

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE  
NOVEMBER 2018 MEETING

9:00-10:30 am EST  
Friday  
November 16, 2018

The Millennium Center  
2001 Millennium Pl  
Johnson City, TN

AGENDA

- I. Call to Order
- II. Roll Call
- III. [Approval of the Finance and Administration Committee Minutes of September 21, 2018](#)
- IV. [October Budget Revision](#)
- V. [Factors Considered for Tuition Increases - Tuition Transparency and Accountability Act](#)
- VI. [Presentation of FY18 Unaudited Financial Statements](#)
- VII. [Presentation of FY18 Unaudited Composite Financial Index](#)
- VIII. [Fee Structure for Online Masters of Arts Program in Criminal Justice](#)
- IX. [Quarterly Report of Agreements \\$250,000 or greater](#)
- X. Other Business
- XI. Adjournment

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 16, 2018

ITEM: Approval of the Minutes of September 21, 2018

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: B.J. King, Chief Financial Officer

The minutes of the September 21, 2018 meeting of the Finance and Administration Committee are included in the meeting materials.

**MOTION: I move that the Board of Trustees adopt the resolution, approving the minutes as outlined in the meeting materials.**

**RESOLVED: The reading of the minutes of the September 21, 2018 meeting of the Finance and Administration Committee is omitted, and the minutes are approved as presented in the meeting materials, provided that the Secretary is authorized to make any necessary edits to correct spelling errors, grammatical errors, format errors, or other technical errors subsequently identified.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

September 21, 2018  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Finance and Administration Committee met at 10:15 a.m. on Friday, September 21, 2018, in the multipurpose room of the Reece Museum on ETSU's main campus in Johnson City, Tennessee.

**I. Call to Order**

Trustee Steven DeCarlo, chair of the Finance and Administration Committee, called the meeting to order at 10:19 a.m.

**II. Roll Call**

Secretary Dr. David Linville called the roll. Committee members in attendance were:

Steven DeCarlo, chair  
Dorothy Grisham  
Keyana Miller  
Ron Ramsey  
Jim Powell

Secretary Linville told Chair DeCarlo he had a quorum.

Others in attendance were: Jeremy Ross, chief operating officer; B.J. King, chief financial officer; Pam Ritter, University Advancement/ETSU Foundation; Bill Flora, Faculty Senate; James Batchelder, College of Clinical and Rehabilitative Health Sciences; and Amanda Mowell, University Relations (taking minutes).

**III. Approval of the Finance and Administration Committee Minutes of April 27, 2018**

Trustee Powell made a motion to approve the minutes from the April 27 meeting. It was seconded by Trustee Grisham and unanimously approved.

**IV. College of Nursing Insurance Payments Bank Account**

Dr. B.J. King presented a request from the university to establish two new bank accounts. The College of Nursing requested a separate account for patient and insurance payments for nurse-managed clinics, which will ease reconciliation through the third-party payment processor. The Payroll Office requested a separate account for the deposit and remittance to the State of Tennessee trust fund for other post-employment benefits (OPEB). The requested bank account would operate similar an existing account used by Payroll to deposit and remit current employee and employer contributions for health insurance.

King reminded committee members that the Board of Trustees is responsible for the approval of banking services. She added that an RFP for University's banking services has been completed and will be brought before the board this afternoon.

Trustee Grisham made a motion to recommend the adoption of the resolution by the Board of Trustees. It was seconded by Trustee Powell and unanimously approved.

**V. Quarterly Reports of Agreements \$250,000 or Greater**

Dr. King gave a brief overview of the list of agreements, which include both expenditures and revenues totaling \$250,000 or greater for the period April 2018 to June 2018.

King said the \$2 million agreement with AXIS security is for services provided during a five-year period. The amount in this agreement increased from the previous agreement because security needs have also increased. There were several questions about AXIS Security to which Dr. King replied that an RFP was issued and competitive bids were submitted.

King also discussed the revenue contract for sponsorship sales and multi-media rights between the Department of Intercollegiate Athletics and Van Wagner Sports and Entertainment. She said the contract guarantees at least \$750,000 of revenue annually with the possibility of generating \$10 million over the course of the contract. King added that this contract through a third party avoids issues created by the new tax law.

**VI. Overview of the Tuition Transparency and Accountability Act**

Dr. King provided an overview of the Tuition Transparency and Accountability Act that was passed by the Tennessee General Assembly during the past legislative session. There are several provisions of the law that modify current practices. The first part of the law requires public university governing boards to post 15 day prior notice and justification for proposed increases in tuition, which King said will not be

difficult to do since justification is given for proposed tuition increases when they are presented to the Board of Trustees for approval.

The second part of the law requires university governing boards to provide a report to the office of legislative budget analysis each February detailing the expenditure of revenues derived from the tuition and fee increases from the prior year. King said while this will be a responsibility of the Board of Trustees, the report should be easy to assemble.

The third part of the law drew much discussion. On Aug. 1, 2019, public four-year institutions shall provide every accepted student with a non-binding, predictive cost projection for a student's chosen field of study over a four-year period. King said this is to be provided one time, upon admittance, but the letter would need to be carefully crafted and input would be needed from academic colleges and departments where course fees are determined. Following several questions from committee members, King responded that legal language in the letter may result from a collaboration between universities across the state.

King added that a desire exists for cohort tuition across the state, which ETSU has recently started discussing. Even though cost increases have trended downward, King said implementing it would likely require a substantial fee increase.

## **VII. Capital Project Update**

Mr. Jeremy Ross provided an update on capital projects.

The master plan for the university is updated every 10 years and is due to be reviewed again next year. It has been amended since the last master plan was issued in 2010. Work on the D.P. Culp Center renovation and the Martin Center for the Arts construction continues and both projects are on schedule. Ross also reported that programming for upcoming renovations to Lamb Hall is nearing completion, while renovations to Building 60 on the VA campus were completed on time and under budget. At least seven agencies are involved in the purchase of the Millennium Centre slated to close Oct. 1. Ross said the Millennium Centre offers much needed meeting space during the Culp renovation and presents an opportunity for academic expansion.

Ross also provided an update on the proposed Humanities building to replace the Campus Center Building for an estimated cost of \$76.6 million. The project was presented to the Tennessee Higher Education Commission last year, and made the statewide priority list, but was not funded. Ross said the university hired an architect

to strengthen the contents of the proposal and resubmitted. Results should be available in December.

Additional projects ongoing or recently completed include the football locker room, the installation of 450 door locks to increase campus safety, solar panels installation on the roof of the Sherrod Library, upgrades to several classrooms and the tennis complex, plus turf upgrades at the Mini-Dome and a new outdoor dining area to accommodate the Steak 'n Shake food truck. A portion of the Mini-Dome has been renovated and will be home to the new Benefits and Wellness Center. ETSU received \$9.54 million from the state to fund capital maintenance projects this fiscal year.

**VIII. Other Business**

No other business items were discussed.

**IX. Adjournment**

The meeting adjourned at 11:22 a.m.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 16, 2018

ITEM: October Budget Revision

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: B.J. King, Chief Financial Officer

In compliance with Tennessee Code Annotated 49-8-203 (a) (10 (C) ETSU policy *Budget Control* requires three budgets be prepared each year and submitted to the Board of Trustees for approval. The university prepares budgets for the one formula funded unit (Main Campus), two non-formula units (College of Medicine and Family Medicine) and one self-funded unit (College of Pharmacy). The three budgets prepared each year are:

- 1) the proposed budget to fund the fiscal year beginning July 1;
- 2) the revised fall budget that is prepared after the fall enrollment cycle and financial statement preparation for the prior fiscal year; and
- 3) the estimated spring budget that is submitted at the same time as the proposed budget for the next fiscal year.

The Board will consider the October 2018 revisions to the 2018-19 budgets for the one formula funded unit, two non-formula units and one self-funded unit. During the April 27, 2018 meeting, the Board of Trustees adopted the proposed 2018-19 budgets for the university. The proposed budgets for the fiscal year are based on the estimates for revenue and expenditures known at the time the budget is prepared. The fall enrollment and adjusted appropriation figures for revenue budgets have been received along with adjustments from fiscal year-end closing that provides for the carryforward of budgets for operational expenses. Details of the original and revised budgets are outlined below.

**MOTION: I move that the Board of Trustees adopt the October revisions to the 2018-19 university budget.**

**RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees approves the university's October revisions to the 2018-19 university budget.**

### Main Campus October Revised Budget

	Original 2018-19	October Revised	Increase (Decrease)
Revenue	\$ 259,316,800	\$264,029,500	\$ 4,712,700
<u>Expenditures and Transfers</u>			
Instruction	\$ 105,195,100	\$ 113,964,500	\$ 8,769,400
Research	1,149,700	4,963,900	3,814,200
Public Service	2,476,400	2,520,700	44,300
Academic Support	23,560,500	26,064,800	2,504,300
Student Services	25,819,400	26,358,000	538,600
Institutional Support	16,418,000	18,291,800	1,873,800
Facilities	17,301,300	18,123,500	822,200
Scholarships	32,483,200	33,122,000	638,800
Total before transfers	224,403,600	243,409,200	19,005,600
Debt Service	3,754,590	3,809,800	55,210
Non-Mandatory Transfers	5,328,810	5,041,500	(287,310)
Auxiliaries Exp & Tnfrs	25,646,730	25,413,700	(233,030)
Total	\$ 259,133,730	\$ 277,674,200	\$ 18,540,470

FT Unrestricted and Auxiliary Positions	Original 2018-19	October Revised	Increase (Decrease)
Faculty	688	697	9
Administration	51	49	(2)
Maint/Tech/Support	520	519	(1)
Professional Support	508	514	6
Total	1,767	1,779	12



## Descriptions of Main Campus Revenue and Expenditure Adjustments

### Additions to Main Campus Revenue Budget

Revenue and Adjustments	Adjustment	Description
Tuition and Fees	\$4,620,600	Enrollment over budget; course fees approved April
State Appropriations	(570,200)	Net OPEB and Health Insurance Holiday reductions
Grants and Contracts	293,000	Increased grant awards
Sales Services and Other	598,600	Investment income; other sales
Auxiliaries	(229,300)	Housing capacity decline; prorated expense increases
<b>Total Revenue Adjustments</b>	<b>\$4,712,700</b>	

### Additions to Main Campus Expenditure Budget by Function

Expenditure Adjustments	Adjustment	Description
Instruction	\$8,769,400	Approved course fees and carryforward course fees
Research	3,814,200	Research improvement carryforward budgets
Public Service	44,300	Public service units carryforward budgets
Academic Support	2,504,300	College carryforwards, Opioid Ctr state approp.
Student Services	538,600	Student activity, Student Affairs, and Athletics CF
Institutional Support	1,873,800	Administrative CF; University Counsel approved
Operation of Plant	822,200	Facilities CF, increase in utilities
Scholarships and Fellowships	638,800	Scholarship growth with new awards
<b>Total Expenditure Adjustments</b>	<b>\$19,005,600</b>	

### Additions to Main Campus Expenditure Budget by Natural Classification

Expenditure Adjustments	Adjustment	Description
Professional Salaries	\$709,100	Adjuncts; job audits, institutional priorities
Other Salaries	427,700	Temporary and overtime pay
Employee Benefits	(1,422,200)	OPEB reduction; Health insurance holiday
Travel	452,400	Reallocations for unit priorities
Operating Expenses	17,456,200	Carryforward fees and unexpended FY18 budget
Capital Outlay	1,382,400	Reallocations for unit priorities
<b>Total Expenditure Adjustments</b>	<b>\$19,005,600</b>	

### College of Medicine October Revised Budget

	Original 2018-19	October Revised	Increase (Decrease)
Revenue	\$ 61,208,700	\$ 61,843,500	\$ 634,800
<u>Expenditures and Transfers</u>			
Instruction	\$ 44,889,600	\$ 45,967,100	\$ 1,077,500
Research	3,919,300	4,905,500	986,200
Academic Support	6,652,600	7,378,400	725,800
Student Services	1,679,600	1,714,700	35,100
Institutional Support	2,848,100	3,087,700	239,600
Facilities	6,656,500	6,925,700	269,200
Scholarships	260,000	265,000	5,000
Total before transfers	66,905,700	70,244,100	3,338,400
Debt Service	88,300	88,300	-
Non-Mandatory Transfers	(5,813,100)	(6,060,700)	(247,600)
Total	\$ 61,180,900	\$ 64,271,700	\$ 3,090,800

<u>FT Unrestricted Positions</u>	Original 2018-19	October Revised	Increase (Decrease)
Faculty	148	148	-
Administration	5	5	-
Maint/Tech/Support	113	113	-
Professional Support	88	88	-
Total	354	354	-

### Family Medicine October Revised Budget

	Original 2018-19	October Revised	Increase (Decrease)
Revenue	\$ 17,146,000	\$ 17,096,600	\$ (49,400)
<u>Expenditures and Transfers</u>			
Instruction	\$ 11,482,800	\$ 11,737,500	\$ 254,700
Research	334,800	336,600	1,800
Academic Support	3,601,600	3,645,600	44,000
Institutional Support	1,621,800	1,585,200	(36,600)
Facilities	377,000	494,000	117,000
Debt Service	262,900	262,900	-
Non Mandatory Transfers	(545,000)	(545,000)	-
Total	\$ 17,135,900	\$ 17,516,800	\$ 380,900

FT Unrestricted Positions	Original 2018-19	October Revised	Increase (Decrease)
Faculty	31	29	(2)
Administration	-	-	-
Maint/Tech/Support	54	56	2
Professional Support	25	25	-
Total	110	110	-

### College of Pharmacy October Revised Budget

	Original 2018-19	October Revised	Increase (Decrease)
<b>Revenue</b>	\$ 11,489,200	\$ 11,664,500	\$ 175,300
<b>Expenditures and Transfers</b>			
Instruction	\$ 6,899,300	\$ 7,307,000	\$ 407,700
Research	296,700	357,500	60,800
Academic Support	1,665,300	1,693,600	28,300
Student Services	661,400	670,600	9,200
Institutional Support	632,800	609,300	(23,500)
Facilities	521,100	539,800	18,700
Scholarships	215,000	467,600	252,600
Total before transfers	10,891,600	11,645,400	753,800
Debt Service	661,000	661,000	-
Non Mandatory Transfers	(63,500)	142,000	205,500
<b>Total</b>	<b>\$ 11,489,100</b>	<b>\$ 12,448,400</b>	<b>\$ 959,300</b>

FT Unrestricted Positions	Original 2018-19	October Revised	Increase (Decrease)
Faculty	35	34	(1)
Administration	1	1	-
Maint/Tech/Support	13	13	-
Professional Support	14	15	1
<b>Total</b>	<b>63</b>	<b>63</b>	<b>-</b>

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 16, 2018

ITEM: Factors Considered for Tuition Increases - Tuition  
Transparency and Accountability Act

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: B.J. King, Chief Financial Officer

Tennessee Code Annotated §49-7 was amended in 2018 and includes the following provision

4 - 7-1603(b)

(1) By January 1, 2019, each board shall develop a list of factors that shall be considered when developing recommendations to increase tuition and mandatory fees. The factors shall include, at a minimum, the level of state support; total cost of attendance; and efforts to mitigate the financial effect on students.

(2) Each state university and each campus in the University of Tennessee system shall post on its website a summary of the recommendations pursuant to subdivision (b)(1).

In compliance with this legislation, the university is proposing the following factors that the Board will consider when developing recommendations to increase tuition and mandatory fees:

- c0 Level of state support;
- d0 Total cost of attendance;
- e0 Efforts to mitigate the financial effect on students;
- f0 Tennessee Higher Education Commission (THEC) binding tuition and mandatory fee" increase ranges;
- g0 Other factors affecting the university's financial stability such as projected student" enrollment; university enrollment goals; market and cost factors for higher education;" new program or new facility cost; and cost related to operations, programs of study, or" individual courses.

**MOTION: I move that the Board of Trustees adopt the following resolution approving the factors used when considering an increase in tuition and mandatory fees.**

**RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees approves the factors it uses when considering an increase in tuition and mandatory fees as outlined in the meeting materials.**

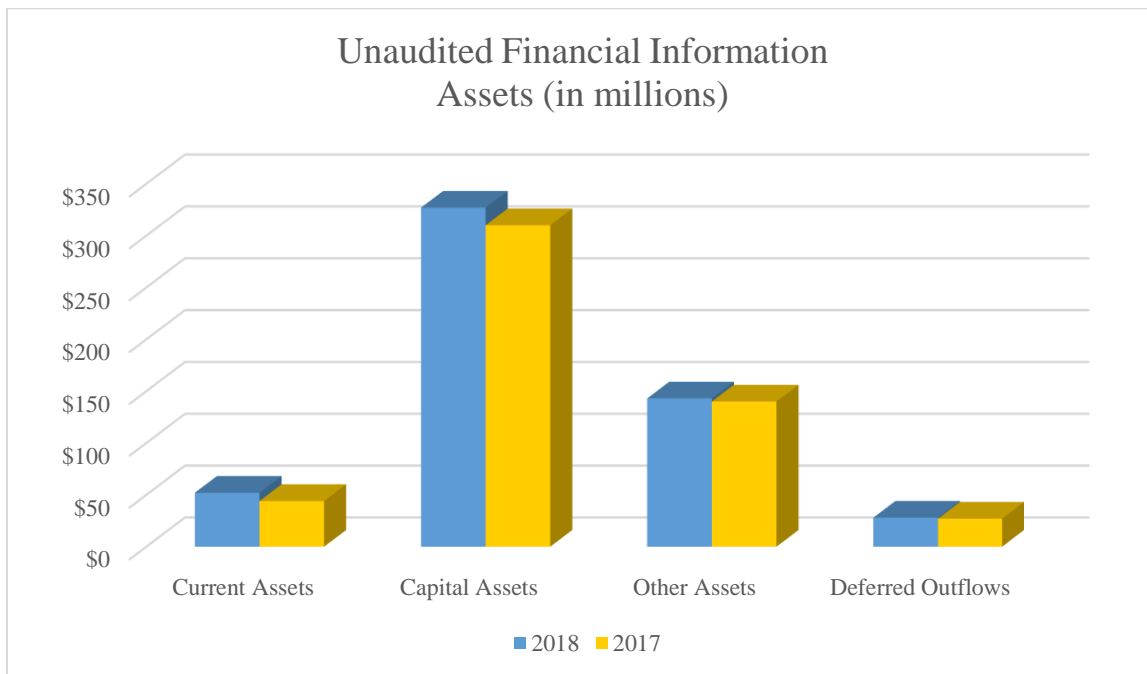
EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 16, 2018  
ITEM: Presentation of FY18 Unaudited Financial Statement  
COMMITTEE: Finance and Administration Committee  
PRESENTED BY: B.J. King, Chief Financial Officer

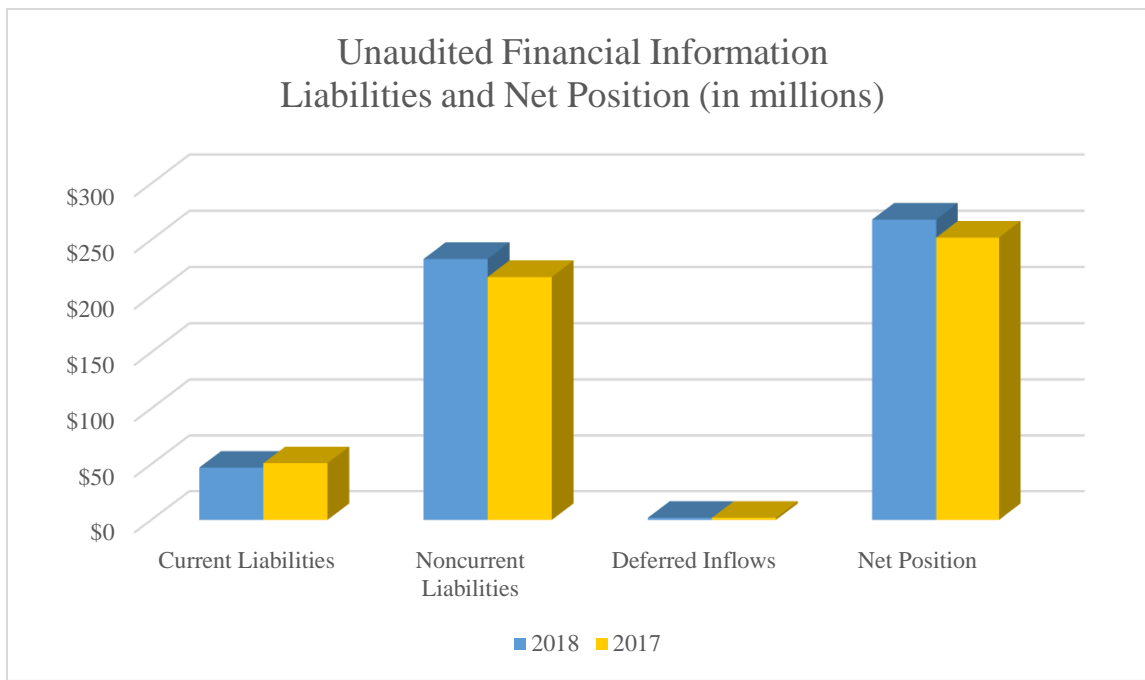
The accounting records for the university are closed and fiscal year financial statements have been forwarded to State Audit for review. A finalized audit report should be available for the April Board of Trustees meeting.

Includes are charts and explanation of variance to the prior year for key components of the unaudited financial reports.



### Comparison of Assets for fiscal year 2018 and fiscal year 2017

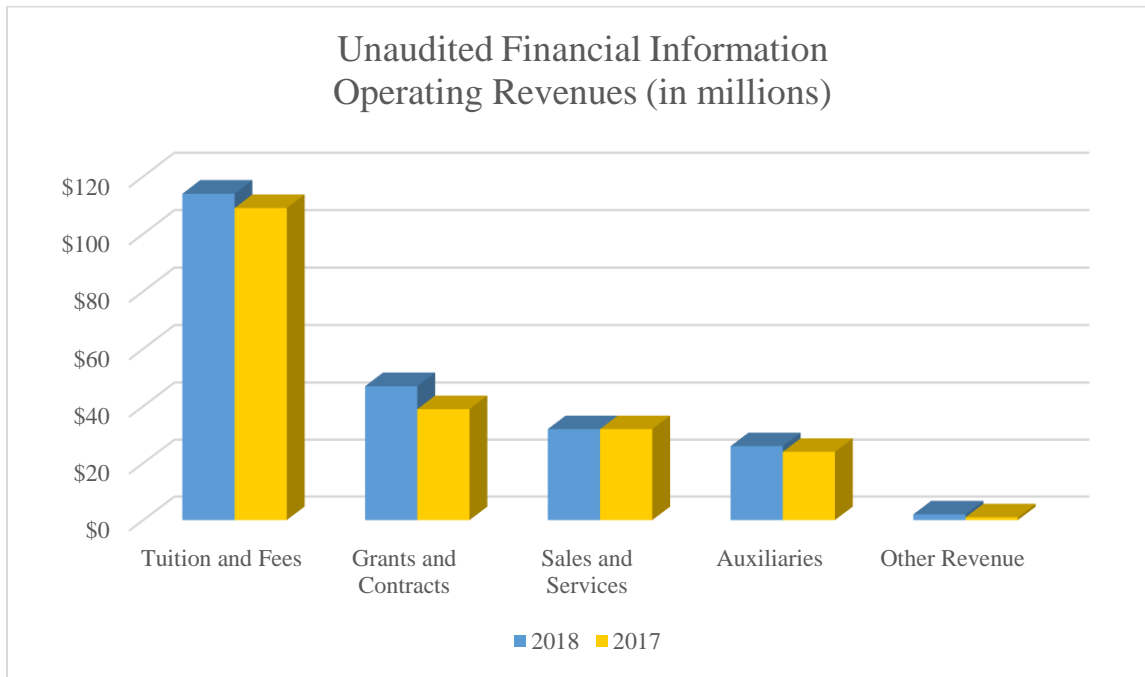
- ◆ Current assets increased from 2017 to 2018 primarily due to accounts receivable from grants and contract including the fine arts center.
- ◆ Capital assets, net of depreciation, increased due to the completion of the data center and football stadium.
- ◆ Other assets increased slightly due to increases in accounts receivable for grants and contracts.
- ◆ Deferred outflows remained relatively flat despite increases in deferred outflows from bond refunding, reduction in deferred outflows related to pensions, and the recording of deferred outflows related to other post-employment benefits (OPEB) with the implementation of *Governmental Accounting Standard Board Statement (GASB) 75 Accounting and Financial Reporting for Post-Retirement Benefits Other than Pension*



### Comparison of Liabilities and Net Position for fiscal year 2018 and fiscal year 2017

- ◆ Current liabilities decreased from 2017 to 2018 due to completion of construction projects including the William B. Greene, Jr. Stadium.
- ◆ In 2018, noncurrent liabilities increased due to an increase in net OPEB obligation booked as a cumulative change in accounting principle for implementation of GASB 75.

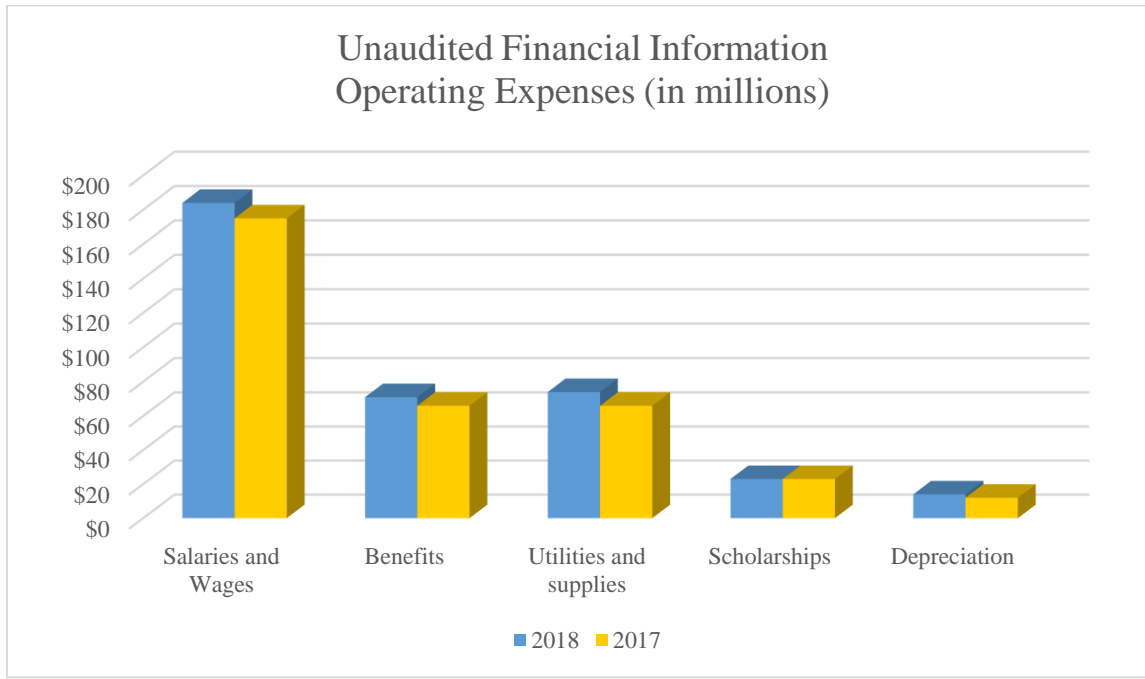
- ◆ Net invested in capital assets increased due to the completion of the football stadium and beginning construction of the Martin Fine Arts Center in 2018.
- ◆ Unrestricted net assets decreased due to a change of accounting principle for the reporting of OPEB.
- ◆ Restricted expendable net position increased with increases in balances held for capital projects, primarily the fine arts center.



Comparison of Operating Revenues for fiscal year 2018 and fiscal year 2017

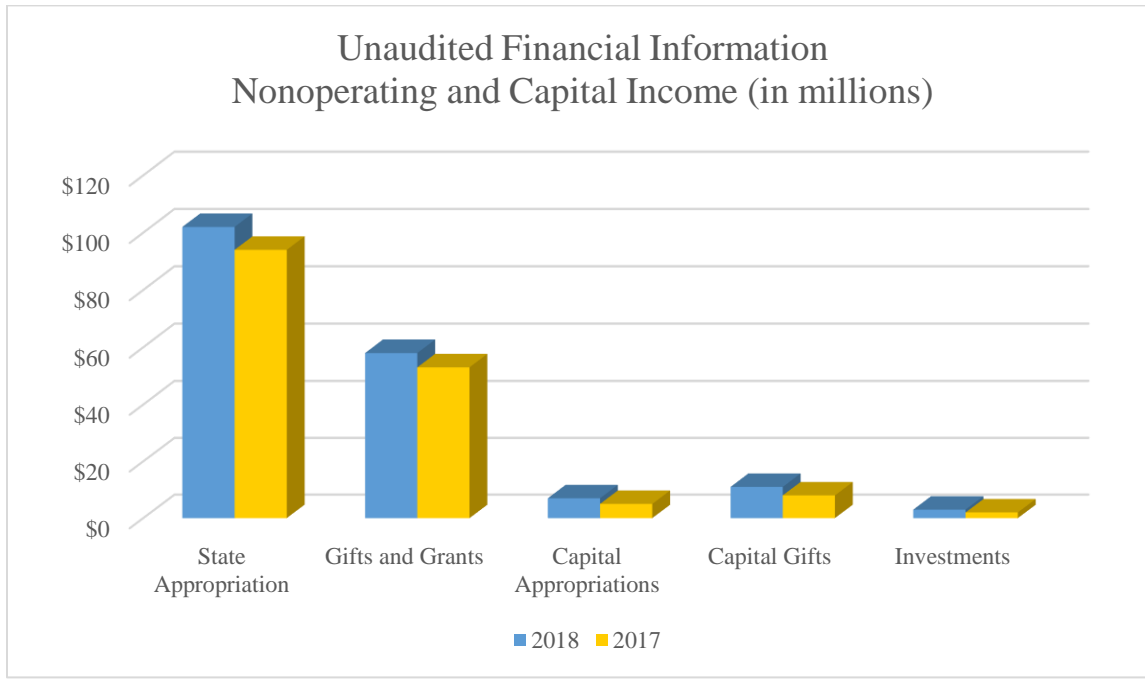
- ◆ Tuition and fees increased due to 3.97% maintenance and mandatory fee increase and increases in other non-mandatory fees, less discounts.
- ◆ Grants and contracts increased primarily in non-governmental grants including a grant for outpatient drug programs and capital projects funded through grants.
- ◆ Sales and services remained relatively flat.
- ◆ Auxiliaries and other operating revenues increased due to increases in campus housing and food service.





Comparison of Operating Expenses for fiscal year 2018 and fiscal year 2017

- ◆ Salaries, wages and benefits increased in fiscal year 2018 due to a 2% across the board pay increase and a 1% equity pay increase.
- ◆ Benefits increase primarily due to a 7% increase in cost for health insurance.
- ◆ Utilities cost and medical supplies increased in FY18.
- ◆ Scholarships remained relatively unchanged from 2017 to 2018.
- ◆ Depreciation increased with the completion of the data center and football stadium.



Comparison of Nonoperating and Capital Income for fiscal year 2018 and fiscal year 2017

- ◆ State appropriations increased in fiscal year 2018 as state revenues continued to trend up.
- ◆ Non-operating gifts and grants increased with gifts from the ETSU Foundation and increases in federal and state grants.
- ◆ Capital appropriations increased for powerhouse boiler, roof replacements and other capital projects funded by the State.
- ◆ Capital gifts increased with gifts for construction of the fine arts center.
- ◆ Investment income increased with market returns.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 16, 2018

ITEM: Presentation of FY18 Unaudited Composite Financial Index

COMMITTEE: Finance and Administration Committee

PRESENTED BY: B.J. King, Chief Financial Officer

The university prepares the Composite Financial Index (CFI) for review by the Board each year. The ratios were published in *Ratio Analysis in Higher Education* by KPMG and Prager, McCarthy & Sealy, LLC. The ratios were originally designed for private institutions and modified for public institutions in 2002. These ratios are intended to provide a measure of financial health of the institution.

The CFI consists of four individual ratios outlined below which are calculated and then weighted to produce the single CFI measure. The presentation of the CFI includes the financial resources of the ETSU Foundation as they provide support to the university.

**Return on Net Assets**

- Measure of total economic return for fiscal year. Similar to return on equity.
- Calculation -  $\Delta$  in Net Assets / Beginning Total Net Assets
- Standard Performance - Inflation rate plus 3%
- Weight – 20%

**Net Operating Revenues**

- Indicates an operating surplus or deficit for the year. Similar to profit margin.
- Calculation –  $\frac{\text{Operating Income} + \text{Nonoperating Revenues} + \text{Foundation } \Delta \text{ in Unrest NA}}{\text{Operating and Nonoperating Revenues} + \text{Foundation Unrestricted Revenue}}$
- Operating and Non-operating
- Standard Performance – 4%
- Weight – 10%

**Primary Reserve**

- Measure of financial strength and flexibility. Comparison of expendable net assets to total expenses.
- Calculation -  $\frac{\text{Expendable Net Assets}}{\text{Total Expenses}}$
- Standard Performance – 0.40
- Weight – 35%

## Viability

- Measure of financial health. Compares total expendable net assets to total current and noncurrent liabilities. Similar to coverage ratio.
- Calculation - Expendable Net Assets / Plant Related Debt
- Standard Performance – 1.25
- Weight – 35%

<b><u>ETSU Total</u></b>	<b><u>Standard</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2015</u></b>
Primary Reserve	0.40	0.32	0.33	0.32	0.30
Viability	1.25	0.78	0.78	0.74	0.65
Return on Net Assets	5.90%	10.60%	7.34%	3.71%	5.44%
Net Operating Revenues	4.00%	4.39%	4.00%	2.79%	2.41%
CFI	3.00	2.88	2.57	2.05	2.07

<b><u>Main Campus</u></b>	<b><u>Standard</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2015</u></b>
Primary Reserve	0.40	0.26	0.24	0.22	0.19
Viability	1.25	0.48	0.43	0.38	0.31
Return on Net Assets	5.90%	14.25%	10.25%	5.03%	5.98%
Net Operating Revenues	4.00%	5.11%	4.73%	2.99%	(3.65%)
CFI	3.00	2.90	2.39	1.63	1.08

<b><u>College of Medicine</u></b>	<b><u>Standard</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2015</u></b>
Primary Reserve	0.40	0.42	0.56	0.59	0.62
Viability	1.25	20.46	24.57	23.65	21.37
Return on Net Assets	5.90%	1.51%	(0.02%)	(0.77%)	6.19%
Net Operating Revenues	4.00%	0.31%	0.11%	(0.68%)	11.46%
CFI	3.00	4.99	4.92	4.92	6.62

<b><u>Family Medicine</u></b>	<b><u>Standard</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2015</u></b>
Primary Reserve	0.40	0.06	0.08	0.04	0.07
Viability	1.25	0.66	0.85	0.38	0.75
Return on Net Assets	5.90%	7.64%	19.56%	13.57%	12.07%
Net Operating Revenues	4.00%	2.73%	3.77%	3.97%	3.75%
CFI	3.00	1.68	3.16	2.08	2.30

<b><u>College of Pharmacy</u></b>	<b><u>Standard</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2015</u></b>
Primary Reserve	0.40	1.50	1.32	1.28	1.26
Viability	1.25	2.87	2.39	2.00	1.77
Return on Net Assets	5.90%	14.92%	11.08%	16.31%	(8.06%)
Net Operating Revenues	4.00%	17.25%	13.22%	19.32%	44.21%
CFI	3.00	8.40	7.59	7.67	4.98

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 16, 2018

ITEM: Fee Structure for Online Masters of Arts in Criminal Justice

COMMITTEE: Finance and Administration Committee

PRESENTED BY: B.J. King, Chief Financial Officer

Dr. King provides an overview of the online fee structure for a new online degree program, Masters of Arts in Criminal Justice, that the Academic and Student Affairs Committee is considering during the November 16<sup>th</sup> meeting. If approved by the Academic and Student Affairs Committee, the Board will act on the committee's recommendation during the November 16<sup>th</sup> meeting.

The proposed MA in Criminal Justice will be a 100% online program. The new fee structure is presented as a comprehensive fee of \$550 per credit for in-state and out-of-state students, and will remain fixed for a period of three years starting in fall 2019. The fee is based on the current in-state graduate student rates and consists of \$470 maintenance fee, \$30 eRate program service fee and graduate online fee of \$50.

The proposed fee structure is competitive with other institutions within Tennessee and bordering states. The program will be 36-credit hour degree for a total cost of \$19,800. Charges for FY20 through FY22 will remain at the FY19 rates.

Both the online degree program and the new fee structure are action items on the Academic and Student Committee agenda. Complete information about the program and fee proposal can be found in the Academic and Student Committee materials. The program and fee will be taken to the full Board for approval if the Committee approves moving it forward.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 16, 2018

ITEM: Quarterly Reports of Agreements \$250,000 or greater

COMMITTEE: Finance and Administration Committee

PRESENTED BY: B.J. King, Chief Financial Officer

In compliance with the ETSU policy *General Purchasing, Receipt of Materials and Payment of Invoices*, all contracts greater than \$250,000 require approval by the President. Furthermore, all non-competitive contracts, including amendments and renewals, with a total value of \$250,000 or more and for a term exceeding one year require approval by the President and the State of Tennessee Fiscal Review Committee.

The university's approval process allows for compliance with Tennessee Code Annotated 4-56-107 in providing the Fiscal Review Committee, a joint committee of the Tennessee General Assembly, the information on non-competitive or multi-year agreements and contracts over \$250,000. ETSU is in compliance with the state law in reporting contracts and agreements.

Included in the meeting materials are a list of agreements, both expense and revenue, with amounts totaling \$250,000 or greater for the period July through September 2018. None of the agreements are required to be presented to the Fiscal Review Committee as all were created through a competitive bid process. These are presented as an information item to the Board.

**July - September 2018**

**Contracts / Purchase Orders over \$250,000**

<u>Contract/ PO Date</u>	<u>Start</u>	<u>End</u>	<u>Contractor</u>	<u>Description of Services/Products</u>	<u>Contract / PO Amount</u>	<u>Competitive</u>	<u>Fiscal Review Approval</u>
08/10/18	08/09/18	08/08/23	Assessment Technologies Institute	NCLEX assessment and preparation system for nursing students	\$5,062,500 over 5 years	Yes	N/A
08/02/18	07/01/18	05/31/19	CenterPoint Energy Services	Natural gas	\$598,980 one year	Yes	N/A
08/08/18	08/01/18	06/30/19	Data Force	Print, assemble, mail provider survey in support of Choose Well South Carolina grant	\$419,816 one year	Yes	N/A
08/02/18	07/01/18	12/31/18	Elsevier	Online access to library collections and subscriptions. TBR contract 103744	\$262,222 one year	Yes	N/A
07/18/18	07/01/18	06/30/28	Pepsi Beverage Company	Revenue - Beverage vending and pouring rights	(\$4,442,896) over 10 years	Yes	N/A

**RFPs – Awarded, in-Process and Upcoming**

Athletic apparel