmental agencies, and the State Legislature. It should also be noted that the budget process overlaps from one year to another which requires the University to work on multiple fiscal year budgets at any given time.

Finance and Personnel Committee meeting dates for the upcoming year are currently being discussed. Since the passage of the Governor's Budget and THEC's final binding tuition and mandatory fees ranges will not be known until early May 2017, it may be necessary to have three (3) Committee meetings prior to the June 2017 Board meeting.



# Middle Tennessee State University

## Budget Calendar/Timeline

### August

- THEC requests various data from college campuses (i.e. financial, physical facilities information, enrollment statistics, etc.)

### October

- THEC sends appropriation data to campuses for verification (funding formula metrics)

### November

- THEC publishes appropriation recommendation
- THEC issues non-binding tuition guidance

### December

- Governor's Budget hearings

### January

- Governor's State of the State Address with release of Governor's Budget
- Proposed fee requests (including housing rates) received from campus departments

### February

- Senate and House budget hearings
- Budget worksheets sent to departments
- Finance and Personnel Committee reviews/recommends approval of requested non-mandatory fees and housing rates

### March

- Senate and House budget hearings continue
- Board of Trustees approves non-mandatory fees and housing rates

- Budget worksheets returned to Budget Office

## **April**

- Senate Education Committee budget hearings
- President holds budget hearings with each academic college and division
- Estimated and Proposed budgets prepared

## **May**

- Legislature passes appropriations bill
- THEC issues binding tuition and mandatory fee ranges
- Finance and Personnel Committee reviews/recommends approval of the following:
  - Estimated and Proposed budgets
  - Maintenance fees and tuition
  - Mandatory fees

## **June**

- Board of Trustees approves budgets, maintenance fees and tuition, and mandatory fees

## **July**

- Budget forms submitted to THEC
- THEC approves Estimated and Proposed budgets

## **August**

- THEC requests various data from college campuses (i.e. financial, physical facilities information, enrollment statistics, etc.)

## **September**

- Begin preparation of Revised Budget after finalizing year end and determining impact of fall enrollment on revenue



**Middle Tennessee State University  
Finance and Personnel Committee**

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Wednesday, November 29, 2017

**Tab 8**

**Compensation Strategies**





**Middle Tennessee State University  
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [Compensation Strategy](#)

DATE: November 29, 2017

PRESENTER: Kathy Musselman

ACTION REQUIRED: Voice Vote

STAFF RECOMMENDATION: Approval

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**BACKGROUND INFORMATION:**

As recommended by the University Compensation Advisory Committee and the President, the Finance and Personnel Committee approved a 3% across-the-board salary increase, with a \$1,000 minimum, for all University employees at its May 22, 2017 meeting. Upon approval, the Committee requested that the University consider and evaluate other methods for implementing salary increases in future years. Possible methods include (1) increasing salary ranges based on current market data, (2) phased implementation of the compensation plan, and (3) salary increases based on merit.

The attached Compensation Plan History provides a summary of the adjustments that have been made since 2013 under our current compensation plan, as well as the funding needed to fully implement the plan.

The University is recommending your approval to develop a plan to increase salary ranges and partially implement the current compensation plan prior to implementation of a merit based compensation plan. This plan would be presented to the Committee once the Governor's recommended amount of State funding for higher education salaries is known in January/February of 2018. An increase in salary ranges, based on current market data, would allow the University to be more competitive and attractive in its starting salaries. In addition, partially implementing the current compensation plan would help to retain employees in positions with high turnover rates. This would be similar to an allocation made in the 2017 – 18 Governor's Budget for positions in state government experiencing high turnover.

## Compensation Plan History

On May 22, 2017, the Finance and Personnel Committee approved the implementation of a 3% Across the Board increase, with a \$1,000 minimum, effective July 1, 2017. At that meeting, it was requested that MTSU consider other methods of distributing salary increases in the future.

Historically, the University has appointed committees made up of faculty, staff and administration to review the compensation strategies of the University. The committees have previously proposed the idea of a merit-pay based system, but with a recommendation that current salaries be brought up to market data before implementation of the system.

The University's current compensation plan provides for market data to be updated every three years. Implementation is incremental over a three-year period to adjust an employee's current salary by one-third of the gap between predicted market salary and current year salary. Thus, at the third year of implementation an employee would be at the predicted market salary.

Due to insufficient funding, the actual implementation of the compensation plan has been significantly different than the written plan. In January 2013, MTSU was still in the process of implementing market adjustments using 2005-06 data for faculty. Administrative and classified salary ranges were updated in January 2012, however, current employees were only brought to the minimum of the new pay ranges at that time. In January 2013, another phase of the pay plan for administrative and classified staff was implemented which awarded market adjustments based on years of MTSU experience only. Total increases were limited to 6%, including a 2.5% across-the-board increase received in July 2012. There have been no additional implementations of market adjustments since that time.

Using 2014-15 market data, the costs to implement market data for current employees would be approximately \$9.9 million plus benefits estimated at \$3.5 million.

# History of Faculty Compensation Plan

- Prior to 2012 – used 1993 Pay Plan developed by Mercer, Inc.
  - Adjusted Peer Institutions Used for Data Collection
  - Adjusted Amounts Awarded for Promotion
- 2012 – Implementation of Market Adjustments  
(2005-06 Market Data) – Increases limited to 7%
- 2013 – Implementation of Market Adjustments  
(2005-06 Market Data) – Increases limited to 6%  
(including the 2.5% ATB from July 2012)

# History of Administrative and Classified Staff Compensation Plan

- Prior to 2012 – used 1993 Pay Plan developed by Mercer, Inc.
- 2007 – Contracted with Mercer, Inc. to develop new plan for Administrative and Classified Staff
- 2008 – Updated Pay Plan Finalized - Due to Funding Cuts Implementation of Plan was delayed
- 2011 – Market Salary Ranges for Updated Pay Plan Increased by 4% for Market Fluctuation since 2007
- 2012 – Implemented Compensation Plan
  - New Hires – 90% of Midpoint
  - Current Employees – Increased to Minimum of Salary Grade
- 2013 – Implementation of New Plan
  - MTSU years of Experience
  - Increases limited to 6% (including the 2.5% or \$750 from July 2012)

# Faculty Compensation Plan

- College and University Personnel Association (CUPA) Data
- Peer data from 50 institutions by discipline and rank
- 2014-15 data used for salary comparison
- 647 of 727 (89%) Faculty are below Predicted Salary

# Administrative Compensation Plan

- Salary Range Assigned to Each Position
- Salary Ranges Established by Mercer, Inc. – Based on 2012 Market Data
- Position Slotting – No longer market based due to outdated data
- Using 2014-15 CUPA Data – Salary Ranges should be increased by 14.01% to reflect current market
- 379 of 598 (64%) of Administrators are below their Predicted Salary
- 98 of 598 (16%) of Administrators are below the Minimum of Salary Range

# Classified Compensation Plan

- Salary Range Assigned to Each Position
- Salary Ranges Established by Mercer, Inc. in 2012 based on local market data
- Use Point Factor Analysis to Slot positions
- Increase Salary Ranges by 14.01% - Same as Administrative
- 435 of 520 (84%) Classified Staff are below Predicted Salary
- 132 of 520 (25%) Classified Staff are below the Minimum of Salary Range

# Cost to Implement

- **Faculty**

- Based on three factors: (1) High Degree, (2) Years of Experience and (3) Years in Rank – \$6,900,000 plus benefits

- **Administrative**

- Based on MTSU Years of Experience to Predicted Salary - \$1,705,795 plus benefits
- Based on MTSU Years of Experience to Minimum - \$175,606 plus benefits

- **Classified**

- Based on MTSU Years of Experience to Predicted Salary - \$1,274,545 plus benefits
- Based on MTSU Years of Experience to Minimum - \$137,590 plus benefits

# Total Cost to Implement

	Fully Fund Salary	Benefits	Total
Faculty	6,900,000	1,725,000	8,625,000
Administrative	1,705,795	426,500	2,132,295
Classified	1,274,545	318,600	1,593,145
Total	9,880,340	2,470,100	12,350,440