

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
JUNE 2017 MEETING

1:00-3:30pm EDT
Friday
June 9, 2017

East Tennessee Room
D.P. Culp University Center
412 J.L. Seehorn Road
Johnson City, TN

ORDER OF BUSINESS

- I. Call to Order
- II. Roll Call
- III. [Approval of the Minutes of May 8, 2017](#)Tab 1
- IV. [Consent Agenda](#)Tab 2
 - A. [Policies from the Finance and Administration Committee](#)
 - B. [Pilot Proposal for the Department of Social Work](#)
 - C. [Pilot Proposal for the Department of Educational Leadership and Policy Analysis](#)
 - D. [Audit Committee Charter](#)
 - E. [Office of Internal Audit Charter](#)
 - F. [Policies from the Audit Committee](#)
 - G. [Minutes of April 24, 2017 Academic and Student Affairs Committee](#)
 - H. [Minutes of April 28, 2017 and May 26, 2017 Finance and Administration Committee](#)
 - I. [President Emeritus Contract](#)
- V. Report from the Finance and Administration CommitteeTab 3
 - A. [Approval of 2017-18 Salary Increase Proposal and April 2017 Equity Pay Plan Methodology](#)
 - B. [Approval of Tuition and Fees 2017-18](#)
 - C. [Approval of the University Budget 2017-18](#)
- VI. Report from the Academic and Student Affairs CommitteeTab 4
 - A. [Promotion and Tenure of Faculty Members](#)
 - B. [Periodic Notification of Academic Actions](#)
- VII. [Memorandum of Understanding with Mountain States Health Alliance](#).....Tab 5
- VIII. [Presentation on Open Meetings and Open Records Laws](#)Tab 6

- IX. [Strategic Plan Implementation: Presentation on Student Recruiting](#).....Tab 7

- X. President's Report
 - A. Legislative Review
 - B. Capital Projects

- XI. Executive Session
 - A. Internal Audits in Progress
 - B. Pending Litigation

- XII. Adjournment

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017
ITEM: Approval of Minutes of May 8, 2017 Special Meeting
RECOMMENDED ACTION: Approval
PRESENTED BY: David Linville, Secretary

The minutes of the May 8, 2017 special called meeting of the Board of Trustees 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 May 8, 2017 meeting of the Board of Trustees 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

MINUTES OF THE SPECIAL CALLED MEETING

May 8, 2017
Johnson City, Tennessee

A special telephonic called meeting of the East Tennessee State University Board of Trustees was held at 3:30 p.m. on Monday, May 8, 2017, in the President's Conference Room on the second floor of Burgin Dossett Hall. The meeting was also livestreamed.

I. Call to Order

Board of Trustees Chairman Scott Niswonger called the meeting to order.

II. Roll Call

Secretary David Linville called the roll, with the following members present via telephone:

Janet Ayers
Steven DeCarlo
Nathan Farnor
David Golden (vice chair)
Dorothy Grisham
Linda Latimer
Scott Niswonger (chair)
Jim Powell
Ron Ramsey

Trustee Fred Alsop was absent. In accordance with Tennessee Code Annotated (TCA) § 8-44-108 section (c) (3), Secretary Linville asked the trustees participating by phone two questions: (1) Are you able to clearly hear us so that you can participate in this meeting and (2) Can you please identify any persons present in the room with you from which you are participating in the meeting. All trustees affirmed they could hear and they all reported they were alone in their respective locations. Secretary Linville then asked those present in the room if they were able to hear those participating telephonically. All answered yes.

Others present in the President's Conference Room for the meeting included: ETSU President Brian Noland, Ed Kelly, Nathan Dugger (Deputy Secretary to the Board), Dr. Bert Bach, Dr. Wilsie Bishop, Dr. Karen King, Dr. David Linville (Secretary to the Board), Troy Perdue, Courtney Kelly, Cheri Clavier, James Batchelder and Kristen Swing (taking minutes).

Secretary Linville told Chairman Niswonger he did not detect a physical quorum present; however a quorum did exist by the inclusion of those members participating by electronic

means. In accordance with TCA § 8-44-108 section (b) (2), Secretary Linville offered up to the committee the following circumstances that necessitated the reason for holding the meeting:

1. East Tennessee State University will undergo an accreditation visit by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) occurring May 15-17.
2. It is necessary for the Board of Trustees to meet in order to approve necessary policies pertaining to required operational items for the institution as well as the required transfer of ETSU's WETS-FM Radio Station for the Federal Communications Commission prior to the institutional visit by SACSCOC.
3. The prompt necessity of the Board's meeting did not provide adequate time for our trustees to make necessary arrangements to be physically present for a quorum.

For those reasons, Secretary Linville contended that participation by a quorum of the Board of Trustees members by electronic or other means of communication was necessary. Secretary Linville asked that a motion be made and a roll call vote be taken for a determination on the necessity of holding the meeting. Vice Chair Golden made a motion that the meeting proceed due to the necessity that did exist. It was seconded by Trustee Powell and unanimously approved via roll call vote.

Chairman Niswonger asked whether the Board could have one vote to address all of the action items on the agenda; however Secretary Linville said that, because they are four different action items, they would need to be voted on separately.

III. Approval of the Minutes of March 24, 2017

The minutes of the March 24, 2017, Board of Trustees meeting were presented to the trustees for approval. Trustee Powell made a motion to approve the minutes as outlined in the meeting materials. It was seconded by Vice Chair Golden and unanimously approved via roll call vote.

IV. Transfer of FCC License for WETS-FM

Secretary Linville presented information regarding the university's public radio station, WETS-FM (89.5). He explained that the station is heard in the Tri-Cities on 89.5 MHz and heard everywhere via the World Wide Web. He pointed out that he believes ETSU's station operates at a higher power than many other public radio channels. As a condition of holding an FM broadcast license, the university must report the names and select biographical information regarding the control group for the university. Historically, that group has been the Tennessee Board of Regents. With the implementation of the FOCUS Act, the university will now be reporting to the FCC the required information about the members of the ETSU Board of Trustees. With the transfer of authority from TBR to the Board of Trustees, an application for transfer of control with the FCC will be filed. Secretary Linville said the university has been working with an attorney out of Washington, D.C., to make the transition. Trustee Grisham made a motion to authorize the submission of the application for transfer of control of WETS-FM from the TBR to the Board of Trustees. It was seconded by Trustee Latimer and approved unanimously via roll call vote.

V. Policy Recommendations from the Academic and Student Affairs Committee

Secretary Linville presented four policies that were approved for recommendation to the full Board of Trustees by the Academic and Student Affairs Committee at its meeting on April 24, 2017. The four policies are Tenure; Faculty Ranks and Promotion; Definition of Faculty and Types of Appointment; and Academic Freedom and Responsibility. Secretary Linville explained that the policies were vetted through Dr. Bach's staff and through the shared governance process on campus prior to being presented to the Academic and Student Affairs Committee. Trustee Latimer made a motion to approve the policies. It was seconded by Trustee Ayers and unanimously approved via roll call vote.

VI. Adoption of Policies

Secretary Linville explained that there were two policies that have not gone to any Board of Trustees committee because they relate to high-level functioning of the board. The university must provide appropriate appellate mechanisms for individuals who have had adverse actions taken against them in the course of due process. Several different policies at the university provide for the opportunity to appeal decisions. The bylaws of the Board of Trustees indicate that certain decisions may be appealed to the Board of Trustees according to university policy.

The Appeals to the Board policy provides the conditions and procedures for appeals to the Board. A separate appellate mechanism is available in specific circumstances as outlined in the Tennessee Uniform Administrative Procedures Act. The Uniform Procedures for Cases Subject to the Uniform Administrative Procedures Act policy provides a basis for uniform procedures to be used by the university for the hearing of cases that may be subject to TCA § 4-5-101.

Secretary Linville reported that the policies are directly related to the same language used by the Tennessee Board of Regents and Tennessee Code Annotated. University Counsel Ed Kelly confirmed language is adopted from TBR policy and noted that it is more significant in denoting what cannot be appealed. Trustee Latimer made a motion to adopt the policies as presented. It was seconded by Trustee Golden and unanimously approved via roll call vote.

VII. President's Report

President Noland thanked the Board of Trustees members for adjusting their schedules to allow for the called meeting and noted that much of the work being done by staff is related to the SACSCOC visit set for next week. He pointed out that ETSU's timeline of activity is different than that of the other five universities with recently established institutional governing boards due to the need to move in advance of the impending SACSCOC visit. President Noland said ETSU is the first of the universities to go through the substantive change visit from SACSCOC and indicated the next university to go through it will not do so for another four months.

In his report, President Noland also briefly touched on the budget, noting that he will provide a full update of the Tennessee General Assembly's activities at the June 9 meeting of the Board of Trustees. As of right now, President Noland said the university's budget plans for

the next year remain intact with no changes coming from the actions of the General Assembly thus far.

President Noland also took a moment to reflect on the May 6 graduation ceremonies that took place at ETSU. He thanked Chair Niswonger for being a part of the morning commencement exercise and, in particular, thanked Trustee Ayers for her commencement address at the afternoon exercise. President Noland reported that the Class of 2017 represented the largest graduating class in the university's history. He said work is now focused on enrollment to make up for the 2,034 graduates who left the university. He reported that the institution remains within budget confidence intervals for the fall.

Lastly, President Noland addressed the impending SACSCOC visit, noting that Board of Trustees members should have received some information already regarding the visiting team coming to campus. There is an open invitation for Tuesday (May 16) for Board of Trustees members to attend a luncheon with the SACS visiting team. Before that time, President Noland said trustees will be presented with a brief primer regarding the visit and what might be asked of board members.

VIII. Adjournment

Chairman Niswonger asked if anyone had any questions and thanked Secretary Linville for organizing the meeting. Trustee Latimer spoke up to address the group, letting members know that the Academic and Student Affairs Committee will, from time to time, have items that do not require action from the full board but do require notification. Trustee Latimer informed members that they will be sending those notifications via email and will do so utilizing the same dates that the Tennessee Higher Education Commission already uses.

Seeing no other questions or comments, Chair Niswonger moved for adjournment. Trustee Golden made a motion to adjourn. It was seconded by Trustee Grisham and unanimously approved. The meeting adjourned at 3:51 p.m.

Respectfully submitted,

David Linville, Secretary of the Board

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

CONSENT AGENDA ITEMS

DATE: June 9, 2017
ITEM: Consent Agenda
RECOMMENDED ACTION: Approval
PRESENTED BY: David Linville, Secretary

The Consent Agenda items presented to the Board of Trustees are routine in nature, noncontroversial, or have been approved by a board committee unanimously. The Board votes on all items by a single motion.

Full information about each item on the consent agenda is provided in the meeting materials.

As stipulated in the Bylaws, any Trustee may remove an item from the consent agenda by notifying the Secretary prior to the meeting. Before calling for a motion to approve the consent agenda, the Chair or Vice Chair (or the applicable senior Trustee in their absence) shall announce any items that have been removed from the consent agenda and ask if there are other items to be removed.

Requests for clarification or other questions about an item on the consent agenda must be presented to the Secretary before the meeting. An item will not be removed from the consent agenda solely for clarification or other questions.

Motion: I move for the adoption of the Consent Agenda.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Adoption of Finance and Administration Policies

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approval

PRESENTED BY: BJ King, Acting Chief Financial Officer

The table below provides a summary of the Finance and Administration policies for adoption. Complete policies follow.

<u>Policy Name</u>	<u>Old Policy #</u>
<i>Deposit and Investment of Funds</i> Summary – establishes requirements of depository institutions and investments, required collateral, and approvals for accounts.	TBR 4:01:01:10
<i>Cash Receipts, Deposits and Petty Cash</i> Summary – establishes procedures for deposit of funds, recording receipts and management of petty cash.	TBR B-080, ETSU FP-2 and FP-3
<i>Collection of Accounts Receivable</i> Summary – establishes procedures for collection of all accounts receivable owed to the university	TBR B-010, ETSU FP-10
<i>General Purchasing, Receipt of Materials, and Payment of Invoices</i> Summary – establishes procedures for procurement, receipt and payment for goods and services.	TBR 4:02:10:00, ETSU FP-4 and FP-5
<i>Employee Performance Evaluation Procedures</i> Summary – establishes the schedule and procedures for employee evaluations	PPP-36
<i>Consensual Romantic or Sexual Relationship Policy</i> Summary – new policy outlining conflict of interest and reporting requirements for such relationships	

MOTION: On the recommendation of the Finance and Administration Committee, I move that the Board of Trustees adopt the following resolution.

RESOLVED: The finance policies and human resources policies outlined in the meeting materials are approved.

Policy Title: Deposit and Investment of Funds

Policy Type: Finance/Administration

New/revised: Revised

Old Policy #: 4:01:01:10

Approval level: Board of Trustees [Select box for appropriate level of anticipated final approval]

President

Vice President

Other (specify here)

Purpose: The following policy on the deposit and investment of funds for the university shall apply to all funds, regardless of source, which are received by the university.

All depositories which provide deposit or investment services shall agree to comply with the terms of this policy, and with the requirements of Chapter 4 of Title 9 of Tennessee Code Annotated (T.C.A.) as amended, and the latter provisions shall control in the event of conflict. Words and phrases used in this policy shall have the same definition and meaning as in T.C.A. § 9-4.

Definitions:

- Collateral Security - means securities which may be accepted as collateral for deposits.
- Compensating balances - means the amount of funds allowed to remain in an account.
- Default - may include but is not limited to:
 - The failure of any qualified public depository to return any public deposit, including earned interest in accordance with the terms of the deposit contract.
 - The failure of any qualified public depository to pay any properly payable check, draft or warrant drawn by the public depositor.
 - The failure of any qualified public depository to honor any valid request for electronic transfer of funds.
 - The failure of any qualified public depository to account for any check, draft, warrant, order, deposit certificate or money entrusted to it.
 - The issuance of any order of any court or the taking of any formal action by any supervisory authority, which has the effect of restraining a qualified public depository from making payments of deposit liabilities.
 - The appointment of a conservator or receiver for a qualified public depository; or
 - Any other action which the treasurer determines to place public deposits in jeopardy.
 - Failure to provide the required collateral.
- Deposit Insurance - means the insurance provided by the Federal Deposit Insurance Corporation.
- Eligible Collateral - shall have the meaning set forth in T.C.A. § 9-4-103. For savings institutions securing local government deposits, eligible collateral shall also include securities described in T.C.A. § 9-1-107(a)(2) under such additional conditions as the treasurer deems appropriate.
- Loss - includes but is not limited to:
 - The principal amount of the public deposit;
 - All accrued interest through the date of default;

- Additional interest at the rate the public deposit was earning on the total of the principal amount of the public deposit and all accrued interest through the date of default, through the day of payment by a liquidator or other third party or through the date of sale of eligible collateral by the treasurer or his agent; and
- Attorney's fees incurred in recovering public deposits.
- Market Value - means current market price.
- Depository - means any bank, savings and loan association or savings bank (collectively referred to as savings institutions) located in the state of Tennessee which is under the supervision of the Department of Financial Institutions, the United States Comptroller of the Currency, or the Office of Thrift Supervision, and which has been appropriately designated to hold public deposits by a public depositor.
- Required Collateral - means eligible collateral, excluding accrued interest, having a market value equal to or in excess of the greater of the average daily balance or average monthly balance of public deposits multiplied by the qualified public depository's collateral-pledging level as required by the collateral pool board. (T.C.A. § 9-4-502)
- Trust Receipts - means a receipt issued by the trustee custodians in lieu of the actual deposit of eligible collateral, it is subject in all respects to the claims and rights of the institution to the same extent as though such collateral had been physically deposited with the institution.
- Trustee Custodian - means a financial institution designated to hold eligible collateral on behalf of the state treasurer and a qualified public depository pursuant to T.C.A. § 9-4-108.

Policy:

- I. Depository Accounts
 - A. The university shall maintain one general operating account and one payroll account at an authorized depository for the regular operating and payroll functions of the institution. No additional checking accounts may be opened or maintained unless approved by the President or his or her designee.
 - B. All checks, drafts, or other methods of withdrawing funds from an account must be co-signed by the President and the Chief Financial Officer of the university except when the withdrawal is for purposes of transferring funds to the primary depository account from a secondary depository account. Facsimile signatures may be used on checks, drafts, or other methods of withdrawals; and provided that any authorization or request for withdrawal form shall bear the original or electronic signature of the President or the Chief Financial Officer or designee approved by the President in all cases where expenditures exceed one percent (1%) of the state appropriation to the university.
 - C. The President is authorized to establish one or more checking accounts for the deposit and disbursement of petty cash funds within the business office. Additional petty cash accounts may be authorized by the President for departments external to the business office provided that no account shall exceed one thousand dollars (\$1,000.00). If the custodian of the fund has accepted responsibility for the funds in writing, and has agreed to repay any shortages or expended funds not properly accounted for from the account, then the custodian may be designated as the signatory authority for the account, and the custodian or the Chief Financial Officer of the university shall be authorized to withdraw funds from the account.
 - D. The university will retain written documentation of employees' authority to perform routine activities related to the depository accounts.
 - E. No accounts shall be authorized or established which are complimentary non-interest bearing accounts. When using compensatory balances, the amount of funds allowed to remain in any

checking account should be reasonably related to the number of transactions to be processed through the account during any month, and other servicing costs, if any.

II. Collateral

- A. All depositories must provide collateral security for deposits and accrued interest in all accounts, including checking, savings, and certificates of deposit. Securities which may be accepted as collateral for deposits shall be limited to those specified in T.C.A. § 9-4-103. All items listed in Section V.J of this policy and items noted in Section V.K are eligible as collateral.
- B. The required collateral accepted as security for deposits at financial institutions that do not participate in the collateral pool shall be collateral whose market value is equal to one hundred five percent (105%) of the value of the deposit and secured thereby; less so much of such amount as is protected by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. The required collateral accepted as security for deposits at financial institutions participating in the collateral pool will be set by the Department of Treasury.
- C. At the time of designation as the university's depository or at any time thereafter, additional collateral with a market value of one hundred thousand dollars (\$100,000) shall be required where the capital to asset ratio of a savings and loan association, savings bank, or bank is less than five percent (5%). This additional collateral shall be in addition to the collateral required by other provisions of this policy.
- D. The market value of required collateral shall be evaluated by the university monthly and more frequently if required by unusual market conditions. Any depository not providing collateral with a market value as specified in II.B above must provide additional, adequate collateral within two working days of a request by the university. Failure to provide the additional collateral may be considered an act of default.
- E. In the case of a checking account, the market value of the collateral accepted as security for deposits shall be the amount specified in Section II.B based on the highest daily depository book balance in the account for the preceding month excluding large deposits covered below. The amount of the depository balance must be determined on or before the fifth day of the month in question. Large deposits, such as registration receipts, which may result in insufficient collateral, either should be invested immediately or additional collateral should be in place. (If the investment is in a certificate of deposit, the certificate must be collateralized.) Alternatively, depositories may be allowed to post collateral daily to cover the current depository book balance.
- F. Any loss to the institution due to a depository's default shall be satisfied out of collateral pledged by the depository to whatever extent possible. The collateral security shall be liable for any loss, including and not limited to the principal amount of the deposit, for accrued interest through the date of default, for additional interest through the date of recovery on the principal and accrued interest at the rate the deposit was earning, and for attorney's fees incurred in recovering deposits and other losses.
- G. The university must either be provided the actual securities pledged as collateral for deposits, or trust receipts from trustee custodians for the collateral in lieu of the actual delivery of the securities. A trustee custodian is one which meets the requirements of T.C.A. § 9-4-108. When any trustee custodian holds collateral for an institution's depository which is related to the custodian through shared ownership or control, such collateral shall be held in a restricted account at a Reserve Federal Bank or branch thereof or at a Federal Home Loan or branch thereof.
- H. In lieu of the actual deposit of eligible collateral, the university is authorized at its option to accept trust receipts therefore.

1. Trust receipts shall be issued by trustee custodians in a form acceptable to the university following the deposit of eligible collateral with the trustee custodian by an institution's depository.
 2. Eligible collateral deposited with a trustee custodian shall be subject in all respects to the claims and rights of the institution to the same extent as though such collateral had been physically deposited with the university.
 3. Each trust receipt shall be nonnegotiable and irrevocable and shall continue in full force and effect until surrendered by the issuing trustee custodian with the release of the university endorsed thereon.
 4. The university may present the trust receipt at any time to the issuing trustee custodian and upon delivery thereof shall be entitled to receive any and all collateral represented thereby from the trustee custodian, and such collateral shall thereafter be held by the university as if deposited with the university by the depository as collateral, without further liability on the party of the trustee custodian.
 5. Following delivery of the collateral to the university, the university is permitted to register such collateral in the name of the institution and to hold it on behalf of the depository.
- I. For depositories participating in the collateral pool administered by the Department of Treasury, the university will not be responsible for monitoring the collateral securities pledged. As provided in T.C.A. § 9-4-501 through 9-4-523, the Department of Treasury will monitor the collateral securities pledged.

III. Depository Institutions

- A. Subject to the other requirements of this policy, accounts may be authorized and established at depositories which are either under the supervision of the Department of Financial Institutions, the United States Comptroller of the Currency or the Federal Home Loan Bank Board.
- B. Before a depository may be used by the university for the deposit of funds in a checking account, it must provide documentation verifying the following:
 1. That the depository is supervised by the Department of Financial Institutions of the State of Tennessee, the United States Comptroller of the Currency, or the Federal Home Loan Bank Board;
 2. The capital to asset ratio of the depository as of the current date and the date of the last audited financial statements of the depository;
 3. That the depository can comply with the collateral security requirements for all accounts;
 4. The names of the members of the board of directors and officers of the depository;
 5. The name of the holding company of the depository, if applicable; and
 6. The names of the owners of ten percent (10%) or more of the stock of the depository.
- C. The university shall identify the nature and level of services which must be provided by a depository before a checking account is established. Such services should include but are not limited to the minimum services in the standard request for proposals for depository services as set forth in guidelines established pursuant to this policy. Some or all of these services may be required without charge to the institution.
- D. The university shall solicit proposals from all qualified depositories with offices within a reasonable distance from the campus, and shall determine those depositories which can provide the nature and level of services for accounts as required by the institution on a competitive basis. The agreement with the depository cannot exceed 5 years.

IV. Depositing Funds

- A. All funds must be deposited in accordance with the ETSU Policy Cash Receipts and Deposits.

V. Investments

- A. All investment decisions shall be in accordance with this policy and must be approved by the Chief Financial Officer or his or her designee.
- B. All investments in which funds are deposited outside the State of Tennessee must be authorized by the President.
- C. A trustee custodian account should be used for handling and holding all investments, other than the Local Government Investment Pool and collateralized certificates of deposit.
- D. All investments must be made subject to "delivery versus payment."
- E. All funds which are received by an institution and which are available for a sufficient period of time for investment in any interest generating medium should be invested within three (3) days after receipt of such funds.
- F. At a minimum, each institution shall determine rates of return on all feasible authorized mediums of investment prior to making an investment; and funds shall be invested in those mediums expected to pay the highest rate for the period of time for which the funds are available for investment.
- G. All investments of funds in certificates of deposits where the period of investment will exceed thirty (30) days shall be determined on the basis of competitive bids, with appropriate records maintained for audit purposes, including the person obtaining the bids, the institutions which submitted the bids, the amount and rate of return of each bid, and the person who approved the investment. Where more than one bid provides the highest rate of return available, investments should be made in such a manner that no one institution making one of the high bids receives a disproportionate amount of the investments on the basis of two or more equal bids over a reasonable period of time. Records shall also be maintained on the basis for selecting LGIP and other investments as an investment medium.
- H. An investment plan should be developed that specifies liquidity requirements for providing cash needed by the university.
- I. Investments of endowments in equity securities shall be limited to funds from private gifts or other sources external to the university. Endowment investments shall be prudently diversified.
- J. Funds of the university may be invested in a savings account or certificate of deposit of any depository provided the requirements of this policy including Sections III.A and III.B, and the collateral security requirements of Section II. are met. Other authorized investments, subject to the limitations of Section V.L, are set forth in T.C.A. § 9-4-602.
- K. All investments via repurchase agreements must include the following:
 - 1. There must be a written agreement in accordance with the standard agreement set forth in guidelines established pursuant to this policy.
 - 2. The agreement must state explicitly that the exchange of assets represents a simultaneous purchase and resale transaction "and is not intended to be collateralized loan."
 - 3. The purchased securities must be transferred to the Trustee Custodian Account.
 - 4. The purchased securities must, at the time of purchase, have a current market value of at least 100% of the amount of the repurchase agreement.
- L. The following terms and conditions shall apply to investments:
 - 1. Prime banker's acceptances must be issued by domestic banks with a minimum AA rating or foreign banks with a AAA long term debt rating by a majority of the rating services that have rated the issuer. The short term debt rating services that rate the issuer (minimum of two ratings must be available). Banker's acceptances shall not exceed five percent of total investments on the date of acquisition. The amount

invested in any one bank shall not exceed five percent of total investments on the date of acquisition.

2. Prime banker's acceptances are required to be eligible for purchase by the Federal Reserve System. To be eligible the original maturity must not be more than 270 days, and it must
 - a. arise out of the current shipment of goods between countries or within the United States, or
 - b. arise out of storage within the United States of goods under contract of sale or expected to move into the channel of trade within a reasonable time and that are secured throughout their life by a warehouse receipt or similar document conveying title to the underlying goods.
3. The combined amount of banker's acceptances and commercial paper shall not exceed thirty-five percent of total investments at the date of acquisition.
4. Prime commercial paper shall not have a maturity that exceeds 270 days. Acquisitions shall be monitored to assure that no more than five percent of total investments at the date of acquisition are invested in commercial paper of a single issuing corporation. The total holdings of an issuer's paper should not represent more than two percent of the issuing corporation's total outstanding commercial paper. Purchases of commercial paper shall not exceed thirty-five percent of total investments at the date of acquisition. Prime commercial paper shall be limited to that of corporations that meet the following criteria:
 - a. Senior long term debt, if any, should have a minimum rating of A1 or equivalent, and short term debt should have a minimum rating of A1 or equivalent, as provided by a majority of the rating services that rate the issuer. If there is no long term debt rating, the short term debt rating must be A1 by all rating services (minimum of two).
 - b. The rating should be based on the merits of the issuer or guarantee by a non-bank.
 - c. A financial review should be made to ascertain the issuer's financial strength to cover the debt.
 - d. Commercial paper of a banking institution should not be purchased.
5. The amount invested in money market mutual funds shall not exceed ten percent of total investments on the date of investment.

VI. General

- A. The President or his or her designee may approve exceptions to the requirements of this policy in appropriate cases.

Policy Title: Cash Receipts, Deposits and Petty Cash

Policy Type: Finance/Administration

New/revised: Revised

Old Policy #: B-080, FP-2, FP-3

Approval level: Board of Trustees [Select box for appropriate level of anticipated final approval]
 President
 Vice President
 Other (specify here)

Purpose: The purpose of this policy is the establishment of procedures for deposit of funds, recording of receipts, and management of petty cash funds.

Policy:

I. General

- A. All payments received on behalf of the University must be promptly deposited.
- B. All checks in payment of amounts due the University must be made payable to East Tennessee State University. Checks must not be made payable to departments, department heads, or any University official or employee by name. If checks are received made payable to an individual, they must be appropriately endorsed before transmittal to the Financial Services Office. The endorsement must be preceded by "pay only to ETSU". If a check which is made out improperly is in payment of an item of a repetitive nature, the maker must be instructed to make future checks payable to East Tennessee State University.
- C. All receipts must be deposited intact. No expenditures may be made or checks cashed from cash receipts. No receipts may be retained within a department for departmental use.
- D. No "unofficial" funds may be maintained in any department. Any such funds currently on hand are in violation of this policy and must be transmitted to the Financial Services Office with a statement as to source.

II. Recording of Receipts

- A. All departments or activities regularly receiving funds in routine operations must record each transaction on carbon pre-numbered receipt books, (receipt books can be purchased from office supply stores by each department), or record the transaction on a cash register in the presence of the customer or payee. When the payment involves currency to be recorded in an official receipt book, the original receipt must be delivered to the payer. A notation must be made on each receipt specifying whether payment was by check or cash and the purpose for which the money was collected including course numbers, where applicable.
- B. Departments or activities which are not authorized by the University Financial Services Office to accept payments and do not maintain a receipt book must not accept payment but should direct the payer to the Financial Services Office for the purpose of obtaining an official receipt. Checks which are received by such departments by mail should be promptly forwarded to the Financial Services Office with a statement covering the purpose of the payment.
- C. Every person making a payment to the University for any purpose is entitled to, and must be given an official receipt for any such payment.
- D. When necessary to void a receipt, the original must be retained and stapled to the copy.

III. Transmittal and Deposit of Receipts

- A. Frequency of Transmittals and Deposits – the Family Practice Centers, Registrar’s Office, Off Campus Centers, and other departments having significant daily income must deposit each day's receipts no later than noon of the following day. Other departments must deposit receipts intact within three days; however, a department must deposit funds each day when \$500.00 in funds have been accumulated. Receipts are to be deposited in the Bursar's Office or in a bank account approved by the University.
 - B. Procedure for Preparing Deposits of Receipts with the Financial Services Office
 - 1. When a deposit is prepared by a department maintaining an official receipt book, an adding machine tape must be prepared of the items appearing in the receipt book subsequent to the last deposit. This tape must be attached to the receipt book opposite the last receipt covered by the current deposit, and on it must be noted the date of the deposit and the inclusive receipt numbers. The person presenting the monies to the Financial Services Office for deposit will insure that a copy of the Financial Services Office receipt is attached to the receipt book in the same manner as the adding machine tape.
 - 2. The back of each check should be stamped "For Deposit Only - East Tennessee State University, Department Name" upon acceptance.
 - C. Procedures for Depositing Receipts Off-Campus
 - 1. Off campus centers and clinics may deposit funds in a bank account authorized by the University. A copy of each deposit slip validated by the bank teller must be transmitted to the Financial Services Office with a deposit summary showing the purpose for which funds were collected.
- IV. **Special Fiscal Year End Closing Procedures**
- A. Under present University and State regulations, all funds received by the Financial Services Office by noon on the last work-day of the fiscal year must be deposited as of that date. Funds receipted by departments as of the close of business on the day prior to the last work-day of the fiscal year must deposit funds in the Financial Services Office or in an authorized bank account by noon of the next day.
 - B. Receipts written after the fiscal year deposit must be dated July 1 or the first work-day in the new fiscal year.
 - C. Final fiscal year deposit slips received by the off-campus centers or clinics must be transmitted immediately to the Financial Services Office for recording.
- V. **Custody and Safekeeping of Receipts**
 Department heads must insure that proper safekeeping facilities are available and that proper safeguards are taken to protect official funds until deposited. Currency must never be transmitted through US Post Office or campus mail or left overnight in cash registers. If unusually large sums are on hand, arrangements should be made for bank night deposits or overnight storage in the Financial Services Office vault.
- VI. **Cash Overage and Shortage**
 If at any time a department's petty cash fund or daily receipts should be over or short, the overage or shortage should be reported by telephone to the Financial Services Office (439-4414) immediately. If the amount of overage or shortage is determined to be significant by the University Financial Services Office, a written report regarding the circumstances of the overage or shortage must be submitted to the University Business and Finance office for a formal report to the Chief Financial Officer and the State Comptroller's Office as required by law (T.C.A. § 8-19- 501).
- VII. **Petty Cash Funds**
- A. When the nature of certain departmental operations requires a fund for frequent cash purchases of minor items, the Financial Services Office will, upon proper justification, advance to

the Department Head a Petty Cash Fund to be maintained by the Department on a custodial basis. Such advances are not chargeable to the department's operating account but are reflected on the accounting records as an advance to the Department Head, who is accountable for proper fiscal and physical control of the fund.

VIII. **Proper Custody and Control of Petty Cash Funds**

- A. The custody and control of Petty Cash Funds may be delegated to appropriate personnel; however, accountability and responsibility for proper use and care of the funds remain with the designated Department or Unit Head.
- B. The Department Head must insure that facilities for safekeeping of funds are available and must be approved by the Financial Services Office.
- C. Petty Cash Funds, other than advances used in making change, must be kept separated from all other funds, including personal funds, and not co-mingled.
- D. The Petty Cash Funds are subjected to audit and should frequently be balanced to ensure that the cash plus paid receipts on hand equal the amount of the fund.
- E. If, for any reason, petty cash funds are inadvertently deposited or used in a manner not compliant with policy, the Bursar's Office must be notified immediately.

IX. **Limitations on Use of Petty Cash Funds**

- A. Office supplies and materials which are available through other sources may not be purchased through the petty cash account except in emergency situations. If such a purchase is necessary, an explanation must be attached to the voucher.
- B. Unless exceptions are specially approved by the University Financial Services office, Petty Cash should be used only when the purchase from one vendor is less than twenty- five dollars (\$25.00).
- C. As a state institution, the University is exempt from the payment of City and State Sales Tax and Federal Excise Taxes. Exemption forms are available from the Financial Services Office.
- D. Loans or advances to employees for personal use from Petty Cash Funds are forbidden. No checks may be cashed from Departmental Petty Cash Funds.
- E. Meals, food, flowers, travel, personal services, contractor services, and dues or subscriptions cannot be reimbursed by Petty Cash funds.
- F. A single petty cash fund may not be used as both a change fund and a disbursement fund.

X. **Securing of Proper Receipts for Petty Cash Expenditures**

- A. Receipts for Petty Cash expenditures must be obtained from the vendor and must meet the following requirements:
 - 1. All receipts must be originals.
 - 2. The receipts must provide a complete description of the materials purchased or service rendered. The only exception is when a firm uses standard business forms and issues their receipt on a standard multi-part form which indicates Customer Copy of Receipt.
 - 3. The vendor's invoice must clearly indicate that it has been paid either by being stamped with the official "PAID" stamp of the firm and containing the name of the firm; by being made out to "CASH SALE"; by having the firm's cash register "CASH SALE".
 - 4. Receipts cannot be accepted for reimbursement which show evidence of alteration.
 - 5. At fiscal year-end, a reimbursement request must be made before June 15th. Unless grant funded, any reimbursement requests not submitted by this time and carried forward must be approved by the Associate Vice President or Comptroller of Financial Services.

6. The index and account to be charged should appear on the request for reimbursement along with the signature of the approving authority.

XI. **Reimbursement of Petty Cash Expenditures**

Whenever the cash in the fund is depleted to the extent requiring replenishment, or, in any event, at least once each fiscal quarter, the paid invoices should be submitted to the Financial Services Office for reimbursement.

XII. **Cash Overage and Shortage**

If at any time a department's petty cash fund or daily receipts should be over or short, the overage or shortage should be reported by telephone to the Financial Services Office (439-4212 or 439-4414) immediately. If the amount of overage or shortage is determined to be significant by the University Financial Services Office, a written report regarding the circumstances of the overage or shortage must be submitted to the University Financial Services Office for a formal report to the Chief Financial Officer, the Board of Trustees, and the State Comptroller's Office as required by law (T.C.A. § 8-19-501).

XIII. **Closing a Petty Cash Fund**

A. If it is deemed that a petty cash fund is no longer needed, all unreimbursed cash disbursement receipts along with all remaining cash should be returned to the Petty Cash Accountant in the Bursar's Office. All receipts must be properly documented with the business purpose of the purchase and the index and account to be charged.

Policy Title: Collection of Accounts Receivable

Policy Type: Finance/Administration

New/revised: Revised

Old Policy #: B-010, FP-10

Approval level: Board of Trustees [Select box for appropriate level of anticipated final approval]
 President
 Vice President
 Other (specify here)

Purpose: This policy applies to the collection of accounts (the word "accounts" as used herein shall include notes), including student fees, receivable by all departments of East Tennessee State University. Each department accepting accounts receivable are to establish policies and procedures as required by Section II.

Policy:

- I. General Statement on Accounts Receivable
 - A. Each department shall, to the maximum extent possible, require payment in advance for all services and goods provided by the department, and thereby avoid the creation of accounts receivable.
 - B. The Board policy on Payment of Fees and Enrollment of Students requires (with limited exceptions) that all assessed fees be paid in advance by a student before he or she is considered enrolled for any academic term.
 - C. It is recognized that accounts and notes receivable may be generated from certain programs and activities, including but not limited to student payment plans, student loan programs, family practice or other medical programs, housing utilities, traffic and parking fines, library fines, bad checks, contracts, the rental of property, and any damage, loss or liability to the university by others. Each department, subject to the approval of the University Comptroller, is authorized to require any person to pay a deposit, post a security bond, or provide appropriate insurance to ensure full payment of any potential obligation to the university arising from any program or activity.
 - D. Pursuant to T.C.A. § 28-1-113 there is no time limit on the university's authority to collect receivables unless otherwise expressly provided by statute.
- II. General Collection Procedures
 - A. Each department shall establish a systematic process and procedures for the collection of accounts receivable from all persons, including students and employees of the University. The collection procedures and forms of each department are subject to the approval of the University Comptroller or his or her designee. The University Comptroller will, upon request, assume responsibility of the collection of certain departmental accounts receivable subject to the receipt of appropriate documentation of such obligations.
 - B. Collection efforts should begin no later than thirty (30) days after the occurrence of the obligation or other fixed due date.
 - C. Except as otherwise hereinafter provided, a minimum of three (3) letters of contact or billing requesting payment should be sent by the department at 30-day intervals once an account becomes delinquent. An account becomes delinquent based on the payment criteria established by the university for the type of debt involved. For debts greater than \$100, the third letter

- should indicate that the account will be referred to a collection agency if payment is not received with a specified period of time. Sending letters by certified mail is optional.
- D. When the university's established collection efforts for the type of debt have failed to produce payment, these accounts are classified as defaulted. Any defaulted receivable of \$100 or more shall be referred to a collection agency within a reasonable time after the final collection letter is sent if the debtor does not respond. Referral of accounts under \$100 are not required. Except as provided for under Section E employee receivables and Section F student receivables, no additional collection efforts are required for accounts under \$100. See procedures for write-off of accounts receivable.
- E. Employee receivables (including student employees) may result from, among other things, traffic and parking fines, library fines, university services or bad checks. If the procedures in Section II.B. have been met and the debt is still delinquent, the debt can be recouped from the employee's paycheck.
1. Procedure for withholding
 - a. In order to recoup the amount owed from the employee's paycheck, notice of intent to withhold must be sent to the employee by registered or certified mail, email, or personally delivered.
 - i. The notice should inform the employee of the amount alleged to be owed and should specify that he may elect to pay the debt in full, authorize deductions from his paycheck or, if the employee is terminating, the check for accrued but unused annual leave, or contest the intent to withhold through a university or TUAPA hearing.
 - ii. Subsequent to receiving a pre-deprivation notice of the debt owing, the employee, within 15 calendar days of receipt of such notice, must:
 - a) Pay the debt in full;
 - b) Authorize the university to withhold a designated amount from each subsequent paycheck or, if the employee is terminating, from the accrued but unused annual leave until the debt is paid in full;
 - c) Elect to contest the intent to withhold through an institutional hearing; or,
 - d) Elect to contest the intent to withhold through a contested case hearing held pursuant to T.C.A. § 4-5-301, et seq.
 - b. If the employee elects an institutional hearing, the employee shall appear on behalf of himself but is entitled to be advised by counsel.
 - i. The Chief Financial Officer or his/her representative, or a representative of the department involved in the debt, shall be present to represent the university.
 - ii. The case will be heard before one hearing officer designated to hear all cases on that date.
 - iii. The hearing officer must be an individual who is not so closely connected with the collection of the debt that he/she cannot render an unbiased and objective decision on the validity of the debt.
 - iv. Such hearing should be held within one week of the decision to elect the hearing.
 - v. The hearing officer shall render his/her decision on the validity of the debt. If the debt is ruled valid, the debt shall be deducted from the

- employee's payroll check beginning at the end of the next appropriate pay period in accordance with deduction schedules.
- vi. If the employee elects a TUAPA hearing, the Office of University Counsel should be notified immediately.
 - vii. If the employee refuses to pay, authorize deduction, or specify or waive a hearing process, a TUAPA hearing must be initiated.
 - viii. The employee's failure to appear at either an institutional or TUAPA hearing will constitute default, or, if a prima facie case is presented that the debt is owed, it will be deemed valid; the appropriate deductions may then be made.
 - ix. Additionally, if a TUAPA hearing, a Default Order must be issued.
 - x. If the employee does not appeal the Default Order, funds may be deducted as specified.
2. Limitations on Amounts to be Withheld. The deduction from any check shall not exceed the maximum deductible under state garnishment laws.
 - a. The maximum amount of disposable earnings of an individual for any work week which is subjected to garnishment may not exceed:
 - i. Twenty-five percent (25%) of his disposable earnings for that week; or
 - ii. Thirty (30) times the federal minimum hourly wage at the time the earnings for any pay period become due and payable, whichever is less.
 - b. In the case of earnings from any pay period other than a week, an equivalent amount shall be in effect.
 - c. These limits are applicable to retirement funds, but are not applicable to checks for accumulated annual leave.
 - d. Additionally, the above limits do not apply to employee overpayments.
 3. Retirement Funds. If a former employee is found to owe a debt to the state, retirement funds may be utilized to pay off the amount owing to the extent permitted by Tennessee law.
 - a. The same procedural steps outlined in II.E.1. for notice and the opportunity for a hearing must be followed.
 - b. Accumulated retirement contributions of a former employee terminated for any reason and for which he has made application, or monthly benefits of a retired employee are subject to withholding to the extent permitted by Tennessee law.
 - c. A copy of the final order resulting from an institutional or TUAPA hearing, or a signed waiver of hearing and written agreement of the former employee authorizing deductions should be sent to the director of the retirement system along with a written request to withhold, specifying the reason for the claim and the total amount involved.
 4. Recovery of Overpayments to Employees. Unlike cases in which the employee owes the university money, in instances of overpayments to employees there is no obligation to provide a hearing.
 - a. The university is obligated, however, to attempt to recoup the funds. The university should advise the employee in writing of the overpayment and the university's proposed actions to correct the overpayment.
 - b. The method of repayment will depend upon the amount of the overpayment, the time which has elapsed between the overpayment and its discovery, the hardship which immediate repayment might cause the employee because of amount of current salary and personal expenses, the culpability of the

employees in not reporting the overpayment, and the longevity as well as the expectation that the employee will remain in state government until the repayment is completed.

- c. If a current employee receives overpayment, the refund may be made in one of the following ways:
 - i. Repayment by the employee by cash or check; or,
 - ii. Adjustment of deductions to be made automatically from the employee's paycheck, either with a single deduction or a series of deductions made from each paycheck until the full amount is recovered.
 - iii. The amount of partial payments recovered by the latter method should be reasonable and systematic so that full recovery will be completed within the shortest period possible.
 - d. If overpayment is discovered after the employee terminates employment with the state, an account receivable should be established.
 - i. The former employee should be notified of the overpayment, the circumstances of the overpayment and a request that the employee contact the appropriate campus official.
 - ii. If the employee has not received his final paycheck, the appropriate deduction from that check can be made.
 - iii. If the final paycheck has been received, negotiations for reimbursement should be initiated.
 - iv. If repayment cannot be negotiated or collected, the account should be turned over to the collection agency.
 - v. In the event collection is not possible, proper write/off procedures should be followed.
 - e. In instances in which the employee has agreed to systematic deduction(s) from his paycheck(s), written authorization from the employee is encouraged.
- F. Students must pay any past due debts and obligations incurred in prior terms and all known debts and obligations incurred during the current term before being permitted to pre-register for any future terms. An amount owed under the university installment (deferred) payment plan for enrollment fees which is not yet considered due shall not cause a hold to be placed on the students records. A notice stating the specific amount due should be sent to each student prior to completion of registration. Pursuant to T.C.A. § 49-9-108, no grade reports, certificates of credit, diplomas or transcripts will be issued to any student with any unpaid or delinquent debt or obligation owed to the university unless such debt is secured by notes or other written contracts providing for future payment under federal or state education or student assistance acts. In addition, once a petition for bankruptcy has been filed, all holds should be lifted. The university has no obligation to provide student grade reports, etc., unless specifically requested to do so. Accurate records of all correspondence, telephone calls and personal contacts with borrowers shall be maintained and all receivables should be aged at least annually. The university must comply with record maintenance, safekeeping, and retention regulations for federally-funded loans.

III. Federal Student Loan Program Collections

- A. Collection officers should consult the most recent legal authorities concerning federal loans. These authorities include interpretative materials, issues letters, manuals, Congressional Acts and the Federal Department of Education Regulations. The collection procedures for notes receivable are explained in detail by these authorities and includes but is not limited to the following areas of responsibility:

1. Pre-Loan Counseling
2. Exit Interviews
3. Grace Period Notices
4. Skip Tracing
5. Due Diligence Billings for On-time Borrowers
6. Deferrals and Cancellations
7. Delinquent Loan Billings
8. Default and Acceleration
9. Write Off and Assignment Procedures
10. Billing Loans Not Written Off

IV. Returned Check Collections

- A. For any student who tenders payment of fees by a check that is subsequently dishonored by the bank, and the check is not redeemed within the specified time period, the university has the option to not consider this student enrolled at the university. At the discretion of the university, the student may be considered enrolled and will be assessed the applicable returned check fee, the late registration fee, and will be denied grade reports, transcripts and future registration privileges until such dishonored check is redeemed.
- B. Any person other than a student or employee who tenders a check for payment for goods or services which is subsequently dishonored shall be given the opportunity to redeem the check and pay the amount due in cash or money order within 10 days.
- C. A total of three notices shall be sent for any unpaid check with the third notice being the "Final Notice" before the account is referred to an outside collection agency. Please consult the procedures detailed in Section II A-F of this policy.
- D. A check presented for payment of any goods or services which is subsequently dishonored shall be treated as an accounts receivable. Any transactions that have been processed should be charged back to the departmental account when possible and appropriate.
- E. Receipt of one or more bad checks from any person may result in that person becoming ineligible to make payments by check thereafter, or to have any check cashed by the university. A record of individuals who have written bad checks should be maintained.

V. Rent Collections

The terms of the lease should be consulted in the event of failure by the tenant to timely pay rent. In counties with populations more than 200,000 according to the 1970 federal census, the Tennessee Residential Landlord and Tenant Act (the ACT) applies and provides, at T.C.A. § 66-28-505, that upon noncompliance with the rental agreement, the landlord shall deliver a written notice to the tenant specifying the noncompliance and stating that the rental agreement will terminate upon a date not less than thirty (30) days after receipt of the notice. If the noncompliance is not remedied in fourteen (14) days, the rental agreement shall terminate as provided in the notice. If the tenant remits the rental but subsequently again fails to pay rent within a 6 month period, the rental agreement may be terminated upon at least fourteen (14) days written notice specifying the noncompliance and the date of termination of the rental agreement. In counties where the ACT applies, written notice is required when rent is unpaid unless otherwise specifically waived in a written rental agreement. In counties where the ACT does not apply, it will provide guidance concerning landlord/tenant issues. Generally, the length of the notice period equals the rental period, for example, 30 days notice is required where rent is due monthly. In the event the rent remains unpaid at the end of the month, the university should proceed with an action to evict the tenant. Accrued rents which are unpaid shall be treated as accounts receivable of the university and collection procedures detailed in Section II should be followed.

VI. Collection Agencies

- A. General. The university may contract for collection services through one or more companies.
 - 1. The service should provide for the referral of all types of delinquent accounts and notes from the university to the designated company only after university collection efforts have been exhausted.
 - 2. The terms of the contract and RFP govern all collection actions.
 - 3. Unless otherwise prohibited by law or regulation, any note, contract or lease which may result in accounts receivable to the university should contain a provision pursuant to which the person will be responsible for the costs of collection and reasonable attorneys' fees in the event of default, and should further provide for the assignment of the account or note to the proper agency.
- B. Billing Services. The university may use an outside billing service to collect payments on accounts receivable. The service should be familiar with all provisions of loan programs and provide prompt, clear and accurate bills.
- C. Credit Bureaus. The university may report all loans when made to a credit bureau. The university must obtain the borrower's consent to report loans not in default by including a statement in the promissory note or some other document that is signed by the borrower at the time the loan is made.
- D. Collection Agency. Accounts that are still delinquent 30 days after the final collection letter should be turned over to a collection agency. Receivables less than \$100 are not required to be turned over to a collection agency.
- E. Reporting Requirements. The collection agency should be required to report the status of delinquent loans periodically to the university.
- F. Revised Repayment Plan. A revised repayment plan agreement should be signed by the borrower if the borrower returns to repayment status.
- G. Recalling Accounts from Collection Agency. No account should be recalled from a collection agency other than debts eligible for deferment, postponement, cancellation, bankruptcy, death, disability or some other mitigating circumstance (university error, etc.).
- H. No account should be recalled in order for a borrower to re-enroll or obtain a transcript.
- I. The borrower should pay the accelerated amount plus collection costs to the collection agency.

VII. Bankruptcy

The Bursars Office of East Tennessee State University will designate at university contact for all bankruptcy claims regarding accounts and notes receivables. All bankruptcy claims and debt documentation should be sent to the Bursars Office to be forwarded to the Tennessee State Attorney General's Office. No further action against the debtor should be taken until notice of final discharge is received from the Tennessee State Attorney General's Office.

VIII. Litigation

- A. After all other attempts at collection have failed with general accounts receivables, the university must authorize litigation of any account of \$500 or more providing that the litigation costs do not exceed the amount which can be recovered. Generally, the collection services contract will provide for litigation where appropriate.
- B. If a federal loan cannot be litigated for any of the following reasons, it should be assigned to the U.S. Department of Education: (1) Borrower has no assets (2) Address Unknown (SKIP) (3) Debtor is incarcerated (4) Debtor is on Public Assistance, (5) Unable to serve borrower with court papers, (6) Litigation is in process and debtor skips, (7) Expected cost of litigation exceeds amount to be recovered from borrower.

Policy Title: General Purchasing, Receipt of Materials, and Payment of Invoices

Policy Type: Finance/Administration **New/revised:** Revised

Old Policy #: 4:02:10:00, FP-4, FP-5

Approval level: Board of Trustees [Select box for appropriate level of anticipated final approval]
 President
 Vice President
 Other (specify here)

Purpose: The purpose of this policy is the establishment of procedures for purchasing, receipt of materials, and payment of invoices.

Policy:

I. **General**

Purchases made with University funds must adhere to sound, ethical business practices. No financial commitment may be made by any employee of the University without specific written authority of the President. University officials authorized to approve purchases of goods and services must exercise prudent judgment when expending funds or determining if an expenditure is appropriate.

II. **Principles**

- A. The purchase must comply with this policy and the laws of the State of Tennessee for the purchase of goods and services.
- B. The purchase must support the mission and purpose of the University.
- C. The purchase must not be personal in nature.
- D. The amount expended should be reasonable.
- E. Employees of the University serve the interests of the State of Tennessee and must comply with the University Conflict of Interest Policy.
- F. The President of the University has delegated authority to the Associate Vice President for Procurement and Contract Services and the Purchasing Director to make purchase commitments. The President of the University has delegated authority to the Associate Vice President for Procurement and Contract Services to sign contracts for the University when they are associated with purchase orders. No employee has authority to make any purchase commitment, enter into any contract for goods or services, or otherwise take action with respect to third parties which may be construed as financially binding to the University except through the authority of Procurement and Contract Services, unless specifically authorized by other applicable University policy or in writing by the President. This policy applies to all expenditures of funds administered by the University, regardless of origin. This policy does not apply to agency funds set up with ETSU Business Financial Services.
- G. The ETSU Standard Bid Terms and Conditions and the ETSU Code of Ethics in Procurement and Contracting (Appendix A) are adopted as minimum standards in the procurement of goods and services.
- H. Except as specifically provided in other university policies and guidelines, authority pursuant to those policies shall not include the purchase or lease of real property, the purchase of insurance, or purchases for capital outlay projects from any fund source whatsoever.

- I. No employee of the University responsible for initiating or approving requisitions shall accept or receive, directly or indirectly, from any person, firm or corporation to whom any contract may be awarded, by rebate, gift or otherwise, any money or anything of value whatsoever, or any promise, obligation or contract for future awards or compensation. Whenever any contract/purchase order is awarded contrary to this provision, the contract/purchase order shall be void and of no effect, and if the violation was intentional, the employee responsible for the purchase shall be liable for any state funds paid contrary to this provision.

III. Definitions

- A. Banner Finance System - A computerized on-line system used to produce and maintain the University's financial records for the eBucs System. The Banner Finance System is the official system of record for all procurement transactions created in eBucs.
- B. Conflict of Interest - A conflict of interest occurs when the personal interests, financial or otherwise, of a person who owes a duty to the Board of Trustees or the University (all employees) actually or potentially diverge with the person's professional obligations to and the best interests of the Board of Trustees and University. It is a conflict of interest for any person or any company with whom such person is an officer, a director, or an equity owner of greater than 1% interest to bid on any public contract for products or services for a governmental entity if such person or a relative of such person is a member of a board or commission having responsibility for letting or approving such contract. For purposes of this section only, "relative" means spouse, parent, sibling, or child (T.C.A. § 12-3-106(b)(2003)). It is the policy of the University that no employee shall use his/her employment for personal benefit. Any appearance of favoritism or influence in doing business is prohibited.
- C. Unlawful Employee Activities - It is unlawful for any employee to bid on, sell, or offer for sale, any merchandise, equipment or material, or similar commodity, to the state of Tennessee or to have any interest in the selling of the same to the state during that person's term of employment and for six months thereafter (T.C.A. § 12-4-103). Disclosure of any such transaction by an employee or member of the employee's family or by a business in which an employee or member of the employee's family has any significant (more than 4%) ownership interest or for which an employee or employee family member serves as an officer is required by this policy. Family member includes the spouse and children (both dependent and non-dependent) of a person covered by this policy.
- D. eBucs System - A computerized electronic procurement (eProcurement) system used to manage the University's procurement process online. The eBucs application includes modules that address each step in the procurement process: shop and compare, create requisition, requisition approval process, create and distribute purchase order, process invoices, and receipt management.
- E. Minority-Owned business - A continuing, independent, for-profit business which performs a commercially useful function and is at least 51% owned and controlled by one or more minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background in accordance with the provisions of T.C.A. § 12-3-802.
- F. Non-Competitive Purchases and Contracts - Purchases and contracts made when items or services are unique and possess specific characteristics that can be filled by only one source.
- G. Procard - The procurement card program available for purchases of goods less than \$5,000.
- H. Service Disabled Veteran business - Tennessee service-disabled veteran means any person who served honorably on active duty in the Armed Forces of the United States with at least a twenty percent (20%) disability that is service-connected meaning that such disability was incurred or aggravated in the line of duty in the active military, naval or air service. "Tennessee service

disabled veteran owned business" means a service-disabled veteran owned business that is a continuing, independent, for profit business located in the state of Tennessee that performs a commercially useful function, and is at least 51% owned and controlled by one (1) or more service-disabled veterans in accordance with the provisions of T.C.A. § 12-3-802.

- I. Small business - A business which is independently owned and operated, in accordance with the provisions of T.C.A. § 12-3-802, and is not dominant in its field of operation.
- J. Surplus Property - Any University property such as movable equipment or supplies (not real property such as land or buildings) a department determines to be excess to its needs and for which the department has no foreseeable requirement.
- K. Woman - Owned business- A women-owned business that is a continuing, independent, for-profit business which performs a commercially useful function, and is at least 51% owned and controlled by one or more women; or, in the case of any publicly owned business, at least 51% of the stock of which is owned and controlled by one or more women and whose management and daily business operations are under the control of one or more women in accordance with the provisions of T.C.A. § 12-3-802.

IV. Purchasing

- A. Planning a Purchase - In preparation of the purchase of goods and services, a clear description of the requirements or specifications is the basis for assuring that departmental needs will be met. The approving authority from the ordering department must assure that funds have been appropriated and are available for the purchase of materials, supplies, equipment or services prior to award of a contract. The ordering department is responsible for determining that all items to be purchased are necessary.
- B. Purchase Requisition Procedures - Purchase requisitions should be submitted online by accessing the eBucs system. Purchase requisitions are submitted by the ordering department, approved by the appropriate officials and forwarded electronically to Procurement and Contract Services for processing into a bid or a purchase order.
- C. The purchase requisition should include, but not be limited to the following:
 - 1. Information describing the purpose of the acquisition, technical requirements, bidder qualifications, and any other information considered relevant to the goods or services being acquired. Whenever possible, all specifications for materials, supplies, equipment and services shall be worded or designed so as to permit open and competitive bidding.
 - 2. The quantity or amount of articles or services required.
 - 3. The estimated cost of goods or services.
- D. Additional Purchasing Methods - In addition to the purchase requisition, other purchasing methods, such as the Procard and contract purchases may be available.
- E. Competitive Bidding and Specifications - All purchases valued at \$10,000 or more shall be based upon the principles of competitive bidding except as provided herein. Whenever possible, all specifications for materials, supplies, equipment and services shall be worded or designed so as to permit open and competitive bidding for the supplying of the articles, commodities or services to which they apply. Bid thresholds are set by the State of Tennessee to establish the minimum dollar amount for which any purchase of goods or services must be competitively bid. Currently the bid threshold is \$10,000.
- F. Bidding is required when the total purchase amount is \$10,000 or more. A minimum of three bids is required when the total purchase amount is \$10,000 to \$50,000. Departmental personnel may contact sources of supply for quotes when the amount of the total purchase is \$10,000 but less than \$50,000. Procurement Services will assist in the development of specifications and provide capable suppliers upon request. Procurement Services is also available to obtain the

bids. All bid information is to be attached as internal information on the purchase requisition in eBucs. If available, furnish with the purchase requisition such specifications, catalog pages, brochures, or other data as will provide an adequate basis for determining the quality and functional capabilities of the products being requested.

- G. Procurement Services will issue bids for goods and services \$50,000 or more.
- H. The University shall actively solicit bids from small, minority, service-disabled veteran, and woman-owned businesses in order to obtain a fair proportion of goods and services from such businesses, whenever possible.
- I. Non-Competitive Purchases - Goods and services over the bid threshold may be procured without competitive bidding only if such purchases are justified in writing and approved by the President or Purchasing Director or designee.
- J. Emergency Purchases - Requests for purchases of specific materials, supplies, equipment, or services may be made in the open market for immediate delivery only to meet bona fide emergencies arising from any unforeseen cause. The President or designee must approve all bona fide emergency purchase requests, and a written report on the circumstances of any such emergency justifying the purchase shall be prepared by the ordering department and maintained by the University. All emergency purchases shall, if practicable, be made on the basis of competitive bids.
- K. Contracts and Agreements - All contracts and agreements will be in conformance with ETSU policy **Contracts and Signature Authority** and other State requirements.
- L. Contracts \$250,000 and greater require approval by the President. Non-competitive contracts of \$250,000 or more and for a term greater than one (1) year require approval by the President, the Board of Trustees, and State of Tennessee Fiscal Review Committee. (Allow a minimum of 75 days prior to the effective date of the agreement).
- M. Prohibited Transactions - No personal items shall be purchased through the University or from funds of the University for any employee of the University or any relative of any employee. Personal gifts for employees cannot be purchased with university funds. Whenever any contract/purchase order is awarded to the contrary to this provision, the contract/purchase order shall be void and of no effect, and if the violation was intentional, the employee responsible for the purchase shall be liable for any state funds paid contrary to this provision.

V. **Procurement Cards**

- A. Procurement cards (Procards) are to be used only for authorized official institutional business.
- B. Procurement of goods or services shall be in compliance with this policy and the laws of the State of Tennessee.
- C. A complete record shall be maintained on each procurement transaction in order to provide a clear audit trail.
- D. The procurement card manual sets forth all processes and procedures for procurement card purchases to ensure that all transactions are in compliance with this policy and the laws of the State of Tennessee.
- E. Employee participation in the Procard program is considered a privilege and may be revoked at any time for abuse, inappropriate/fraudulent use, or for program mismanagement.

VI. **Examples of Purchases Not Allowed with University Funds -**

- A. Gifts and flowers except for officially sponsored events and student activities
- B. Personal purchases for employees or students
 - 1. Professional license fees
 - 2. Memberships and license fees examples: civic organizations or professional organizations

3. Subscriptions
4. Purchases for office use examples: decorations for private offices, coffee pots, microwaves, tissues, food, drinks, cups, plates, etc.

C. Employee awards/rewards

VII. **Allowed Transactions for Non-Employees with University Funds -**

- A. Honoraria
- B. Token of appreciation for service rendered - \$50 or less per person
- C. Incentives/Rewards for participating in research studies, surveys, or projects, or for attending events
- D. Promotional items for give-away in order to promote departments and departmental programs
- E. Gift cards: Non-employee and non-resident alien research participant payments are limited to a maximum of \$50 per payment and a total payment of less than \$600 to any one research participant. The department must retain a copy of the research participant name, address, social security number and signature acknowledging receipt of the gift card. Department must be able to show that all the gift cards were distributed. These records are subject to audit by university and State Audit. A request to purchase gift cards should be sent to Accounts Payable for a check to be issued to the vendor. University Procards cannot be used to purchase gift cards.
- F. Cash payments: Non-employee and non-resident alien research participant payments are limited to a maximum of \$50 per payment and a total payment of less than \$600 to any one research participant. Any individual research participant payment over \$50 must be processed through Accounts Payable via a check to the individual research participant. Complete the **Cash Payment to Research Participants form** and return it to Financial Services before any funds can be distributed. Research participant name, social security number, address and signature acknowledging receipt of the cash must be obtained. Differing from the use of gift cards, the petty cash receipts are returned to the Bursars Office when the petty cash account is closed out at the end of a grant or when the fund is replenished. The receipts are retained in the Bursars vault and are subject to audit by university and State Audit. Note: Whether gift cards or cash are distributed, a method of securing cards or cash is needed.

VIII. Receipt and Delivery of Materials

A. Central Receiving

1. University Purchase Orders and Procard orders specify the location to which orders are to be delivered. University Purchase Orders will normally be delivered to Central Receiving. Procard orders may be delivered to Central Receiving or directly to the department.
2. When deliveries are made to Central Receiving, employees of Central Receiving will:
 - a. Compare the number of cartons or packages with the shipping documents.
 - b. Inspect for visible damage; note damages on the shipping document and obtain the delivery driver's signature.
 - c. Compare the delivery to the purchasing information and make appropriate entries into the eBucs Purchasing System regarding purchase orders.
 - d. Prepare delivery documents.
 - e. Deliver the material or equipment to the appropriate department, and obtain a signature from the person accepting the delivery.
3. To maintain a safe campus environment delivery trucks are generally limited to Central Receiving vehicles. Most deliveries of goods will be made to Central Receiving.

B. When deliveries are made to the department, employees of the department will:

1. Compare the material or equipment received with the ordering records immediately upon receipt for conformity as to the specifications and quantity. The date received, quantity and condition of the items should be noted on the ordering records.
2. Report any deviation from specifications, shortages, damages, etc. to the purchasing agent in writing. The purchasing agent will initiate the communications with the vendor, except for apparent damage in transit, in which case the department should contact Central Receiving, who will file the proper claims with the vendor and shipper.
3. Complete records on all receiving reports shall be maintained in order to provide a clear audit trail on the receipt of all purchases.

IX. Surplus Personal Property

- A. Surplus property is personal property (not real property such as land or buildings) owned by the University which has been determined by a department to be obsolete, outmoded, unusable or no longer needed for which future needs do not justify the cost of maintenance and/or storage.
- B. In some instances, other University departments may want to utilize personal property declared surplus to the needs of another department. Items may be transferred between departments or to surplus property for disposal by accessing the Central Receiving site.

X. Payment of Invoices

- A. In order to make payment to an outside vendor, the Accounts Payable Section of the Procurement and Contract Services must have the original itemized invoice. Payments will not be made on a statement unless supported by itemized delivery tickets attached thereto. Invoices must not be approved and sent to Accounts Payable for payment until all of the items covered by the invoice have been received in good order. Some purchase order invoices will be received electronically through the eProcurement system.
- B. Vendors have the right to expect prompt payment by the University after delivery. Each department head is responsible to ensure that invoices are promptly processed for payment and a receipt is created through the eProcurement system when appropriate. Should an invoice not be within 30 days of receipt, the University may be required to pay interest on late payments which will be charged to the requisitioning department.

XI. Departmental Responsibility in Processing Payments - There are three methods for making payments to vendors. The departmental responsibilities are detailed for each of the methods below.

A. Pre-Approval of Invoices

1. Purchases made by purchase order generally will not receive a copy of the invoice. The Accounts Payable Office will ensure that the material has been received, and that the quantity and price on the invoice match that of the PO. Once this match has been established, the Accounts Payable Office will consider the invoice to be pre-approved and will make payment on the appropriate date.
2. It is the department's responsibility to ensure that the material is as ordered and is in good working order. Creation of a receipt through the eProcurement system, signifies receipt and acceptance of the items on the invoice. Any problems with an item should be reported to Purchasing immediately. Purchasing will freeze the purchase order until the issue can be resolved. This procedure will not be used for the following types of invoices: subscriptions or copiers with varying charges to several departments.

B. Invoices on which departmental approval is required

1. The invoice must be compared to the notation made on the purchase order at the time of delivery to ensure that the material has been received (See paragraph I.B. above). At the same time the unit price must be verified.
2. Extensions and additions on all invoices must be verified. If errors are noted, the purchasing department must be contacted for instructions in handling.

3. The requisitioner must affix his/her signature of approval on the invoice. Initials, rubber stamp or other facsimile is not permitted. If the purchase order number does not appear on the invoice, it must be written in a conspicuous place. If the invoice is not covered by a purchase order, the index number to be charged must be indicated directly on the invoice.

C. Payment for Procurement Card Transactions

1. The department user will receive a monthly summary statement from the bank that issues the procurement card. Any discrepancies are handled between the departmental purchaser and the vendors. If a particular transaction is in dispute, the departmental purchaser is to communicate directly with the bank. All procurement card records are to be maintained in the department.
2. Accounting will pay the bank on a monthly basis for all procurement card transactions, except those transactions in dispute.

XII. Approval of an Invoice for Payment

A. Approval of an invoice for payment certifies to Accounts Payable that:

1. The merchandise or service has been received, is acceptable and is in conformity to the purchase order,
2. That the index charged is the proper one and that funds are available to cover the expenditure.

EAST TENNESSEE STATE UNIVERSITY
CODE OF ETHICS IN PROCUREMENT AND CONTRACTING

I. The code of ethics was developed by East Tennessee State University, approved by the Board of Trustees, and shall be applicable to all ETSU employees who are primarily responsible for the purchase of goods or services for the institution.

A. Statement of Policy

1. Employees must discharge their duties and responsibilities fairly and impartially.
2. They also should maintain a standard of conduct that will inspire public confidence in the integrity of the institution.

B. General Standards of Ethical Conduct

1. Any attempt to realize personal gain through public employment, inconsistent with the responsible discharge of that public employment, is a breach of public trust.
2. Employees shall base all purchases on the principle of competitive bidding consistent with policies of the Board and the institution.
3. Employees shall grant all competitive bidders equal consideration, regard each transaction on its own merits, and foster and promote fair, ethical and legal trade practices.
4. Employees shall avoid misrepresentation and sharp practices, and demand honesty in sales representations whether offered through the medium of a verbal or written statement, an advertisement, or a sample of a product.
5. Employees shall be receptive to competent counsel from colleagues, and be willing to submit any major controversy through the appropriate appeals processes.
6. Employees shall accord prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
7. Employees shall not use without consent the original designs developed by a vendor for competitive purposes.

C. Conflict of Interest

1. It shall be a breach of ethical standards for any employee, in the performance of his or her official duties, to participate directly or indirectly in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter pertaining to any contract, or subcontract, and any solicitation or proposal thereof, in which to his or her knowledge:
 - a. he or she or any member of his or her immediate family has a substantial financial interest; or
 - b. a business or organization in which he or she or any member of his or her immediate family has a substantial financial interest as an officer, director, trustee, partner or employee, is a party; or
 - c. any other person, business, or organization with whom he or she or a member of his or her immediate family is negotiating or has an agreement concerning prospective employment is a party.
2. The determination of whether a substantial financial interest exists shall be based upon the criteria identified in TBR Policy No. 1:02:03:10, Conflict of Interest.
3. Direct or indirect participation shall include but not be limited to involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or in any other advisory capacity.

D. Gratuities

It shall be a breach of ethical standards for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment, in connection with any decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter, pertaining to any contract or subcontract and any solicitation or proposal thereof.

E. Contemporaneous Employment Prohibited

It shall be a breach of ethical standards for any employee who is involved in procurement to become or be, while such an employee, the employee of any party contracting with the particular governmental body by which the employee is employed.

Policy Title: Employee Performance Evaluation Procedures

Policy Type: Human Resources **New/revised:** Revised

Old Policy #: PPP-36

Approval level: Board of Trustees [Select box for appropriate level of anticipated final approval]

- President
- Vice President
- Other (specify here)

Purpose: To assist personnel in professional development and university goal achievement.

Policy:

I. General

- a. East Tennessee State University has a firm commitment to performance evaluation of university personnel, whatever their category and level, through the medium of a formalized system. The primary purpose of such evaluation is to assist personnel in professional development and in achieving university goals.
- b. The procedures outlined in this policy apply to every regular full or part-time, non-faculty University employee. Faculty evaluation and the Periodic Review of Administrators policy are addressed under separate programs. Evaluations for Temporary, Adjunct, Graduate Assistants and Student Workers are not conducted using this Procedures Guide.
- c. The University performs, submits, files, and manages the performance evaluations outlined in this document using the electronic eValuations System.

II. Objectives

- a. The formal performance evaluation system is designed to:
 - 1. Maintain or improve each employee's job satisfaction and morale by letting him/her know that the supervisor is interested in his/her job progress and personal development.
 - 2. Serve as a systematic guide for supervisors in planning each employee's further training.
 - 3. Assure considered opinion of an employee's performance and focus maximum attention on achievement of assigned duties.
 - 4. Assist in determining and recording special talents, skills, and capabilities that might otherwise not be noticed or recognized.
 - 5. Assist in planning personnel moves and placements that will best utilize each employee's capabilities.
 - 6. Provide an opportunity for each employee to discuss job problems and interests with his/her supervisor.
 - 7. Assemble substantiating data for use as a guide, although not necessarily the sole governing factor, for such purposes as wage adjustments, promotions, disciplinary action, and termination.

II. Responsibility

- A. The Director of Human Resources has the overall responsibility for the administration of the Performance Evaluation Program and will ensure the fairness and efficiency of its execution by:
 - 1. Maintaining the electronic eValuations System, and ensuring timely and appropriate access to the system for all applicable employees and supervisors.
 - 2. Ensuring electronic eEvaluation forms are completed by a specified date.
 - 3. Reviewing electronic forms for completeness.
 - 4. Identifying discrepancies.
 - 5. Ensuring proper safeguard of the eValuations System.
- B. Immediate Supervisor (Evaluator) is the employee's "evaluator" and has the responsibility for:
 - 1. Continuously observing and evaluating an employee's job performance.
 - 2. Holding periodic counseling sessions with each employee to discuss job performance.
 - 3. Completing electronic eEvaluation forms as required.
- C. Second Level Supervisor: The Second Level Supervisor is the "Evaluator's" supervisor and has the responsibility for:
 - 1. Reviewing the eEvaluation forms for accuracy and objectivity.
 - 2. Investigating and resolving any disagreement(s) between the supervisor and the employee.
- D. Directors/Deans/Vice Presidents: Within their respective areas will:
 - 1. Ensure the proper and timely completion of eEvaluation forms.
 - 2. Ensure that any conflicts identified have been resolved in a fair and equitable manner in accordance with existing regulations.

III. Procedures

- A. Job Descriptions: Immediate supervisors must provide each employee under their supervision a copy of the employee's official job description. Job descriptions should be updated on a regular basis to avoid inaccuracies. Revisions to job descriptions must be reviewed with the current incumbent to ensure the employee's acknowledgement and understanding of the changes and current job expectations. To update job descriptions for clerical/support and administrative/professional positions, supervisors should utilize the eJobs system to make minor changes; or for major changes supervisors should complete a new Position Classification Questionnaire, and submit the form through the proper signatory chain to the Office of Human Resources.
- B. Counseling Sessions between immediate supervisors and employees will be scheduled periodically. During these sessions, an open dialogue should occur which allows the exchange of performance oriented information. The employee should be informed of how well or how badly he/she has performed to date. In the case of derogatory comments, the employee should be informed of the steps necessary to improve performance to the desired level. Counseling sessions should include, but not be limited to, the following: job responsibilities, performance of duties, and attendance. A memorandum for record will be prepared following each counseling session and maintained by the supervisor.
- C. Annual Performance Evaluations will be prepared during the month of March for each employee having been employed six months or longer. The evaluation period will annually cover March 1st through the end of February of the following year. eEvaluation forms will be completed and electronically submitted through appropriate channels to the Office of Human Resources no later than March 31st of each year. Upon notification from the Office of Human Resources that the Annual Performance Evaluation period is open:
 - 1. The Immediate Supervisor will:

- i. Complete the electronic eValuation form as promptly as possible. The system will prompt you to complete all required fields.
 - ii. Discuss the eValuation with the employee emphasizing strong and weak points in job performance. Commend the employee for a job well done if applicable, and discuss specific corrective action if warranted. Recommendations should specifically state methods to correct weaknesses, and/or prepare the employee for future opportunities. Set mutual goals for the employee to reach before the next performance evaluation (Supervisors can utilize the eValuation Plan to record and maintain goals and objectives).
 - iii. The employee will electronically log-in to the eValuations system and add any written comments or a rebuttal if he/she desires. The employee will be prompted to return the evaluation to their supervisor for additional review/comments or they may "Acknowledge" the eValuation to move it forward to the Second Level Supervisor.
 - iv. Subsequent to the completion of this eValuation by the supervisor and review by the employee, revisions must be discussed by both parties. In addition, if changes in the form are made after the employee has electronically signed the form, the level of authority making the changes must notify the immediate supervisor and employee. The employee and supervisor can view changes directly in the eValuations System.
 - v. Forward the eValuation electronically through the appropriate approval chain. By submitting the eValuation while logged into your account in the System, you are providing your electronic signature.
 - vi. You do not need to retain a hard-copy of the evaluation form. The eValuations System serves as an archive for all evaluations, and may be accessed at any time by the supervisor and employee.
2. The Second Level Supervisor upon receipt will:
- i. Review the eValuation form for objectivity and accuracy. If the employee has stated that he/she disagrees with the evaluation, the Reviewing Official will attempt to resolve these disagreements prior to forwarding the eValuation form. Comments as to conflict resolutions are required.
 - ii. Electronically forward the eValuation form to Human Resources. By submitting the eValuation while logged into your account in the System, you are providing your electronic signature.
 - iii. The Director/Dean/Vice President will account for all eValuation forms in his/her area of responsibility.
3. C. Upon Human Resources' receipt of the completed eValuation form, it will be reviewed for completeness and accuracy. Any unresolved problems will be brought to the attention of the next line of authority. The completed forms are not filed in the employee's official personnel folder, but will remain permanently archived in the eValuations System.

IV. Probationary Evaluations

- A. New Employees serve a six-month Probationary Period of employment. In the first month of employment, the Office of Human Resources will send the new employee's supervisor an e-mail notification that a Probationary Evaluation has been generated in the eValuations system. Throughout the Probationary Period the supervisor and employee will receive email notifications from the system to complete the evaluation. The evaluation form must be electronically

completed and submitted through the appropriate signatory chain to the Office of Human Resources before the completion of the six-month probationary period.

- B. All newly appointed full-time and part-time regular administrative/professional and support employees are placed under a probationary period of six (6) months of observable performance. During this period, an employee may be terminated without prior notice. A probationary period also applies to an employee who is promoted, transferred or demoted to another position and a new employment contract is required.
- C. Supervisors should make effective use of the initial probationary period with employees. This period is an important time when employees demonstrate abilities to satisfactorily perform assigned duties and responsibilities. Supervisors are encouraged to provide appropriate training, coaching and mentoring for their employees during the probationary period. Employees should receive a written job description and should understand the position requirements and the standards of conduct expected.
- D. Dismissal During the Initial Probationary Period: At any time during an initial probationary period, an employee may be terminated without cause or right of appeal. However, supervisors must provide sufficient documentation to justify dismissal for review/approval through their signatory chain, the appropriate vice president, and the Director of Human Resources. No regular employee shall be terminated without final approval from the Chief Operating Officer. Supervisors are encouraged to contact the Director of Human Resources to discuss employee performance issues during the probationary period.

V. Traits to be Evaluated - The following is a guide which can be used in evaluating an employee's overall performance:

- A. Possesses the knowledge and skills to carry out all aspects of the job.
- B. Demonstrates ability to plan, organize and prioritize work.
- C. Holds self-accountable for assigned responsibilities; sees tasks through to completion and in a timely manner.
- D. Communicates effectively with supervisors and others.
- E. Ability to work independently and with a team.
- F. Reliability (attendance, punctuality, meeting deadlines).
- G. Attends to details in a dependable, conscientious manner.
- H. Produces accurate, thorough and reliable results.
- I. Effectively manages multiple tasks and responsibilities.
- J. Demonstrates fairness toward all subordinates.
- K. Promotes training and development for all employees.
- L. Identifies performance expectations, gives timely feedback.
- M. Delegates authority through clearly stated objectives.
- N. Understands and adheres to institutional Affirmative Action Plan regarding Goals and timetables, grievances/discrimination complaints, disseminating plans to their employees and following university guidelines.

VI. Pitfalls in Making Performance Appraisals

- A. The Isolated Incident - A rating should not be based on a few isolated performance incidents. When this is done, the rating is unfairly influenced by non-typical instances of favorable or unfavorable performances.
- B. The "Halo" Effect - The "Halo" effect occurs when one factor influences ratings on all factors. Examples: An employee's work is of good quality; therefore, other ratings (such as those on promptness or work quantity) are higher than normal. Another employee is frequently absent, with the result that the ratings on other factors are usually low.

- C. The "Cluster" Tendency - The tendency to consider everyone in the work group as above average, average, or below average. Some raters are considered "tough" because they normally "cluster" their people at a low level. Others are too lenient. "Clustering" overall ratings usually indicates that the rater has not sufficiently discriminated between high and low levels of performance.
- D. Rating the Job and Not the Individual - Individuals in higher-rated jobs are often considered superior performers to those in lower-rated jobs. This normally means that confusion exists between the performance appraisal and how the job has been evaluated.
- E. Length of Service Bias - There is a tendency to allow the period of an individual's employment to influence the rating. Normally, performance levels should be higher as an individual gains training and experience, but this is not always the case.
- F. Personality Conflicts - Avoid judgments made purely on the basis of personality traits. Effective, efficient employees do not necessarily agree with everything a supervisor believes in or states.

VII. Suggestions

- A. Consider the entire appraisal period. Try to enumerate high points and low points in performance, and then assign a rating that typifies the individual's normal performance. Do not attempt to assign a rating to a performance indicator and then create justification to support it. Be able to explain the reason for each rating.
- B. Rate each indicator independently. When evaluating more than one person simultaneously, it may be helpful to rate all employees' performances on one indicator rather than one employee's performance on all factors. Use the summary evaluation to give substance to individual factors.
- C. In a group of people in similar jobs, performance is likely to be spread over most performance categories. Review your own record as a rater. Check the tendency to be either "too tough" or "too lenient" in your appraisals.
- D. Consider how an individual is performing in relation to what is expected. Rate the person's performance, not importance of the job.
- E. Recognize that some people may never achieve top ratings, regardless of length of service. Watch closely the progress of newcomers and be ready to recognize superior performance if it is achieved.

VIII. Summary - It is incumbent upon each employee, regardless of level or category, to perform in an exemplary manner reflecting those principles and disciplines upon which this institution was founded. Used constructively, this program of performance evaluation can prove to be a valuable tool regarding individual career advancement, and result in increased productivity throughout all areas of this institution.

Policy Title: Consensual Romantic or Sexual Relationship Policy

Policy Type: Human Resources **New/revised:** New

Old Policy #:

Approval level: Board of Trustees [Select box for appropriate level of anticipated final approval]
 President
 Vice President
 Other (specify here)

Purpose: Evaluative Authorities have a distinct and prestigious role in the educational process at this university. This policy is meant to prevent any abuse of this special role – even unintentionally – and to protect all parties involved from being in a vulnerable position or from feeling pressure. Also, consensual relationships can lead to favoritism from the Evaluative Authority; others may believe that there is favoritism even if there is not.

Definitions:

Evaluative Authority: any person with authority over another individual (e.g. grading, employment, supervision, writing letters of recommendation, award/scholarship recognition, scheduling, or the ability to provide special consideration or treatment).

Consensual relationship: any intimate relationship when both parties consent and the relationship is of a romantic or sexual nature, whether that be dating, marriage, or another arrangement.

Policy:

The University prohibits a consensual relationship between an Evaluative Authority and any other individual over whom that person has a form of authority. Such a relationship implies a conflict of interest. Any consensual relationship that constitutes a potential conflict of interest must be reported to the Evaluative Authority’s supervisor by the Evaluative Authority. The conflict of interest must be resolved. If an Evaluative Authority fails to report, then the Office of Equity and Diversity will investigate and take action as appropriate.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Pilot Proposal for the Department of Social Work

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approval, pending approval by the committee

PRESENTED BY: BJ King, Acting Chief Financial Officer

The following proposal was discussed at the May 26, 2017 meeting of the Finance and Administration Committee and included on the committee's June 9, 2017 agenda for approval. In an effort to better serve the region, the Department of Social Work has proposed providing select out-of-state students with the in-state tuition/fee rate. The three-year pilot provides the in-state rate to those enrolled in the ETSU Baccalaureate program (BSW) in Virginia (currently, Abingdon) and to those in the Master's degree program (MSW) in both North Carolina (Asheville) and Virginia (currently, Abingdon).

**Proposal for a Pilot “In-State-Equivalent” Tuition Rate for Out-of-State Students
Living Beyond the Border Counties:
BSW and MSW Programming in Virginia and North Carolina**

Background

- ETSU's *Mission Statement* asserts that “Education is the university's highest priority.” It further elaborates that “the institution is committed to increasing the level of educational attainment in the state and region” and that it “honors and preserves the rich heritage of Southern Appalachia . . . and is actively engaged in regional stewardship.”
- ETSU's Strategic Plan includes a priority to have enrolled by 2026 (1) 18,000 students on-campus, on-line, or at a remote location and (2) 3,500 out-of-state and international students,
- ETSU is pursuing—as a growth agenda—a strategic priority that envisions expanding “the University's geographical footprint through revision of its tuition policy as it relates to out-of-state students”
- No department at ETSU has pursued more aggressively the goal of expanding ETSU's regional geographical footprint than has the Department of Social Work. Its commitment to the extended campus is represented by approved teaching sites where it offers programs in Kingsport, Sevierville, Abingdon, and Asheville.

Proposal for Pilot

- The Department of Social Work requests authorization to initiate a pilot program of “in-state-equivalent” tuition for all out-of-states students enrolled in the Department’s Baccalaureate and Masters programs at its approved teaching sites in Virginia and North Carolina.
- The *three-year pilot* would apply to *all students* enrolled in ETSU’s Social Work program cohorts and cost centers beginning with the Fall term (2017-18) and extending through the Spring term (2019-20).
- The pilot would apply to students in both the Baccalaureate program (BSW) in Virginia (currently, Abingdon) and to those in the Master’s degree program (MSW) in both North Carolina (Asheville) and Virginia (currently, Abingdon).

Rationale for Supporting Pilot

- The purpose of the pilot program is to provide a method for increasing applications and consequent admissions to both BSW and MSW programs at both locations by removing the financial *disincentive* prospective applicants *in the region* encounter when weighing their options about pursuing their education at ETSU as opposed to public or private universities in either of these non-Tennessee locations.
- It is particularly appropriate that the pilot involve Social Work because the department has an historical commitment to access.
- The added benefit of increasing ETSU enrollment in these areas is that of attracting an ever larger proportion of the available market, discouraging attempts by competing institutions to duplicate ETSU programming in our target areas by “soaking up” the most attractive applicants.
- Apart from programming costs to the department (each site—whether in-state or out-of-state—quite unique), our goals remain the same: (1) expanding the contributions offered by the Department of Social Work through its BSW and MSW programming to residents throughout and across our multi-state region, (2) reaching out to new populations of potential students as a method to overcome the geographic challenges mountains and distances provide, (3) generating revenue for ETSU and with that portion of revenue allotted to the Department of Social Work in order to expand the resource base from which it can address its mission, and (4) improving the quality and relevance of professional/academic programming on behalf of a region that desperately needs it.
- Additional indicators of success include development of additional programming sites (this primarily relating to Virginia) and/or implementation of additional dimensions of departmental programming (e.g., the introduction of elements of BSW programming in Asheville where none currently exists).
- **Caveat:** What is proposed here is *essentially a programming initiative rather than a careful, tightly controlled experimental study*. The purpose is not that of “studying” the effects of an experimental tuition for certain out-of-state students but rather that of concluding whether such an initiative can be successfully employed as part of a comprehensive effort to market BSW

and/or MSW educational opportunities toward the goals of achieving market dominance within our geographic/service region.

Evaluation of Pilot

- The 3-year period specified for this pilot is necessary for purposes of (1) communicating the competitive costs of our programming to prospective applicants (some of whom are still one or more years removed from being eligible to apply to our programs), (2) examining marketing, recruiting, admission, and capture dynamics as we expand the footprint of our programming into additional market areas of Virginia well beyond the “Border Compact” (e.g., the Wise or Richlands areas), and (3) providing sufficient data to enable some comparisons of market yield and relative revenue generation across pre- and active pilot periods.
- Success will be measured in terms of applications received, applications accepted, actual enrollments, “capture rate,” student retention and successful pursuit of graduation revenue generation. The Department will seek from those data to determine distinctive factors from out-of-state sites compared to Tennessee programming locations.
- Data on these same variables will also be compared for out-of-state programming locations only looking for significant changes between pre- and pilot implementation periods.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Pilot Proposal for the Department of Educational Leadership and Policy Analysis

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approval, pending approval by the committee

PRESENTED BY: BJ King, Acting Chief Financial Officer

The following proposal was discussed at the May 26, 2017 meeting of the Finance and Administration Committee and included on the committee's June 9, 2017 agenda for approval. In an effort to better serve the region, the Department of Educational Leadership and Policy Analysis has proposed providing in-state-equivalent tuition for faculty and staff of member institutions of the Community Colleges of Appalachia (CCA). The CCA is a voluntary association of public community colleges serving the common interests of member colleges and their communities through programs and services. The Appalachian Regional Commission is a sponsor of the CCA.

Proposal for a Pilot “In-State-Equivalent” Tuition Rate for Faculty and Staff of Member Institutions of the Community Colleges of Appalachia: Higher Education Graduate Programs

Background

- ETSU's *Mission Statement* asserts that “Education is the university’s highest priority.” It further elaborates that “the institution is committed to increasing the level of educational attainment in the state and region” and that it “honors and preserves the rich heritage of Southern Appalachia . . . and is actively engaged in regional stewardship.”
- ETSU's Strategic Plan includes a priority to have enrolled by 2026 (1) 18,000 students on-campus, on-line, or at a remote location and (2) 3,500 out-of-state and international students.
- ETSU is pursuing—as a growth agenda—a strategic priority that envisions expanding “the University’s geographical footprint through revision of its tuition policy as it relates to out-of-state students.”

- The Center for Community College Leadership (CCCL) at ETSU was established in 2016. It is committed to be the preeminent source for leadership training, both in the form of graduate degree credit instruction and professional development, for faculty and staff at community colleges in Tennessee and throughout Appalachia.
- The Community Colleges of Appalachia (CCA) is a voluntary association of public community colleges serving the common interests of member colleges and their communities through programs and services responsive to the unique cultural, geographic, and economic development challenges facing the region. The CCA footprint is that of the Appalachian Regional Commission, which represents portions of 13 states. The ARC is a sponsor of the CCA.

Proposal for Pilot

- The Department of Educational Leadership and Policy Analysis requests authorization to initiate a pilot program of “in-state-equivalent” tuition for faculty and staff of CCA member institutions enrolled in the Department’s graduate higher education programs: Master of Education in Student Personnel, Doctor of Education in Postsecondary and Private Sector Leadership, and Certificate in Community College Leadership.
- The designated graduate programs serve three levels of career and leadership development to address the needs of faculty and staff at different stages in their career: post-baccalaureate masters education; post-masters community college-specific certificate; and post-masters doctorate. It should be noted that the certificate program, which was launched in Fall 2016 as part of the CCCL proposal, is designed as a standalone credential or as a concentration of the Doctor of Education.
- The three-year pilot would apply to all eligible students enrolled in the designated programs beginning with the Fall term (2017-18) and extending through the Spring term (2019-20).

Rationale for Supporting Pilot

- The purpose of the pilot program is to initiate a collaborative relationship between ETSU and the CCA that will be of mutual benefit in fulfilling their respective missions. Other dimensions of the relationship will include the CCA executive director and CCA campus presidents serving on the advisory committee of the CCCL, and collaboration in the design and conducting targeted professional development events for faculty and staff.
- The pilot will advance the ability of CCCL to strategically serve and influence community college leadership in Appalachia.
- All instruction in the designated programs is online, which lessens the significance of students’ residence and physical location of instruction. It should be noted, however, that seminars, workshops, and symposia may be convened at ETSU or other locations as part of the programs.
- It also should be noted that the proposal anticipates that over time, faculty and staff from virtually every member college of the CCA could earn graduate credentials from ETSU. Current

membership of the CCA includes 68 institutions in states other than Tennessee; a list of the member institutions is appended to this proposal.

Evaluation of Pilot

- The three-year period specified for this pilot is an appropriate period from which to assess the effectiveness of marketing, recruiting, and admissions, as well as whether the expectations of the CCA are met successfully.
- Success will be measured in terms of applications received, applications accepted, actual enrollments, student retention, and successful completion.
- Continuation of this collaborative relationship beyond the pilot period will be subject to approval by ETSU and CCA.

Community Colleges of Appalachia Membership

Alfred State College	Wellsville	NY
Allegheny College of Maryland	Cumberland	MD
Asheville-Buncombe Tech. Comm. College	Asheville	NC
Ashland Comm. and Tech. College	Ashland	KY
Athens Technical College	Athens	GA
Belmont College	St. Clairsville	OH
Bevill State Community College	Jasper	AL
Big Sandy Community Tech. College	Prestonburg	KY
Blue Ridge Community College	Flat Rock	NC
BridgeValley Community and Technical College	South Charleston	WV
Butler County Community College	Butler	PA
Caldwell Community College and Technical Institute	Hudson	NC
Catawba Valley Community College	Hickory	NC
Central Alabama Community College	Alexander City	AL
Chattanooga State Community College	Chattanooga	TN
Cleveland State Community College	Cleveland	TN
Columbia State Community College	Columbia	TN
Community College of Beaver County	Monaca	PA
Communty College of Alleghany County	Pittsburgh	PA
Corning Community College	Corning	NY
Dabney S. Lancaster Community College	Clifton Forge	VA
East Mississippi Community College	Scooba	MS
Eastern Gateway Community College	Steubenville	OH
Eastern WV Community & Technical College	Moorefield	WV
Forsyth Technical Community College	Winston-Salem	NC
Garrett College	McHenry	MD
Georgia Northwestern Technical College	Rome	GA
Greenville Technical College	Greenville	SC
Gwinnett Technical College	Lawrenceville	GA
H. Council Trenholm State Community College	Montgomery	AL
Hagerstown Community College	Hagerstown	MD
Haywood Community College	Clyde	NC
Hazard Community & Technical College	Hazard	KY
Hocking Technical College	Nelsonville	OH
Isothermal Community College	Spindale	NC
Jamestown Community College	Jamestown	NY
Jefferson State Community College	Birmingham	AL
Kentucky Comm. & Tech. College System	Versailles	KY
Lanier Technical College	Oakwood	GA
Mayland Community College	Spruce Pine	NC
Maysville Community & Technical College	Maysville	KY
Motlow State Community College	Lynchburg	TN
Mountain Empire Community College	Big Stone Gap	VA

National Association for Community College Entrepreneurship	Springfield	MA
New River Community & Technical College	Beaver	WV
New River Community College	Dublin	VA
North Georgia Technical College	Clarksville	GA
Northeast Alabama Community College	Rainsville	AL
Northeast MS Community College	Boonville	MS
Northeast State Community College	Blountville	TN
Northwest-Shoals Community College	Muscle Shoals	AL
Patrick Henry Community College	Martinsville	VA
Pellissippi State Tech. Comm. College	Knoxville	TN
Pierpont Community Technical College	Fairmont	WV
Rio Grande Community College	Rio Grande	OH
Shelton State Community College	Tuscaloosa	AL
Somerset Community College	Somerset	KY
Southeast KY CTC	Cumberland	KY
Southern State Community College	Hillsboro	OH
Southern Union State Community College	Opelika	AL
Southern WV Community & Technical College	Mt. Gay	WV
Southwest Virginia Community College	Richlands	VA
Southwestern Community College	Sylva	NC
Spartanburg Community College	Spartanburg	SC
Tennessee Board of Regents	Nashville	TN
Tri-County Community College	Murphy	NC
Tri-County Technical College	Pendleton	SC
Virginia Community College System	Richmond	VA
Virginia Highlands Community College	Abingdon	VA
Wallace State Community College	Hanceville	AL
Walters State Community College	Morristown	TN
Washington State Community College	Marietta	OH
Western Piedmont Community College	Morganton	NC
Wytheville Community College	Wytheville	VA
Zane State College	Zanesville	OH

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Adoption of Audit Committee Charter

COMMITTEE: Audit Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Rebecca A. Lewis, CPA
Director of Internal Audit

With the State of Tennessee Audit Committee Act of 2005, a state governing board, council, commission, or equivalent body that has the authority to hire and terminate its employees shall create an audit committee. The specifications in TCA § 4-35-103 require that an audit committee develop a charter addressing the committee's purpose, powers, duties, and mission.

As outlined in TCA § 4-15-105, the responsibilities of the Audit Committee include “overseeing the university’s financial reporting and related disclosures, especially when financial statements are issued; evaluating management's assessment of the body's system of internal controls; formally reiterating, on a regular basis, to the state governing board, council, commission, equivalent body, or management and staff of the agency to which the audit committee is attached, the responsibility of the state governing board, council, commission, equivalent body, or management and staff of the agency for preventing, detecting, and reporting fraud, waste, and abuse; serving as a facilitator of any audits or investigations of the body to which the audit committee is attached, including advising auditors and investigators of any information the audit committee may receive pertinent to audit or investigative matters; informing the comptroller of the treasury of the results of assessment and controls to reduce the risk of fraud; and promptly notifying the comptroller of the treasury of any indications of fraud.”

MOTION: On the recommendation of the Audit Committee, I move adoption of the following Resolution by the Board of Trustees:

RESOLVED: The Audit Committee Charter is approved as presented in the meeting materials.

East Tennessee State University

Audit Committee Charter

I. Purpose and Mission

The Audit Committee, a standing committee of the East Tennessee State University Board of Trustees, provides oversight and accountability on all aspects of university operations. The committee will assist the Board in fulfilling its oversight responsibilities by reporting regularly to the Board about Audit Committee activities and issues that arise with such recommendations as the committee deems appropriate. The Audit Committee will provide for open communications among the Board, university senior management, and the Tennessee Comptroller's Office auditors regarding audit matters.

The Audit Committee will provide oversight in the following areas:

- A. Audit engagements with the Tennessee Comptroller's Office, including the integrity of financial statements and compliance with legal and regulatory requirements,
- B. Audit engagements with external auditors,
- C. Internal Audit administration and activities,
- D. Management's internal controls and compliance with laws, regulations, and other requirements,
- E. Management's risk and control assessments,
- F. The University's Code of Conduct,
- G. Fraud, waste, and abuse prevention, detection, and reporting, and
- H. Other areas as directed by the Board.

II. Authority

The Audit Committee has the authority to conduct or authorize audits or investigations into any matter within its scope of responsibility. The scope of internal auditing extends to all aspects of institutional operations and beyond fiscal boundaries. The committee is authorized to:

- A. Seek any information it requires from employees or external parties. Employees are directed to cooperate with the committee's requests,
- B. Have access to all books, records, and physical properties of East Tennessee State University,
- C. Meet with Board and institutional officials, external and internal auditors, legal counsel, or others as necessary, and
- D. Delegate authority to subcommittees, providing that such decisions by any subcommittee are presented to the full committee at its next scheduled meeting.

III. Responsibilities

The Board employs a person qualified by training and experience to serve as the Chief Internal Auditor, who reports directly to the Audit Committee. The Chief Internal Auditor coordinates audit activities with the Tennessee Comptroller of the Treasury and with any other appropriate external auditors. The Audit Committee facilitates any audit and investigative matters, including advising auditors and investigators of any information the committee may receive pertinent to these matters.

The Audit Committee will carry out the following duties for the Board and will report to the Board about Audit Committee activities and issues that arise with such recommendations as the committee deems appropriate:

A. Tennessee Comptroller's Office Audits (State Auditors)

1. Understand the scope and approach used by the State Auditors in conducting their examinations,
2. Review results of the Comptroller's examinations of financial statements and any other matters related to the conduct of the audits,
3. Review with management and legal counsel any legal matters (including pending litigation) that may have a material impact on the financial statements, and any material reports or inquiries from regulatory or governmental agencies,
4. Ensure that the Comptroller is notified of any indications of fraud in the manner prescribed by the Comptroller,
5. Resolve any differences between management and the Comptroller's auditors regarding financial reporting, and
6. Meet, as needed, with the Comptroller's auditors to discuss any matters that the Audit Committee or State Auditors deem appropriate.

B. External Audits

1. Understand the scope and approach used by the external auditors in conducting their examinations,
2. Review results of the external auditors' examinations and any other matters related to the conduct of the external audits, and
3. Meet, as needed, with the external auditors to discuss any matters that the Audit Committee or external auditors deem appropriate.

C. Internal Audit Activities

1. Ensure that the Chief Internal Auditor reports directly to the Audit Committee and has direct and unrestricted access to the chair and other committee members,
2. Review and approve the charter for the East Tennessee State University's Internal Audit department,
3. Review and approve the annual audit plans for East Tennessee State University's Internal Audit department, including management's request for unplanned audits,
4. Receive and review significant results of internal audits performed,
5. Work with East Tennessee State University management and Internal Audit to assist with the resolution of cooperation issues and to ensure the implementation of audit recommendations,
6. Review the results of the year's work with the Chief Internal Auditor, and
7. Assure compliance with *the International Standards for the Professional Practice of Internal Auditing (Standards)*, the Office of Internal Audit must implement and maintain a quality assurance and improvement program that incorporates both internal and external assessments.
 - a. Internal assessments are ongoing, internal evaluations of the internal audit activity, coupled with periodic self-assessments and/or reviews.

- b. External assessments enable the internal audit activity to evaluate conformance with the *Standards*; internal audit and audit committee charters; the organization’s risk and control assessment; the effective use of resources; and the use of successful practices.
- c. An external assessment must be performed at least every five years by an independent reviewer or review team.
- d. Results of the external assessment will be communicated to the Audit Committee and management.

D. Internal Audit Administration

- 1. Ensure the Chief Internal Auditor reports functionally to the Audit Committee of the Board and reports to the President for administrative purposes only.
- 2. Ensure that East Tennessee State University Internal Audit has adequate resources in terms of staff and budget to effectively perform its responsibilities.
- 3. Review and approve the appointment, compensation, reassignment, or dismissal of the Chief Internal Auditor, and
- 4. Review and approve the compensation and dismissal of campus internal auditors.

E. Risk, Internal Control and Compliance

- 2. Consider the effectiveness of the internal control system and compliance with laws and regulations, including computerized information system controls and security,
- 3. Understand the scope of internal and external auditors’ reviews of internal controls over financial reporting,
- 4. Make recommendations to improve management’s internal control and compliance systems to ensure the safeguarding of assets and prevention and detection of errors and fraud. The components of the control system are:
 - a. control environment—creating a culture of accountability;
 - b. risk assessment—performing analyses of program operations to determine if risks exist;
 - c. control activities—taking actions to address identified risk areas;
 - d. information and communication—using and sharing relevant, reliable, and timely information; and
 - e. monitoring —tracking improvement initiatives and identifying additional actions needed to further improve program efficiency and effectiveness.
- 5. Review and evaluate the enterprise risk management process performed by institutional management, and
- 6. Inform the Comptroller of the Treasury of the results of enterprise risk management process.

F. Fraud

- 1. Ensure that the Board and the institution have an effective process in place to prevent, detect, and report fraud, waste and abuse.
- 2. Establish a process for employees, taxpayers and other citizens to confidentially report suspected illegal, improper, wasteful, or fraudulent activity.
- 3. Inform the Comptroller of the Treasury of assessments of controls to reduce risks of fraud.
- 4. Promptly report indications of fraud to the Comptroller of the Treasury.

5. Facilitate audit and investigative matters, including advising auditors and investigators of any pertinent information received by the Audit Committee.

G. Other

1. Review and assess the adequacy of the Audit Committee's charter annually -, requesting Board approval for any proposed changes.
2. Ensure there are procedures for the receipt, retention, and treatment of complaints about accounting, internal controls, or auditing matters.
3. Review East Tennessee State University's code of conduct and/or policies regarding employee conduct to ensure that they are easy to access, are widely distributed, are easy to understand and implement, include a confidential mechanism for reporting code violations, are enforced, and include a conflict of interest policy.
4. Review East Tennessee State University's conflict of interest policy to ensure that the term "conflict of interest" is clearly defined, the policy is comprehensive, annual signoff is required, and potential conflicts are adequately resolved and documented.

IV. Independence

Each member shall be free of any relationship that would give the appearance of a conflict or that would interfere with his or her exercise of independent judgment.

Each member shall strictly adhere to the Code of Ethics for Appointed Board Members.

V. Meetings

- A. The Audit Committee shall meet as necessary, but at least annually, and also whenever requested by the chair of the Audit Committee or the Comptroller of the Treasury,
- B. The Audit Committee may invite Board management, auditors, or others to attend and provide relevant information,
- C. Meeting agendas will be provided to members in advance, along with appropriate briefing materials,
- D. The Board Secretary or their designee shall take minutes at each meeting of the Audit Committee and maintain approved minutes as the official record of such meeting,
- E. A majority of the members of the committee shall constitute a quorum for the transaction of business
- F. All meetings of the Audit Committee shall adhere to the Open Meetings Act, Tennessee Code Annotated Title 8, Chapter 44, except that pursuant to TCA § 4-35-108(b), the Audit Committee may hold confidential, nonpublic executive sessions for the sole purpose of discussing the following:
 1. Items deemed not subject to public inspection under Tennessee Code Annotated, Sections 10-7-503 and 10-7-504, and all other matters designated as confidential or privileged under state or federal law,
 2. Litigation,
 3. Audits or investigations,
 4. Information protected by federal law, and

5. Matters involving information under Tennessee Code Annotated, Section 4-35-107(a), where the informant has requested anonymity.

Approvals

Approved by: _____ Date: _____

David A. Golden
Chair of the Audit Committee

Approved by: _____ Date: _____

Scott Niswonger
Chairman of the Board

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Adoption of Internal Audit Charter

COMMITTEE: Audit Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Rebecca A. Lewis, CPA
Director of Internal Audit

The Office of Internal Audit adheres to the Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. To that end, the Office of Internal Audit has a charter which outlines the following, the Office's: purpose; authority and scope; role and responsibility; organizational status/reporting structure; audit standards and ethics; and how often the charter should be reviewed.

The proposed charter for the Office of Internal Audit has been reviewed and approved by the office staff and by the president.

MOTION: On the recommendation of the Audit Committee, I move adoption of the following Resolution by the Board of Trustees:

RESOLVED: The Internal Audit Charter is approved as presented in the meeting materials.

East Tennessee State University Internal Audit Charter

Introduction

East Tennessee State University is governed by a Board of Trustees, consisting of 10 members (the Board) as determined by state law. The Audit Committee is a standing committee of the Board. The Chief Internal Auditor reports functionally to the Audit Committee of the Board and reports to the President for administrative purposes. This reporting structure assures the independence of the internal audit function.

Purpose

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve East Tennessee State University management systems. Internal Audit helps East Tennessee State University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of management's risk management, control, and governance processes. Internal Audit assists East Tennessee State University's management in the effective discharge of their duties and responsibilities by evaluating activities, recommending improvements and providing other information designed to promote effective controls.

Assurance services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system, or other subject matter. The nature and scope of the assurance engagement are determined by the internal auditor. There are generally three parties involved in assurance services: (1) the person or group directly involved with the entity, operation, function, process, system, or other subject matter — the process owner, (2) the person or group making the assessment — the internal auditor, and (3) the person or group using the assessment — the user.

Consulting services are advisory in nature, and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client. Consulting services generally involve two parties: (1) the person or group offering the advice — the internal auditor, and (2) the person or group seeking and receiving the advice — the engagement client. When performing consulting services, the internal auditor should maintain objectivity and not assume management responsibility.

East Tennessee State University's management has the primary responsibility for establishing and maintaining a sufficient system of internal controls as well as the enterprise risk management process.

Authority and Scope

Internal Audit's review of operations may include the examination and evaluation of the effectiveness of all aspects of operations at East Tennessee State University. In the course of its work, Internal Audit has full and complete direct access to all East Tennessee State University books, electronic and manual records, physical properties, and personnel information relative to the performance of duties and responsibilities. All documents and information given to Internal Audit during their work will be handled in the same prudent manner that East Tennessee State University expects of the employees normally accountable for them.

Other than its work performed in conjunction with its quality assurance and improvement program, Internal Audit has neither direct responsibility for, nor authority over, any of the activities, functions, or tasks it reviews nor shall their review relieve others of their responsibilities. The internal auditors must maintain a high degree of independence and not be assigned duties or engage in any operations or decision making in any activities that they would normally be expected to review or evaluate as part of the normal audit function.

Role and Responsibility

The role of Internal Audit is to assist members of the organization in the effective discharge of their responsibilities. Meaningful internal auditing requires cooperation among Internal Audit, East Tennessee State University's administration, and the department being audited. In fulfilling their responsibilities, Internal Audit will:

- Comply with auditing standards established by the Institute of Internal Auditors to ensure the effectiveness and quality of the internal audit effort.
- Develop and implement audit plans after consultation with the President and the Audit Committee that respond to both risk and cost effectiveness criteria.
- Review the reliability and integrity of information, and the information technology processes that produce that information.
- Verify compliance with applicable policies, guidelines, laws, and regulations.
- Suggest policies and procedures or improvements to existing policies and procedures where appropriate.
- Provide audit reports that identify internal control issues and make cost-effective recommendations to strengthen control.
- Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability.

- Review institutional operations (financial and other) on an advisory basis to inform and assist management in the successful execution of their duties.
- Assist with audits or perform certain agreed upon procedures for external parties. External parties include but are not limited to audit offices of federal and state governments and related agencies.
- Review management’s risk assessment process and advise management on the reasonableness and propriety of the assessment.
- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.
- Demonstrate and promote appropriate ethics and values within the organization.
- Communicate activities and information among the board, internal auditors, external auditors and the administration.

Organizational Status/Reporting Structure

The Chief Internal Auditor reports functionally to the Audit Committee of the Board and reports to the President for administrative purposes.

The internal auditing services provided by Internal Audit are reported directly to the President and the Audit Committee of the Board. All audit work is summarized in timely written reports distributed to management to ensure that the results are given due consideration. In addition to management, reports or summaries are distributed to all members of the Audit Committee and to the State of Tennessee, Comptroller’s Office. Management is provided a discussion draft of the audit report prior to the report being issued. Internal Audit is responsible for following up timely on audit findings to ascertain the status of management’s corrective actions.

Audit Standards and Ethics

The Internal Audit function adheres to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity’s performance.

Periodic Review of Internal Audit Charter

This charter will be periodically assessed by the Chief Internal Auditor to determine whether the purpose, authority, and responsibilities defined in this charter are adequate to enable the internal auditing activity

to accomplish its objectives. The results of the periodic assessment will be communicated to the President and the Audit Committee.

President, East Tennessee State University

Date

Chief Internal Auditor, East Tennessee State University

Date

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Adoption of Policies

COMMITTEE: Audit Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Rebecca A. Lewis, CPA
Director of Internal Audit

The Board of Trustees is committed to the responsible stewardship of its resources. Management of the university is responsible for maintaining a work environment that promotes ethical and honest behavior. Additionally, it is the responsibility of management to establish and implement internal control systems and procedures to prevent and detect irregularities, including fraud, waste and abuse. Management at all levels should be aware of the risks and exposures inherent in their areas of responsibility, and should establish and maintain proper internal controls to provide for the security and accountability of all resources entrusted to them.

To that end, the two policies are considered by the Audit Committee related to the function of Internal Audit and preventing/reporting fraud, waste and abuse. The first policy, the Internal Audit Policy, addresses staffing, responsibilities of the internal audit function, audit planning and reporting on internal audit activities. The second policy, Preventing and Reporting Fraud, Waste, and Abuse, provides the university community with the guidelines on preventing and reporting such activities.

MOTION: On the recommendation of the Audit Committee, I move for adoption of the following Resolution by the Board of Trustees:

RESOLVED: The Internal Audit and Preventing and Reporting Fraud, Waste, and Abuse policies are approved as presented in the meeting materials.

Policy Title: Internal Audit

Policy Type: Finance/Administration

New/revised: Revised

Old Policy #: 4:01:05:00

Approval level: Board of Trustees [Select box for appropriate level of anticipated final approval]
 President
 Vice President
 Other (specify here)

Purpose: This policy addresses staffing, responsibilities of the internal audit function, audit planning and reporting on internal audit activities.

Policy:

I. General Statement

- A. The internal audit function contributes to the improvement of the institution's operations by providing objective and relevant assurance regarding risk management, control and governance processes to management and the Board of Trustees.
- B. Management is responsible for evaluating the institution's risks and establishing and maintaining adequate controls and processes.
- C. To provide relevant information, the internal audit activity will consider the goals of the institution, management's risk assessments and other input from management in determining its risk-based audit activities.

II. Internal Audit Standards

- A. Each internal audit function shall adhere to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics (TCA § 4-3-304(9)). The Institute of Internal Auditors, International Professional Practices Framework (IPPF), incorporates the definition of internal auditing, the *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics into one document. It includes the following definition of internal auditing:
 - 1. Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- B. Risk is the possibility of an event occurring that will have an impact on the achievement of an institution's goals and objectives.
 - 1. Risk is measured in terms of the impact an event may have and the likelihood that the event will occur.
 - 2. To optimize the achievement of the institution's goals and objectives, the Board of Trustees and management act to minimize the related risks by implementing reasonable procedures to control and monitor the risks.
- C. Governance processes are the combination of processes and structures implemented by the Board of Trustees to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

1. Examples of such processes include:
 - a. The organizational structure within an institution or a department;
 - b. Policies, guidelines and procedures instituted by the Board of Trustees or management to direct and control a particular activity such as maintenance fees or hiring practices; and
 - c. Preparation and review procedures for preparing reports such as annual financial statements or federal grant or financial aid reports.
- D. The IPPF includes attribute standards, which address the expected characteristics of organizations and individuals performing internal audit activities and performance standards, which describe the nature of internal audit activities and establish criteria to evaluate the performance of internal audit activities.
- E. To assure compliance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*, the Office of Internal Audit must implement and maintain a quality assurance and improvement program that incorporates both internal and external assessments.
 1. Internal assessments are ongoing, internal evaluations of the internal audit activity, coupled with periodic self-assessments and/or reviews.
 2. External assessments enable the internal audit activity to evaluate conformance with the *Standards*; internal audit and audit committee charters; the organization's risk and control assessment; the effective use of resources; and the use of successful practices.
 3. An external assessment must be performed at least every five years by an independent reviewer or review team.
 4. Results of the external assessment will be communicated to the Audit Committee and management.

III. Internal Audit Personnel

- A. The university shall employ at least two individuals with full-time responsibility as internal auditors.
- B. Internal Audit Staff
 1. Internal audit staff must possess the professional credentials, knowledge, skills, and other competencies needed to perform their individual responsibilities.
 2. The internal audit function collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.
 3. The Chief Internal Auditor must be licensed as a Certified Public Accountant or a Certified Internal Auditor, maintain an active license and annually complete sufficient, relevant continuing professional education to satisfy the requirements for the professional certification held.
 4. Other university auditors should annually complete sufficient, relevant continuing professional education to satisfy the requirements for their related professional certification or, at a minimum, forty hours of relevant continuing professional education annually.
 5. The Chief Internal Auditor should communicate concerns to management and the Audit Committee regarding the lack of sufficient resources to complete the objectives of an engagement or the audit plan.
 6. Such resources may include the need for additional personnel or personnel with specialized knowledge, such as those with knowledge of fraud, information technology or other technical areas.
- C. The appointment of the Chief Internal Auditor as recommended by the President is subject to approval by the Audit Committee (TCA § 49-14-102(a)).
- D. Compensation of the Chief Internal Auditor is subject to review by the Audit Committee.

- E. The termination or change of status of the Chief Internal Auditor (TCA § 49-14-102(b)) requires a majority vote of the Audit Committee.
- IV. Internal Audit Role and Scope
- A. Reporting Structure
 - 1. In accordance with TCA § 49-14-102(b) and the Board of Trustees Bylaws, the Chief Internal Auditor reports directly to the Audit Committee.
 - 2. This reporting structure assures the independence of the internal audit function.
 - B. The internal auditors' responsibilities include:
 - 1. Working with management to assess institutional risks and developing an audit plan that considers the results of the risk assessment.
 - 2. Evaluating institutional controls to determine their effectiveness and efficiency.
 - 3. Coordinating work with external auditors, program reviewers, and consultants.
 - 4. Determining the level of compliance with internal policies and procedures, state and federal laws, and government regulations.
 - 5. Testing the timeliness, reliability, and usefulness of institutional records and reports.
 - 6. Recommending improvements to controls, operations, and risk mitigation resolutions.
 - 7. Assisting the institution with its strategic planning process to include a complete cycle of review of goals and values.
 - 8. Evaluating program performance.
 - 9. Performing consulting services and special requests as directed by the Audit Committee or the institution's President.
 - C. The scope of internal auditing extends to all aspects of institutional operations and beyond fiscal boundaries. The internal auditor shall have access to all records, personnel, and physical properties relative to the performance of duties and responsibilities.
 - D. The scope of a particular internal audit activity may be as broad or as restricted as required to meet management needs.
 - E. Objectivity is essential to the internal audit function. Therefore, internal audit personnel should not be involved in the development and installation of systems and procedures, preparation of records, or any other activities that the internal audit staff may review or appraise. However, internal audit personnel may be consulted on the adequacy of controls incorporated into new systems and procedures or on revisions to existing systems.
 - F. Management is responsible for identifying, evaluating, and responding to potential risks that may impact the achievement of the institution's objectives. Auditors continually evaluate the risk management, internal control, and governance processes. To facilitate these responsibilities, Internal Audit will receive notices or copies of external audit reviews, program reviews, fiscally related consulting reports, cash shortages, physical property losses, and employee misconduct.
- V. Audit Plans and Activity Reports
- A. Internal Audit shall develop an annual audit plan using an approved risk assessment methodology.
 - B. At the beginning of each fiscal year, after consultation with the President and other institution management, Internal Audit will prepare an annual audit plan. The audit plan must be flexible to respond to immediate issues and will be revised for such changes during the year.
 - C. Audit plans and revisions will be reviewed and approved by the Audit Committee.
 - D. At the end of each fiscal year, Internal Audit will prepare an annual activity report of all significant audit services performed.
 - E. Annual activity reports and approved audit plans will be provided to the Comptroller's Office, Division of State Audit.
- VI. Audit Engagements

- A. Audit engagements will be planned to provide relevant results to management and the Audit Committee regarding the effectiveness and efficiency of processes and controls over operations. To ensure management's expectations are met, auditors will communicate with management regarding the objectives and scope of the engagement.
- B. In planning and during the engagement, auditors should consider and be alert to risks that affect the institution's goals and objectives, operations and resources. Auditors should consider risks based on the operations under review, which include but are not limited to the risk of financial misstatements, noncompliance and fraud.
- C. An audit work program will be designed to achieve the objectives of the engagement and will include the steps necessary to identify, analyze, evaluate and document the information gathered and the conclusions reached during the engagement.
- D. Working papers that are created, obtained or compiled by an internal audit staff are confidential and are not an open record (TCA § 4-4-304(9)).

VII. Communicating Audit Results

- A. A written report that documents the objectives, scope, conclusions, and recommendations of the audit will be prepared for audit engagements providing assurance to the Board of Trustees and management. Management will include corrective action for each reported finding.
- B. Internal Audit will perform audits to follow-up on findings or recommendations included in internal audit and investigation reports. For these follow-ups, a written report will be prepared for any findings or recommendations that have not been corrected and management will be asked to include a revised corrective action plan. For follow-ups in which corrections have been implemented, a memo will be placed in the working paper file documenting the reasons for the closure. In addition, Internal Audit will perform audits to follow-up on findings or recommendations included in State Audit reports and a written report will be prepared. The President, along with the Audit Committee, will be notified at the conclusion of a follow-up audit.
- C. A written report that documents the objectives, scope, conclusions and recommendations will be prepared for investigations resulting from allegations or identification of fraud, waste or abuse. As appropriate in the circumstances, management will include corrective action for each reported finding. In a case where allegations are not substantiated by the review and there are no other operational concerns to report to management regarding the review, the case may be closed by writing a memo to the working paper file documenting the reasons for closing the case.
- D. Reports on special studies, consulting services, and other non-routine items should be prepared as appropriate, given the nature of the assignment.
- E. All internal audit reports will be signed by the Chief Internal Auditor and transmitted directly to the President in a timely manner.
- F. The Chief Internal Auditor will present significant results of internal audit reports to the Audit Committee.
- G. The Chief Internal Auditor will provide a copy of each report to the Comptroller's Office, Division of State Audit.

VIII. Exceptions

- A. Any exceptions to the policy established herein shall be subject to the approval of the Audit Committee.

Policy Title: Preventing and Reporting Fraud, Waste or Abuse

Policy Type: Finance/Administration

New/revised: Revised

Old Policy #: 4:01:05:50

Approval level: Board of Trustees [Select box for appropriate level of anticipated final approval]
 President
 Vice President
 Other (specify here)

Purpose: The Board of Trustees is committed to the responsible stewardship of its resources. Management of the university is responsible for maintaining a work environment that promotes ethical and honest behavior. Additionally, it is the responsibility of management to establish and implement internal control systems and procedures to prevent and detect irregularities, including fraud, waste and abuse. Management at all levels should be aware of the risks and exposures inherent in their areas of responsibility, and should establish and maintain proper internal controls to provide for the security and accountability of all resources entrusted to them.

Definitions:

- Fraud - An intentional act to deceive or cheat, ordinarily for the purpose or result of causing a detriment to another and/or bringing about some benefit to oneself or others. Fraudulent activities may include, but are not limited to the following:
 - Theft, misappropriation, misapplication, destruction, removal, or concealment of any institutional assets or resources, including but not limited to funds, securities, supplies, equipment, real property, intellectual property or data.
 - Improper use or assignment of any institutional assets or resources, including but not limited to personnel, services or property.
 - Improper handling or reporting of financial transactions, including use, acquisitions and divestiture of state property, both real and personal.
 - Authorization or receipt of compensation for hours not worked.
 - Inappropriate or unauthorized use, alteration or manipulation of data, computer files, equipment, software, networks, or systems, including personal or private business use, hacking and software piracy.
 - Forgery or unauthorized alteration of documents.
 - Falsification of reports to management or external agencies.
 - Pursuit of a personal benefit or advantage in violation of the TBR Conflict of Interest Policy.
 - Concealment or misrepresentation of events or data.
 - Acceptance of bribes, kickbacks or any gift, rebate, money or anything of value whatsoever, or any promise, obligation or contract for future reward, compensation, property or item of value, including intellectual property.
- Waste - Waste involves behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary business practice given the facts and circumstances. Waste is a thoughtless or careless act, resulting in the expenditure, consumption, mismanagement, use, or squandering of institutional assets or resources to the detriment or potential detriment of the institution. Waste may also result from incurring unnecessary expenses due to inefficient

or ineffective practices, systems, or controls. Waste does not necessarily involve fraud, violation of laws, regulations, or provisions of a contract or grant agreement.

- Abuse - Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary business practice given the facts and circumstances. Abuse also includes misuse of authority or position for personal financial interest or those of an immediate or close family member or business associate. Abuse does not necessarily involve fraud, violation of laws, regulations, or provisions of a contract or grant agreement. (U.S. Government Accountability Office, Government Auditing Standards, July 2007.)

Policy:

I. Preventing Fraud, Waste or Abuse

A. Maintaining an Ethical Work Environment

1. Management is responsible for maintaining a work environment that promotes ethical and honest behavior on the part of all employees, students, contractors, vendors and others.
2. To do so, management at all levels must behave ethically and communicate to employees and others that they are expected to behave ethically.
3. Management must demonstrate through words and actions that unethical behavior will not be tolerated.

B. Implementing Effective Internal Control Systems

1. Management of the university has the responsibility to establish and implement internal control systems and procedures to prevent and detect irregularities, including fraud, waste and abuse.
2. Internal controls are processes performed by management and employees to provide reasonable assurance of:
 - a. Safeguards over institutional assets and resources, including but not limited to cash, securities, supplies, equipment, property, records, data or electronic systems;
 - b. Effective and efficient operations;
 - c. Reliable financial and other types of reports; and
 - d. Compliance with laws, regulations, contracts, grants and policies.
3. To determine whether internal controls are effective, management should perform periodic risk and control assessments, which should include the following activities:
 - a. Review the operational processes of the unit under consideration.
 - b. Determine the potential risk of fraud, waste, or abuse inherent in each process.
 - c. Identify the controls included in the process (or controls that could be included) that result in a reduction in the inherent risk.
 - d. Assess whether there are internal controls that need to be improved or added to the process under consideration.
 - e. Implement controls or improve existing controls that are determined to be the most efficient and effective for decreasing the risk of fraud, waste or abuse.
4. Most managers will find that processes already include a number of internal controls, but these controls should be monitored or reviewed for adequacy and effectiveness on a regular basis and improved as needed. Typical examples of internal controls may include, but are not limited to:
 - a. Adequate separation of duties among employees.
 - b. Sufficient physical safeguards over cash, supplies, equipment and other resources.

- c. Appropriate documentation of transactions.
 - d. Independent validation of transactions for accuracy and completeness.
 - e. Documented supervisory review and approval of transactions or other activities.
 - f. Proper supervision of employees, processes, projects or other operational functions.
 - C. Reviews of Internal Control Systems
 - 1. Audits or other independent reviews may be performed on various components of the internal control systems.
 - D. Internal Audit
 - 1. Internal Audit is responsible for assessing the adequacy and effectiveness of internal controls that are implemented by management and will often recommend control improvements as a result of this assessment.
 - 2. During an audit of a department or process, Internal Audit will also perform tests designed to detect fraud, waste or abuse that may have occurred.
 - E. External Audits
 - 1. The Tennessee Department of Audit, Division of State Audit, performs periodic financial audits of the university.
 - 2. One purpose of this type audit is to evaluate an institution's internal controls, which will often result in recommendations for control improvements.
 - 3. State Audit will also perform tests designed to detect fraud, waste or abuse that may have occurred.
 - F. Other Reviews
 - 1. Various programs may be subject to audits or reviews by federal, state or other outside agencies based on the type of program, function or funding.
 - 2. Although audits and reviews may include assessments of internal controls, the primary responsibility for prevention and detection of fraud, waste or abuse belongs to management.
 - 3. Therefore, management should take steps to review internal controls whether or not audits are to be performed.
- II. Reporting Fraud, Waste or Abuse
 - A. Responsibility for Reporting Fraud, Waste or Abuse
 - 1. Any official of any agency of the state having knowledge that a theft, forgery, credit card fraud, or any other act of unlawful or unauthorized taking, or abuse of, public money, property, or services, or other shortages of public funds has occurred shall report the information immediately to the office of the Comptroller of the Treasury (TCA § 8-19-501(a)), To ensure compliance with this statute, the university provides a means for employees and others to report such matters, which are subsequently reported to the Comptroller's Office.
 - a. Institutional administration with knowledge of fraud, waste or abuse will report such incidents immediately.
 - b. Others, including institutional management, faculty and staff with a reasonable basis for believing that fraud, waste or abuse has occurred are strongly encouraged to immediately report such incidents (TCA § 8-50-116).
 - c. Students, citizens and others are also encouraged to report known or suspected acts of fraud, waste or abuse.
 - d. Although proof of an improper activity is not required at the time the incident is reported, anyone reporting such actions must have reasonable grounds for doing so.

- e. Employees with knowledge of matters constituting fraud, waste or abuse, that fail to report it or employees who knowingly make false accusations may be subject to disciplinary action.
- B. Protection from Retaliation
 - 1. State law (TCA § 8-50-116) prohibits discrimination or retaliation against employees for reporting allegations of dishonest acts or cooperating with auditors conducting an investigation.
 - 2. The Higher Education Accountability Act of 2004 directs that a person who knowingly and willingly retaliates or takes adverse action of any kind against any person for reporting alleged wrongdoing pursuant to the provisions of this part commits a Class A misdemeanor.
 - C. Confidentiality of Reported Information
 - 1. According to TCA § 49-14-103, detailed information received pursuant to a report of fraud, waste or abuse or any on-going investigation thereof shall be considered working papers of the internal auditor and shall be confidential.
 - 2. Although every attempt will be made to keep information confidential, circumstances such as an order of a court or subpoena may result in disclosure.
 - 3. Also, if the university has a separate legal obligation to investigate the complaint (e.g. complaints of illegal harassment or discrimination), the university cannot ensure anonymity or complete confidentiality.
 - D. Methods for Reporting Fraud, Waste or Abuse
 - 1. Any employee who becomes aware of known or suspected fraud, waste or abuse should immediately report the incident to an appropriate departmental official. Incidents should be reported to one of the following officials or offices:
 - a. A supervisor or department head;
 - b. an institutional official;
 - c. University Counsel;
 - d. Human Resources;
 - e. the institutional internal auditor;
 - f. the Tennessee Comptroller of the Treasury's Hotline for fraud, waste and abuse at 1-800-232-5454.
 - 2. If the incident involves their immediate supervisor, the employee should report the incident to the next highest-level supervisor or one of the officials or offices listed above. Employees should not confront the suspected individual or initiate an investigation on their own since such actions could compromise the investigation.
 - 3. A department official or other supervisor who receives notice of known or suspected fraud, waste or abuse must immediately report the incident to the following:
 - a. President/Chief Financial Officer (or designee)
 - b. Internal Audit Office
 - c. Department of Public Safety (when appropriate)
 - 4. The President/Vice President or designee receiving such notice will immediately notify the Chief Internal Auditor regarding the acknowledged or suspected fraud or misconduct.
 - 5. The Chief Internal Auditor will notify the Comptroller of the Treasury of instances of fraud, waste, or abuse.
 - 6. After initial notification, the university should refer to applicable policies/guidelines related to institutional losses for additional reporting procedures.

III. Investigations/Actions

- A. Cooperation of Employees
 - 1. Individuals involved with suspected fraud, waste or abuse should assist with and cooperate in any authorized investigation, including providing complete, factual responses to questions and either providing access to or turning over relevant documentation immediately upon request by any authorized person.
 - 2. The refusal by an employee to provide such assistance may result in disciplinary action.
- B. Remedies Available
 - 1. The university will evaluate the information provided and make a determination concerning external reporting obligations, if any, and the feasibility of pursuing available legal remedies against persons or entities involved in fraud, waste or abuse against the institution.
 - 2. Remedies include, but are not limited to;
 - a. terminating employment,
 - b. requiring restitution, and
 - c. forwarding information regarding the suspected fraud to appropriate external authorities for criminal prosecution.
 - 3. In those cases where disciplinary action is warranted, the Office of Human Resources, Office of University Counsel, and other appropriate offices shall be consulted prior to taking such action, and applicable institutional and Board of Trustees policies related to imposition of employee discipline shall be observed.
- C. Resignation of Suspected Employee
 - 1. If the employee suspected of gross misconduct resigns, the investigation will continue despite the resignation.
 - 2. The employment records must reflect the situation as of the date of the resignation and the outcome of the investigation.
- D. Effect on Annual Leave
 - 1. An employee who is dismissed for gross misconduct or who resigns or retires to avoid dismissal for gross misconduct shall not be entitled to any payment for accrued but unused annual leave at the time of dismissal (TCA § 8-50-807).
- E. Student Involvement
 - 1. Students found to have participated in fraud, waste or abuse as defined by this policy will be subject to disciplinary action pursuant to the student disciplinary policy.
 - 2. The Vice President of Student Affairs (or designee) will be responsible for adhering to applicable due process procedures and administering appropriate disciplinary action.
- F. Confidentiality during Investigation
 - 1. All investigations will be conducted in as strict confidence as possible, with information sharing limited to persons on a “need to know” basis.
 - 2. The identities of persons communicating information or otherwise involved in an investigation or allegation of fraud, waste or abuse will not be revealed beyond the university unless necessary to comply with federal or state law, or if legal action is taken.
- G. Management’s Follow-up Responsibility
 - 1. Administrators at all levels of management must implement, maintain, and evaluate an effective compliance program to prevent and detect fraud, waste and abuse.
 - 2. Once such activities have been identified and reported, the overall resolution should include an assessment of how it occurred, an evaluation of what could prevent recurrences of the same or similar conduct, and implementation of appropriate controls, if needed.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Approval of the Minutes of April 24, 2017

COMMITTEE: Academic and Student Affairs

RECOMMENDED ACTION: Approve

PRESENTED BY: Bert C. Bach, Provost and Vice President for Academic
Affairs

The minutes of the April 24, 2017 meeting of the Academic and Student Affairs 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 April 24, 2017 meeting of the Academic and Student Affairs 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
ACADEMIC AND STUDENT AFFAIRS COMMITTEE

MINUTES

April 24, 2017
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Academic and Student Affairs Committee held its first meeting at 2 p.m. on Monday, April 24, 2017, in the President's Conference Room in Burgin Dosssett Hall on ETSU's main campus in Johnson City, Tennessee.

I. Call to Order

Dr. Linda Latimer, chair of the Academic and Student Affairs Committee, called the meeting to order.

Roll Call

Deputy Secretary Mr. Nathan Dugger called the roll. Committee members in attendance were:

Dr. Linda Latimer, chair
David Golden
Fred Alsop
Janet Ayers (via telephone)

Mr. Dugger told Chair Latimer she had a quorum.

Guests in attendance included: Joe Smith, University Relations; Dr. Wilsie Bishop, vice president for Health Affairs; Dr. Mike Hoff, associate vice president of Planning and Decision Support and chief planning officer; Dr. Bert Bach, provost and vice president of Academic Affairs; and Kristen Swing, University Relations (taking minutes).

Housekeeping Items

Mr. Dugger asked Trustee Ayers two questions in accordance with Tennessee Code 8-44-108 section (c)(3). He asked if Trustee Ayers was able to clearly hear the folks at the meeting so that she could participate. Trustee Ayers said she could hear. Those physically present at the meeting confirmed they could hear Trustee Ayers. Mr. Dugger also asked Trustee Ayers to identify any persons present in the room with her, to which she said no one was in the room with her.

II. Briefing Items

Chair Latimer explained that, due to the short timeline before the accreditation visit by the Southern Association of Colleges and Schools Commission on Colleges occurring May 15-17, it was necessary for the committee to meet in order to review and approve for recommendation to the full board agenda items related to faculty promotion and tenure, faculty rank and academic freedom.

Dr. Bert Bach provided an orientation to matters relevant to committee deliberations and actions that pertain to responsibilities set forth in bylaws. Dr. Bach reported that he met with Chair Latimer about two weeks ago and walked her through the presentation he was about to give to the entire committee. He said the presentation attempts to address how various actions and the university relate to the charge of this specific committee.

- A. Dr. Bach began by providing the committee's charge, which spans 14 areas of responsibility or oversight, including nine relating to Academic Affairs, three relating to Student Affairs and two relating to Athletics. (*Committee Charge, Section 5 of bylaws.*)
- B. Those areas fall under three vice presidents – Dr. Bert Bach; Dr. Wilsie Bishop, vice president for Health Affairs; and Dr. Joe Sherlin, vice president of Student Affairs. He shared with committee members organizational charts for each of those individuals.
- C. Dr. Bach noted that the Tennessee Higher Education Commission, in light of the governance change, has revised a number of policies related to academic programs, which were approved by the Board of Trustees at the inaugural meeting in March. THEC will be revising additional policies and ETSU will have to reflect those revisions in its policies.

The authorization for final approval of programs (changes to, creation of, etc.) is reflected in Tennessee code and THEC policy. Those actions are established through a series of protocols that Dr. Bach referred to as “what is” done currently and pointed out that the Board of Trustees will determine what “will be.” Dr. Bach noted that curricular matters, by policy, emerge from the faculty. Dr. Bach shared a matrix that depicts final authority for approval of academic policy or actions. The matrix shows various types of academic actions (in the left column) as well as the various bodies that consider the actions and where an action is approved. Dr. Bach noted that the Division of Student Affairs is developing a comparable matrix.

Trustee Golden asked a question regarding the matrix and who approves specific actions (for example, the Name/Title change for Program/Concentration) because it did not say “approves” anywhere. Dr. Bach explained that it is the last blue box on the line that indicates who makes the approval. (In the given example, he said the president would be the one to approve.)

- D. Dr. Bach explained that, as provost and vice president for Academic Affairs, he chairs the Academic Council. He provided the charge of the Academic Council as well as its membership. He said he also serves as staff for this committee. He noted that he served for 12 years staffing the equivalent of this committee for the Tennessee Board of Regents and, over that period of time, worked with a number of committee members and chairs.
- E. Different committees, Dr. Bach said, have different preferences on reports they want to see and ones they do not wish to see. He said he is presenting fairly common reports that existed at the TBR committee meetings but said it is up to this committee to determine if this is the information it wants to see or if there is other information it wants to review.
- F. Recurring reports typically reviewed by the TBR equivalent of this committee include items relating to accreditation and program quality in September (Regional Accreditation Status, THEC Quality Assurance Program Reviews, Licensure Exam Results, etc.); items relating to student outcomes, engagement and state funding implications in November (ETSU Outcomes Based Funding, Markov Chain Enrollment Projections, Student Engagement Review, Student Athlete Profile and Success Report, etc.); items pertaining to quality assurance funding in February (Quality Assurance Funding, etc.); and instructional profile and student success initiatives in April (Teaching Profile by time status and tenure status, etc.).

Second kinds of reports that are traditionally recurring include reports focused on enrollment, student success and Drive to 55 data. This includes items relating to retention, progression, graduation and the engagement profile. It also includes a faculty profile by type and credit hours produced. Dr. Bach noted that trustees might ask for things such as the teaching distribution (by course level, faculty type and/or by college).

There also traditionally have been ad hoc, or non-cyclic, reports provided to this type of committee. As examples, these might include updates on the potential Mountain States Health Alliance/Wellmont merger; information on the minors on campus policy being created; policies and procedures related to public forums on campus; and information related to emergency preparedness.

Trustee Golden asked, Who feels they own Goldlink? Referencing the customer orientation around Goldlink, Trustee Golden said he felt that affects Student Affairs and suggested this committee take some oversight of that, with the front-end user (student) in mind. He noted that nothing touches ETSU students more than Goldlink.

Trustee Golden also asked which committee owns Alumni. He said he has had a number of ETSU alumni asking him questions since he was appointed to the board. While he understood that alumni may not have been an area of focus for the TBR, he said he felt it was an area of opportunity that needed to belong to one of the Board's committees. Trustee Golden said he did not want it to fall through the cracks.

III. Adoption of Policies

Dr. Bach presented four policies: Tenure; Faculty Ranks and Promotion; Definition of Faculty and Types of Appointment; and Academic Freedom and Responsibility.

He said some members of the ETSU faculty were notified last year that they would be eligible for tenure. Those individuals began going through the review while ETSU was still under the TBR. Dr. Bach said there was particular concern that we did not change the review process on the people in this situation as governance is moved to the Board of Trustees. He said there must be a policy in place in this area for accreditation standards. He noted that these four policies are longstanding policies that currently reside in the faculty handbook and align with corresponding TBR policy. With the tenure policy in particular, Dr. Bach said it must be changed to indicate the Board of Trustees now awards tenure. He said changes to the policy are all minor editorial changes, essentially removing references to the TBR. There also were some hyperlinks that led to other TBR policies, so the verbiage of those sections were added to the policy rather than just a hyperlink to the sections. Given the fact that this is a very sensitive issue, Dr. Bach asked past president of the Faculty Senate Dr. Virginia Foley and current Faculty Senate President Dr. Susan Epps to review the policy and ensure no changes have been made. They went through it page by page and confirmed there were no substantive changes. The policy was then approved at Academic Council.

Dr. Bach recognized there may be parts of the policies that the Board of Trustees will want to change over time. While there are opportunities for improvement, he said it was important to be able to say that, to the extent possible, we are only proposing changes that indicate the Board of Trustees is replacing the TBR.

Trustee Alsop pointed out that as past president one of Dr. Foley's duties is controlling any editorial changes to the faculty handbook and noted that a committee, on which he served, looked at the policies.

Trustee Golden said it makes a lot of sense to him, with so much new happening right now, to not do more new than we need to, particularly around an issue as sensitive as tenure. He also aired his appreciation for the extra effort (in getting Drs. Foley and Epps to review) to provide assurance.

Dr. Bach noted that what he said about the tenure policy essentially applies to the other three proposed policies as well. He did point out that the Academic Freedom and Responsibility policy is noted in the meeting materials as being new, but said it was a mistake and should, like all the others, be noted as "revised."

Trustee Golden made a motion to recommend the adoption of the policies. It was seconded by Trustee Alsop and unanimously approved. The recommendation will now be presented to the full Board of Trustees for approval.

IV. Other

- A called Board of Trustees meeting is expected to take place in early May. Deputy Secretary Dugger indicated it was tentatively scheduled for May 12 at 9 a.m., however several committee members indicated potential conflicts with that date. Deputy Secretary Dugger said once the necessary committee meetings were scheduled, the called meeting of the full Board would be scheduled according to availability of trustees.
- Trustee Alsop asked for an update on the upcoming SACS accreditation visit. Dr. Bach said SACS has a template review document that indicates there will be meetings with the Board of Trustees as part of the visit, but noted the itinerary will be up to the SACS chair for the visit. Dr. Wilsie Bishop, having conducted several visits to other institutions for SACS, reviewed the process for team accreditation visits, particularly those initiated by a governance change. She said the team will want to know from the Board of Trustees if policies have been established and if those policies are being followed. She said the team typically looks at meeting minutes to ensure the Board of Trustees is focusing on policies and not the operation of the university. She said there will likely be at least one meeting with available trustees and that the team is interested in the processes trustees have gone through to be oriented. Dr. Bishop said there will probably be a president or chancellor of a university and the SACS vice president will definitely be part of the team. Dr. Bach noted that the current SACS vice president Dr. Cheryl Cardell is retiring soon but has agreed to staff the ETSU visit. Dr. Bishop added that the chair of the team coming to ETSU is the provost at Texas A&M.
- Chair Latimer encouraged all of the committee members to start sending information on what they want to look at in future meetings.

Chair Latimer adjourned the meeting at 2:54 p.m.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Approval of the Minutes of April 28, 2017 and
May 26, 2017

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: BJ King, Acting Chief Financial Officer

The minutes of the April 28, 2017 and May 26, 2017 meetings 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 April 28, 2017 and May 26, 2017 meetings 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

April 28, 2017
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Finance and Administration Committee held its first meeting at 2 p.m. on Friday, April 28, 2017, in the President's Conference Room in Burgin Dossett Hall on ETSU's main campus in Johnson City, Tennessee.

I. Call to Order

Mr. Steven DeCarlo, chair of the Finance and Administration Committee, called the meeting to order.

II. Roll Call

Secretary Dr. David Linville informed Chair DeCarlo he did not detect a physical quorum present; however a quorum does exist by the inclusion of those members participating by electronic means. In accordance with Tennessee Code 8-44-108 section (b) (2), Secretary Linville offered up to the committee the following circumstances that necessitated the reason for holding the meeting:

- ETSU will undergo an accreditation visit by the Southern Association of Colleges and Schools Commission on Colleges on May 15-17.
- It is necessary for the Finance and Administration Committee of the Board of Trustees to meet in order to review the committee charge and proposals with history of salary increases and fees on today's agenda to better understand the trustees' role prior to the visit by SACS.
- The prompt necessity of this committee's meeting did not provide adequate time for this committee's membership to make necessary arrangements to be physically present for a quorum.
- For these reasons, Secretary Linville contended that participation by a quorum of the committee for members by electronic or other means of communication is necessary.

Secretary Linville asked Chair DeCarlo that a motion be made and a roll call vote be taken for a determination on the necessity of holding the meeting. An affirmative vote, he explained, signifies that a necessity does exist for the meeting to proceed while a dissenting vote signifies that a necessity does not exist for the meeting to proceed.

Trustee Ron Ramsey made the motion that a necessity did exist for the meeting to proceed. It was seconded by Chair DeCarlo and received unanimous approval.

Trustees in attendance were:

Steven DeCarlo, chair (via WebEx)
Dorothy Grisham (via WebEx)
James Powell (via WebEx)
Ron Ramsey
Nathan Farnor (non-voting)

Guests in attendance included Dr. B.J. King, Acting CFO; Deputy Secretary Nathan Dugger; and Kristen Swing of University Relations (taking minutes).

III. Remarks by Secretary of the Board regarding telephonic meetings

Secretary Linville asked Chair DeCarlo and Trustees Powell and Grisham (all participating electronically) two questions in accordance with Tennessee Code 8-44-108 section (c)(3). He asked them if they were able to clearly hear the individuals in the President's Conference Room, to which they all said yes. He asked if trustees physically present could hear the three individuals electronically participating. Trustees Ramsey and Farnor affirmed. Secretary Linville also asked Chair DeCarlo and Trustees Powell and Grisham to identify any persons present in the room with them. Trustee Grisham said she was alone in her office. Trustee Powell said he was alone in his residence in Limestone, Tennessee. Chair DeCarlo said he was alone as well.

IV. Action Items

There were no action items on the agenda for the meeting. Chair DeCarlo pointed out there would be no voting on anything at this meeting.

V. Discussion Items

A. Committee Charge, Section 4 of Bylaws

Dr. B.J. King explained that the committee's scope of responsibility is comprised of 14 areas including approving and recommending to the full Board of Trustees the university operating budgets and student tuition and fee rates. She said the meeting would focus in three areas included in the committee's scope of responsibility:

1. Approve and recommend to the Board guidelines governing the administration's submission of a proposed annual operating budget and appropriations prior to their submission to other state agencies and officials.
2. Approve and recommend tuition and fee rates for adoption by the board.
3. Approve and recommend to the Board of Trustees any personnel policy matter requiring Board approval (i.e.: salary increases).

Dr. King said she did not have the budget documents for the committee today, but felt the meeting was laying the groundwork for the decisions that the group will have to make at its next meeting. At the next meeting of the committee, the budgets will be available for ETSU main campus, College of Medicine, College of Pharmacy and Family Practice.

Chair DeCarlo asked how far in advance of that meeting committee members will receive those documents for review. Dr. King said the university is supposed to submit its budget to the Tennessee Board of Regents one week from April 28. At that time, she said she

would have the information to bring forward to the committee. Dr. King said budget documents are ready for the College of Medicine, College of Pharmacy and Family Practice but the main campus budget is still being worked on. Next Friday (May 5), Dr. King said she would submit to the TBR, which is required for review of debt service coverage and technical correctness. TBR then submits the budgets to the Tennessee Higher Education Committee.

Dr. King said she hopes to be on a different timeline next year, with the Board of Trustees recommendation on tuition and fees being ready in March to go along with the student recruitment season.

B. Salary Increase History and Proposal for 2017-18

Dr. King explained that the university received Governor Bill Haslam's recommended budget in which he outline a 3 percent salary pool. The state's appropriation covers approximately 60 percent of what is needed for a 3 percent pool and ETSU must come up with the other 40 percent. In total, the 3 percent salary pool equates to \$3.3 million, with approximately \$2 million coming from Haslam and \$1.3 needed from the university. Dr. King said the only way to fund that is through an increase in tuition and fees. She pointed out that the Governor fully funded the College of Medicine and Family Practice pool and the College of Pharmacy does not receive state appropriations so it had to come up with the \$156,000 it would take for a 3 percent salary pool. The College of Pharmacy came up with the funds through a student fee increase.

Dr. King said it is very hard to receive a budget recommendation from the governor and not fund it because employees believe it will be funded. She said a committee on campus decides how salary increases are implemented. That committee recommended a 3 percent pool with institutional funding to make up the difference. That same committee recommended the funds be used for a 2 percent across-the-board increase with a minimum/floor of \$500 to take care of the employees at the bottom of the pay scale. The recommendation for the remaining 1 percent is that it be put in a pool to be allocated through a market equity increase. There would be a \$3,000 cap, meaning the largest payment out of that pool would be \$3,000, which would allow for more funds to be distributed to people in lower ranks. Dr. King said that committee's proposal was taken to ETSU President Brian Noland, who agreed with it and signed off on it.

Dr. King provided a document sharing ETSU's equity pay plan methodology. The document included data put together for the university's compensation plan. She said it is updated each year.

The committee, at its next meeting, will look at the proposal and vote on it to recommend to the full Board of Trustees at its June 9 meeting.

Trustee Grisham asked if this proposal is similar to what has been done in the past regarding the equity route. Dr. King affirmed that this is standard operating procedure and said the committee that reviews the methodology is not new to the university. Chair DeCarlo asked about the Board committee's role in the process versus the university

committee's role. Dr. King said Dr. Noland signed a document saying the TBR is not required to approve the recommendation of the institution's Market Salary & Equity Committee because there has been no change in methodologies. In the future, Dr. King said, if the university changes its methodology, it would go before the Board of Trustees for approval. She said the university does feel it needs to look at the methodology every year and decide if it needs to change.

Trustee Ramsey asked if the campus decides how to distribute the 1 percent. Dr. King said yes, adding that Human Resources does a lot of work to figure it out.

Dr. King said the plan is to implement in October with it being retroactive to July 1. Chair DeCarlo asked if that was normal and Dr. King said yes. She explained that the institution does not know what funding it will have until August because it is dependent on student fees. October has traditionally worked well for the payroll department and Human Resources has all the data by then. The equity portion takes data crunching and gets verified by both HR and Internal Review.

Chair DeCarlo made an observation that the governor is supporting his 3 percent pool with, in essence, 2 percent funding. Trustee Ramsey compared it to what the state does in K-12 school systems. He said, often, school systems have more teachers than the minimum required by the state, but the state only gives them money for the 3 percent for the minimum required. It is up to the school systems to decide if it will make up the rest or give a smaller salary increase to all of its teachers. Dr. King said that is how it works at ETSU as well. She said the university has the latitude to not go with the 3 percent pool, but it'd be very hard to tell employees that. She said she is even concerned that it may be being perceived as a 3 percent across-the-board salary increase rather than a 3 percent pool.

Trustee Powell said this is the time for this committee to learn how this process operates and not make any changes to it. Trustee Ramsey agreed, saying there are changes that they could recommend but this year, they should go with what they've got in front of them. Chair DeCarlo and Trustee Grisham agreed.

Dr. King said, in the future, it would be good to schedule a committee meeting later in the year where they bring in an HR person to walk through the whole thing.

C. History of Other Operating Expenses

Dr. King pointed out that salaries and benefits are the biggest expenses at the university. She provided a five-year comparative of operating expenses by natural classification and by functional/program classification. She said those are two different ways to look at the expenditures (Pages 14 and 15 of materials).

Dr. King addressed some variances seen on the Expenditures and Transfers by Natural Classification chart.

- A salary increase between 2011-12 and 2012-13, and another between 2012-13 and 2013-14, were related to across-the-board salary increases of

3 percent. She said all of the institution's restricted and grant funds also participated in the salary increase.

- The significant increase in benefits from 2011-12 to 2012-13 was due to a requirement to reclassify the university's graduate assistant tuition remissions as an employee benefit instead of being put in the scholarship line.
- A change in the benefits line from 2013-14 to 2014-15 was due to a change in the way the institution reported pensions. Dr. King said it was a huge shift required under governmental standards. She also said the State of Tennessee is one of the top five states in this country in the funding of pensions, noting that the pension fund is 93-97 percent funded. Trustee Ramsey compared that to Illinois, where the pension fund is 23 percent funded. In Tennessee, Ramsey said the fund is approaching \$40 billion and the state saw a 13 percent return on that last year. Chair DeCarlo said it was amazing the state has done that. Trustee Ramsey said in the 1970s, the state went to the TCRS system and almost everybody is in it.
- Chair DeCarlo asked about the maintenance and repair growth between 2012-13 and 2015-16. Dr. King said the university started working on maintenance projects that fell by the wayside in bad years and also got more state appropriations for those projects. Chair DeCarlo asked if it is going to be a big number for the next three to five years. Dr. King said we've got a lot of capital projects going on.
- Dr. King pointed out that utilities went down last year due to a cost decrease for natural gas.
- Dr. King said the institution had been depreciating buildings over 40 years, but decided it was more reasonable to depreciate them over 60 years, making for the decreased number in that line.

Dr. King addressed some variances seen on the Expenditures and Transfers by Function chart, pointing out that instruction is our No. 1 function on campus, as it should be. Trustee Farnor asked where benefits fall in and Dr. King said they fall under instruction.

D. History of Student Fees

Dr. King said that although we are severing from the TBR, we still are operating under the auspices of THEC. THEC, in the fall, came up with what they think the appropriation should be and what our tuition and fee increase should be for mandatory fees. That information is given to the governor's office and sets the stage for the governor to make his recommendation. Then we get the governor's budget and he may be above or below THEC's recommendation for the state appropriation. This year, the governor budgeted \$7 million more than THEC recommended, which meant a \$450,000 impact for ETSU. THEC waits for the legislative session to close and then comes out with a binding tuition limit, which is expected to occur on May 10 or May 11. The university must stay within that binding limit. Dr. King said we have been told this year their range is 0-4 percent, meaning the maximum increase in maintenance and mandatory fees would be 4 percent (calculated at 15 credit hours). Dr. King said if we went with the 4 percent increase that is still one of the lowest we have had in the last 25 years. In the last five years, the increase

at ETSU has been 3.2 percent in 2016-17; 4.3 percent in 2015-16; 5.9 percent in 2014-15; 7.8 percent in 2013-14; and 7.2 percent in 2012-13. Dr. King provided charts to show ETSU increases in maintenance and fees as compared to other Tennessee universities (Page 17 of materials).

Dr. King said she is proposing that, next year, this talk take place in February and is finalized in March. She said if we could come up with what our Board of Trustees wants by then, that allows prospective students to know what the tuition and fees will be to come to ETSU in the fall.

Dr. King said the university only gets revenue from two places: the state and from students. She said they are trying to keep costs as low as possible. She noted that a 1 percent tuition increase generates \$1.1 million. THEC expects a 2.7 percent inflation rate at the university, which would mean a 1.7 percent fee increase just to cover inflation. Then we need to come up with 40 percent of the salary pool. At a minimum, that means we need \$3.2 million from tuition and fees. The \$464,000 in additional appropriations gets us down to \$2.7 million that we need. The proposal brings in \$3.46 million, making the institution net better by \$750,000 on a \$200 million budget. Tuition increases proposed for the College of Medicine and College of Pharmacy are based on cost studies, Dr. King added.

With maintenance fees, there is a 3.17 percent increase. Last year it was a 2.5 percent increase. The 3.17 percent increase equates to \$111 per semester more.

E. Initial Review of Mandatory and Non-Mandatory Fee Requests

Mandatory Fee Requests

Dr. King shared a chart detailing mandatory fee requests (Page 20). She said all of them have been discussed with the Student Government Association's executive committee. She explained that leaders always ask the SGA for input when proposing mandatory fee requests. Dr. King pointed out that ETSU is one of the few schools without a facilities fee, which allows for a pool of funds for basic classroom and campus renovations (i.e.: upgrades to classrooms and sidewalk repair). The proposal is for a \$40 fee per term that will generate \$1.1 million. Existing fees for which increases are proposed include the technology access fee and the student activity fee. The technology access fee has not been increased since 2001. An increase of \$13 per semester is being proposed for the student activity fee, with \$7 for library operation, to have the library open 24 hours per day, five days a week, and \$6 for program expansion at the Center for Physical Activity. Dr. King said the executive staff has approved all three proposed mandatory fee increases and SGA has supported them.

Non-mandatory Fee Requests

Dr. King explained that when THEC does its binding limit process, those are things all students should pay. Non-mandatory fees are fees that students pay based on their program of study, specific courses they are taking, etc. Dr. King shared a chart outlining non-mandatory fee requests (Page 21 of materials). The first two items listed are not non-mandatory fee requests, but Dr. King wanted to address them.

The establishment of a credit card convenience fee is being recommended. Dr. King said the university has never done this before because TBR would not allow it. This would pass on credit card charges for online payments to the end user. Currently, the university eats the cost, to the tune of \$552,000 last year alone. \$500,000 of that, Dr. King said, is related to transaction fees. She pointed out that the University of Tennessee already does this. It reduces expenses the university is bearing. Trustee Ramsey agreed with the proposal saying it is not a cost the university can afford to eat.

Dr. King also addressed an increase to meal plans at a rate of 2.54 percent. This is in the contract the university has with Sodexo and while it will generate \$55,000, the university is really just a pass-through because that money goes to Sodexo.

Twelve non-mandatory fee requests are also proposed. They include increases to Appalachian Studies individual instruction; chemistry lab fees; geosciences field lab fee; applied music fee; computing specialized course fee; engineering technology course fee; graduate school application fee; online course fee and Global Sports Leadership cohort fee. New non-mandatory fees are being proposed in areas including Appalachian Studies recording lab; Communication and Performance; ensemble music; and exercise science cardiovascular testing and EKG.

Chair DeCarlo asked if the list includes only non-mandatory fees for which increases are being requested. Dr. King said yes and pointed out that others asked for increases but, this year, the institution went through structured budget hearings from major elements of campus. Groups presented wish lists to a budget advisory group and these fees percolated up through that process. Some were determined that could be paid for in another way, Dr. King said. She called the budget hearings process “the most thoughtful process we’ve had in place in a number of years.” Chair DeCarlo pointed out that this proposal included four new fees and 10 increases and asked how many other fees we charge. Dr. King was not sure of the exact number, but said she felt it was triple that many. Chair DeCarlo noted that this was a proposed increase of \$2 million in fees and he felt more time needed to be spent on the fee process. Trustee Powell said there were probably opportunities to reduce costs, but also noted that these are necessary items that the state will not fund. Trustee Powell also noted that ETSU is so much cheaper than a private school. Chair DeCarlo said it is the committee’s responsibility to understand the increase in fees in the aggregate and he was trying to look at the big picture, which is that fees are going up by \$2 million. He specifically pointed out the proposal for an increase in the online course fee and a portion of the justification for that fee being a Customer Relationship Management (CRM) for the entire campus.

F. Next Steps

Dr. King said the group needs to see what it is comfortable recommending. Chair DeCarlo said the committee needs to meet again before the June 9 full Board of Trustees meeting. He said May 26 was originally proposed, but with it being the Friday before the Memorial Day holiday, it might be better to look at a date before or after the holiday

weekend. He said staff will reach out to the group to see what is available for everyone. Trustees Ramsey and Grisham aired their preferences for morning meetings.

VI. Information Item

Dr. King let the committee know that state law was revised in 2015 to require local governments to establish an internal control manual for the institution. All of that is in flux with the severance from the TBR, but it is Dr. King's understanding that the university is required to have one each for the university, the Foundation and the Research Foundation. In the process of working those up, Dr. King will be bringing to upcoming meetings policies for the committee's review and approval. At the latest, the manual will be to the group by the June 9 meeting so it can be recommended for approval.

VII. Other Business

There was no other business.

Chair DeCarlo adjourned the meeting at 3:53 p.m.

Dr. B.J. King

Date
Acting Chief Financial Officer

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

May 26, 2017
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Finance and Administration Committee held a called meeting at 9 a.m. on Friday, May 26, 2017, in the President's Conference Room in Burgin Dosssett Hall on ETSU's main campus in Johnson City, Tennessee.

I. Call to Order

Mr. Steven DeCarlo, chair of the Finance and Administration Committee, called the meeting to order.

II. Roll Call

Secretary Dr. David Linville informed Chair DeCarlo he did not detect a physical quorum present but noted that a quorum did exist by the inclusion of those members participating by electronic means. In accordance with Tennessee Code 8-44-108 section (b) (2), Secretary Linville offered to the committee the following circumstances that necessitated holding the meeting:

- To review and approve fees on the agenda, review the budget proposal for 2017-18, and approve necessary policies and rules prior to the full Board of Trustees meeting on June.
- The prompt necessity of this committee's meeting did not provide adequate time for this committee's membership to make necessary arrangements to be physically present for a quorum.
- For these reasons, Secretary Linville contended that participation by a quorum of the committee for members by electronic or other means of communication is necessary.

Secretary Linville asked Chair DeCarlo that a motion be made and a roll call vote be taken for a determination on the necessity of holding the meeting. An affirmative vote, he explained, signifies that a necessity does exist for the meeting to proceed while a dissenting vote signifies that a necessity does not exist for the meeting to proceed.

Trustee Jim Powell made the motion that a necessity did exist for the meeting to proceed. It was seconded by Trustee Ron Ramsey and received unanimous approval.

Trustees in attendance were:

Steven DeCarlo, chair (via WebEx)
James Powell

Ron Ramsey

Absent committee members were:

Dorothy Grisham
Nathan Farnor

Guests in attendance included: ETSU President Brian Noland; Dr. B.J. King, Acting CFO; Board of Trustees Secretary Dr. David Linville; Deputy Secretary Nathan Dugger; Joe Smith of University Relations; Ramona Williams, vice provost for Enrollment; Quillen College of Medicine's Doug Taylor; Brian Henley, director of Admissions; Margaret Pate, associate vice president for Budget and Financial Planning; Kathy Feagins, director of the Scholarship Office; Gordon Anderson, dean of the College of Arts and Sciences; Dr. Rich Rhoda, interim dean of the College of Education (via telephone); WJHL reporter Will Morris; Johnson City Press reporter Nathan Baker; and Kristen Swing of University Relations (taking minutes).

Remarks by Secretary of the Board regarding telephonic meetings: Secretary Linville asked two questions in accordance with Tennessee Code 8-44-108 section (c)(3). He asked Chair DeCarlo (participating electronically) if he was able to clearly hear the individuals in the President's Conference Room, to which he said yes. He asked if the trustees physically present could hear Chair DeCarlo. Trustees Ramsey and Powell affirmed.

III. Approval of the Finance and Administration Committee Minutes of April 28, 2017

Trustee Powell made a motion to accept the minutes from the April 28, 2017, meeting of the Finance and Administration Committee. Trustee Ramsey seconded the motion and the minutes were unanimously approved via roll call.

IV. Adoption of Finance and Administration Policies

- a. Deposit and Investment of Funds
- b. Cash Receipts, Deposits and Petty Cash
- c. Collection of Accounts Receivable
- d. General Purchasing, Receipt of Materials and Payment of Invoices
- e. Employee Performance Evaluation Procedures

Dr. B.J. King, acting chief financial officer, explained that five policies related to Finance and Administration were before the committee for adoption, four of which are related to the finance side and one that is a Human Resources/Employee policy. She said that policies would be working their way through committees and the full Board of Trustees as part of the process of transitioning to a new governing structure. She noted that none of the policies presented had changed substantially and all had been reviewed by staff. Chair DeCarlo asked whether there would be more policies going forward. Dr. King affirmed, noting that staff was working as quickly as possible to move them through the process. She noted that the five presented to the committee would be placed on the June 9 agenda for approval by the full Board of Trustees.

Trustee Jim Powell made a motion to adopt the policies for recommendation to the full Board of Trustees. It was seconded by Ron Ramsey and unanimously approved by roll call vote.

Following the vote, ETSU President Brian Noland further explained that other policies would be coming out of the other board committees and would also be included in the agenda materials for the full Board of Trustees. He projected that these types of adjustments to policies would be coming to the Board of Trustees at every meeting for the next year. Dr. King added that staff has prioritized the policies, bringing forth the most critical policies first. Secretary Linville pointed out that after the initial round, policy changes will not have to go to the Board for approval unless they substantially change the policy.

V. Rule on Residency Classification

Dr. King explained that there are certain policies that are actually considered rules and must be taken as separate items by the committee. The Rule on Residency Classification, because it has a financial impact, was brought to the Finance and Administration Committee (rather than the Academic and Student Affairs Committee since it is a student policy). Quillen College of Medicine's Doug Taylor informed committee members that he has dealt with the current residency guidelines at ETSU since 1975 and noted there has been a problem with them since that time. He said they are very difficult to understand and interpret, and noted they have had to implement "rules of thumb" to deal with things in a fair and equitable way. With the change in governing structure, Mr. Taylor sat down with others at the institution to restructure and improve the rule. He said they clarified a number of definitions and made substantial changes to make it more understandable. He said the definitions from the old guidelines are from 1975. The proposed changes include adjustments to definitions of such words as "parent," "continued enrollment" and "emancipated person." The changes also removed referral to other Tennessee Board of Regents schools. The changes also introduced sections addressing those serving in the military and clarified what is considered "evidence" of residency. In further explaining a rule versus a policy, Secretary Linville noted that any policies that involve individuals who are not part of the ETSU community already are considered a rule. As such, a rule must be filed with the Secretary of the State and Attorney General's offices. Chair DeCarlo asked whether each of the former TBR universities will start to handle this differently, to which Secretary Linville said yes, noting that a lot of it is related to unique geographical locations. Trustee Powell made a motion to approve the Rule on Residency Classification. It was seconded by Trustee Ramsey and unanimously approved via roll call vote.

VI. Approval of 2017-2018 Salary Increase Proposal and April 2017 Equity Pay Plan Methodology

Dr. King explained that the committee had gone through the methodology in detail during its April 28 meeting at which time Dr. King showed the processes ETSU goes through to allocate funds put into place by the governor of Tennessee for pay increases. She reminded the committee that the recommended 3 percent pool will be partially funded by the state appropriations and partially funded by the university. As proposed, it will include a 2 percent across-the-board salary increase with a \$500 minimum increase. The remaining 1 percent will be used in an equity pool, with a \$3,000 maximum increase. Dr. King explained that the committee was being asked to approve the proposed pay methodology for the next fiscal year. Chair DeCarlo pointed out that the \$156,000 line on Page 47 listed under the College of Pharmacy should actually be a 0 and Dr. King affirmed. Trustee Powell made a motion to approve the pay methodology. It was seconded by Trustee Ramsey and unanimously approved by a roll call vote.

VII. Approval of Mandatory and Non-Mandatory Fee Requests

Dr. King explained that the institution is proposing a 3.97 percent increase in mandatory fees, which is within the Tennessee Higher Education Committee range and its cap of 4 percent. She noted that there is also a proposed 2 percent fee increase for the Quillen College of Medicine and a proposed 3 percent increase for the Gatton College of Pharmacy. In addition to the mandatory fee increases, Dr. King said a number of non-mandatory fee increases are being proposed that do not affect every student. The non-mandatory fees are fees such as course fees, lab fees or materials fees that students pay depending on the classes they are taking. They are additional fees placed on courses and programs that are more expensive to operate. Dr. King informed the committee that this is the methodology THEC prefers the university use in increasing fees. Trustee Powell made a motion to approve the mandatory and non-mandatory fee requests. It was seconded by Trustee Ramsey and unanimously approved by roll call vote.

VIII. Discussion Items

A. 2017-18 Budget Proposals

Dr. King provided a PowerPoint presentation titled “ETSU 2017-2018 Budget Proposal.” It included a review of the governor’s budget recommendations. The main campus total recommended increase is approximately \$4.3 million; the recommended increase for Quillen College of Medicine is \$1.5 million; and the recommended increase for Family Medicine is nearly \$400,000. The total for the university in increased state appropriations is \$6.3 million. The governor’s budget also included funding for capital, including \$17.25 million for Lamb Hall renovations and another \$8.7 million for capital maintenance projects. Dr. King briefly reviewed the salary improvements proposed and just approved by the committee. Going back to the Lamb Hall money, Trustee Ramsey asked whether the \$5.7 million match needed from the university was in the bank. Dr. Noland said no and noted that he had made the decision to hold off on initiating a fundraising campaign until after the state money was in hand.

Dr. King then discussed the Fall 2017 enrollment projection, which is based on an enrollment decline of 250 students. She said she is hopeful the decline will not occur, but noted the budget was based on that decline to remain conservative. Additional slides showed that we were in the middle of state institutions when it came to the amount of state appropriations awarded this year. Another slide indicated we consistently have stayed beneath the peer average for tuition and mandatory fees, peers being those across the nation. She also shared a slide that showed ETSU is consistent with other schools in Tennessee as far as mandatory fee increases last year. A recap of the tuition and fees proposal showed the increase for an undergraduate student at \$111 per term. In summary, Dr. King said that our proposed budget is balanced; the increase is one of the lowest in 20 years at the university; the institution’s unrestricted state funding is up \$3.4 million; and funding is being made available for faculty and staff salary increases.

Chair DeCarlo asked if, in the past, the university was able to know what other universities were doing as far as increases in tuition and fees. Dr. King said that will be a change with the new governance structure because, in the past, that was information the institution knew on the forefront and now it will not be verified until after ETSU has

made its decision on increases. She did, however, note that CFOs at the institutions are having weekly phone calls and discussing it.

In looking more closely at the main campus budget process, Dr. King noted that a budget call took place based on the ideas of what was going to happen over the next year. She said the institution is looking at \$6.5 million in additional revenues (from appropriation, fee increases) and deductions from an enrollment decline and expanded scholarship programming. She pointed out the main revenues for the institution, with the main drivers being tuition and fees at 65.07 percent and state appropriations at 27.08 percent. Other slides showed that non-mandatory fees are mostly course and materials fees; athletics is driving sales and services; the vast majority of grants and contracts are local (for example, University School); and housing is the largest auxiliary revenue.

In addressing the allocation of the \$6.5 million in net new funding, Dr. King explained that budget hearings and a lot of dialogue across campus helped to determine how it would be used. Most of the new money will go to invest in the people who work at the university, with \$3.3 million going to salary increases and \$2.7 million going to fund new positions, the majority of which are in instruction.

In terms of the expenditure budget, the largest expenses are instruction and student services.

In looking at the Quillen College of Medicine budget, Dr. King reported a revenue increase of \$1.8 million and an expenditure increase of \$731,000. She shared information related to the College of Medicine and MEAC revenue budget, noting that MEAC runs the institution's family practice groups and represents 42 percent of the revenue. State appropriations make up roughly 32 percent of the revenue and residents' participation makes up 14 percent of the revenue. Instruction, meanwhile, is the largest expenditure at 67 percent.

In looking at the Family Medicine budget, Dr. King reported a revenue increase of \$400,000 for the year. State appropriations represent 43.59 percent of the revenue budget and the largest expenditure is instruction (66 percent).

In looking at the Gatton College of Pharmacy, Dr. King noted that the pharmacy school is self-funded and receives no state appropriations. The Gatton College of Pharmacy has a revenue increase of \$173,000 and an expenditure budget decrease of \$101,000. The pharmacy school is almost entirely tuition and fee dependent and instruction is the No. 1 function.

Trustee Ramsey asked about the University of Tennessee's pharmacy school and its proposal brought to THEC recently. Dr. Noland said UT has brought to THEC a proposal in which out-of-state students within a 200-mile radius of any UT teaching site ultimately can pay \$10,000 less to attend UT than a Tennessee resident pays to go to the Gatton College of Pharmacy. The original agreement to create the Gatton College of Pharmacy indicated the school would be self-funded and receive no state appropriations. Committee

members indicated it may be time to reevaluate that original agreement as UT's policy takes effect for this year's incoming class. As UT drops its rates for out-of-state students, it becomes more attractive, Dr. Noland said. He also said ETSU is looking at proposing a base appropriation for the college of pharmacy of \$1.7 million to \$2 million. The proposal would need to be done in early fall to get it to the state and potentially included in the governor's budget announced in November 2017. Trustee Ramsey noted that the rules have changed and there is no reason not to do it. He also noted that a difference of \$10,000 per year to attend would mean it costs the average pharmacy student \$40,000 more to attend ETSU than UT for the four years of pharmacy school. The Gatton College of Pharmacy has a projected class size of 82. In the fall of 2016-17, there were 513 applicants that resulted in 169 offers extended to ultimately make up the class of 80 students. Dr. Noland emphasized the importance of ensuring a level of quality in the students selected to attend Gatton.

In summary of the budget process for the university, Dr. King said it was a lengthy and thorough process with low tuition increases recommended. She said the committee will have another meeting on June 9, prior to the full board meeting, where she hopes they will vote on the budget.

Chair DeCarlo asked a question about the Quillen College of Medicine budget's natural classification where it showed 21 percent for "other salaries." Dr. King explained that 21 percent represents salaries for residents and clerical support staff. Chair DeCarlo also asked about the possibility of attracting the 250 students that the institution has projected as an enrollment decline. Dr. Noland said that, for the past three years, enrollment has been within 20 to 50 students of the projection. He said staff is working toward flat enrollment, but noted that every indicator suggests enrollment will be down 200-250 students. However, he noted there is an unknown in the number of students who will transfer after completing Tennessee Promise. Dr. Noland said it would be very difficult to be down any more than what the enrollment decline the budget has been built upon.

B. Proposal for a Pilot In-State Equivalent Tuition Rate for Community Colleges of Appalachia

Dr. Richard Rhoda, interim dean of the College of Education, presented via telephone a proposal to create a three-year pilot program in which faculty and staff of Community Colleges of Appalachia member institutions can enroll in three graduate higher education programs for the in-state equivalent tuition cost. The three programs that would be involved in the program would be the Master of Education in Student Personnel; the Doctor of Education in Postsecondary and Private Sector Leadership; and the Certificate in Community College Leadership. All coursework in those programs is done online. Dr. Rhoda said this would hopefully bring out the best at ETSU and the Community Colleges of Appalachia organization. He said he has spoken with the seven Tennessee institutions that are part of the CCA as well as the TBR and all think this would be a great experiment. Dr. King said this would allow these individuals to go through the program and be charged an in-state rate. The university will then be able to pull data and see the performance of the programs in the pilot and the impact financially to the university. Trustee Ramsey asked if the only impact would be a positive one to which Dr. King said

that was the hope. Dr. Rhoda said enrollment would be modest at first, but hopefully would be 25 new students for a new cohort. Dr. Noland said the realization of 25 new students would equate to a net revenue of \$212,000 as a result of the pilot. Chair DeCarlo asked if this had been done anywhere else, but Dr. Rhoda said it may be new. Dr. Noland noted that being linked to the CCA provides an opportunity to help market the programs as the preferred programs of the organization. The proposal will be brought to the full board in June and will return to the committee in June as well.

C. Proposal for a Pilot In-State Equivalent Tuition Rate for Social Work BSW and MSW Programs in Asheville and Abingdon

Dr. Gordon Anderson, dean of the College of Arts and Sciences, presented on a proposal that would allow students enrolling in the BSW or MSW programs at ETSU sites in North Carolina and Virginia to do so at the in-state tuition rate equivalent even if they live beyond the region to do so. The idea would be that in-state tuition rate is given based on the students being enrolled at those sites rather than where they live. Both the MSW in Asheville and the BSW in Abingdon require students to work about 50 percent online and 50 percent on site. With cohorts of anywhere between 12-20 students, Dr. Anderson said adding another group at each location would mean the addition of 24-36 new students at ETSU. The three-year pilot program would help prevent ETSU from pricing itself out from getting out-of-state students, Dr. King said. Dr. Noland added that, the Board of Trustees will likely be presented with a holistic repackaging of out-of-state fees, likely next year, for consideration. The complete restructuring of out-of-state fees is in part a result of the state Promise programs being created in surrounding states.

IX. Other Business

There was no other business.

X. Adjournment

Chair DeCarlo adjourned the meeting.

Dr. B.J. King

Date
Acting Chief Financial Officer

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017
ITEM: President Emeritus Contract
RECOMMENDED ACTION: Approval
PRESENTED BY: David Linville, Secretary

In accordance with the Tennessee Board of Regents guidelines for President Emeritus employment, forms have been completed by Dr. Stanton and reviewed by Dr. Noland, certifying work performed during the 2016-17 fiscal year and the minimum number of hours performing the work. State law requires Board of Trustee approval for renewal of this President Emeritus contract. The certification and new contract for the 2017-18 fiscal year are included in the meeting materials for Dr. Paul E. Stanton, Jr.

Motion: I move to approve the certification and contract for Dr. Stanton, authorizing Dr. Noland to sign the President Emeritus contract for 2017-18.

**BOARD OF TRUSTEES
EAST TENNESSEE STATE UNIVERSITY**

**NOTICE OF PART-TIME EMPLOYMENT AND AGREEMENT
FOR PRESIDENT EMERITUS**

TO: Dr. Paul Stanton
1411 Walnut Grove Road
Jonesborough, TN 37659


This is to confirm your part-time appointment to a position approved by the ETSU Board of Trustees as President Emeritus of East Tennessee State University for a period beginning July 1, 2017 at a monthly salary of \$ 4,600.67, subject to the terms and conditions hereinafter set forth and our acceptance thereof:

1. This appointment is made subject to the laws of the State of Tennessee as well as the requirements and policies of this institution.
2. The term of this agreement is July 1, 2017 to June 30, 2018. It may be renewed on an annual basis following review of the emeritus work performed and approval by the ETSU Board of Trustees.
3. The above stated salary is contingent upon your successful completion of service for the full term of this agreement. The salary will accrue and will be payable monthly. In the event of failure to complete the specific terms of the appointment, salary will be prorated in accordance with the policies of the institution.
4. This appointment and the above-stated salary are in consideration of your faithful performance to the best of your ability of the duties and responsibilities assigned to you as a part-time employee of this institution. These duties include:
 - Orientation, consultation, and advisement to Dr. Brian Noland.
 - Fund raising for East Tennessee State University as needed.
 - Institution-community relations and activities for East Tennessee State University.
 - Consultation for East Tennessee State University.
5. As a part-time employee, you are not eligible for employment benefits (retirement credit, state insurance plan, annual or sick leave, holiday pay, or longevity credit). Notwithstanding, social security will be deducted from your paycheck unless you are a member of a retirement system or are a rehired annuitant as specified in 26 CFR Part 31.
6. This appointment does not include any assurance, obligation, or guarantee of subsequent employment.
7. This agreement may be terminated without prior notice.

8. By acceptance of this appointment, you agree to abide by the terms of the Drug-Free Workplace Act of 1988 as defined in published institution statements and policy. You also agree to notify the Office of Personnel of any criminal drug conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
9. You are required to notify the President should you become employed at another state agency/institution.
10. The following special conditions shall govern this appointment:

The retired employee accepts employment for up to 120 days during a 12-month period. The number of hours actually worked will be provided to the institution upon request and will be no less than 276 hours.

I accept the appointment described above under the terms and conditions set forth.

 <hr/>	<hr/>
APPOINTEE	DATE

<hr/>	<hr/>
PRESIDENT	DATE

<hr/>	<hr/>
CHAIR, ETSU BOARD OF TRUSTEES	DATE

During this fiscal year, I have performed the following functions:

- Consultation and advisement to Dr. Brian Noland
- Fund raising for East Tennessee State University as needed
- Institution-community relations and other activities for East Tennessee State University
- Consultation for East Tennessee State University

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Approval of 2017-18 Salary Increase Proposal and April 2017 Equity Pay Plan Methodology

COMMITTEE: Finance and Administration

RECOMMENDED ACTION: Approval

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

The appropriation in the Governor’s budget which is dedicated to a 3.0 percent salary pool is 60% of the funding needed because the university has other forms of funding available. This leaves an unfunded portion as shown below which has to be made up with an increase in fees to support the pool.

	\$ Needed for 3% Pool	Governor’s Proposed 3% Pool	Funded through Student Fees
Main Campus	\$3,305,500	\$1,983,300	\$1,322,200
Pharmacy	156,000	0	156,000
Total	<u>\$3,461,500</u>	<u>\$2,139,300</u>	<u>\$1,478,200</u>

The university has a Market Salary and Equity Committee that considers the Governor’s budget proposal, required institutional funding, the university salary history (Attachment A), makes a recommendation for implementation to the President each year (Attachment B), and updates the equity pay plan methodology (Attachment C).

The Finance and Administration Committee unanimously recommended approval of the 2017-18 Salary Increase Proposal and April 2017 Equity Pay Plan Methodology at its meeting on May 26, 2017.

MOTION: On the recommendation of the Finance and Administration Committee, I move adoption of the following Resolution by the Board of Trustees:

RESOLVED: The 2017-18 Salary Increase Proposal and April 2017 Equity Pay Plan Methodology is approved as presented in the meeting materials.

Attachment A
University Salary History

Year	Across the Board Increase			Equity Increase To Market		Service Bonus		
2017-18	(1)	2.0%	\$500 min	(2)	1% pool	\$3,000 ceiling		
2016-17		2.0%	\$500 min	(2)				
2015-16		2.0%	\$500 min	(2)	Pharmacy faculty only			
2014-15		0.0%						
2013-14		1.5%	\$250 min	(2)	4.25%			
2012-13		2.5%	\$750 min	(2)	8.50%	\$5,000 ceiling		
2011-12		3.0%	\$750 min	(2)			\$1,000.00	2 years + (3)
2010-11		0.0%			Pharmacy faculty only			
2009-10		0.0%						
2008-09		0.0%					\$400.00	3 years + (3)
2007-08		3.0%			12.50%		\$500.00	(3)

(1) Proposed 2% across the board increase with a \$500 minimum. The remaining 1% increase would apply through an equity increase with a \$3,000 maximum.

(2) Employees with annual performance evaluations which are either unsatisfactory or performance far below expectations do not participate in salary increases.

(3) Service bonus is prorated based on percentage of contract.

Attachment B
2017-18 Salary Recommendation and Approval



920 W Maple Street
Johnson City, TN 37614
P (423) 439-6593

Planning and Decision Support

April 24, 2017

To: Dr. Brian Noland, President ETSU
From: Dr. Michael Hoff, Chair Market Salary & Equity Committee
Re: 2017 – 2018 Salary Enhancement Recommendations

Dr. Noland,

Per the Equity Pay Plan, the Market Salary & Equity Committee is required to advise the university annually on the implementation of the equity plan. The Market Salary & Equity Committee met in-person Thursday 4.6.2017 and electronically the week of 4.17.2017 and did not have changes to the equity methodology as proposed for 2016 (attached). According to TBR guideline P-043, we do not need to seek approval from TBR this time since we are not recommending any changes to the methodology. Upon your approval, the ETSUBT Finance and Administration Committee will review and approve this methodology and the following recommendations, and forward to the ETSUBT for final approval for 2017-18. The ETSUBT will approve the salary enhancements as part of the budget. In regards to the distribution of the 3% salary pool, we have two recommendations:

1. We recommend 2% of the available pool be distributed in across the board salary enhancements with a floor of \$500
2. We recommend 1% (or the remainder of above whichever is greater) be distributed according the salary equity plan, with a cap of \$3,000

I have attached and updated version of the methodology to acknowledge the 2017-2018 period of implementation.

I approve this committee recommendation with the enclosed Equity Pay Methodology and forward to the Board of Trustees Finance and Administration Committee for approval and submission to the full Board:



Dr. Brian Noland, President ETSU

4-25-17

Date

Sincerely,



Michael Hoff, Chair Market Salary & Equity Committee

ETSU.EDU

East Tennessee State University
Equity Pay Plan Methodology
April 2017

ETSU is committed to providing competitive salaries and wages for faculty and staff. Due to budgetary limitations equity deficits have continued to increase.

Summary of the ETSU Salary Equity Plan:

1. In September 2000 the Tennessee Board of Regents (TBR) approved ETSU's Salary Equity Plan (three-phased plan).
2. In January 2001 Phase 1 was implemented (paid in 25 percent increments).
3. In July 2002 Phase 2 was implemented (paid in 25 percent increments).
4. Phase 3 of the Plan was scheduled for implementation in January 2003. Because of budget restraints Phase 3 was not implemented until October 1, 2004 (paid in 25 percent increments).
5. In October 2007 Equity implemented (paid in 12.5 percent increments).
6. In October 2010 Equity implemented for faculty only in the Gatton College of Pharmacy, a private entity.
7. In October 2012 Equity implemented (paid in 8.5 percent increments).
8. In October 2013 Equity implemented (paid in 4.25 percent increments).

On January 19, 2011 the University President established a Salary Equity Task Force to review the institutions then current (2010) Equity Pay Plan. The Task Force's charge was to review the current university salary equity plan and make recommendations for changes. Membership on the Task Force included the Vice President for Finance and Administration (chair); Vice President for Health Affairs/COO; Provost/Vice President for Academic Affairs; Director, Employee Relations, Compensation, and Development; three (3) members appointed by the Faculty Senate; and, three (3) members appointed by the Staff Senate. The Task Force met on a regular basis and completed its review in October 2011. In March 2013 updates were made to the Plan per discussions between the Vice President for Finance and Administration, senior leadership, and the Faculty Senate President, and approved by the University President. In November 2013 updates were made to the Plan per discussions with the Task Force and Faculty Senate, and approved by the University President. In March 2015 updates were made to the Plan per the recommendations from the Market Salary & Equity Committee, and approved by the University President. In March 2016 a minor wording, change was made to the Plan per the recommendations from the Market Salary & Equity Committee, and approved by the University President.

Administrative/Professional and Classified Staff

The ETSU Salary Equity Plan for administrative and classified staff made use of data supplied by the ETSU Bureau of Business and Economic Research (Rockmore Study). The Plan had completed its original three-year life span before the university could reach full implementation. To stay current with cost-of-living increases the university was required to increase the Rockmore study targets for Phase 2 and Phase 3 by 2.5% and 3% increments respectively. This procedure led to questionable data validity.

A new Equity Plan for administrative and classified staff was established and approved in 2005 and updated in 2012. Market targets for each classification/pay level are determined using a subscription to the web-based system "CompAnalyst Job Analyzer." The system allows current market data to be used to benchmark positions within the Equity Plan. The market target will be CompAnalyst's 60th percentile of the competitive market rate for each job (adjusted for 37.5 hours per week). The 50th percentile represents the data's midpoint.

Averaging targets for several positions within an ETSU pay level determine one market target for each pay level. Positions that are difficult to fill and are sensitive to market pricing, i.e., OIT analysts, public safety officers, research specialists, etc., are approved prior to advertisement to hire at a market rate. Because these positions are advantaged at hire and are close to or at full market target, they will not require individual targets within the equity plan.

ETSU Faculty (Academic Campus)

The Equity Plan for faculty will compare salaries to three sources and determine the "higher market target." All data is from CUPA-HR's current *Faculty in Higher Education Salary Survey*.

(1) Salaries are first compared to a CUPA-HR Data on Demand Report for ETSU Peer institutions. See Appendix A. (2) Salaries are then compared to a CUPA-HR Data on Demand Report for institutions matching the following criteria: Institutions that are classified as Public; Institutions classified at ETSU's CUPA-HR Budget Quartile; Institutions are not community colleges; Institutions are not "system offices" or similar units that do not actually offer instruction or award degrees; Peer Institutions; Institution is not ETSU. The listing may also include specific additional institutions recommended by departmental faculty, provided that these recommendations are justified on specific grounds of comparability to ETSU. See Appendix B. (3) Salaries are also compared to current national public data from the CUPA-HR *Faculty Salary Survey*, · Institution is not ETSU. The "higher market target" of the three sources is used as comparison data.

Faculty increases are based upon rank and discipline (4-digit CIP). Faculty are defined as those persons whose appointments are for a complete academic or fiscal year (to include Lecturers, Post-Doctoral Fellows, Visiting Professors, etc.) Market target will be 60th percentile data.

ETSU Library Faculty

When determining peer equity, the Committee acknowledges that Library faculty in peer institutions currently proposed in the Equity Plan perform comparable teaching/academic support roles to those at ETSU and are not professors offering instruction in the discipline of Library Science.

Intercollegiate Athletics

The Equity Plan will not include coaching or athletic training positions. Increases in salaries for these positions are approved through a separate TBR process.

Executive Staff

The Equity Plan for executive positions will compare salaries to three sources and determine the "higher market target." All data is from CUPA-HR's current *Administrators in Higher Education Salary Survey*. (1) Salaries are first compared to a CUPA-HR Data on Demand Report for ETSU Peer institutions. See Appendix A. (2) Salaries are then compared to a CUPA-HR Data on Demand Report for institutions matching the following criteria: Institutions that are classified as Public; Institutions classified at ETSU's CUPA-HR Budget Quartile; Institutions are not community colleges; Institutions are not "system offices" or similar units that do not actually offer instruction or award degrees; Peer institutions; Institution is not ETSU. The listing may also include specific additional institutions recommended by departmental faculty, provided that these recommendations are justified on specific grounds of comparability to ETSU. See Appendix B. (3) Salaries are also compared to current national public data from the CUPA-HR *Administrators in Higher Education Salary Survey*; Institution is not ETSU. The "higher market target" of the three sources is used as comparison data.

University High Faculty

In September 2003 the TBR approved a "Pay Plan for the University School." The plan brings ETSU University School faculty to parity with their Washington County contemporaries. Through this plan University School faculty are not eligible for equity, percentage, or across-the-board raises received by other university faculty.

College of Medicine (COM) Faculty

The Equity Plan for faculty compares salaries to the current Association of American Medical Colleges (AAMC), Southern Region data. Veteran's Administration (VA) and Medical Education Assistance Corporation (MEAC) salaries are added to ETSU salaries to determine a grand total salary. Deficits are paid in accordance with the percentage of time worked at ETSU versus the VA. Faculty increases are based upon rank and discipline.

College of Pharmacy (COP) Faculty

The Equity Plan for faculty will compare salaries to the current annually published, national faculty salary survey data published by the American Association of Colleges of Pharmacy. The market target will be 60th percentile data. The Plan will also review internal department and College equity. Faculty increases are based upon rank and discipline.

Post-Doctoral Administrative Staff

Post-doctoral administrative staff are hired in accordance with ETSU Policy PPP-65, *Postdoctoral Recruitment and Education Policy (Basic and Clinical Sciences)*, and are not eligible for equity payments.

Special Issues:

Stipend and At-Risk/Incentive Pay: The Equity Plan will remove stipend/at-risk payments from the base salaries of ETSU and College of Pharmacy faculty, and all administrators and support staff. College of Medicine faculty stipends remain in their base salary and are considered a necessary part of their total compensation for AAMC comparisons.

Longevity: Longevity payments will not be included in any employee base salary because longevity is considered a bonus payment for lengthy service and must be approved annually by the State Legislature.

Data Substitution: Senior Staff approval is required for use of faculty salary comparison sources other than the CUPA-HR databases specified in this policy.

Budget Considerations: The Equity Plan will be implemented yearly when the budget permits. Deficits will be paid in increments as the budget permits.

Appeal Process: Employees who disagree with their equity pay calculations may appeal in writing to the Office of Human Resources through their appropriate chain of command.

Plan Exclusions: Equity increases are not available for adjunct faculty, post retiree faculty, temporary employees, coaches, athletic trainers, medical school residents, graduate assistants, student workers, University School faculty, employees on terminal leave, and employees receiving an unsatisfactory annual evaluation.

Plan Implementation: The Market Salary & Equity Committee shall advise the University President on Plan implementation.

Appendix A (2016):

Ball State University IN
Central Michigan University MI
East Carolina University NC
Florida Atlantic University FL
Georgia Southern University GA
Indiana State University IN
Marshall University WV
Oakland University MI
Old Dominion University VA
Sam Houston State University TX
Southern Illinois University (Edwardsville) IL
Texas Woman's University TX
University of Arkansas at Little Rock AR
University of Missouri (Kansas City) MO
University of North Carolina at Charlotte NC
University of North Carolina at Greensboro NC
University of Northern Colorado CO
University of South Alabama AL
Wright State University (Main Campus) OH

Appendix B (2016):

Ball State University IN
Boise State University ID
Bowling Green State University OH
California Polytechnic State University-San Luis Obispo CA
California State University-Fullerton CA
California State University-Long Beach CA
Central Michigan University MI
City Colleges of Chicago IL
College of William & Mary VA
East Carolina University NC
Eastern Michigan University MI
Florida Agricultural and Mechanical University FL
Florida Atlantic University FL
Georgia Southern University GA
Grand Valley State University MI
Illinois State University IL
Indiana State University IN
James Madison University VA
Kent State University Main Campus OH
Louisiana State University Health Sciences Center LA
Miami Dade College FL

Middle Tennessee State University TN
Montana State University - Bozeman MT
Montclair State University NJ
Northern Arizona University AZ
Northern Illinois University IL
Oakland University MI
Old Dominion University VA
Portland State University OR
Sam Houston State University TX
Southern Illinois University Carbondale IL
Southern Illinois University Edwardsville IL
Texas State University - San Marcos TX
Texas Woman's University TX
The University of Akron, Main Campus OH
The University of Montana - Missoula MT
The University of Texas at El Paso TX
Towson University MD
United States Air Force Academy CO
University of Alaska Fairbanks AK
University of Arkansas at Little Rock AR
University of Arkansas Main Campus AR
University of California-Riverside CA
University of California-Santa Cruz CA
University of Idaho ID
University of Maryland Baltimore County MD
University of Massachusetts Medical School MA
University of Mississippi MS
University of Missouri - Kansas City MO
University of Nevada-Las Vegas NV
University of Nevada, Reno NV
University of New Hampshire NH
University of North Carolina at Charlotte NC
University of Northern Colorado CO
University of North Dakota Main Campus ND
University of Tennessee Health Science Center TN
University of Texas at Arlington TX
University of Texas at Dallas TX
University of Texas at San Antonio TX
University of Toledo OH
University of Vermont VT
University of Wyoming WY
Utah State University UT
Western Kentucky University KY
Wright State University Main Campus OH

Appendix B inclusions (additions based upon departmental faculty recommendations (2012/13/14) :

Additions in 2012:

Health Professions:

Midwestern State University TX
The Ohio State University OH
University of Nebraska Omaha NE
University of Alabama AL
University of South Alabama Mobile AL

Arts and Sciences:

Appalachian State University NC
University of North Carolina Asheville NC
Radford University VA
Morehead State University KY
Eastern Kentucky University KY
The University of Memphis TN

Additions in 2013:

Marshall University, WVA
Virginia Commonwealth University, VA
University of North Carolina-Greensboro, NC
University of North Carolina-Wilmington, NC
George Mason University, VA
Ohio University, OH

Additions in 2014:

University of Kentucky, KY

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Approval of Mandatory and Non-Mandatory Fee Requests

COMMITTEE: Finance and Administration

RECOMMENDED ACTION: Approval

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

Each fall, the Tennessee Higher Education Commission (THEC) reviews what the state's appropriation for higher education should be in the coming year. That information is provided to the Governor's Office allowing opportunity for the Governor and staff to review the needs of higher education as they finalize a budget recommendation for the Tennessee General Assembly.

This year, the Governor's budget proposal was above THEC's recommendation for the state appropriation. This year, the Governor budgeted approximately \$7 million more than the THEC recommendation for the state, which translates to a \$450,000 impact for ETSU. THEC waits for the legislative session to close and then provides a binding tuition limit to institutions. For 2017-18, the binding limit for tuition increase has been set at 4% for maintenance and mandatory fees.

In the last five years, the increase at ETSU has been 3.2 percent in 2016-17; 4.3 percent in 2015-16; 5.9 percent in 2014-15; 7.8 percent in 2013-14; and 7.2 percent in 2012-13.

Based on the Governor's budget proposal passed by the Tennessee General Assembly, the university staff recommended a fee increase in the context of the University's budget and enrollment projections for next year. Staff has proposed a 3.97% increase in mandatory fees, which is within the Tennessee Higher Education Committee range and its cap of 4 percent. This is the lowest increase by the University in 25 years. Additionally, the staff has proposed a 2% fee increase for the Quillen College of Medicine and a 3% increase for the Gatton College of Pharmacy. In addition to the mandatory fee increases, a number of non-mandatory fee increases are being proposed that do not affect every student. The non-mandatory fees are fees such as course fees, lab fees or materials fees that students pay depending on the classes they are taking. They are additional fees placed on courses and programs that are more expensive to operate.

At its May 26, 2017 meeting, the Finance and Administration Committee unanimously recommended a 3.97% mandatory fee increase in addition to increases in select non-mandatory fees as outlined in the meeting materials.

MOTION: On the recommendation of the Finance and Administration Committee, I move adoption of the following Resolution by the Board of Trustees:

RESOLVED: The mandatory fees for 2017-18 and non-mandatory fee requests are approved as presented in the meeting materials.

The history of student fees for the last five years is presented below with a comparison to the other Tennessee Locally Governed Institutions (LGIs) and the University of Tennessee system schools.

Requests for increases in fees are presented in Attachments D - H.

Maintenance Fees

	2012-13	% Incr	2013-14	% Incr	2014-15	% Incr	2015-16	% Incr	2016-17	% Incr
Austin Peay	\$5,694	4.2%	\$5,874	3.2%	\$6,198	5.5%	\$6,348	2.4%	\$6,522	2.7%
East Tennessee	5,922	8.3%	6,198	4.7%	6,630	7.0%	6,828	3.0%	7,002	2.5%
Middle Tennessee	5,898	6.8%	6,222	5.5%	6,552	5.3%	6,756	3.1%	6,930	2.6%
Tennessee State	5,772	5.6%	5,844	1.2%	6,198	6.1%	6,378	2.9%	6,528	2.4%
Tennessee Tech	5,748	4.1%	6,096	6.1%	6,474	6.2%	7,182	10.9%	7,380	2.8%
University of Memphis	6,978	8.2%	7,410	6.2%	7,410	0.0%	7,686	3.7%	7,860	2.3%
UT Chattanooga	5,722	6.0%	6,065	6.0%	6,430	6.0%	6,624	3.0%	6,768	2.2%
UT Knoxville ¹	7,802	8.0%	8,648	10.8%	9,493	9.8%	10,190	7.3%	10,858	6.5%
UT Martin ²	5,978	6.0%	6,336	6.0%	6,716	6.0%	6,918	3.0%	7,375	6.6%
University Average	\$6,168	6.5%	\$6,521	5.7%	\$6,900	5.8%	\$7,212	4.5%	\$7,469	3.6%

1 - The 2013-14 to 2016-17 maintenance rates for students admitted in the Fall 2013 or later at UT Knoxville are flat rates for 15 semester credit hours, regardless of the number of credit hours taken by the student. This policy was approved in 2012 by the UT Board for introduction in Fall 2013. Eventually, each class will be charged for 15 credit hours and tuition increases will be applied to cohorts. The rates represented here are weighted averages.

2 - The 2016-17 tuition rate for full-time students who have completed fewer than 60 credit hours is a flat rate for 15 hours a semester regardless of how many hours the student is enrolled in. Part-time students and full-time students who have completed more than 60 credit hours are charged a flat rate for 12 hours regardless of how many hours the student is enrolled in. The rates represented here are weighted averages.

Mandatory Fees

	%		%		%		%		%	
	2012-13	Incr	2013-14	Incr	2014-15	Incr	2015-16	Incr	2016-17	Incr
Austin Peay	\$1,224	0.0%	\$1,284	4.9%	\$1,264	-1.6%	\$1,453	15.0%	\$1,473	1.4%
East Tennessee	1,075	1.1%	1,345	25.1%	1,355	.7%	1,504	11.0%	1,597	6.2%
Middle Tennessee	1,594	6.4%	1,618	1.5%	1,636	1.1%	1,648	0.7%	1,660	.7%
Tennessee State	930	5.7%	930	0.0%	1,026	10.3%	1,039	1.3%	1,039	0.0%
Tennessee Tech	1,200	1.9%	1,287	7.3%	1,511	17.4%	1,171	-22.5%	1,171	0.0%
University of Memphis	1,256	0.8%	1,256	0.0%	1,563	24.4%	1,583	1.3%	1,637	3.4%
UT Chattanooga	1,490	12.9%	1,490	0.0%	1,708	14.6%	1,732	1.4%	1,776	2.5%
UT Knoxville	1,290	10.1%	1,414	9.6%	1,510	6.8%	1,758	16.4%	1,810	3.0%
UT Martin	1,103	2.3%	1,178	6.8%	1,308	11.0%	1,408	7.6%	1,408	0.0%
University Average	\$1,240	4.7%	\$1,311	5.7%	\$1,431	9.1%	\$1,477	3.2%	\$1,508	2.1%

Total Maintenance and Mandatory Fees

	%		%		%		%		%	
	2012-13	Incr	2013-14	Incr	2014-15	Incr	2015-16	Incr	2016-17	Incr
Austin Peay	\$6,918	3.4%	\$7,158	3.5%	\$7,462	4.2%	\$7,801	4.5%	\$7,995	2.5%
East Tennessee	6,997	7.2%	7,543	7.8%	7,985	5.9%	8,332	4.3%	8,599	3.2%
Middle Tennessee	7,492	6.8%	7,840	4.6%	8,188	4.4%	8,404	2.6%	8,590	2.2%
Tennessee State	6,702	5.6%	6,774	1.1%	7,224	6.6%	7,417	2.7%	7,567	2.0%
Tennessee Tech	6,948	3.7%	7,383	6.3%	7,985	8.2%	8,353	4.6%	8,551	2.4%
University of Memphis	8,234	7.0%	8,666	5.2%	8,973	3.5%	9,269	3.3%	9,497	2.5%
UT Chattanooga	7,212	7.3%	7,555	4.8%	8,138	7.7%	8,356	2.7%	8,544	2.2%
UT Knoxville ¹	9,092	8.3%	10,062	10.7%	11,003	9.4%	11,948	8.6%	12,668	6.0%
UT Martin ²	7,056	5.0%	7,514	6.5%	8,024	6.8%	8,326	3.8%	8,783	5.5%
University Average	7,406	6.1%	7,833	5.8%	8,331	6.4%	8,690	4.3%	8,977	3.3%

1 - The 2013-14 to 2016-17 maintenance rates for students admitted in the Fall 2013 or later at UT Knoxville are flat rates for 15 semester credit hours, regardless of the number of credit hours taken by the student. This policy was approved in 2012 by the UT Board for introduction in Fall 2013. Eventually, each class will be charged for 15 credit hours and tuition increases will be applied to cohorts. The rates represented here are weighted averages.

2 - The 2016-17 tuition rate for full-time students who have completed fewer than 60 credit hours is a flat rate for 15 hours a semester regardless of how many hours the student is enrolled in. Part-time students and full-time students who have completed more than 60 credit hours are charged a flat rate for 12 hours regardless of how many hours the student is enrolled in. The rates represented here are weighted averages.

	Maintenance Fee Per Semester					Revenue Generated	Justification
	2016-17		2017-18		Prior Increase		
	Actual	Proposed	\$ Increase	% Increase			
Undergraduate @ 15hrs	\$3,501	\$3,612	\$111	3.17%	2.50%		
UG Out of State	9,048	9,335	287	3.17%	2.50%	\$3,460,000	Unfunded salary pool \$1,322,200, scholarship increases with tuition, enrollment decline \$1.8M
Graduate @ 9hrs	3,996	4,123	127	3.18%	2.50%		
Grad Out of State	7,128	7,355	227	3.18%	2.50%		
College of Medicine M1, M2, M4	15,469	15,779	310	2.00%	3.00%	\$130,200	Cost study conducted
College of Medicine M3	20,574	20,986	412	2.00%	3.00%	\$59,400	Cost study conducted
College of Pharmacy	17,519	18,045	526	3.00%	3.00%	\$340,000	Cost study conducted

<u>Description</u>	<u>Current</u>	<u>Request Proposed</u>	<u>Increase</u>	<u>Student Exposure to Proposal</u>	<u>Prior Increase</u>	<u>Revenue Generated</u>	<u>Justification</u>	<u>Staff Rec.</u>
Facilities Fee	\$0	\$40/\$5 per hr	\$40/\$5 per hr	Discussed with SGA Executive Committee. Executive Committee was supportive of increase.	None	\$1,120,000	Create a designated pool for specific campus renovation or constructions projects including classroom enhancements and campus improvements.	Support
Technology Access Fee	\$112.50	\$120.50/\$15 per hr	\$8/\$1 per hr	Discussed with SGA Executive Committee. Executive Committee was supportive of increase.	Increased from \$100 to \$112.50 in FY2000-01	\$224,000	Upgrade network to facilitate increased online activity, and increase technology network access control security.	Support
Student Activity Fee	\$143	\$156/\$20 per hr	\$13/\$2 per hr	Discussed with SGA Executive Committee. Executive Committee was supportive of increase.	\$25/\$3 credit hr FY15-16 Culp operating	\$364,000	\$7 - Operation of Library 24/5, adding card swipes to monitor entry to building during late night operations, providing security for building during late night operations. \$6 - Expand programing at Center for Physical Activity for expanding intramural activity and outdoor adventure.	Support

Attachment F
Nonmandatory Fee Request

<u>Description</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Revenue Generated</u>	<u>Prior Increase</u>	<u>Justification</u>	<u>Staff Rec.</u>
Establish credit card convenience fee	\$0	2.75% of charges		Cost avoidance	N/A	Pass on credit card charges for online payments. Currently costing the university approximately \$500,000. Average charge is \$635, total charges are \$25M.	Support
Increase meal plans per Sodexo	\$1,675	\$1,718	\$43/silver plan	\$55,000	FY2015-16	Food Services is a 100% auxiliary enterprise operation in contract with Sodexo. The increase is 2.54% and is based on the consumer price index for Meals Away From Home. This increase is part of the contract with Sodexo to provide food service for the campus, including residential students.	Support
Increase Appalachian Studies individual instruction	\$150/credit hr	\$175/credit hr	\$25/credit hr	\$6,000 to \$8,000	Increased from \$100 /cr to \$150 one credit applied and \$250 for two-credit applied in FY2005-06	Support individual music instruction, purchase and maintenance of instruments	Support
Appalachian Studies recording lab fee	\$0	\$25/credit hr	\$25/credit hr	\$3,000 to \$5,000	N/A	Class sessions as well as assignments outside of class	Support
Chemistry lab fee	\$30/credit hr	\$40/credit hr	\$10/credit hr	\$8,000	Increased from \$25 to \$30 per lab course in FY2012-13	Will be used to meet the increasing costs of chemicals and glassware	Support
Communication and Performance class fee	\$0	\$5/credit hr	\$5/credit hr	\$15,000	N/A	To support costs of teaching materials, guest artist, debate and forensics support, recording	Support
Increase Geosciences field lab fee	\$35/flat	\$45/flat	\$10/flat	\$4,500	Established FY2013-14	To fund software and increased cost of field trips	Support

<u>Description</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Revenue Generated</u>	<u>Prior Increase</u>	<u>Justification</u>	<u>Staff Rec.</u>
Increase Applied Music fee	\$150/credit hr	\$200/credit hr	\$50/credit hr	\$20,000 to \$22,500	Increased from \$100 /cr to \$150 one credit applied and \$250 for two-credit applied in FY2005-06	Supplement payments to professional accompanists, increased cost of instruction, music instruments rental, care and replacements	Support
Ensemble Music Fee - excludes Marching Band	\$0	\$25/credit hr	\$25/credit hr	\$8,000	N/A	Ensemble music, attire and equipment needs	Support
Increase Computing Specialized Course Fee	\$10/credit hr	\$40/credit hr	\$30/credit hr	\$501,144	FY16-17 implemented fee	Continue to provide student support - faculty & staff salaries and benefits, student services, instructional resources, software, equipment and facilities improvement. Funding to support Assistant Professor in Cyber Security.	Support
Increase Engineering Technology course fee	\$20/credit hr	\$60/credit hr	\$40/credit hr	\$308,560	Established FY2009-10	Purchase and maintain needed equipment, purchase supplies needed for student laboratory experiences, and enhance student support services. Funding to support Assistant Professor in Manufacturing and Electronics.	Support
Exercise Science Cardiovascular Testing and EKG fee	\$0	\$20/student	\$20/student	\$4,400	N/A	To cover supplies related to this lab course as well as purchase and service of equipment for teaching use related to the course curriculum	Support
Increase Graduate School application fee	\$45/domestic \$55/international	\$55/domestic \$65/international	\$10/application	\$51,000	Domestic increase from \$45/55 in FY2016-17 FY11-12 \$10/application	Will be used toward the application system/CRM annual costs	Support

<u>Description</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Revenue Generated</u>	<u>Prior Increase</u>	<u>Justification</u>	<u>Staff Rec.</u>
Increase Online course fee	\$25/undergrad \$35/grad	\$40/undergrad \$50/grad	\$15/course	\$450,000	Undergraduate increased from \$13/cr to \$25 cr hr and Graduate increased from 19/cr to \$35 in FY2010-11	Increased costs, online growth initiatives and changes associated the TN eCampus. D2L increased price, WebEX costs, marketing increase and the securing of a Customer Relationship Management (CRM) for the campus.	Support
Global Sports Leadership cohort fee for academic cohort 18-19	\$575/cr hr in-state \$630/cr hr out-of - state	\$615/cr hr in-state \$670/cr hr out-of - state	\$40/credit hr	\$16,320	Established in FY2015-16	To cover the increased costs of the required student travel, increases in instructional costs, recruitment expense and increase in faculty salary and benefits.	Support

<u>Type of Fee</u>	<u>Campus Request</u>	<u>Revenue Generated</u>	<u>Prior Increase</u>	<u>Staff Rec.</u>
Residence halls	No change requested	\$ -	No change requested for FY17	Support
Apartments	No change requested	\$ -	No change requested for FY17	Support

Attachment H
Summary of Maintenance and Mandatory Fees

Appropriation <u>Unit</u>	Current Maintenance <u>Fee Per Year</u>	Current Other <u>Mandatory</u>	Total <u>Mandatory</u>	Requested Other <u>Mandatory</u>	Total Before Maintenance <u>Increase</u>	% increase Before <u>Maint Inc</u>	Projected Maintenance <u>Increase</u>	Total <u>Increases</u>	Projected Total <u>Mandatory</u>	% Increase for Total <u>Mandatory</u>
ETSU Undergrad	\$ 7,002	\$1,669	\$ 8,671	\$122	\$ 8,793	1.4%	\$ 222	\$ 344	\$ 9,015	3.97%
COM M1, M2, M4	30,938	2,009	32,947	122	33,069	0.4%	620	742	33,689	2.25%
COM M3	41,148	2,672	43,820	122	43,942	0.3%	824	946	44,766	2.16%
COP	35,038	1,434	36,472	122	36,594	0.3%	1,052	1,174	37,646	3.22%

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: 2017-18 Budget Proposals

COMMITTEE: Finance and Administration

RECOMMENDED ACTION: Approval

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

At its May 26, 2017 meeting, the Finance and Administration Committee discussed in detail the 2017-18 budget proposals for the university. The budgets were scheduled for approval by the committee at its June 9, 2017 meeting.

The university embarked on a new budgeting process for 2017-18 with the implementation of a new strategic plan for the institution. With the establishment of the Board of Trustees, the university sought to implement a consultative process for developing budget recommendations to the Trustees. The process this past spring involved transparent budget hearings and the establishment of a Budget Advisory Committee by the president. The purpose of the budgeted process is to:

- Align budget and resources with the University's strategic plan, mission, vision, and goals
- Provide a multi-year plan that is reviewed and updated regularly
- Reflect differences and varying needs across diverse units
- Promote fiscal responsibility
- Engage and involve the entire ETSU community, thereby enhancing communication
- Promote collaboration among academic and administrative units
- Allow for the public presentation of budget priorities
- Assure transparency in decision making
- Follow an annual calendar and timeline
- Provide a venue to evaluate and prioritize budget proposals from across the University for which there are limited resources

MOTION: On the recommendation of the Finance and Administration Committee, I move adoption of the following Resolution by the Board of Trustees:

RESOLVED: The 2017-18 Budget for the university is approved as presented in the meeting materials.

Main Campus Summary Budget Request

	Estimated 16-17	Original 2017-18	Increase (Decrease)
Revenue	\$ 232,548,100	\$ 245,890,900	\$ 13,342,800
<u>Expenditures and Transfers</u>			
Instruction	\$ 101,949,500	\$ 100,868,100	\$ (1,081,400)
Research	4,819,600	2,611,500	(2,208,100)
Public Service	2,247,200	2,423,200	176,000
Academic Support	21,546,100	21,314,900	(231,200)
Student Services	28,113,200	28,522,600	409,400
Institutional Support	15,705,000	15,867,100	162,100
Facilities	16,970,500	17,783,600	813,100
Scholarships	19,988,200	23,896,500	3,908,300
Total before transfers	211,339,300	213,287,500	1,948,200
Debt Service	3,039,700	3,078,000	38,300
Non-Mandatory Transfers	3,651,500	4,405,600	754,100
Auxiliaries Exp & Tnfrs	24,875,600	24,859,600	(16,000)
Total	\$ 242,906,100	\$ 245,630,700	\$ 2,724,600

College of Medicine Summary Budget Request

	Estimated 16-17	Original 2017-18	Increase (Decrease)
<u>Revenue</u>	\$ 56,914,400	\$ 58,778,700	\$ 1,864,300
<u>Expenditures and Transfers</u>			
Instruction	\$ 43,160,700	\$ 44,172,000	\$ 1,011,300
Research	5,773,700	4,607,100	(1,116,600)
Academic Support	6,058,800	6,287,800	229,000
Student Services	1,513,200	1,549,100	35,900
Institutional Support	2,877,400	2,806,500	(70,900)
Facilities	6,447,600	6,508,100	60,500
Scholarships	260,000	260,000	-
Total before transfers	66,091,400	66,190,600	149,200
Debt Service	88,300	88,300	-
Non-Mandatory Transfers	(8,111,800)	(7,479,600)	632,200
<u>Total</u>	<u>\$ 58,067,900</u>	<u>\$ 58,799,300</u>	<u>\$ 731,400</u>

Family Medicine Summary Budget Request

	Estimated 16-17	Original 2017-18	Increase (Decrease)
Revenue	\$ 15,874,000	\$ 16,258,300	\$ 384,300
<u>Expenditures and Transfers</u>			
Instruction	\$ 10,610,800	\$ 10,763,100	\$ 152,300
Research	317,000	310,100	(6,900)
Academic Support	2,979,900	3,005,400	25,500
Institutional Support	1,553,200	1,618,300	65,100
Facilities	305,000	282,000	(23,000)
Debt Service	262,900	262,900	-
Total	\$ 16,028,800	\$ 16,241,800	\$ 213,000

College of Pharmacy Summary Budget Request

	Estimated 16-17	Original 2017-18	Increase (Decrease)
Revenue	\$ 11,285,400	\$ 11,459,000	\$ 173,600
<hr/>			
<u>Expenditures and Transfers</u>			
Instruction	\$ 6,492,100	\$ 6,825,000	\$ 332,900
Research	481,500	473,100	(8,400)
Academic Support	1,725,700	1,451,800	(273,900)
Student Services	680,400	659,900	(20,500)
Institutional Support	613,400	639,500	26,100
Facilities	528,500	530,100	1,600
Scholarships	332,100	332,000	(100)
Total before transfers	10,853,700	10,911,400	57,700
Debt Service	661,000	661,000	-
Nonmandatory Trfs	45,100	(114,100)	(159,200)
Total	\$ 11,559,800	\$ 11,458,300	\$ (101,500)

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Promotion and Tenure of Faculty Members

COMMITTEE: Academic and Student Affairs Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Bert C. Bach
Provost and Vice President for Academic Affairs

Promotion in rank is recognition of past achievement of the faculty member being considered for promotion. In addition, the advancement in rank is recognition of future potential and a sign of confidence that the individual is capable of even greater accomplishments and of assuming greater responsibilities. The policy of the University is to make promotions strictly on consideration of merit tempered by university and fiscal considerations.

The major responsibilities of the university are to provide the best possible education, to encourage scholarship, creative productivity, and research, and to furnish significant service to the citizens of the State of Tennessee. Fundamental to this responsibility is the recruitment, selection, recognition, and retention of quality faculty members. Providing incentives and rewards for superior performance is a means of assuring the continuing existence of a high quality faculty. Advancement in rank is a recognition of accomplishments and a sign of confidence that the individual is capable of greater achievements and of assuming greater responsibilities. The policy of East Tennessee State University is to grant advancement on the basis of merit. In accord with this policy, promotions are to be made equitably, impartially, and in keeping with university guidelines.

The appraisal of each candidate includes a thorough review of achievements which are expected in teaching; research, scholarly or creative activity; and professional service. The criteria according to which excellence is defined will vary from discipline to discipline. The standards established by each discipline are carefully documented and considered by everyone involved in the evaluation of members of that discipline.

Tenure is awarded only by positive action of the Board of Trustees, pursuant to the requirements and procedures of the policy of the university. Tenure is a personnel status in an academic department or other academic program unit pursuant to which the academic or fiscal year

appointments of full-time faculty who have been awarded tenure are continued at a university until the expiration or relinquishment of that status, subject to termination for adequate cause, for financial exigency, or for curricular reasons.

The awarding of tenure is recognition of the merit of a faculty member and of the assumption that he/she would meet the long-term staffing needs of the department or other academic program unit and the university. Tenure is awarded only to those members of the faculty who have exhibited professional excellence and outstanding abilities sufficient to demonstrate that their future services and performances justify the degree of permanence afforded by academic tenure. Tenure appointments reside in the departments and other academic program units, and are assurances of continued employment during the appointment year subject to expiration, relinquishment, or terminations of tenure as set out in the university policy.

For its June 9, 2017 meeting, the Academic and Student Affairs Committee was schedule to recommend promotion and/or tenure to the faculty members as outlined in the meeting materials.

MOTION: I move that the Academic and Student Affairs Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED: Promotion in rank and/or the awarding of Tenure is granted to the faculty members recommended by the President in the particular unit, department, or college as outlined in the meeting materials.

May 10, 2017

David Linville, MD, EdD, Secretary
ETSU Board of Trustees
East Tennessee State University

Dr. Linville,

I recommend that the Board of Trustees award tenure to the faculty named on attachment A and promotion to those named on attachment B. The faculty listed below are recommended as exceptions permitted by ETSU policy or are recommended for tenure upon appointment.

Attachment C provides summary data on numbers and percentages of full-time ETSU faculty with tenure and by professorial rank in fall 2015 and fall 2016.

Recommended as Exceptions

Dr. Thomas Bishop Department of Family Medicine
Exception: Awarding tenure prior to completing the probationary period

Dr. Bishop came to East Tennessee State University as an assistant clinical professor in Family Medicine in 2012 and transferred to the tenure track in 2014. During his time at ETSU he has been recognized as an outstanding clinician, working as a clinical psychologist at the Johnson City Family Medicine Clinic, where he is now the director of behavioral medicine. His service to ETSU includes playing a leadership role in the Academic Health Sciences Center's inter-professional education initiative. In addition to directing clerkships he has given numerous lectures and presentations to classes in the Quillen College of Medicine, ETSU's department of psychology, and elsewhere. He is the first author of three articles published since his arrival at ETSU and has been a co-presenter of 24 poster sessions and presentations at regional and national meetings. Dr. Bishop is currently the principal investigator or core investigator of several grants and projects in the Quillen College of Medicine.

Dr. Jennifer Gibson Department of Pediatrics
Exception: Awarding promotion to associate professor prior to completing the minimum years in rank

Dr. Gibson came to East Tennessee State University in July 2012 as an assistant professor and general pediatrician and pediatric hospitalist. Dr. Gibson is a skilled clinician and has assumed positions of increasing responsibility since coming to ETSU, now serving as chair of the department of pediatrics at the Niswonger Children's Hospital in Johnson City, Tennessee. Since 2012 she has co-authored four articles and made 13 presentations at regional and national conferences. Dr. Gibson currently serves as the Quillen College of Medicine Pediatric Clerkship Director and has been recognized for her teaching. She is the recipient of numerous honors, including the ETSU Caduceus Club's Outstanding Clerkship of the Year Award for 2016 and the ETSU Department of Pediatrics Award for Faculty Member of the Year, 2014-15. Dr. Gibson is an advocate for the Niswonger Children's Hospital and in addition to her professional duties devotes volunteer time to fundraising efforts on behalf of the hospital.

Dr. Kristi Julian

Department of Engineering Technology, Surveying, and Digital Media
Exception: Awarding tenure prior to completing the probationary period and awarding promotion to associate professor prior to completing the minimum years in rank

Dr. Julian joined East Tennessee State University in fall 2013 and since that time has developed an excellent teaching record, reflected in her nomination for the College of Business and Technology teaching award in 2013 and new faculty award in 2014. Dr. Julian teaches at the undergraduate level and has served as mentor for more than 30 undergraduate students. With respect to research, she has published more than 20 peer-reviewed articles since arriving at ETSU. In 2016 she received the Interior Design Educators Council-South award for best regional abstract and presentation. Dr. Julian has received several internal and external grants as well. She has given several invited talks and made presentations at regional, national and international conferences. She has also taught a study abroad course in Rome, Italy, as part of ETSU's new interior architecture curriculum. Prior to coming to ETSU she received five service awards for her work with professional organizations.

Dr. Jackson Williams

Department of Pediatrics
Exception: Awarding promotion to associate professor prior to completing the minimum years in rank

Dr. Williams joined East Tennessee State University in 2016. An experienced clinician and educator, he was previously assistant professor of pediatrics at the Tufts University School of Medicine in Springfield, Massachusetts, where he was also division chief and pediatric hospitalist at the Baystate Medical Center. He now serves as division chief and pediatric hospitalist at the Niswonger Children's Hospital in Johnson City, Tennessee. Dr. Williams brings to ETSU a distinguished record of public service that includes international medical missions to countries such as Haiti, Liberia and India. In 2010 he was a founding member and leader of REACH, Residents Educated in Alternative Cultures and Health, which developed an international medical curriculum and program for resident physicians and others at Tufts University. Dr. Williams' many honors and recognitions include Baystate Hospital's David Sigelman Humanitarianism Award (2012). He has co-authored four articles and made numerous presentations at national and international conferences. Dr. Williams currently serves as the founding co-chair of the global health subsection of the hospital medicine section of the American Academy of Pediatrics.

Recommended for Tenure upon Appointment

Dr. Jean Hemphill

To be tenured at the rank of associate professor in Nursing Graduate Programs.

I am honored to recommend for tenure or promotion the faculty named in this letter and those on the documents accompanying it.

Sincerely,



Brian Noland
President

Attachments

Copies: Dr. Bert C. Bach
Ms. Diana McClay

College/Faculty Name	Location of Tenure
Arts and Sciences	
Fehskens, Matthew	Literature & Language
Glennon, Colin	Political Science, International Affairs, & Public Administration
Herrmann, Andrew	Communication & Performance
King, Carolyn	Sociology & Anthropology
Mayo-Bobee, Dinah	History
Mullins, Mary	Social Work
Pealer, Jennifer	Criminal Justice & Criminology
Potterton, Matthew	Music
Roginskaya, Marina	Chemistry
Ross, Andrew	Art & Design
Waters, Susan	Media & Communication
Wilkins, Brittany	Social Work
Business and Technology	
Becker, Lana	Accountancy
Gorman, Charles	Management & Marketing
Julian, Kristi*	Engineering, Technology, Surveying, & Digital Media
Uddin, Mohammad	Engineering, Technology, Surveying, & Digital Media
Education	
DeWeese, Brad	Sport, Exercise, Recreation, & Kinesiology
Doran, Erin	University School
Fisher, Stacey	Curriculum & Instruction
Flora, Bethany	Educational Leadership & Policy Analysis
Lee, Jessica	University School
Robertson, Laura	Curriculum & Instruction
Sato, Kimitake	Sport, Exercise, Recreation, & Kinesiology
Tadlock, Daniel	University School
Medicine	
Bishop, Thomas*	Family Medicine
Nursing	
Hemphill, Jean**	Graduate Programs
Pharmacy	
Hagemeier, Nicholas	Pharmacy Practice
Walls, Zachary	Pharmaceutical Sciences
Public Health	
Alamian, Arsham	Biostatistics & Epidemiology
Brown, Patrick	Health Sciences
Peterson, Jonathan	Health Sciences
Wang, Liang	Biostatistics & Epidemiology

College/Faculty Name	Department	Recommend Promotion to
Arts and Sciences		
Fehskens, Matthew	Literature & Language	Associate Professor
Glennon, Colin	Political Science, International Affairs, & Public Admin	Associate Professor
Graves, Travis	Art & Design	Professor
Gregg, Christopher	Geosciences	Professor
Herrmann, Andrew	Communication & Performance	Associate Professor
Jones, Thomas	Biological Sciences	Professor
King, Carolyn	Sociology & Anthropology	Associate Professor
Kirkby, Scott	Chemistry	Professor
Kumar, Dhirendra	Biological Sciences	Professor
Mayo-Bobee, Dinah	History	Associate Professor
McCallister, Leslie	Sociology & Anthropology	Professor
Mullins, Mary	Social Work	Associate Professor
Oh, Sunjoo	Music	Professor
Pealer, Jennifer	Criminal Justice & Criminology	Associate Professor
Roginskaya, Marina	Chemistry	Associate Professor
Ross, Andrew	Art & Design	Associate Professor
Sellers, Eric	Psychology	Professor
Waters, Susan	Media & Communication	Associate Professor
Webb, Jon	Psychology	Professor
Wilkins, Brittany	Social Work	Associate Professor
Zembower, Christian	Music	Professor
Business and Technology		
Becker, Lana	Accountancy	Associate Professor
Gorman, Charles	Management & Marketing	Associate Professor
Julian, Kristi*	Engineering Technology, Surveying, & Digital Media	Associate Professor
Uddin, Mohammad	Engineering Technology, Surveying, & Digital Media	Associate Professor
Clinical and Rehabilitative Health Sciences		
Boggs, Teresa	Audiology & Speech Language Pathology	Associate Professor
Byington, Randy	Allied Health Sciences	Professor
Cherry, Shirley	Allied Health Sciences	Associate Professor
Elangovan, Saravanan	Audiology & Speech Language Pathology	Professor
Continuing Studies		
Leroy-Frazier, Jill	Continuing Studies	Professor
Education		
DeWeese, Brad	Sport, Exercise, Recreation, & Kinesiology	Associate Professor
Fisher, Stacey	Curriculum & Instruction	Associate Professor
Flora, Bethany	Educational Leadership & Policy Analysis	Associate Professor
Sato, Kimitake	Sport, Exercise, Recreation, & Kinesiology	Associate Professor

Medicine

Bishop, Thomas	Family Medicine	Associate Professor
Denham, James	Section of Medical Education	Associate Professor
Gibson, Jennifer*	Pediatrics	Associate Professor
Heiman, Diana	Family Medicine	Professor
Shams, Wael	Internal Medicine	Professor
Whaley, Martha	Medical Library	Professor
Williams, Jackson*	Pediatrics	Associate Professor
Youssef, Dima	Internal Medicine	Associate Professor

Pharmacy

Cluck, David	Pharmacy Practice	Associate Professor
Hagemeier, Nicholas	Pharmacy Practice	Associate Professor
Walls, Zachary	Pharmaceutical Sciences	Associate Professor

Public Health

Alamian, Arsham	Biostatistics & Epidemiology	Associate Professor
Brown, Patrick	Health Sciences	Associate Professor
Peterson, Jonathan	Health Sciences	Associate Professor
Wang, Liang	Biostatistics & Epidemiology	Associate Professor

Full-Time Faculty by Academic Rank

Main Campus

	<u>Fall 2015</u>		<u>Fall 2016</u>	
	<u>Count</u>	<u>%</u>	<u>Count</u>	<u>%</u>
Other	2	0.3	2	0.3
Lecturer	60	9.6	62	9.8
Instructor	66	10.6	68	10.8
Assistant Professor	178	28.6	175	27.7
Associate Professor	156	25.1	164	25.9
Professor	160	25.7	161	25.5
	622	100.0	632	100.0

Medicine

	<u>Fall 2015</u>		<u>Fall 2016</u>	
	<u>Count</u>	<u>%</u>	<u>Count</u>	<u>%</u>
Other	0	0.0	0	0.0
Lecturer	0	0.0	0	0.0
Instructor	2	1.1	2	1.1
Assistant Professor	66	35.5	63	34.1
Associate Professor	34	18.3	36	19.5
Professor	84	45.2	84	45.4
	186	100.0	185	100.0

Pharmacy

	<u>Fall 2015</u>		<u>Fall 2016</u>	
	<u>Count</u>	<u>%</u>	<u>Count</u>	<u>%</u>
Other	0	0.0	0	0.0
Lecturer	0	0.0	0	0.0
Instructor	0	0.0	0	0.0
Assistant Professor	8	28.6	9	31.0
Associate Professor	15	53.6	14	48.3
Professor	5	17.9	6	20.7
	28	100.0	29	100.0

Combined

	<u>Fall 2015</u>		<u>Fall 2016</u>	
	<u>Count</u>	<u>%</u>	<u>Count</u>	<u>%</u>
Other	2	0.2	2	0.2
Lecturer	60	7.2	62	7.3
Instructor	68	8.1	70	8.3
Assistant Professor	252	30.1	247	29.2
Associate Professor	205	24.5	214	25.3
Professor	249	29.8	251	29.7
	836	100.0	846	100.0

Notes:

1. Does not include: Faculty with part-time FTE; Military Science faculty; VA Academic faculty; Geographic, full-time faculty with part-time FTE (Medicine only); Administrative employees (AE, AD, CH) with rank.
2. Does include: University School faculty
3. Other rank are post-doc appointments in Literature & Language

Full-Time Faculty by Tenure Status

Main Campus

	<u>Fall 2015</u>		<u>Fall 2016</u>	
	Count	%	Count	%
Non Tenure-Track	120	19.3	113	17.9
Tenure-Track	147	23.6	162	25.6
Tenured	355	57.1	357	56.5
	622	100.0	632	100.0

Medicine

	<u>Fall 2015</u>		<u>Fall 2016</u>	
	Count	%	Count	%
Non Tenure-Track	99	53.2	101	54.6
Tenure-Track	7	3.8	11	5.9
Tenured	80	43.0	73	39.5
	186	100.0	185	100.0

Pharmacy

	<u>Fall 2015</u>		<u>Fall 2016</u>	
	Count	%	Count	%
Non Tenure-Track	16	57.1	17	58.6
Tenure-Track	2	7.1	2	6.9
Tenured	10	35.7	10	34.5
	28	100.0	29	100.0

Combined

	<u>Fall 2015</u>		<u>Fall 2016</u>	
	Count	%	Count	%
Non Tenure-Track	235	28.1	231	27.3
Tenure-Track	156	18.7	175	20.7
Tenured	445	53.2	440	52.0
	836	100.0	846	100.0

Notes:

1. Does not include: Faculty with part-time FTE; Military Science faculty; VA Academic faculty; Geographic, full-time faculty with part-time FTE (Medicine only); Administrative employees (AE, AD, CH) with rank.
2. Does include: University School faculty

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: June 9, 2017

ITEM: Periodic Notification of Academic Actions

COMMITTEE: Academic and Student Affairs

PRESENTED BY: David Linville, Secretary

As discussed in the Academic and Student Affairs Committee at its April 24, 2017 meeting, the board must be apprised of select academic actions taken by the university on a periodic basis. Included in the meeting materials is a memorandum from Dr. Bach outlining the academic action notifications for the period of January 1, 2017 to April 30, 2017.



INTERDEPARTMENTAL MEMORANDUM

TO Board of Trustees
VIA David Linville, Secretary of the Board
FROM Bert C. Bach, Provost and Vice President for Academic Affairs
SUBJECT Periodic Notifications of Academic Actions
DATE May 9, 2017

Trustee Linda Latimer reported to the ETSU Board of Trustees at its meeting on May 9, 2017 that members would be receiving periodic notifications of academic actions taken by the University that do not require approval by the Board but do require that it receive notification.

As Dr. Latimer indicated, the dates for periodic reporting have been determined in order to coincide with specific dates by which the Tennessee Higher Education Commission (THEC) requires reporting. The attached listing of notifications specifies academic actions taken by the University between January 1 and April 30. You may anticipate receiving a similar report for actions taken between May 1 and July 31 and another specifying actions taken between August 1 and December 31.

Should you have questions or wish further information relative to any of these notifications, the staff will provide that information.



EAST TENNESSEE STATE
UNIVERSITY

Academic Action Notifications

For the Period of January 1, 2017 – April 30, 2017
East Tennessee State University Board of Trustees
Academic and Student Affairs Committee
May 1, 2017

I. Academic Actions Submitted to THEC via Notification Schedule: Academic Program Inventory Update *Appendix 1*

Type of Academic Action	Academic Program Inventory Update	Page
A. Name Change of an Existing Academic Program	<i>Brand and Media Strategy</i>	2
B. Amend Instructional Delivery Mode from Traditional to Fully Online	<i>Community Leadership</i>	3
C. Amend Instructional Delivery Mode from Traditional to Traditional and Fully Online	<i>Gerontology</i>	4
D. Termination of an Academic Concentration	<i>Paleontology (Biology)</i>	5
E. Establish New Concentration within an Existing Academic Program (Includes Termination of Informatics)	<i>Psychiatric Mental Health Nurse Practitioner</i>	6
F. Establish Certificate less than 24 Semester Credit Hours	<i>STEM K-12 Education</i>	7
G. Termination of an Academic Degree Program	<i>Women's Studies (Bachelor's)</i>	8

II. Academic Action Notifications to ETSU Board of Trustees *Appendix 2*

Type of Academic Action	Academic Program	Page
A. Establish Two Departments in the College of Business and Technology	<i>1) Engineering, Engineering Technology & Surveying, and 2) Digital Media</i>	9
B. Reorganize One Department into Two Departments in the College of Arts and Sciences	<i>1) Communication & Performance, and 2) Theatre & Dance</i>	9
C. Substantive Curricular Revision to Existing Minor Including a Decrease in Required Credits	<i>Technical Writing</i>	10
D. Substantive Curricular Revision to an Existing Graduate Program	<i>Master of Science in Nursing (MSN)</i>	10
E. Revision of Admission Policy	<i>Master of Science in Nursing (MSN)</i>	10
F. Revision of Admission Policy	<i>PhD in Nursing</i>	11
G. Substantive Curricular Revision to an Existing Undergraduate Program	<i>BSEd in Interdisciplinary Studies in Education</i>	11
H. Establish Articulation Agreement Between Two Existing Degree Programs	<i>Bachelor of Arts (BA) in Anthropology and a Bachelor of Social Work (BSW)</i>	12



Policy A1.5 Academic Actions Notification
Form A1:5B: Name Change of an Existing Academic Program

Reporting Schedule Notification Dates:

- May 15 for all actions approved between Jan 1 and April 30
 Aug 15 for all actions approved between May 1 and July 31
 Jan 15 for all actions approved between Aug 1 and Dec 31

Institution: East Tennessee State University

10 Digit Program CIP Code (XX.XX.XXXX.XX): _____

Current Program Title: New Media Studio **Degree Designation:** M.A.

Approved New Program Title: Brand and Media Strategy

Institutional or Governing Board Approval Date (month/year): December 2016

Implementation Date (month/year): August 2017

Provide a brief explanation of the rationale for the program name change.

Name Change: The current MA in New Media Studio has a moratorium on admissions (AY 2015-16) as productivity benchmarks were not being met and we wanted to review our needs and the marketplace for a media focused degree. This review in association with the newly acquired ETSU-Adobe alliance resulted in a revision of the MA in New Media Studio into a degree (MA in Brand and Media Strategy) that aligns with and addresses the knowledge and skills needed in today's media industries.

Increase in Credits: A thesis option was added. A student would take 6 credits of thesis and 12 credits of electives, whereas a non-thesis option would be 18 credits of electives. The result is that the degree needs 36 credits to be awarded.

CIP Code: From 50.0701 to 09.0102 to better represent the content. A 10-digit code is needed for the 09.0102 CIP.

Phase-out for MA in New Media: There are only two students remaining in the degree; both will graduate May 2017.

Bert C. Bach

Digitally signed by Bert C. Bach
 DN: cn=Bert C. Bach, o=East Tennessee State University, ou=Office of the President for Academic Affairs, email=Bach.1001@etsu.edu, c=US

Chief Academic Officer Signature (electronic signature acceptable)

April 19, 2017

Date



Policy A1.5 Academic Actions Notification
Form A1:5H: Amend Instructional Delivery Mode

Reporting Schedule Notification Dates:

- May 15 for all actions approved between Jan 1 and April 30
- Aug 15 for all actions approved between May 1 and July 31
- Jan 15 for all actions approved between Aug 1 and Dec 31

Instructional Delivery Mode: Descriptions below refer only to the way the actual instructional contact hours each week are delivered. Using technology for some homework assignments or using technology in a face-to-face class is not counted toward the amount of direct instruction delivered using technology.

- **Traditional:** None of the direct instruction of the program is delivered using some form of technology when the student and instructor are separated by time, space or both.
- **Hybrid:** A majority of the direct instruction of the program is delivered using some form of technology when the student and instructor are separated by time, space or both.
- **Fully Online:** All of the direct instruction of the program is delivered using some form of technology when the student and instructor are separated by time, space or both.

Institution: East Tennessee State University

10 Digit Program CIP Code (XX.XX.XXXX.XX): <u>08.13.0410.11</u>	
Academic Program Title: <u>Community Leadership</u>	Degree Designation: <u>C4</u>
Current Delivery Mode(s): <u>Traditional</u>	New Delivery Mode(s): <u>Fully Online</u>
Institutional or Governing Board Approval Date (month/year): <u>April 27, 2017</u>	
Implementation Date (month/year): <u>Fall 2017</u>	

Provide a brief rationale for the update in the instructional delivery mode. Indicate if the current delivery mode will be retained.

Faculty in education and public health master's programs requested the change to online delivery to accommodate their online students. Regional nonprofit CEOs requested online delivery for ease of their employees as they prefer to refer to online employee development programs. Most graduate students in these disciplines expect/prefer online delivery.

Bert C. Bach 
Chief Academic Officer Signature (electronic signature acceptable)

04/27/2017
Date



Policy A1.5 Academic Actions Notification
Form A1:5H: Amend Instructional Delivery Mode

Reporting Schedule Notification Dates:

- May 15 for all actions approved between Jan 1 and April 30
 Aug 15 for all actions approved between May 1 and July 31
 Jan 15 for all actions approved between Aug 1 and Dec 31

Instructional Delivery Mode: Descriptions below refer only to the way the actual instructional contact hours each week are delivered. Using technology for some homework assignments or using technology in a face-to-face class is not counted toward the amount of direct instruction delivered using technology.

- **Traditional:** None of the direct instruction of the program is delivered using some form of technology when the student and instructor are separated by time, space or both.
- **Hybrid:** A majority of the direct instruction of the program is delivered using some form of technology when the student and instructor are separated by time, space or both.
- **Fully Online:** All of the direct instruction of the program is delivered using some form of technology when the student and instructor are separated by time, space or both.

Institution: _____

10 Digit Program CIP Code (XX.XX.XXXX.XX): 21.30.1101.11

Academic Program Title: GERONTOLOGY **Degree Designation:** _____

Current Delivery Mode(s): Traditional **New Delivery Mode(s):** Traditional & Fully Online

Institutional or Governing Board Approval Date (month/year): _____

Implementation Date (month/year): August 2017

Provide a brief rationale for the update in the instructional delivery mode. Indicate if the current delivery mode will be retained.

In order to provide flexible educational opportunities for today's students online programs are needed. Workforce data indicates that within our state and nation there are formal training deficiencies for public health employees and significant numbers of employees are eligible to retire. Online programs provide students with competing work, family and educational responsibilities the opportunity to seek post-graduate degrees. Ultimately these Gerontology trained individuals are needed to address the many health challenges facing our region, state, nation and world. Offering the Gerontology Graduate Certificate via traditional and online format will help expand the program to students in the region, state, nation, and world who are not able to complete the degree on-ground as it is now offered.

Bert C. Bach

Digitally signed by Bert C. Bach
 DN: cn=Bert C. Bach, o=The State University of New Jersey, c=United States of America, email=BachB@prtc.edu, ou=ETSU
 Date: 2017.04.27 13:42:50 -0400

Chief Academic Officer Signature *(electronic signature acceptable)*

04/27/2017

Date



Policy A1.5 Academic Actions Notification
Form A1:5K: Termination of an Academic Program or Concentration

Reporting Schedule Notification Dates:

- May 15 for all actions approved between Jan 1 and April 30
- Aug 15 for all actions approved between May 1 and July 31
- Jan 15 for all actions approved between Aug 1 and Dec 31

Note:

- If terminating an academic program, all concentrations will automatically be terminated.
- If there are any students in the program/concentration, Notification of Termination **must** be accompanied by a teach-out plan per SACSCOC *Closing a Program, Site, Branch or Institution Good Practices Statement* and the policy, *Substantive Change for Accredited Institutions of the Commission of Colleges, Procedure Three*.

Institution: East Tennessee State University

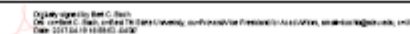
Termination of: <input type="checkbox"/> academic program OR <input checked="" type="checkbox"/> concentration(s)	
10 Digit Program CIP Code (XX.XX.XXXX.XX): <u>18.26.0101.00</u>	Phase Out Date (month/year): <u>NA</u>
Academic Program Title: <u>Biology</u>	Degree Designation: <u>MS</u>
Concentration Title(s): <u>Paleontology</u>	
Institutional or Governing Board Approval Date (month/year): <u>February 2017</u>	
Implementation Date (month/year): <u>Upon Approval</u>	

Provide a brief rationale for terminating the academic program or concentration(s).

The graduate concentration in Paleontology was established in Biological Sciences when there were faculty conducting research in the area who were attracting graduate students to it. Additionally at that time the concentration did not exist in MS in Geosciences. The biology faculty most active in the concentration have since left ETSU and maintaining this focus area no longer supports the department's strategic plan. The Paleontology concentration in Geosciences is attracting students and is much better placed given faculty expertise.

There is no anticipated impact for this action since there are currently no biology students or faculty associated with the concentration; a teach-out plan is not needed.

Bert C. Bach



Chief Academic Officer Signature (electronic signature acceptable)

April 19, 2017

Date



Policy A1.5 Academic Actions Notification
Form A1:5D: Establish a New Concentration within an Existing Academic Program

Reporting Schedule Notification Dates:

- May 15 for all actions approved between Jan 1 and April 30
- Aug 15 for all actions approved between May 1 and July 31
- Jan 15 for all actions approved between Aug 1 and Dec 31

Institution: East Tennessee State University

10 Digit Program CIP Code (XX.XX.XXXX.XX): 31.51.3801.00

Academic Program Title: Nursing **Degree Designation:** MSN

New Concentration Title: Psychiatric Mental Health Nurse Practitioner

Institutional or Governing Board Approval Date (month/year): March 2017

Implementation Date (month/year): August 2017

Provide a brief rationale for the new concentration and how it will contribute to the overall academic program.

New Concentration


The purpose of establishing a new concentration in Psychiatric Mental Health Nurse Practitioner (PMHNP) to meet an established healthcare need for our region and state.

The expected learning outcomes for this concentration are

- identification of symptoms of common psychiatric illnesses across the lifespan.
- development of appropriate diagnoses and evidence-based interventions by assimilating knowledge of pathophysiology of common acute and chronic psychiatric disorders and data from assessment of patients through interviewing and examination.
- Integration of learning at the advanced nursing level in diagnoses and management of psychiatric patients and their families across the lifespan through integration of knowledge from clinical experiences and didactic course concepts.

Terminate Concentration without Phase-out

The termination of the Nursing Informatics concentration is due to minimal interest a stand-alone concentration. The information is incorporated into other major coursework. The two ETSU students will graduate May 2017.

Bert C. Bach  April 19, 2017
Chief Academic Officer Signature *(electronic signature acceptable)* **Date**

Form A1:5A



Policy A1.5 Academic Actions Notification

Form A1:5A: Establishment of Certificate less than 24 Semester Credit Hours

Reporting Schedule Notification Dates:

- May 15 for all actions approved between Jan 1 and April 30
 Aug 15 for all actions approved between May 1 and July 31
 Jan 15 for all actions approved between Aug 1 and Dec 31

Instructional Delivery Mode: Descriptions below refer only to the way the actual instructional contact hours each week are delivered. Using technology for some homework assignments or using technology in a face-to-face class is not counted toward the amount of direct instruction delivered using technology.

- **Traditional:** None of the direct instruction of the program is delivered using some form of technology when the student and instructor are separated by time, space or both.
- **Hybrid:** A majority of the direct instruction of the program is delivered using some form of technology when the student and instructor are separated by time, space or both.
- **Fully Online:** All of the direct instruction of the program is delivered using some form of technology when the student and instructor are separated by time, space or both.

Institution: East Tennessee State University

Certificate Level: Undergraduate OR Graduate

6 Digit Federal Program CIP Code (XX.XXXX): 13.1316

Semester Credit Hours: 15

Certificate Title: STEM K-12 Education

Degree Designation: C4

Delivery Mode: Hybrid

Institutional or Governing Board Approval Date (month/year): March 2017

Implementation Date (month/year): August 2017

Provide a description of the new certificate program, including a list of course rubrics and course titles and descriptions.

The purpose of this certificate is to provide practicing classroom teachers with in-depth content knowledge about STEM fields, hands-on experiences in STEM problem-solving, and the skills and informational resources needed to design, implement, and assess problem-based curriculum for STEM learning.

Required Courses (12 Credits) plus Guided Elective (3 Credits) in consultation with advisor

SCED 5600 STEM Theory and Pedagogy (3) Comprehensive content perspective of theory and pedagogy related to the areas of science, technology, engineering, and mathematics (STEM). The course content includes problem-based learning, performance assessments, collaboration, critical thinking, creativity, and 21st century skills.

SCED 5610 Creativity and Inquiry in STEM Education (3) Introduction to science, technology, engineering, and math (STEM) in a variety of real-world contexts. The course addresses important aspects of STEM problem solving and major concepts within the design process such as working with constraints, prototyping, customer needs, product evolution, and creating makerspaces in kindergarten through 12th grade classrooms.

SCED 5620 Bridging STEM in Education and Business (3) Explores the impacts of STEM education on student learning, engagement, and career preparation. Specific regional STEM careers and national education initiatives in STEM education are emphasized.

SCED 5630 Integrated STEM Curriculum Development (3) Addresses the critical components of integrated curriculum development specific to STEM with special emphasis on performance-based assessment and leading collaborative teams.

Bert C. Bach

Digital signature of Bert C. Bach
 Date created: 2017-04-18 17:58:36
 Date: 2017-04-18 17:58:36

April 18, 2017

Chief Academic Officer Signature (electronic signature acceptable)

Date



Policy A1.5 Academic Actions Notification
Form A1:5K: Termination of an Academic Program or Concentration

Reporting Schedule Notification Dates:

- May 15 for all actions approved between Jan 1 and April 30
 Aug 15 for all actions approved between May 1 and July 31
 Jan 15 for all actions approved between Aug 1 and Dec 31

Note:

- If terminating an academic program, all concentrations will automatically be terminated.
- If there are any students in the program/concentration, Notification of Termination **must** be accompanied by a teach-out plan per SACSCOC *Closing a Program, Site, Branch or Institution Good Practices* Statement and the policy, *Substantive Change for Accredited Institutions of the Commission of Colleges*, Procedure Three.

Institution: East Tennessee State University

Termination of: academic program OR concentration(s)

10 Digit Program CIP Code (XX.XX.XXXX.XX): 03.05.0207.00 **Phase Out Date (month/year):** May 2021

Academic Program Title: Women's Studies **Degree Designation:** B.A.

Concentration Title(s): NA

Institutional or Governing Board Approval Date (month/year): February 2017

Implementation Date (month/year): August 2017

Provide a brief rationale for terminating the academic program or concentration(s).

The B.A. in Women's Studies was approved by THEC in January 2007 and was implemented in fall 2007. Neither the projections for enrollment nor degrees conferred for the last three years were met. Not awarding of degrees for the first two years was expected. At the conclusion of the post-approval monitoring, the program was moved to low-producing. Productivity data for the low-producing period do not indicate potential for meeting the THEC productivity standard of 10 graduates per year nor the likelihood of having a critical mass of majors.

Current students (8) enrolled in the major will have until spring 2021 to complete the degree. No new majors will be enrolled in this degree program after fall 2017 (1 admitted). The teach-out plan submitted to SACSCOC accompanies this notification.

Bert C. Bach

Digitally signed by Bert C. Bach
 DN: cn=Bert C. Bach, o=East Tennessee State University, ou=Office of Institutional Effectiveness, email=bachbc@etsu.edu, c=US
 Date: 2017.04.19 15:13:00Z

April 19, 2017

Chief Academic Officer Signature (electronic signature acceptable)

Date

**East Tennessee State University
Academic Action Notifications to
East Tennessee State University Board of Trustees
Academic and Student Affairs Committee
May 1, 2017**

A. Establish Two Departments in the College of Business and Technology to be Implemented July 2017: 1) Engineering, Engineering Technology & Surveying, and 2) Digital Media

(Approved by Academic Council and President Noland on February 17, 2017)

(Approved by THEC February 22, 2017)

The College of Business and Technology requested reorganization of the Department of Engineering Technology, Surveying, and Digital Media into two departments: the Department of Engineering, Engineering Technology, & Surveying and the Department of Digital Media. The purpose of this reorganization was to increase the visibility of these academic programs, specifically to

- improve marketing, recruiting, growth potential, and advancement of these programs;
- form more cohesive academic units by grouping programs with commonalities (i.e., STEM programs and accrediting agencies); and
- create more manageable academic units in respect to the number of students, faculty, and support personnel.

Approved new costs are \$64,602 for administrative and support personnel salaries and benefits.

B. Reorganize One Department into Two Departments in the College of Arts and Sciences to be Implemented July 2017: 1) Communication & Performance, and 2) Theatre & Dance

(Approved by Academic Council and President Noland on February 17, 2017)

(Approved by THEC February 22, 2017)

The College of Arts and Sciences requested reorganization of the Department of Communication and Performance into two departments: Department of Communication and Performance and Department of Theatre and Dance. The purpose of this reorganization is to increase the visibility and clarify the vision of each of these academic programs, and to align the Theatre program's designation with the majority of other NAST-accredited programs, which have department status and to

- form more cohesive, vision-directed academic units by grouping programs with common goals;
- improve marketing, recruiting, growth potential, and advancement of these programs; and
- assign Theatre and Dance more budgetary, curricular, and personnel control to aid in meeting and documenting accreditation expectations for National Association

of Schools of Theatre (NAST), and, potentially in the near future, National Association of Schools of Dance (NASD).

Approved new costs are \$5,460 for support staff salary and benefits and staff support for box office activities. The director of the program is converted to chair.

C. Substantive Curricular Revision to Existing Minor Including a Decrease in Required Credits to be Implemented Fall 2017: Technical Writing

(Approved by Academic Council on February 9, 2017 and President Noland on February 23, 2017)

The purposes of this revision are 1) to enable students to take courses in a timelier manner; and 2) to update the content of the curriculum to reflect changes in the field. In the past, students have not been able to complete the Technical Writing minor because the courses were not being offered regularly enough. In response, the Department a) eliminated the English Special Topics courses, which have not been offered frequently, and instead rebuilt the minor around courses that are regularly offered; and, b) reduced the number of credit hours to 18, making our minor consistent with Technical Writing minors at comparable universities throughout the southeast, none of which are more than 18 credit hours. In addition, the field of technical writing has evolved, so the Department has added "Media" and "Design and Layout" elective blocks to reflect these changes in the field.

D. Substantive Curricular Revision to an Existing Graduate Program to be Implemented Fall 2017: MSN in Nursing

(Approved by Academic Council and President Noland on March 9, 2017)

The goal of this revision is to increase the quality of the Master of Science in Nursing program, including program curriculum; admission, progression, and graduation requirements; course registration and transcription; faculty qualifications; assessment of student learning outcomes and improvement of teaching and learning; and student evaluations of courses and faculty. Learning outcomes for the program are clarified.

Withdrawal from the TN eCampus delivery of the MSN degree necessitated replacement of courses offered in the collaboration to ones established by ETSU. The content of the courses and program learning outcomes for each delivery system are comparable. To equate the program of study, ETSU developed one core course, two concentration courses, and two electives.

The TN eCampus MSN Program is accredited by the Accreditation Commission for Education in Nursing, Inc. (ACEN), a U.S. Secretary of Education national accreditation agency. After a conference call with ACEN in regards to this transition to ETSU solely offering the MSN program and dissolving their TN eCampus affiliation beginning fall 2017, ACEN has agreed to allow ETSU to submit a substantive change document and a prospectus. After our paperwork has been reviewed and approved, a focused site visit will be scheduled fall 2017.

E. Revision of Admission Policy to be Implemented Fall 2017: MSN in Nursing

(Approved by Academic Council and President Noland on April 13, 2017)

The revision of the MSN Admission Policy is to enable admission for candidates who hold a Registered Nurse credential with a Bachelor of Arts or Bachelor of Science non-nursing degree.

The following statement is added to the policy:

“Students with a non-nursing bachelor’s degree who hold an unencumbered RN license can be considered for admission into the MSN program but must complete the following bridge courses prior to registration in graduate courses:

- NRSE 3525 Health Promotion and Research;
- NRSE 4620 Leadership and Professional Practice;
- NRSE 3200 Advancing to Professional Practice; and
- NRSE 3510 Population, Community, and Public Health Nursing”

Addition of an alternate route to the Master of Science in Nursing program will increase the number of MSN- prepared advanced nurses in practice to meet an established healthcare and education need for our region and state.

F. Revision of Admission Policy to be Implemented Fall 2017: PhD in Nursing

(Approved by Academic Council and President Noland on April 13, 2017)

The purpose of this proposal is to enable admission to the PhD in Nursing program for exceptional candidates who hold a Bachelor of Science in Nursing. Included in the revised admissions policy is the requirement that candidates possess a current unencumbered registered nurse license. This is to ensure that students meet established standards as a registered nurse.

The following statement is added to the policy: “Exceptional candidates with a Bachelor of Science in Nursing (BSN) may be considered for admission but will have a longer program of study and will earn the Master of Science in Nursing (MSN) en route to the PhD.”

Addition of an alternate route to the PhD in Nursing program will increase the number of PhD-prepared nurse scientists in research and to meet the national need of increased doctoral-prepared faculty in nursing academia.

An unencumbered nursing license is necessary because external institutions and agencies may require licensure for students to conduct research in their facilities.

G. Substantive Curricular Revision to an Existing Undergraduate Program to be Implemented Fall 2018: BSEd in Interdisciplinary Studies Education

(Approved by Academic Council and President Noland on April 13, 2017)

The purpose of this revision was to improve the sequence and cohesiveness of course work to increase student achievement and marketability in their future workplace. This change is occurring to bring the department in compliance with mandates from the Council for the Accreditation of Educator Preparation (CAEP) and state licensure requirements which connect to the performance based assessment edTPA. In this proposal, the department will: (1) revise the current 4 credit hour STEM course into separate 3 credit hour STEM courses, (2) revise Reading courses to introduce foundational knowledge during the early 3000 level classes as well as the application of differentiation of instruction for diverse learners in subsequent classes, (3) add a course related to planning and assessing lessons, and (4) revise residency courses to support candidate completion of edTPA which leads to licensure.

This proposal is a result of student and faculty feedback, an increase in demand for teachers to have an understanding of STEM, and new CAEP accreditation standards. Students and professors of Reading felt the current program of study lacked a coherent sequence that illustrated the foundational components of literacy as well as how to put those components into practice for English Language Learners and in classrooms mandated to implement Response to Intervention. At this time, the Tennessee Department of Education expressed a need for teachers to be more versed in the teaching of STEM content. After Praxis scores were examined, content and sequencing changes were necessary to ensure student success. As a result, SCED 4020 and SCED 3310 were replaced with more comprehensive STEM courses, and READ 3000 and READ 3100 were replaced with courses focusing on foundational methods and differentiation. These changes will also help the program to meet CAEP requirements.

H. Establish Articulation Agreement between Two Existing Degree Programs to be Implemented Fall 2017: Bachelor of Arts (BA) in Anthropology and a Bachelor of Social Work (BSW)

(Approved by Academic Council and President Noland on April 13, 2017)

The purpose of this proposal is to take advantage of complementary emphases in the programs of study for students concurrently accepted in both existing degree programs that will serve Tennessee by:

- providing graduates who are prepared to enter the health care system with greater cultural competence regarding patient experiences in health, illness, and treatment;
- providing the state with clinicians who can communicate more effectively and efficiently with their patients and thus improve health care outcomes;
- providing the state with clinicians who are more aware of the peripheral social forces that impact illness and treatment; and
- reducing costs of health care by reducing disparities in health and health care between different populations in the state.

Both departments believe that more students would pursue this option if ETSU integrated the curricula to take advantage of strengths in both programs that complement each other in an efficient manner. A recent survey of current majors in Anthropology (49) and Social Work (208) found that 57 (of 64 respondents) would be interested in pursuing a double degree if the option were available. The formal articulation of the BA in Anthropology and BSW in Social Work of study will allow students to pursue both degrees simultaneously and efficiently.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Memorandum of Understanding with Mountain States Health Alliance

COMMITTEE: Academic and Student Affairs Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Wilsie S. Bishop
Vice President for Health Affairs

ETSU and its health professions programs offered through the Academic Health Sciences Center (AHSC) have been affiliated with the hospitals within the Mountain States Health Alliance (MSHA) for over sixty years. In recent years as the system has become more complex and with the current focus on the merger of this system with the Wellmont Health System (WHS), also a clinical affiliate of our health professions programs, it was determined that all existing affiliation agreements and contracts should be brought together under the umbrella of one Memorandum of Understanding (MOU). The AHSC has begun this process with MSHA and upon completion of the MOU between MSHA and ETSU, AHSC leadership will begin the process of creating an umbrella MOU with WHS and/or the merged Ballad Health System.

During Summer and Fall 2016, discussions began with the MSHA leadership and the ETSU/AHSC deans, President Noland and Vice President Bishop to begin the MOU development. Over the past six months, a small writing group with representatives from both MSHA and ETSU have completed the initial development of the MOU that outlines infrastructure, standing rules, and opportunities for collaboration going forward.

Specifically, the MOU

- Affirms mutual commitment to providing medical and health professional education, conducting research and improving the health and welfare of the people of our region.
- Affirms commitment of the two institutions to develop a strategic relationship governed at a senior level which will benefit the respective goals of Mountain States and ETSU.
- Identifies a joint purpose and common objectives including:
 - Educating and training current and future healthcare providers
 - Improving the health of the region by addressing the leading health determinants and challenges of the region

- Providing high quality, affordable, and accessible healthcare across the clinical spectrum and lifespan
- Advancing the understanding of health and disease through research
- Working toward interoperability of information, health records, clinical, and research platforms to support achievement of mutual goals.
- Provide an infrastructure for strategic initiatives as well as implementation of joint and mutually beneficial endeavors to include:
 - Coordinating Council (with a representative from the ETSU Board of Trustees)
 - Joint Education Council
 - Joint Clinical Council
 - Joint Research Council
- Acknowledges importance of the primary relationship between MSHA and ETSU in developing an academic health center model for our region.

The Academic and Student Affairs Committee was scheduled to discuss and recommend for approval this Memorandum of Understanding at its June 9, 2017 meeting.

MOTION: On the recommendation of the Academic and Student Affairs Committee, I move to adopt the following Resolution by the Board of Trustees:

RESOLVED: The Board of Trustees authorizes the President of the University to execute the Memorandum of Understanding with Mountain States Health Alliance as outlined in the meeting materials.

OPERATING MEMORANDUM OF UNDERSTANDING
between
EAST TENNESSEE STATE UNIVERSITY
and
MOUNTAIN STATES HEALTH ALLIANCE

PREAMBLE

The parties hereto intend this Operating Memorandum Of Understanding (“MOU”) for the purpose of formally recognizing the cooperative efforts of East Tennessee State University, a Tennessee state institution of higher education (“ETSU”) and Mountain States Health Alliance, a Tennessee not-for-profit corporation (“Mountain States”), and to delineate the general responsibilities of each in a mutually beneficial agreement in order to improve medical and health professional education, research, academic enhancement and health care for citizens of this region and the State of Tennessee.

RECITALS

WHEREAS, ETSU, through the five colleges of its ETSU Academic Health Sciences Center (each a “College” and, collectively, “Colleges”), shares with Mountain States a long-standing and highly effective commitment to providing medical and health professional education, conducting research and improving the health and welfare of the people of northeast Tennessee and southwest Virginia;

WHEREAS, through their health professional education, inter-professional delivery of health care, focused research, community service, and their long-standing contributions to the region, the Colleges are uniquely qualified to expand their existing collaborations with Mountain States to more effectively and efficiently improve the lives of people living in the region;

WHEREAS, Mountain States operates health care facilities and programs for the benefit of the citizens of northeast Tennessee, southwest Virginia and beyond, serves as a venue for the provision of health professional and medical education, conducts research, provides community service, and provides a unique and necessary outlet for the training and education of health professionals from the Colleges;

WHEREAS, Mountain States and the Colleges have indicated an interest in jointly working to improve the health and welfare of the people in the region;

WHEREAS, the Medical Education Assistance Corporation (“MEAC”) is a private non-profit corporation established to support ETSU’s medical education-related objectives, and the parties intend Mountain States’ contractual relationship with MEAC to be subject to this MOU in the same manner as ETSU;

WHEREAS, Mountain States and ETSU believe that a strategic relationship between the two organizations governed at the senior level will benefit the respective goals of Mountain States, ETSU and its Colleges.

WHEREAS, this MOU does not alter the responsibilities and authority of the governing bodies of the participating organizations.

THEREFORE, the parties agree as follows:

I. JOINT PURPOSE AND COMMON OBJECTIVES

Each party thereby commits to cooperative effort for the benefit of the region and the States of Tennessee and Virginia by improving healthcare through the following common objectives:

1. Educating and training current and future healthcare providers and related professionals in the region to possess the knowledge, skills, and abilities necessary to improve the health of the people living in the region;
2. Improving the health of the region by addressing the leading health determinants and challenges of the region through an integrated and collaborative program of inter-professional education, research, clinical care, and community-based activities;
3. Working together to provide, within the region, high quality, affordable, and accessible healthcare across the clinical spectrum and individual lifespan;
4. Advancing the understanding of health and disease through research and translating these advances into improved healthcare delivery and effective community health improvement programs.
5. Mountain States and ETSU will work toward the adoption and development of inter-operability of information, health records, clinical, and research platforms that effect goals set forth in this MOU to ensure clinical, financial and analytical data is available for patient care, research and quality improvement purposes.

II. ORGANIZATION AND GOVERNANCE

The parties recognize that Mountain States and its Medical Staff have sole responsibility for control of intra-hospital activities and that ETSU and its faculty have sole responsibility for the conduct of the educational activities of the Colleges. Each party agrees to respect these rights and ensure that the philosophy of this MOU is implemented.

III. COORDINATING COUNCIL

1. Mission and Responsibilities. ETSU and Mountain States agree to build on their existing relationships to create a robust collaboration by creating a senior level committee (“Coordinating Council”) that will meet regularly to ensure close and on-going collaboration, explore and address current and future trends in healthcare and community health, evaluate the changing health status of the region, share best practices, and bridge the historical divide between “academia” and the “work-place.”
2. Composition. The membership of the Coordinating Council will be comprised of the following:
 - a. one currently serving board member of Mountain States;
 - b. one currently serving board member of ETSU;
 - c. the current President of Mountain States;
 - d. the current President of ETSU;
 - e. the current Vice President for Health Affairs of ETSU;
 - f. a senior administrator of Mountain States with responsibilities for education mission;
 - g. one *ad hoc* representative of ETSU, identified annually by, and serving at the pleasure of, the President of ETSU; and
 - h. one *ad hoc* representative of Mountain States, identified annually by, and serving at the pleasure of, the President of Mountain States.
3. Duties and Responsibilities. The Coordinating Council will provide guidance to ETSU and Mountain States leadership regarding strategy, policy, financial, and advocacy recommendations; make recommendations on education, clinical care, clinical training, research relationships, and perform conflict resolution. The Coordinating Council will also have responsibilities for oversight of strategic initiatives, accountability for successful development of an academic health center, and advocacy for the common

goals of the two organizations set forth in this MOU and its Exhibits. The Coordinating Council will annually establish a three to five year strategic plan for its collaborative goals and recommend an operating budget for same. The Coordinating Council will also approve the coordinating and operational arrangements of the committees tasked with fulfilling the goals set forth in this MOU, which will be attached as Exhibits, hereto, and as subsequently drafted and submitted to the Council in the future. The Coordinating Council will have the authority to review proposals and initiatives proposed by such committees, and will develop guidelines for review of same.

4. Meetings. The Coordinating Council will generally meet bi-monthly, but not less than four times each year. The Council will establish appropriate rules of order for its meetings and may organize sub-committees with participation of non-members of the Coordinating Council from each institution as required to perform the business of the Council outlined in this section.
5. Charter. The Coordinating Council will adopt a charter to govern the scope and manner in which it conducts its business in accordance with the goals outlined within this MOU.

IV. APPOINTMENTS AND JOINT EMPLOYMENT

1. Appointment. As set out more fully in the attached Exhibits, Mountain States will appoint appropriate professional personnel of ETSU (upon consultation with the President of ETSU) as voting members of Mountain States' relevant board and professional committees and organizations, who will, participate as full members on such committees and organizations. Examples of such committees and organizations include, but are not limited to, Mountain States' finance, social responsibility, quality and workforce board committees, and Mountain States' professional committees such as Pharmacy and Therapeutics, Physician's Council for Clinical Excellence, and similar committees according to the specific professional disciplines. Likewise, ETSU will appoint appropriate professional personnel of Mountain States (upon consultation with the President of Mountain States) to appropriate positions on advisory and/or administrative committees at ETSU, including, but not limited to, ETSU's professional admissions and inter-professional committees, as well as administrative councils within ETSU, its Academic Health Sciences Center ("AHSC") and its colleges. ETSU may grant Administrative and clinical personnel at Mountain States adjunct or other faculty

positions, as appropriate. Participation by each party on the other's respective operations committees and various ad hoc committees will be addressed, as appropriate, by the respective committees.

2. Duties. The parties acknowledge that each's membership on committees of the other is intended to ensure collaboration and communication while also remaining compliant with the best practices of governance. As such, any personnel appointed to serve on a committee or organization must act, at all times during performance of such roles, in the best interest of the organization to which committee he/she is serving. To the extent any ETSU personnel serve on a committee of the Board of Directors of Mountain States, or on any operating committee or organization, each such individual will be required to perform with a duty of care, loyalty and obedience to Mountain States, and shall acknowledge compliance with such duties is mandatory for continued service. Similarly, to the extent any Mountain States personnel serve on a committee or organization associated with ETSU, each such individual will ensure they act in the best interest of ETSU in carrying out their responsibility as a member of such committee.
3. Joint Employment. As set out more fully in the attached Exhibits, future hires of Mountain States and ETSU may hold joint positions between Mountain States and ETSU, with collaboration on employee performance assessments and evaluations, as appropriate.
4. Employee Recruitment. In accord with the strategic initiatives of both parties, efforts will be made to coordinate recruitment of professional employees to their respective organizations.

V. EDUCATION AND TRAINING

1. ETSU and Mountain States will create a joint education council, with representation from the leadership of both parties, to pursue superior educational environments for the benefit of students and trainees from ETSU, ensure that such educational environments align and support top decile patient care and efficiency at Mountain States facilities, and ensure that the educational needs of Mountain States employees are adequately addressed.
2. ETSU and Mountain States will work to develop, implement and evaluate new models of collaborative care and inter-professional education.
3. The Council will receive input, advice, and suggestions, on ensuring the quality and relevance of training programs for meeting the health needs of the region, and to explore

the need for new degrees, certificates, or other training opportunities to address regional health needs.

4. Mountain States and ETSU will collaborate to ensure that opportunities for workforce development including developing new academic programs and formal academic training are made available to Mountain States employees.
5. In developing an academic health center model, ETSU and Mountain States recognize the other as a primary partner for their respective areas of expertise. ETSU training programs, including graduate medical education, will remain a priority within Mountain States facilities located in Tennessee, and Mountain States will collaborate with ETSU in any academic, research or clinical opportunity throughout the health system, as recommended by the Coordinating Council and approved according to the governing policies of each party. Likewise, clinical and academic program endeavors by Mountain States will remain a priority within ETSU. To ensure sustainability for current ETSU programs (including student and resident enrollment and placement of ETSU students) and to promote opportunities for development of new programs that further the objectives set out in this MOU, Mountain States shall provide a reasonable opportunity for ETSU to participate (or decline to participate) in amending existing programs or creating new programs proposed to be located in Tennessee prior to Mountain States seeking collaborative opportunities with other academic institutions. Likewise, ETSU shall provide a reasonable opportunity to Mountain States to participate (or decline to participate) in amending existing programs or creating new programs proposed to be located in Tennessee prior to ETSU seeking collaborative opportunities with other health care providers.
6. This relationship will not prevent students at other educational institutions from receiving training at Mountain States sites nor prevent ETSU from engaging with other training sites. The process for pre-licensure clinical scheduling for nursing students will continue to follow the guidelines established by the Appalachian Consortium for Nursing Education and Practice.
7. The parties commit to providing a learning environment fully compliant with the criteria of the relevant accreditation and regulatory bodies for all training and related issues under the control of the respective party.

VI. CLINICAL AND COMMUNITY-BASED CARE AND INNOVATION

1. The delivery of clinical care within each Mountain States, ETSU and MEAC facility and program is governed by the respective medical staff bylaws and operating policies of each organization. There are a number of areas where, for the purposes of furthering the goals and objectives of this MOU and its Exhibits, it is desirable for the clinical enterprises to meet collaboratively. ETSU and Mountain States will create a joint clinical council with multi-disciplinary clinical and administrative representation from the leadership of both parties for the purposes of ensuring communication and coordination of all clinical activities that are jointly delivered in a high quality and efficient manner, including but not limited to:
 - a. facilitating and simplifying transition of care, communications, and referrals between Mountain States and ETSU clinics and facilities;
 - b. working together to develop patient care protocols across disciplines to support the delivery of high-value care across the clinical spectrum, and
 - c. working together to model innovative approaches to inter-professional care.
2. ETSU and Mountain States will work to continue support for, and expansion of, the existing network of “safety net” clinics and related services provided by ETSU.
3. As identified by the workforce needs assessment process, and where appropriate, Mountain States will work with ETSU to identify and recruit health care professionals to provide care not adequately available for the citizens of the region and to provide training in those fields as appropriate.
4. Mountain States and ETSU will work together with relevant governmental and nongovernmental organizations to explore how best to provide community-based healthcare services in locations where such care is currently unavailable or insufficient.

VII. RESEARCH

1. ETSU and Mountain States will create a joint research council that will meet regularly to explore potential opportunities to collaborate on the conduct of clinical and community-based research, grant writing, data analysis, and other areas of collaboration.
2. ETSU will use its unique position to assist in the integration of the research-infrastructure of Mountain States and ETSU, in relation to both research in specific areas (e.g.

translational biomedical research, nursing research, outcomes research, and population health research) and specific research functions (e.g., evaluation, trial design, data analysis, grant administration, and compliance).

3. ETSU and Mountain States will work together to take advantage of the unique opportunities that a large data-set of clinical information offers for efforts to study, understand, and improve health outcomes in the region.
4. ETSU and Mountain States will work together to identify and sponsor high-priority research areas where new knowledge and program interventions can significantly address the identified health challenges of the region, such as prescription drug abuse, obesity, cardiovascular disease, stroke, diabetes and other chronic conditions, and social determinants of health.

VIII. MOUNTAIN STATES RELATION WITH EACH COLLEGE

The parties recognize the unique relationship Mountain States has with each College and their respective attributes and core services. The particular exchange of training and services for each College are further described in the attached Exhibits, which are fully incorporated hereby. Given the expected growth and development in the relationship of each College and Mountain States, the Exhibits may be updated and amended from time to time.

IX. ENTIRE AGREEMENT

This MOU shall serve as the master governing document incorporating all current contracts and affiliation agreements until such time as it may be amended or terminated as outlined in this MOU.

X. EXHIBITS

It is the intent of the parties that any arrangement between the parties, or their affiliates or subsidiaries, be incorporated as an exhibit to this MOU, and that no arrangement be entered or maintained which has not been considered through the structure created by this MOU and reflected as an exhibit hereto. The Exhibits, to be entered into and subsequently incorporated into this MOU, will establish the coordinating and operational arrangements between the parties as negotiated by the applicable working groups, colleges, or divisions of the parties. Currently, such relationships are often reflected in affiliation agreements and program letters of agreement between the parties. These Exhibits, outlining the broad working relationship of the parties, will be reviewed and approved by the Coordinating Council, as set forth in this MOU. Each Exhibit should, at a minimum, detail specific goals of the joint effort to be pursued, operating procedures for the joint governing structure responsible for the oversight of the joint goals and efforts outlined in each Exhibit, standard progress measures and reporting requirements related to the joint goals and efforts, including mutual conditions of payment and compliance required of each particular agreement between the parties overseen by the Exhibit. Other detailed and particular agreements between the parties, such as joint employment and/or recruiting agreements, professional agreements, marketing and communications agreements, and joint ventures, are subject to this MOU, but will be reviewed and approved by appropriate internal processes of the parties, and will not be submitted directly for prior approval to the Coordinating Council, except on special request or to resolve a dispute between the parties. A complete and up to date inventory of all such agreements will be maintained and summaries of all upcoming new, expiring and agreement amendments will be available for review at each Coordinating Council meeting.

XI. MISCELLANEOUS

1. Any and all claims against the university for personal injury and/or property damage resulting from the negligence of the university in performing any responsibility specifically required under the terms of this MOU shall be submitted to the Board of Claims or the Claims Commission for the State of Tennessee. Damages recoverable against the university shall be expressly limited to claims paid by the Board of Claims or Claims Commission pursuant to T.C.A. Section 9.8.301 et seq.

2. This document may be modified and revised by mutual consent. It shall be reviewed at least annually by the Coordinating Council and the respective parties. Further, it is understood and agreed that this Operating MOU will be implemented by subsequent supplemental agreements, as necessary, between Mountain States and each College regarding specific programs and responsibilities contemplated hereunder (which shall be attached as the Exhibits).
3. This Memorandum of Understanding shall be for a term of five (5) years, but may be terminated by either party upon one (1) year's written notice.
4. In the event any part of this MOU is declared illegal or unenforceable for any reason, then, in that event, that part of the MOU shall be deleted and the balance of the MOU shall remain in full force in issue; provided, however, the parties may renegotiate the portion declared illegal or unenforceable.
5. The parties acknowledges that they must comply with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and Section 504 of the Rehabilitation Act of 1973, Executive Order 11, 246 and the related regulations to each. Each party ensures that it will not discriminate against any individual including, but not limited to employees of ETSU or applicants for employment with ETSU and/or students, because of race, religion, creed, color, sex, age, handicap or national origin.
6. The parties acknowledge that they must to take affirmative action to ensure that applicants are employed and that employees are treated during the employment without regard to their race, religion, creed, color, sex, handicap or national origin. Such action shall include, but not be limited by the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection available to employees and applicants for employment.
7. Mountain States shall maintain documentation for all charges against the University under the MOU. The books, records, and documents of Mountain States, insofar as they relate to work performed or money received under this MOU, shall be maintained for a period of three full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon notice, by the institution or the Comptroller of the Treasury, or their duly appointed representatives.

8. Mountain States represents that it will not knowingly utilize the services of illegal immigrants in the performance of this MOU and will not knowingly utilize the services of any subcontractor, if permitted under this MOU, who will utilize the services of illegal immigrants in the performance of this MOU.
9. Mountain States represents that it will not utilize the services of any individual required to register as a sex offender under Title 40, Chapter 39 of the Tennessee Code Annotated or any similar law.
10. This MOU shall be governed by the laws of the State of Tennessee.
11. The University will comply with the Tennessee Open Records Law in performing its duties under this MOU.

THE UNDERSIGNED do hereby agree to the provisions of this Operating Memorandum of Understanding by and between East Tennessee State University and Mountain States Health Alliance.

EAST TENNESSEE STATE UNIVERSITY
ALLIANCE

MOUNTAIN STATES HEALTH

BY: _____

BY: _____

Print Name: Dr. Brian Noland

Print Name: Alan Levine

Title: President

Title: President & CEO

Date: _____

Date: _____

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: June 9, 2017

ITEM: Presentation on Open Meetings and Open Records Laws

PRESENTED BY: Edward J. Kelly
University Counsel

Outlined in statute, Tennessee has very extensive Open Meetings and Open Records laws which are applicable to the Board of Trustees. Building on the training session provided by the Tennessee Higher Education Commission in March, University Counsel will provide further detail regarding these laws as they relate to the Board.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: June 9, 2017

ITEM: Strategic Plan Implementation: Presentation on Student Recruiting

PRESENTED BY: Brian Henley
Director of Admissions

Periodically, university staff will provide an update on the implementation of the strategic plan, highlighting a specific component of interest. Today's focus is on efforts related to student recruitment.

The ETSU ten-year strategic plan sets the goal of enrolling 18,000 students by the year 2026. One component of this strategic growth agenda is to increase the number of first-year freshmen who enroll. For the Summer and Fall 2017 terms, the university has set a goal of enrolling a first-year class of 2,100 new freshmen. This represents an increase of 214 students above the 1,886 students who enrolled for the Summer and Fall 2016 terms. The Office of Undergraduate Admissions is the primary unit responsible for leading the recruitment efforts for new undergraduate students and, as such, carries out a series of strategic initiatives intended to achieve the desired enrollment results. These initiatives can be broken down into five distinct types of activities, commonly referred to as the "Enrollment Funnel". At each stage of the funnel, strategic activities are employed with the expected result of moving students to the next stage, ultimately resulting in the desired enrollment results.

The five stages of the funnel are:

- Brand Building and Lead Generation—At this stage activities are used to raise the general level of public awareness about ETSU and encourage students to inquire about ETSU.
- Application Generation—At this stage activities are employed to encourage students to submit applications for admission and completion documents so eligibility for admission can be determined.
- Admitting the Class—This stage focuses on the processing of the applications and ensuring that timely and accurate admission decisions are made.
- Yield—At this stage activities are employed to encourage students who have been offered admission to commit to enrolling at ETSU by submitting an Intent-to-Enroll form and registering for orientation.
- Enrollment—Through summer orientation, students register for their Fall term classes.

This presentation introduces board members to the concept of the traditional enrollment funnel, provide some historical background and discuss many of the activities that were executed throughout the course of the previous recruitment cycle.