The Finance and Personnel Committee met on Wednesday, September 4, 2019, in the Miller Education Center Meeting Room at Middle Tennessee State University.

Call to Order and Opening Remarks
Committee Chair Joey Jacobs called the meeting to order at 9:56 a.m. and requested Board Secretary Heidi Zimmerman to call the roll.

Roll Call
The following Committee members were in attendance: J.B. Baker, Joey Jacobs, Mary Martin, Steve Smith and Samantha Eisenberg. A quorum was declared. Also present were Trustees Pam Wright and Tom Boyd. President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, 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; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services; Heidi Zimmerman, University Counsel and Board Secretary; and, Kim Edgar, Assistant to the President and Chief of Staff were also in attendance.

Approval of Minutes - Action
The first agenda item was approval of the minutes from the May 29, 2019 Finance and Personnel Committee meeting. Board Chair Smith moved to approve the minutes from the May 29, 2019 meeting and Trustee Martin seconded the motion. A voice vote was taken and the motion to
approve the minutes from the May 29, 2019 meeting of the Finance and Personnel Committee carried.

**Budget Development and Compensation Timelines - Information**

The second agenda item concerned information on the University budget timeline and an update on the employee compensation plan. Mr. Thomas presented a calendar timeline in the meeting materials and discussed what to expect over the next few months in the development of the FY 2020-21 budget. The process starts in August of each year with a request from the Tennessee Higher Education Commission (THEC) for data from the Locally Governed Institutions (LGIs) in the areas of finance, physical facilities, and enrollment. This data is used in the formula funding calculation and other models in determining appropriation amounts. The appropriation recommendations and non-binding tuition and fee guidance range will be issued at the THEC winter meeting in November. The binding fee ranges will be issued after the legislature passes the appropriations bill around the end of April or first of May. Mr. Thomas stated that updates on the budget process and legislative developments will be provided at each of the upcoming Committee meetings.

Mr. Thomas then updated the Committee on the plan for salary increases. The BOT approved a 2% salary pool at the last meeting with 1% of the pool to be used as an across-the-board cost of living allowance, effective July 1st for regular employees and August 1st for faculty. The final fall enrollment figures will determine if there is any flexibility for adding funding to the remaining 1% pool for market salary adjustments. He stated that a plan will be presented to the Committee at the November meeting with approval by the full Board at the December meeting. Approved market adjustments will be effective January 1, 2020 in accordance with the current market study.

Next, Mr. Thomas provided a brief overview of an Education Advisory Board (EAB) product being explored by the University called Academic Performance Solutions (APS). The purpose of the APS product is to help the University make more efficient budget decisions based on information
collected from enrollment data. The review is being led by the Office of Student Success. Updates on this process will be provided at future Committee meetings. Trustee Martin asked how the results of the collection of this data will be used to influence off-campus decision making within the current budget timeline. Mr. Thomas responded that the data being collected now would not affect the current timeline; however, since the funding formula is on its last year of the second five-year phase, there is a possibility that the data could influence some changes we would like to see in the next funding formula. Dr. McPhee noted that there would be an opportunity to present the impact of this data on the University at the Senate and House Budget hearings in February and March of next year. Mr. Thomas concluded the timeline information presentation and asked if the Committee had any further questions.

Trustee Baker asked for an update on fall enrollment numbers. Dr. Sells provided the following enrollment information as of September 9th:

- Freshman enrollment is up 14.47%
- Transfer student enrollment is up 3.93%
- Total new student undergraduate enrollment is up 9.99%
- Overall enrollment after the final purge is up .38%

Trustee Wright asked if the University follows up with students that do not re-enroll after being purged for nonpayment to determine their reasons for non-re-enrollment. Dr. Sells responded that this is done through academic advisors who work with small cohorts to track these students individually. She further noted that the number of students purged was down this year over last year. Much discussion ensued concerning University efforts to assist students with financial issues through academic advisor outreach and increasing scholarship dollars without compromising academic standards. Board Chairman Smith asked Mr. Thomas to provide a report within the next few months to show the optimum number of students necessary for the University to operate at maximum efficiency. Mr. Thomas stated that the APS platform should allow for such an analysis.
**Policy Revisions - Action**

The next agenda item was a recommendation for approval of revisions to University Policies 101, 620, and 622. Ms. Zimmerman provided a brief summary of the proposed revisions to Policy 101 Minors Participating in University Sponsored Programs or Programs Using University Facilities. She explained that additional provisions are being added for clarity concerning things that can or cannot be done within our camps or programs for minors, along with an enforcement section to provide consequence for violation of the policy. Trustee Martin asked if these revisions fall within the normal guidelines. Ms. Zimmerman responded that they do. Next, Bill Waits, Assistant Vice President for Campus Planning, provided information to the Committee on the proposed revisions to Policies 620 Campus Master Plan and 622 Acquisition and Disposal of Real Property. He informed the Committee that the proposed revision to Policy 622 is to properly reflect the title of University property in the name of the “State of Tennessee” rather than the “MTSU Board of Trustees”. The jurisdiction over the property will be listed as Middle Tennessee State University. This is in conformance with the State of Tennessee Real Estate Asset Management (STREAM) policies and procedures. Trustee Martin moved to approve the revisions to Policies 101, 620, and 622. Trustee Baker seconded the motion. A voice vote was taken and the motion to approve the revisions to Policies 101, 620, and 620 carried.

**Capital Projects Update - Information**

The next agenda item was a capital outlay projects update from Mr. Waits and a capital maintenance projects update from Joe Whitefield, Assistant Vice President for Facilities Services. Mr. Waits provided the following updates on current capital outlay projects:

- Construction of the 91,000 square foot Academic Classroom Building is 50% complete with total completion scheduled for June 2020.
- The 54,000 square foot School of Concrete and Construction Management, included in the budget for FY 2019-20, was approved July 11, 2019 by the State Building Commission. Demolition is planned for Abernathy Hall and Ezell Hall. Design is starting on an addition to the satellite chiller plant that will serve the east quad of campus.
- The capital outlay project request for the 88,000 square foot Applied Engineering Building was submitted to THEC in July and will be submitted to the Tennessee Department of Finance and Administration at the end of September. The project is currently being scored by THEC.

Trustee Baker asked if the University had any upcoming plans for property acquisitions or gifts. Mr. Waits responded that we are currently in the process of acquiring a residential property located on East Main Street. Discussion ensued concerning the timeline for submission of future construction projects. Mr. Thomas explained that the next step would be determined by where the Applied Engineering Building falls within the THEC outlay scoring. He then provided the Committee with a brief summary of the scoring process and possible outcomes for proposed projects once that information is received from THEC. The discussion next turned to the importance of promoting the University’s Applied Engineering programs, specifically the Mechatronics program. Dr. McPhee stated that we have a very strong partnership with the school systems through the certification programs with community colleges. This has resulted in greater growth in this area than anticipated by the University. The discussion ended with a question from Trustee Eisenberg concerning whether the recently approved athletic update is now part of the Campus Master Plan. Mr. Waits confirmed that the update has been approved by the State Building Commission as an amendment to the 2016 Campus Master Plan.

Next, Mr. Whitefield gave a brief update on the University’s capital maintenance projects. He directed the Committee to schedules provided in the meeting materials containing the status and costs of current projects, along with information from previous projects to provide a full picture of the maintenance operations by fiscal year. He also provided the Committee with an overview of the timeline for funding, design, and construction of the maintenance projects. He noted that there are year-to-year project themes developed in the process of keeping the infrastructure up and current under the funding levels granted by the state. Julie Morrell, Director of Capital Construction, was introduced to the Committee as the manager of these projects once they reach the construction phase.
**Classified Employee Grievance Annual Report - Information**

The final agenda item was the presentation of the Classified Employee Grievance Annual Report by Kathy Musselman, Assistant Vice President for Human Resources. Ms. Musselman informed the Committee that TCA §49-8-117 requires each State University Board to provide an annual report to the education committees of the senate and the house of representatives that shows the number of grievances filed by classified individuals that have been demoted, suspended or terminated. The report included in the meeting materials contained no reported grievances for fiscal year July 1, 2018 - June 30, 2019. Ms. Musselman noted that this did not mean there were no terminations; rather, it meant that no terminated employee took the opportunity to file a grievance.

**Closing Remarks**

Trustee Jacobs asked if there were any other issues for discussion. Trustee Baker asked how childcare is handled at the University. Dr. McPhee responded that a comprehensive plan for childcare had been developed by a University committee several years ago but was put on hold due to a $38 million budget cut. He stated that this effort could be looked at again, but the difficulty is financing this type of support given the University’s limited resources. Board Chair Smith stated that he would like for the Committee to look at the plan one more time.

**Adjournment**

The meeting adjourned at 10:59 a.m.

Respectfully submitted,

Finance and Personnel Committee