

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

November 17, 2023
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, November 17, 2023, at 9:40 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Committee Chair Steve DeCarlo called the meeting to order at 9:40 a.m.

II. Roll Call

Board Secretary Dr. Adam Green conducted the roll call. The following committee members were physically present:

Committee Chair Steve DeCarlo
Trustee Charles Allen
Trustee Dorothy Grisham
Trustee Dr. Linda Latimer
Trustee Aamir Shaikh

Other Trustees in attendance were Janet Ayers, Melissa Steagall-Jones, and Tony Treadway.

III. Approval of the Committee Minutes from September 15, 2023

The minutes from the September 15, 2023, meeting of the Finance and Administration Committee were approved as submitted, with Trustee Charles Allen making the motion and Trustee Linda Latimer seconding the motion. The motion passed unanimously.

IV. Presentation of Tuition Transparency Report

ETSU Chief Financial Officer Christy Graham reminded the committee that each year, governing boards are required to provide a report to the Tennessee General Assembly's Office of Legislative Budget Analysis on expenditures of revenues derived from tuition and fee increases. Since there was no increase in tuition and fees for FY23 at ETSU, our report will be a very simple one.

V. Action Item: Approval of FY24 October Revised Budgets

Ms. Graham reported that within the October 2023 revised budget presented for the Board’s consideration is a 4.5% salary enhancement for ETSU regular employees, with an increase in the minimum wage to \$13.65 per hour and a salary ceiling of \$7,500 per employee. The revised budgets for Quillen College of Medicine, Family Medicine, and Gatton College of Pharmacy contain a 4.5% salary enhancement as well as the elevation of entry compensation to \$15 per hour.

Ms. Graham provided a brief summary of the revenue and expense elements of the proposed October budget revision for the main campus. The revised October budget for the main campus and auxiliary expenditures comes to just over \$360 million. Ms. Graham provided a similar analysis for the College of Medicine budget, the Family Medicine budget, and the College of Pharmacy budget. The revised budget for Pharmacy reflects the \$2.5 million state appropriation for the college that was approved earlier this year by the Tennessee General Assembly.

President Noland indicated that the 4.5% salary enhancement is the largest percentage increase in faculty and staff salaries in the modern history of the university. He also explained that the \$7,500 cap will allow the university to drive resources down toward those on the entry level of the wage scale. He also added that the revised minimum wage is a double-digit increase in salaries at that level.

President Noland noted that the revised October budget includes approximately \$1.5 million for a one-time \$500 transition bonus for full-time, benefits-eligible employees that will be applied to paychecks in the month preceding the Voyager/ERP go-live month, to help with the transition from 12 pay periods to 26 pay periods.

The FY24 October Revised Budget was approved unanimously, after a motion by Trustee Allen, seconded by Trustee Grisham.

VI. Quarterly Report of Agreements \$250,000 or Greater

Mr. Ryan Roberts, Director of Procurement and Contracts, reported these contracts/purchase orders that exceed \$250,000, for the period of April through June 2023:

- Assessment Technologies Institute for an extension and amendment of the contract for NCLEX assessment and preparation for RN licensure, in the amount of \$569,449
- McNeely Pigott & Fox Public Relations to develop a media plan, execute the buy, measure campaign performance, optimize base data and analytics, and offer creative consultation, \$260,000
- Belfor, for emergency mitigation services due to the 2022 freeze event, \$477,470

- Amazon Web Services software service charge, \$255,000

Mr. Roberts informed the committee of one RFP that is in process: broker services for medical residents' health insurance.

VII. Quarterly Financial Report

Ms. Christy Graham, Chief Financial Officer, presented the quarterly financial update comparing operating revenues and expenditures from the current year to the prior year. The report covered the first quarter of the fiscal year. Ms. Graham noted that revenue is growing at the same rate as expenses. A breakdown of revenue by source shows a slight (0.1%) decrease in tuition and fees. The budget reflects flat enrollment with a 2.9% tuition increase. Current operating revenue by source shows a total revenue increase of 1.9%.

VIII. CFO Update

Ms. Graham provided an update on the work of the Strategic Resource Alignment Advisory Committee. The committee is in the data-gathering stage and remains on track with the timeline presented during the last Board of Trustees meeting.

Ms. Graham then gave a status report on the Voyager (Oracle) transition. She indicated that January 1 had been targeted as the go-live date, but that date has now been extended to July 1. She said tremendous progress has taken place, but there are some areas that will require additional evaluation and testing. And the July 1 date will provide a clean start for the fiscal year. Chairman DeCarlo stated that he believes the delay is a wise decision, and President Noland added that more time to train employees is vital to the success of the effort. Ms. Graham told the committee that integrity of financial statements was also a key component in the recommendation to delay.

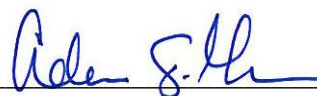
IX. Other Business

There was no other business to come before the committee.

X. Adjournment

Trustee DeCarlo adjourned the meeting at 10:19 a.m.

Respectfully submitted,



Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its February 16, 2024 meeting.