

MIDDLE TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

MINUTES

December 11, 2018

Call to Order and Pledge of Allegiance

The Middle Tennessee State University Board of Trustees met in regular session on Tuesday, December 11, 2018, in the Miller Education Center on the Middle Tennessee State University campus. Chairman Steve Smith called the meeting to order at 8:30 a.m. and requested retired Lt. Gen. Keith Huber to lead the Pledge of Allegiance.

Introduction of Student Veteran

Gen. Huber introduced student veteran, Sergeant Jay Strobino, who enlisted in the U.S. Army Infantry in September 2002. He was on his second tour in Iraq with the 101st when, on Feb. 1, 2006, he was engaged by the enemy. As a result of that action, he was shot 13 times but survived. Gen. Huber stated that he did more than survive, he continued to provide leadership in action against the enemy. For his actions of that day, Jay Strobino was awarded the Silver Star, and the respect and admiration that goes with that. Mr. Strobino will graduate from MTSU this Saturday, receiving a Bachelor of Science degree with a minor in Biology. He wants to work for Veterans Administration helping other veterans.

Roll Call

Board Secretary Heidi Zimmerman called the roll. Trustees present were Andy Adams, J.B. Baker, Pete DeLay, Darrell Freeman, Sr., Joey Jacobs, Tony Johnston, Stephen Smith, and Peyton Tracy. Trustees Christine Karbowskiak and Pamela Wright were unable to attend. A quorum was declared. Also present were President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, University Provost; Joe Bales, Vice President for University Advancement; Andrew Oppmann, Vice President for Marketing and Communications; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Brenda Burkhart, Chief Audit

Executive; Heidi Zimmerman, University Counsel and Board Secretary; and Kim Edgar, Assistant to the President and Chief of Staff.

Welcome and Opening Remarks

Chairman Smith welcomed those present to the meeting of the Board of Trustees. He stated that Gov. Haslam was not able to attend the meeting, but read a statement expressing Gov. Haslam's appreciation for service on the Board. Dr. Sidney A. McPhee, President, also welcomed those attending the meeting and acknowledged special guests in the audience, including City Council member Eddie Smotherman.

Approval of the Minutes

Chairman Smith indicated that the next order of business concerned approval of the minutes of the regular session meeting of the MTSU Board of Trustees held on September 18, 2018, and the special called meeting on October 10, 2018. Trustee Freeman made the motion to approve these minutes; Trustee Delay seconded the motion. A voice vote on the motion to approve the minutes of the September 18, 2018 and October 10, 2018 Board meetings was taken and the motion carried unanimously.

Committee Report: Academic Affairs, Student Life, and Athletics Committee

In the absence of Committee Chair Pamela Wright, Trustee Delay gave the report from the November 13, 2018, meeting of the Academic Affairs, Student Life, and Athletics Committee. The meeting began with approval of the minutes from the August 28, 2018 and October 10, 2018 Committee meetings. The Committee report contained three (3) action items to be considered and voted on by the Board. Materials from the Committee meeting were provided to the Board in its meeting materials.

New Academic Degree Program – B.S. Tourism and Hospitality Management; Academic Degree Under Consideration – B.S. Data Science; and, Approval of Appointment of Chairholder of the National Health Care Chair of Excellence in Nursing – Action Items

The action items for Board consideration concerned a New Academic Degree Program – B.S. Tourism and Hospitality Management; an Academic Degree Under Consideration – B.S. Data Science; and, Approval of Appointment of Deborah A. Lee as Chairholder of the National Health Care Chair of Excellence in Nursing. The motion to approve the action items recommended by the Academic Affairs, Student Life, and Athletics Committee was made by Trustee Freeman, seconded by Trustee Baker. A voice vote was taken, the motion passed and the three (3) actions of Academic Affairs, Student Life, and Athletics Committee were approved.

Committee Report: Audit and Compliance Committee

In the absence of Committee Chair Chris Karbowiak, Trustee Adams provided the report for the Audit and Compliance Committee which met on November 13, 2018. Minutes from the September 18, 2018 Committee meeting were approved. The Committee report contained one (1) action item concerning promulgation of a rule and approval of revisions to the corresponding policy. Materials from the Committee meeting were provided to the Board in its meeting materials.

Promulgation of Rule – Public Records – Inspecting and Copying; and, Revisions to Policy 120 Public Records – Inspecting and Copying – Action Item

T.C.A. § 10-7-503(g)(2) requires state entities to promulgate a rule regarding public records. To be consistent with the proposed rule, revisions to the corresponding policy, Policy 120 Public Records – Inspecting and Copying, were necessary. The Committee approved the proposed rule and revisions to Policy 120, Public Records-Inspecting and Copying. Subsequent to the Committee meeting, the rule was reviewed by the Office of the Attorney General. Based on that review, additional revisions to the rule and the policy were advised. The meeting materials contained versions of the rule and policy showing all recommended revisions as well as clean versions of both.

A motion was made by Trustee DeLay to approve the promulgation of the rule and revisions to the corresponding policy regarding Public Records – Inspecting and Copying to include revisions

approved by the Audit and Compliance Committee and revisions advised subsequent to review by the Attorney General's Office. The motion was seconded by Trustee Freeman. A roll call vote was taken. The vote was seven (7) Aye and zero (0) No; the motion passed.

Committee Report: Executive and Governance Committee

Board Vice Chair Darrell Freeman provided the report for the Executive and Governance Committee which met in regular session on November 13, 2018, and at a special called meeting on November 27, 2018. Minutes from the Committee meetings held on February 27, 2018 and March 13, 2018 were approved.

Board Self-Evaluation

On November 13, 2018, the Committee reviewed and approved a survey for the Board's self-evaluation. The survey will be distributed with responses provided to the Committee at its spring meeting.

President's Employment Agreement

At its November 13, 2018 meeting, the Committee determined to defer discussion and deliberation on the president's employment agreement to a special called meeting as further negotiation was needed. On November 27, 2018, the Executive and Governance Committee met to review and discuss the draft of the president's employment agreement. After deliberation, revisions were proposed, and the draft was approved. The documents contained in the Board materials are the redline and clean versions of the employment agreement as voted on by the Executive and Governance Committee.

In addition to those revisions, Trustee Freeman recommended two "housekeeping" changes to the draft agreement:

- On page 2, Section C – change "Dr. McPhee agrees to live in the President's residence on campus" to "Dr. McPhee is required to live in the President's residence on campus." This change allows for clarity with the IRS.

- On page 4, Section B – change “Exceptions for Dr. McPhee ~~and/or his spouse~~ must be approved by the Chair of the Audit and Compliance Committee in writing and in advance of any reimbursement, and approved exceptions shall be reported by the Vice President for Business and Finance to the Audit and Compliance Committee at its next meeting.” It is recommended to delete “and/or his spouse” since spouse expenses are addressed in Section F.

Trustee Freeman stated that the Committee is seeking approval of the contract as recommended by the Executive and Governance Committee, along with the two minor recommended changes. The draft agreement was made available for review prior to the Board meeting and contained in the Board notebooks

A motion to approve the document as contained in the Board materials along with the two additional revisions proposed by Trustee Freeman was made by Trustee Freeman and seconded by Trustee Jacobs. Chairman Smith asked if there was any discussion.

Trustee Johnston raised an issue concerning Section 4.C. regarding faculty appointment. The section states that upon resignation in good standing or expiration of the agreement, the president may continue employment as a tenured faculty member. Trustee Johnston’s concern was that MTSU schedules teaching responsibilities a year in advance. Because of this, there may be no teaching opportunities available at the point the president resigns or the contract expires. He asked if the Board could develop some provision to allow time for the department to prepare for this teaching responsibility. He indicated that he was looking ahead to see how the department could accommodate this requirement on a practical level. Trustee Johnston recommended putting into the contract that advance notice is required in order that the department can accommodate the president’s teaching responsibility. Chairman Smith stated there is currently a six-month notice in the draft. Trustee Johnston suggested the notice be provided to the department so that it could prepare in order to plan ahead. Trustee Freeman stated he believed six months would be adequate notice to the department and that the contract, as written, suffices. He did not feel a year’s notice was needed. Provost Byrnes was

asked to speak on this point. He acknowledged that Trustee Johnston raised a valid point because, depending on when the change occurs, there can be issues about teaching. He stated that it is a common occurrence for administrators to go back to the classroom and it has been the practice of Academic Affairs to give the administrator a period of time – a semester - to prepare to return to teaching.

Trustee Johnston raised a second issue regarding state law T.C.A. § 8-36-714 and Board Policy 840 that he discussed with Ms. Zimmerman as it relates to post-retirement president emeritus status. He stated that the president of the university has the right to be granted president emeritus status at retirement. Trustee Johnston asked if the Board wants to include a provision in the contract to include this law to acknowledge that the law exists. Trustee Freeman indicated he would not change his motion. Chairman Smith clarified that the law says the Board may consider awarding this status but it is not an entitlement. He also stated that even if the law changes, Dr. McPhee would likely be grandfathered in. The decision on emeritus status will be made by the trustees on that board at the time it is requested. Board Secretary Zimmerman confirmed that emeritus status is not automatic. Trustee Freeman called the question.

Trustee Baker asked if it was correct that the bonus in Section J, the \$250,000, has no parameters other than completing the five year term of the agreement; that it has no measures such as graduation rates or anything to that nature. Chairman Smith stated that the entire contract is based on the concept of the State being fiscally sound. Board Secretary Zimmerman said that in a quick scan of the document, she does not see that wording in Section 3 of the agreement. Trustee Freeman said it is not required and there is no need to put into every contract that the state must be fiscally sound; that this is understood. Trustee Freeman again called the question.

Chairman Smith requested that a roll call vote be taken on the motion to approve the president's employment agreement with revisions as recommended by the Executive and Governance Committee and the two additional revisions recommended by Trustee Freeman. There were seven (7) Ayes and zero (0) Nos; Chairman Smith indicated that the vote was

unanimous in favor of the motion.

Committee Report: Finance and Personnel Committee

Committee Chair Joey Jacobs provided the report for the Finance and Personnel Committee and stated that this Committee met on November 13, 2018. Minutes from the August 28, 2018, Committee meeting were approved. The Committee report contained several informational items, as well as, three (3) action items. Materials from the meetings were provided to the Board in its meeting materials.

Capital Project Updates, THEC 2019-2020 Operating Recommendations, and Compensation Update - Informational

Alan Thomas, Vice President for Business and Finance, provided a brief update on 2019-2020 Capital Outlay and Capital Maintenance requests and reviewed THEC's 2019-2020 operating recommendations.

Assistant Vice President Kathy Musselman provided a compensation update.

2018-19 October revised budget; Regional Scholars Program; and Factors to be considered when developing recommendations for tuition and fee increases as required by the Tuition Transparency Act - Action Items

The Finance and Personnel Committee approved all three action items. A motion was made by Trustee Freeman and seconded by Trustee Jacobs to approve the action items recommended by the Finance and Personnel Committee. A voice vote was taken, the motion passed and the action items were approved.

NEW BUSINESS

Approval of New Academic Program

The matter before the Board was not considered at an Academic Affairs, Student Life, and Athletics Committee meeting, but Board By-laws allow for the designation of agenda items for deliberation and action at the full Board meeting without prior review and recommendation of a committee. The reason for placing this item on the Board agenda in this manner is that, should it be approved, it will need to be included in the 2019 academic catalog. Before that can occur, it will need to go to THEC to be reviewed by THEC staff and receive approval of the THEC director. Consideration of this matter now, rather than waiting for the Spring 2019 Committee and Board meetings, will ensure ample time for THEC review and approval so that it can be added to the 2019 catalog.

Chairman Smith asked Provost Byrnes to explain this item and also explain why it was not presented at the Committee meeting. Provost Byrnes said this should have been done, but in the midst for the preparations for the law school proposal, it fell through the cracks. Provost Byrnes apologized for the error, but stated they did not want to penalize this program due to all the busyness surrounding the law school proposal. Provost Byrnes explained that the Board is being asked to take an existing concentration within the Master of Science and Professional Sciences (MSPS) degree, and elevate it to a stand-alone program. Provost Byrnes indicated there is data that supports rapid growth in the job market for graduates in this area. Currently, the MSPS has six (6) concentrations and allowing Geosciences to be a stand-alone degree will establish whether there is, in fact, market demand to justify this status. He reiterated that THEC has to approve this and they want to get it in the catalog so students can take advantage of this starting in the fall.

Trustee Delay asked for information that would have been presented to the Academic Affairs, Student Life, and Athletics Committee, such as number of students expected, financial implications, and job market. Provost Byrnes replied there are no financial implications because these courses are already being taught. If approved, a student would be allowed to have an MS in Geosciences rather than an MSPS with a concentration. While the content of the degree will not change, from the student's standpoint, it's advantageous in the job market to have that

designation as a stand-alone Masters in Geosciences. Starting salaries and job demand information is in the Board notebook which provide that this is a field where 90% of graduates have a job upon graduation and start out in the \$70,000-\$90,000 salary range.

A motion to approve a new academic program, a Masters in Geosciences, was made by Trustee Johnston, seconded by Trustee Delay. A voice vote was taken, and the motion passed.

Report of the Board Secretary

Ms. Zimmerman reported two (2) minor formatting revisions made to policies since the last Board meeting. One was to provide more space for explanation in the Conflict of Interest disclosure statement. Another policy was revised to update a title. She also gave an update on the Board self-evaluation document, stating that it should be sent to Trustees after the first of the year.

Report of the President

True Blue Tours and Scholarship Application Deadline

An update was given on recruiting efforts made this fall. There were 14 True Blue tour stops in Kentucky, Alabama, Georgia, and Tennessee, as well as 12 luncheons for high school guidance counselors and community college partners. An increase of 13% was seen with 1,352 prospective students participating in the events and an increase of almost 9% with 349 counselors attending the luncheons.

The highlight of the True Blue Tour events was the announcement of significant increases to freshmen guaranteed scholarships. Students achieving ACT scores between 25 and 29, with a GPA of at least 3.5, will receive the new MTSU Presidential Scholarship, the largest guaranteed scholarship option for any Tennessee public university. It is valued at \$4,500 per year for a total of \$18,000.

In the fall semester, recruitment staff set a goal of increasing the number of applications meeting the December 1 guaranteed scholarship by 10%. As of December 1, 8,285 freshman applications for Fall 2019 have been received. This is an increase of nearly 14% over the same time, December 1, last year. These numbers are crucial because a significant increase in new freshmen will be required to help offset the expense of the expanded scholarship award. An additional 3,000 or more freshman applications is expected with a goal of admitting 70% of those applicants. Dr. McPhee reminded the trustees that the University does not accept everyone who submits an application. Finally, this is the third year in a row where there has been a significant increase in applications to the University.

In January the focus will turn to the next big step: the yield, which means getting admitted students to make MTSU their final choice, attend orientation, and enroll in Fall 2019. Dr. McPhee gave credit to Dr. Deb Sells for her leadership, along with her staff in Admissions who work so hard to generate this kind of interest in the University.

In sum, application goals have been exceeded and there has been great interest in the enhanced scholarship opportunity. MTSU leads the state through the enhanced scholarships in attracting the best and brightest students.

Leadership Retreat

A day-long leadership retreat facilitated by Dr. Rick Moffett and Dr. Patrick McCarthy with the Center for Organizational and Human Resource Effectiveness and attended by a group of administrators, faculty and staff was held on October 22, 2018. The primary purpose of the retreat was to brainstorm on bold, innovative programs and initiatives that MTSU may wish to pursue in the next 3 to 5 years that are consistent with the University mission and strategic plan. With 15 initiatives deemed consensus priorities, the goal is to settle on 5 to 7 ideas to be the University's laser strategic focus for the next five years. These initiatives must be measurable and achievable over that five year period. After a period during which campus comments will be solicited, the decision will be made on the 5 to 7 initiatives to pursue.

Commencement

Nearly 1,800 students will graduate in two ceremonies on December 15, 2018. The morning speaker will be Ms. Wanda Lyle, CEO, managing director and general manager of UBS Business Solutions Center in Nashville, Tennessee. This company hires a tremendous number of MTSU students. The afternoon speaker will be Ms. Holly Thompson, MTSU alumna and WSMV-NBC morning news anchor. Vice Chairman Freeman will represent the Board at those ceremonies.

Athletics

The Blue Raiders football team will participate in the R&L Carriers New Orleans Bowl against Appalachian State University Mountaineers on December 15, 2018.

Conclusion

Dr. McPhee thanked the trustees for a great year stating that he appreciates the time and effort that has been put into helping direct the strategic focus of the Board. He wished everyone happy holidays and a Merry Christmas.

Concluding Remarks

Chairman Smith thanked all those who helped put the meeting on and thanked fellow Trustees for their dedication to the work of this governing body. He stated that in the coming year there was hard work to do with interesting projects to work on. He stated that the Board and University administration will represent MTSU at the Capitol on December 19 for the Sunset law review. Chairman Smith and Dr. McPhee will be setting the Board meeting schedule for the next two years.

Trustee Baker asked about status of making a declaration of appreciation for Governor Haslam as mentioned in a past meeting. Chairman Smith asked Dr. McPhee to draw one up on behalf of the Board.

Trustee Baker then asked for an update on the Middle Tennessee Boulevard construction project. Dr. McPhee replied that he and Chairman Smith met with members of City Council and City Manager on December 10. No firm completion date is known but progress is being made.

Trustee Freeman stated that he is honored to serve on the Board. He said that he wants the Board to remember that there are students on campus whose lives will be changed by having been enrolled here, much as his life was changed for having been an MTSU student. He urged the Board to not loss sight of why they're there – to change lives.

Chairman Smith adjourned the meeting at 9:25 a.m.

Respectfully Submitted,



Heidi Zimmerman

Board Secretary