

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

10:15-11:45am EDT
Friday
April 27, 2018

Third Floor Meeting Room
D.P. Culp University Center
412 J.L. Seehorn Road
Johnson City, TN

AGENDA

- I. Call to Order
- II. Roll Call
- III. [Approval of the Minutes from February 23, 2018 and March 29, 2018](#)
- IV. [Policies for Approval](#)
 - A. Passenger Van Policy
 - B. Hazardous Materials
- V. [Supplemental Non-Mandatory Fee and Graduate Nursing eRate Fee Adjustment](#)
- VI. [2018-19 Budget Proposals](#)
- VII. [Capital Project Approval](#)
- VIII. [Project Calendar and Overview](#)
- IX. [Quarterly Reports of Agreements \\$250,000 or Greater](#)
- X. Other Business
- XI. Adjournment

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: April 27, 2018

ITEM: Approval of the Minutes of February 23, 2018 and
March 29, 2018

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: David Linville
Secretary of the Board

The minutes of the February 23, 2018 and March 29, 2018 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 February 23, 2018 and March 29, 2018 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

February 23, 2018
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Finance and Administration Committee held a meeting at 10 a.m. on Friday, February 23, 2018 in the Surgery Conference Room on the second floor of Carl A. Jones Hall on the Quillen VA Medical Center campus.

I. Call to Order

Trustee Ron Ramsey (serving in Committee Chairman Steven DeCarlo's absence) called the meeting to order at 10 a.m.

II. Roll Call

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

Nathan Farnor
Dorothy Grisham
Ron Ramsey
Jim Powell

Others in attendance were Dr. David Linville, board secretary; Dr. B.J. King, acting chief financial officer; Rusty Lewis, chief financial officer, College of Medicine; Sue Taylor, finance and administration, College of Medicine; Margaret Pate, budget and financial planning; Karen Glover, financial services; Dr. Karen King, information technology; Dr. Lauren Collier, THEC; Joe Smith, university relations (taking minutes).

III. Approval of Committee Meeting Minutes from November 10, 2017

The minutes from the Finance and Administration Committee Meeting on November 10, 2017 were presented for approval. Trustee Powell made a motion for approval and Trustee Grisham seconded the motion. Motion passed.

IV. Employment Policies

Secretary Linville presented an employment policy related to anti-nepotism and explained it was a standard policy that is based on review of statutes and guidelines from the State of Tennessee. It was written by ETSU human resources staff, reviewed by the Acting Chief Operating Officer, and it is in compliance with state

code as well as previous policies. Trustee Grisham made a motion for approval and Trustee Powell seconded the motion. Motion passed.

V. **Discussion of Mandatory and Non-Mandatory Fees for 2018-19**

Dr. B.J. King introduced guests in attendance at the meeting who provide leadership for financial services on the main campus and at the College of Medicine (see item II). Dr. King discussed how the Board of Trustees will be asked to approve tuition and fees at the April meeting and that, historically, this is ahead of the timeline that has been followed in the past. This will allow students upon leaving campus at the end of the spring semester to have an idea of what tuition and fees will be for the fall 2018 semester. The major caveat with this is that the proposed tuition and fees will be contingent on the approval of Governor Haslam's budget, and will also be dependent on THEC maintaining the 3 percent binding limit for maintenance and mandatory fees that was proposed at its November meeting.

In addition to outcomes funding, the budget has a salary component of 2.5 percent of which only 60 percent is funded through the Governor's budget. A 1.75 percent tuition increase will be needed to fund the 2.5 percent salary increase. The operating funds money in Governor Haslam's proposed budget is approximately \$1,708,000. This is slightly less than the previous year, but, as Dr. King noted, last year's salary increase was 3 percent. The 1.75 percent tuition increase will provide funding for the salary increase but will not address any operational increases, which means that additional fee increases will be needed.

For the 2018-19 year, ETSU will be looking at a maintenance and mandatory fee increase of 3 percent compared to the prior year increase of 3.97 percent. The maintenance fee increase proposed is 2.74 percent and would generate approximately \$3.3 million in general fund revenue, with \$1.2 million going to the unfunded salary pool and an additional \$1.2 million for increases in scholarships. The 2018-19 budget is based on an enrollment decrease of 100 students in light of the decline in the number of high school students. This decrease of 100 students translates to a projected loss of \$760,000.

The budget includes two requests as part of the mandatory fees. Administration is proposing an increase to the newly implemented facilities fee from \$40 to \$64 which will provide an additional \$600,000 for student classrooms and common space renovations. A \$12 increase for the technology access fee is also being sought that would generate approximately \$300,000 in revenue. Dr. Karen King reported this will be used to support bandwidth costs, storage, backup for student network access and other technology improvements. Maintenance fee increase proposed is \$198 per academic year and the mandatory fee increase proposed is \$72 per academic year for a total increase of \$270.

The Quillen College of Medicine is proposing a 2 percent increase and the Gatton College of Pharmacy is proposing a 3 percent increase. Both academic units will also participate in the increases to the mandatory fees.

Dr. B.J. King said that several ETSU representatives had appeared before the House and Senate education committees and that staff are continuing to address questions regarding the proposed budgets.

In terms of non-mandatory fee requests which support specific course, lab and program fees, the 2018-19 proposed budget calls for an increase of \$1.1 million. The largest non-mandatory fee increase is the health science course fee to support student experiences in and outside of the classroom, student engagement, and the renovation of Building 60. The \$10 course fee increase will generate approximately \$671,000

A pass-through item for the budget is an increase in the food service plan, which was included in the contract with the food service provider. Services will continue in the Culp Center while the renovations are taking place. An increase in housing rates is not being sought. Deliberation of budget hearings are currently occurring on the ETSU campus with the Budget Advisory and Strategic Planning Committee (BASPC). The BASPC committee will meet soon to complete prioritizing budget requests in alignment with strategic goals.

VI. Discussion of Salary Increase for 2018-19

Dr. King noted that the 2.5 percent salary increase could be used either as an across-the-board increase or based on the current equity plan. The current plan is to provide across-the-board increases with a minimum increase of \$500.

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

Dr. King discussed an RFP currently in process that will provide improved data on prospective students. Another RFP is open that will assist Intercollegiate Athletics with sponsorships and advertising.

VIII. Other Business

There were no other business matters discussed.

IX. Adjournment

The meeting adjourned at 11:02 a.m.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE
SPECIAL CALLED MEETING

MINUTES

March 29, 2018
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Finance and Administration Committee held a special called meeting at 3 p.m. on Thursday, March 29, 2018, 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 called the roll. Committee members in attendance were:

Steven DeCarlo, chair (via video conference)

Jim Powell (via telephone)

Nathan Farnor

Absent were Trustees Dorothy Grisham and Ron Ramsey.

Secretary Linville noted to Chairman DeCarlo that he did not detect a physical quorum, however 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 up to the committee the following circumstances which necessitate the reason for holding this meeting:

- It is necessary for the Executive Committee of the Board to meet in order to review the appeal filed with the Board.
- 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 members by electronic or other means of communication is necessary, and then asked that a motion be made and a roll call vote be taken for a determination on the necessity of holding the meeting. Trustee Powell made a motion recognizing the necessity of the meeting. It was seconded by Trustee Farnor and unanimously approved via a roll call vote.

Secretary Dr. David Linville noted that, because some committee members were calling in for the meeting, he was required to ask each member if they can hear the meeting clearly on

the phone and if anyone is present in the room. Trustees DeCarlo and Powell both confirmed they could hear the meeting and were alone in their respective offices.

Others in attendance included: Dr. B.J. King, Dr. Brian Noland, Mr. Nathan Dugger, Ms. Kristen Swing, Ms. Margaret Pate, Ms. Kathy Glover, Ms. Amanda Mowell, Ms. Sue Taylor, Ms. Sherry Armitage, and Mr. Zach Vance (of the Johnson City Press).

III. Approval of Salary Increase for 2018-19

Dr. B.J. King explained that the Governor's proposed budget contains a 2.5 percent salary increase, with the governor providing approximately \$1.8 million of that cost and ETSU having to contribute approximately \$1.2 million. The university's contribution of \$1.2 million equates to a tuition increase of 1.75 percent.

For reference, Dr. King noted that the university had a 3 percent salary pool last year that was used for a 2 percent across-the-board increase and the other 1 percent went to an equity pool for increases based on market equity research. This year, Dr. King said executive leadership has decided to use the entire 2.5 percent for across-the-board raises (with a \$500 floor). Meanwhile, she said, a Human Resources consultant is helping the university look for a compensation plan that will allow leaders to do something different next year.

Trustee Powell moved that the Finance and Administration Committee recommend the adoption by the full Board of Trustees of the proposed salary increase for 2018-19 as it was presented, contingent on the approval of the Governor's budget and the approval of the THEC binding fee limit in May. It was seconded by Trustee Farnor and unanimously passed via roll call vote.

IV. Approval of Mandatory and Non-Mandatory Fees for 2018-19

Dr. B.J. King shared that, last year, ETSU approved a maintenance fee increase of 3.17 percent and a total maintenance and mandatory fee increase of 3.97 percent, which was in line with THEC's binding limit of 4 percent. She warned that this legislative session is not yet complete, but said the university is anticipating receiving the funding outlined in the Governor's budget in January as well as a THEC binding limit of 3 percent. She reminded trustees that anything they approve today to move forward to the full Board of Trustees is contingent on the Governor's budget as it was presented in January and THEC establishing and confirming the 3 percent binding limit at its meeting in May. Worst-case scenario, she said, is that the full Board of Trustees approves something in April and then THEC reduces its binding limit. In that case, she said, there would need to be called meetings of the committee and full board to reduce the budget for this year.

The proposed total tuition and mandatory fees increase for 2018-19 is 2.91 percent, with 2.7 percent of that in maintenance fees and the remainder in mandatory fees, which will go toward a facilities fee (approximately two-thirds) and a technology access fee (approximately one-third). Dr. King said the 2.74 percent in maintenance fees should equal approximately \$3.3 million in revenue to go to the general fund. It will be used for salary increases and

anticipated scholarship increase while also accommodating a projected 100-student enrollment decline and a small inflationary factor.

The Quillen College of Medicine is proposing a 2 percent increase and the Bill Gatton College of Pharmacy is proposing a 3 percent increase, Dr. King also noted.

Offering some context, Dr. Brian Noland explained that the university will have to have a 1.75 percent fee increase for mandated salary increases and said the remaining balance is nominal. He said the university is taking a conservative approach to fees as well as the proposed budget. He also emphasized the historic timing of the process this year, noting that it is the first time in modern history that students will have a sense of the next year's tuition and fees before departing for the summer.

Dr. King next addressed the mandatory fee requests, noting again that these generate revenue for the facilities fee and technology access fee. She said Mr. Jeremy Ross would be present, hopefully in September, to talk about last year's facilities fee and what it was used for. She said last year was the first time for the facilities fee. The technology fee, she added, will go toward bandwidth costs, storage costs and access controls on the network.

On Page 9 of the materials, Dr. King noted that it should be labeled Non-mandatory fees and said these are fees related to specific courses. On Page 10, Dr. King noted a fee in Business and Technology that had changed. It is a fee related to a one-hour course for international students. On Page 11, Dr. King noted the Global Sports Leadership cohort fee, saying that it was presented last year but would not start until this fall so it was put into the materials just for clarity.

Trustee Powell moved that the Finance and Administration Committee recommend to the full Board of Trustees the adoption of the proposed mandatory and non-mandatory fees for 2018-19 as presented, contingent on the approval of the Governor's budget and the approval of the THEC binding fee limit in May. It was seconded by Trustee Farnor and unanimously passed via roll call vote.

V. 2018-19 Budget Proposals

Dr. King said the Governor's total increase for the entire university is \$5.5 million, with \$500,000 of that related to an insurance increase. That leaves \$5 million, of which \$3.4 million is designated for the salary pool and leaving a \$1.7 million operating increase from the Governor. The Governor also included \$8.6 million in five maintenance projects at ETSU. The proposed humanities building, she noted, was not funded this year. Trustee Powell asked what the Governor provided for maintenance projects last year and Dr. King said it was around \$9.4 million. She said the \$8.6 million is not bad and that she believed ETSU came out well on maintenance projects this year.

In terms of the new locally governed institutions (LGIs), the University of Memphis had the largest appropriation followed by MTSU and then ETSU. Dr. King said ETSU has been very pleased with what Gov. Bill Haslam has given over the last few years. She noted that we are the first institution to have meetings on tuitions and fees and added that ETSU is decreasing

its tuition-and-fees increase by over 1 percent this year over last year. She also said we are coming in more in line with our peers with average tuition and mandatory fees.

Dr. King summarized that the budget is balanced and within available resources; tuition increases continue to trend low and are in line with peers; there are compensation increases; and approximately \$5 million in appropriations (net of health insurance). She said budget hearings started within colleges in the fall, reached the VP level in December and hearings with the VPs took place in January and February. A diverse committee is now going through the budget review process, she added.

In discussing main campus unrestricted funds, Dr. King noted that the university's \$260 million budget is funded by tuition and fees to the tune of \$150 million. State appropriations make up a little over \$65 million; grants and contracts account for approximately \$5.4 million; sales and services represent almost \$12 million; auxiliaries are \$25.6 million and other sources found \$1.4 million. She noted that the materials show revenues going up and expenditures going down, however this relates to carry-forward funds and encumbrances. She assured the trustees that the revenues and expenditures are almost identical and the budget is balanced. Dr. King shared a slide showing revenue by source. The slide showed that 53 percent of the university's revenue budget – the largest source of revenue – comes from maintenance and required fees. In terms of non-mandatory fees, the largest contributor is specialized course fees. In sales and services, the number one contributor of revenue is athletics. For grants and contracts, the largest revenue source is local due to the funding received for the operation of University School. In auxiliaries, housing is the largest source of funds but food service is growing.

In a slide regarding the allocation of new net funding on the main campus, Dr. King explained that \$2.5 million will go to a salary pool while other funds will be used for new positions as well as travel and operating expenses. There is \$4.1 million in total allocation in new funding on the main campus -- \$3 million will be put into salary increases and \$1.1 million will go into new positions and new operating monies.

Dr. King said instruction is 40 percent of ETSU's budget and scholarships are approximately 13 percent of the budget. As far as natural classification, salary and benefits are the largest portion of expenditures.

Chair DeCarlo asked how many positions would be funded through the \$733,000 allocated. Dr. King said, in total, we are asking for 10.5 new positions however four of them are being self-funded by one college. So, that means the \$733,000 is to fund 6.5 positions, including salaries and benefits.

At the Quillen College of Medicine, both the revenues and expenditures are at \$61 million, representing a \$2.5 million increase in revenue. Dr. King said this is in line with last year's proposal, adding that the medical school is increasing expenditures in instructional areas. She said MEAC provides \$39 million to the unit, representing approximately 39 percent of the total budget. State appropriations for Quillen are \$3.4 million. Like the main campus, the

number one expenditure at Quillen is instruction (salary/benefits by natural classification). Tuition and fees will go up 2 percent.

In Family Medicine, revenue is going up about \$500,000 and the budget is balanced. State appropriations are about 44 percent of the Family Medicine budget. Family Medicine is very dependent on clinic and residency revenues, Dr. King noted.

At the College of Pharmacy, there is a proposed 3 percent tuition increase, which equates to another \$300,000 in revenue. The budget is balanced. The pharmacy school does not receive a state appropriation and is almost entirely dependent on tuition and fees.

Summarizing, Dr. King said there has been a thorough budget hearing process; we are recommending low tuition increases with stable state appropriation revenue; investments are being made in employees through a salary increase; and the state has continued investing in campus infrastructure for maintenance projects.

Trustee Powell asked whether pharmacy could help with revenues by following a method similar to medicine with private practice. Dr. Noland pointed out that practice plan options at Quillen College of Medicine are structured around them seeing patients and the nature of independent pharmacists in a clinic setting is different. From a revenue perspective, Dr. Noland said clinical operations for Gatton are possible but he hesitated to say they'd lead to revenue like that at the medical school. Secretary Linville also pointed out the work ETSU's Academic Health Sciences Center is doing with the national Aligned Institutional Mission project from with the Association of Academic Health Centers. He said ETSU and the University of Kansas are the only two universities in the country to be a part of the project, which is taking a deep dive into the clinical operations across the health sciences at ETSU. He said the project will help identify opportunities and synergies that exist to improve the bottom line.

Chair DeCarlo asked about the status of the pharmacy school tuition issue related to the UT pharmacy school. Dr. Noland said the issue traces its roots to changes at UT that now allow an Alabama resident to pay less to attend UT than a Tennessee taxpayer pays to attend Gatton College of Pharmacy. A bill is currently proposed in the state legislature to provide \$2.5 million in scholarships and Dr. Noland said that while he recognizes this is a longer conversation, he is hopeful that the legislation will generate discussion.

In conclusion, Chair DeCarlo said this committee would discuss this again on April 27 prior to the full Board of Trustees meeting that afternoon where it will be presented to the full board.

VI. Other Business

None

IX. Adjournment

Chair DeCarlo adjourned the meeting.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: April 27, 2018

ITEM: Policies for Approval

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: David Linville
Secretary of the Board

The following administrative policies for Employment have been revised to reflect current operations of the university and foundation with the establishment of an institutional board of trustees. The university's policies are now being presented in a format which provides for separate policy and procedures within the same document.

- Passenger Van Policy
- Hazardous Materials Transportation Policy

MOTION: I move that the Board of Trustees adopt the policies as outlined in the meeting materials.

RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees adopts the Passenger Van Policy and Hazardous Materials Transportation Policy as outlined in the meeting materials.



Passenger Van Policy	
Responsible Official: VP for Business and Finance	Responsible Office: Division of Business and Finance

Policy Purpose

The purpose of this policy is to establish the safe use and operation of university owned, or rented, borrowed, or leased 12-passenger or 15-passenger vans.

Policy Statement

All drivers who operate a university owned, or a rented, borrowed, or leased 12-passenger or 15-passenger van must comply with all State of Tennessee laws, the laws of other jurisdictions in which the vehicle is operated, and university policies, procedures, rules, and instructions.

All ETSU employees and approved student drivers of an ETSU owned 12-passenger or 15-passenger van must

- Be at least 21 years of age
- Possess a valid drivers' license
- Successfully complete the FLI Learning Systems, Inc. course provided by Environmental Health and Safety and pass the associated exam
- Follow the posted speed limit
- Adhere to state vehicle laws
- Ensure that they are well rested and attentive
- Always slow down if the roads are wet or icy
- Exercise care and driving techniques that allow for safe adjustments to the handling characteristics specific to loaded 15-passenger vans

All drivers of 12-passenger and 15-passenger vans owned by Enterprise Rent-a-Car must be at least 25 years of age.

Drivers must:

- Perform an inspection of the 12-passenger or 15-passenger van prior to operation per the FLI training. University owned, or rented, borrowed, or leased vehicles are not to be operated if there are mechanical or equipment concerns which affect the safe operation of the vehicle.
- Ensure that all seat belts are in place and operational.
- Ensure they have current state insurance information in the van.

- Not operate a van with luggage or other items placed above the bottom of any window frame in the vehicle. All luggage will be stored in the rear luggage area. No luggage will be placed in the passenger or driver’s area. No luggage will be placed on the roof of the vehicle.

All employees and passengers in an ETSU owned or a rented, borrowed, or leased 12-passenger or 15-passenger van must wear a seat belt.

Maximum occupants for:

- 12-passenger vans: 12 including the driver
- 15-passenger vans: 15 including the driver

The Tennessee Board of Education “prohibits use of a 15-passenger van to transport students to and from school or a school-related activity.” Minors may be transported in the vans, but not in conjunction with a primary or secondary school (such as University School).

Only university owned and approved trailers may be towed by a 12-passenger or 15-passenger van.

All department heads, directors, assistant directors, associate directors, or supervisors who are responsible for ETSU owned 12-passenger and 15-passenger vans must have their vans inspected by Free Service Tire Company every 12 months. The full vehicle safety inspection must be requested. Inspection documentation must be sent to vansafety@etsu.edu on an annual basis.

It is the responsibility of the Purchasing Department to notify the Environmental Health & Safety Office (439-6028) of any purchase of new 12-passenger or 15-passenger vans.

Definitions

N/A

Policy History

Effective Date:

Revision Date:

Procedure (s) Procedure History

Effective Date:

Revision Date:

Related Form(s)

Scope and Applicability

Check those that apply to this policy and identify proposed sub-category.

	Governance	
	Academic	
	Students	
	Employment	
	Information Technology	
X	Environmental Health and Safety	
X	Business and Finance	
X	Facilities and Operations	
	Communications & Marketing	
	Advancement	



Hazardous Materials Transportation Policy	
Responsible Official: Associate Vice President for Facilities Management, Planning and Construction	Responsible Office: Facilities Management, Planning and Construction

Policy Purpose

The purpose of this policy is to define how ETSU will comply with all applicable regulatory requirements imposed by the U.S. Department of Transportation (DOT) and International Air Transportation Association (IATA) regarding hazardous materials and dangerous goods transportation-related activities.

Policy Statement

The ETSU Environmental Health & Safety Office will manage and facilitate the Hazardous Materials Transportation program and assist all ETSU departments in compliance with these requirements.

1. All hazardous materials must be prepared and shipped according to DOT Hazardous Materials (HazMat) or IATA Dangerous Goods Regulations.
2. Any faculty, staff and students involved in shipping, receiving and/or transporting hazardous materials/dangerous goods are considered ETSU HazMat employees and must obtain training commensurate with their duties.
3. ETSU must test and certify HazMat employees before shipping hazardous materials.
4. When necessary, security plans will be developed and implemented in accordance with 49 CFR Part 172 Subpart 1.
5. All radioactive material shipped to ETSU must come through the campus Radiation Safety Office. Radioactive material shipped by or from ETSU must be coordinated by the Radiation Safety Office.
6. All infectious substances, select agents or dry ice must be shipped in accordance with the ETSU Environmental Health & Safety Office [Guide to Shipping Biological Materials](#).

Authority: U.S. Department of Transportation (DOT)
International Air Transportation Association (IATA)
49 CFR Parts 171-177, Hazardous Materials Transportation Act (HMTA)
Hazardous Materials Transportation Uniform Safety Act of 1990 (HMTUSA)

IATA Dangerous Goods Regulations (DGR)
Federal Aviation Association (FAA)

Policy History

Effective Date:

Revision Date:

Procedure (s)

As part of the program, ETSU faculty, staff and students who are involved in transportation-related activities will be informed about hazardous materials/dangerous goods transportation regulations. At ETSU, examples of hazardous material include acids and bases, flammable solvents, compressed gas, dry ice, most laboratory samples and chemicals, radioactive material, as well as certain cleaners, pesticides and paint. Any package that arrives with a diamond-shaped DOT label is a hazardous material.

A. Hazardous Materials Transportation Regulation

The U.S. Department of Transportation (DOT) regulates both surface and air shipment of hazardous materials shipped within the United States. These regulations set out the responsibilities for institutions and individuals involved the transportation-related activities of hazardous materials and dangerous goods, which include the following hazard classes:

Hazard Class or Division	Label Name	Label Design or Section Reference
1.1	EXPLOSIVES 1.1	172.411
1.2	EXPLOSIVES 1.2	172.411
1.3	EXPLOSIVES 1.3	172.411
1.4	EXPLOSIVES 1.4	172.411
1.5	EXPLOSIVES 1.5	172.411
1.6	EXPLOSIVES 1.6	172.411
2.1	FLAMMABLE GAS	172.417
2.2	NONFLAMMABLE GAS	172.415
2.3	POISON GAS	172.416
3.0	FLAMMABLE LIQUID (none)	172.419
4.1	FLAMMABLE SOLID	172.420

4.2	SPONTANEOUSLY COMBUSTIBLE	172.422
4.3	DANGEROUS WHEN WET	172.423
5.1	OXIDIZER	172.426
5.2	ORGANIC PEROXIDE	172.427
6.1 (material poisonous by inhalation (see §171.8 of this subchapter))	POISON INHALATION HAZARD	172.429
6.1 (other than material poisonous by inhalation)	POISON	172.430
6.1 (inhalation hazard, Zone A or B)	POISON INHALATION HAZARD	172.429
6.1 (other than inhalation hazard, Zone A or B)	POISON	172.430
6.2	INFECTIOUS SUBSTANCE ¹	172.432
7 (see §172.403)	RADIOACTIVE WHITE-I	172.436
7	RADIOACTIVE YELLOW-II	172.438
7	RADIOACTIVE YELLOW-III	172.440
7 (fissile radioactive material; see §172.402)	FISSILE	172.441
7 (empty packages, see §173.428 of this subchapter)	EMPTY	172.450
8	CORROSIVE	172.442
9	CLASS 9	172.446

In addition, the regulations specify: proper classification, packaging, labeling, security assessment, and documentation of all shipments. The regulations require training for anyone who prepares, offers, or receives materials for shipment and establishes penalties and fines for non-compliance. Failure to comply with the regulations may not only result in substantial fines and penalties for the University, but the individual(s) causing the violation can also be held personally liable.

B. Responsibilities

The regulations stipulate that ETSU as a HazMat employer is ultimately responsible for compliance; however, this program sets forth individual responsibilities as follows:

1. The Environmental Health & Safety Office will provide technical information, oversight, training and emergency response and will be responsible for:

a. Coordinating and facilitating DOT training opportunities for all campus shippers.

b. Testing and certifying individuals to ship hazardous materials; and

c. Auditing all campus shipping centers for compliance.

2. Department heads must identify all faculty, staff and students who require training and ensure that they are trained before being allowed to ship, transport, and/or receive hazardous materials.

3. All faculty, staff and students must properly handle, classify, package, label, and document all shipments of hazardous material and must not ship materials for which they are not trained and certified.

C. Classification and Identification

The shipper is responsible for all aspects of the classification and identification of hazardous materials being shipped. The DOT regulations set forth the procedures and criteria for determining the proper shipping name and the hazard class for hazardous materials.

Some materials are so hazardous that they are specifically designated as "forbidden" in the Hazardous Materials Table in 49 CFR 172.101 and may not be offered for transportation or transported in commerce. Some require special review and approval. Others are designated as "forbidden" from transportation by specific modes such as air transportation. 49 CFR 173.21 extends the "forbidden" designation beyond those materials listed by name in the Hazardous Materials Table to additional general categories, including materials (other than materials classed as explosives) that will detonate in a fire; combinations of materials that are likely to cause a dangerous evolution of heat, create flammable or poisonous gases or vapors, or produce corrosive materials; and packages that give off a flammable gas or vapor likely to create a flammable mixture with air in a transport vehicle.

The Hazardous Materials Table and List of Dangerous Goods are key elements and primary guides to offerors, carriers, and enforcement personnel in determining compliance with the regulations. For each entry, they specify the proper shipping name, hazard class or division, identification number, packing group and required hazard warning labels. Furthermore, they identify modal-specific rules, such as quantity limitation requirements for transportation by passenger aircraft.

D. Packaging

The shipper is responsible for all aspects of the packing of hazardous materials. The packaging required for hazardous material is the first line of defense in ensuring that the material is not released during transportation. The regulations specify various performance levels for packaging for hazardous materials, based on the nature and level

of hazards posed by the specific material to be packaged therein. An inadequately packaged hazardous material may not be offered for transportation, accepted or transported. All packaging must be designed to ensure that under normal conditions of transportation there will be no release of contents, and that the effectiveness of the packaging will not be substantially reduced by temperature changes. Packaging used to transport liquids by aircraft must be able to withstand significant changes in ambient pressure.

In the case of combination packaging, the inner packaging containing a liquid must be packaged so that the closures are properly installed and tight, are upright, and the outer packaging must be marked to show the proper orientation. All inner packaging must be adequately secured and cushioned within the outer packaging to prevent breakage or leakage and to control movement within the outer packaging under conditions normally incident to transportation. Substances that may react dangerously with each other may not be placed in the same package.

The Hazardous Material Table and List of Dangerous Goods specify the packaging requirements for each shipping name in the tables. For each entry, they specify the packaging authorizations, per-package quantity limitations for passenger and cargo aircraft, and special provisions. These packing instructions must be followed.

E. Documentation, Marking, and Labeling

The shipper is responsible for all necessary marking and labeling of each package of hazardous material being shipped. Essential elements of hazard warning information are required to be communicated through shipping documents, package marking and labels, placards on transport vehicles and bulk packaging, written emergency response information, and emergency response telephone numbers to be used in the event of an emergency involving the hazardous material.

Shipping papers can be in the form of a bill of lading, freight bill, hazardous waste manifest, or other shipping document. The "shipper's certification" on the shipping paper is a positive endorsement that the offeror is required to provide when tendering a shipment of hazardous materials to a carrier for transportation. The person signing the certification must be trained in appropriate areas of the Hazardous Material Regulations (e.g., classification, description, packaging, marking and labeling) pertaining to the shipment. At a minimum, a properly prepared shipping paper clearly identifies a hazardous material by its proper shipping name, hazard class or division number, identification number, packing group (if any), and total quantity. Additional hazard warning and handling information, such as "POISON" and "CARGO AIRCRAFT ONLY," must be entered on the shipping paper. This information is intended to enhance safety by informing HazMat employees of the presence of hazardous materials and prompting them to ensure that the required actions, such as placarding and segregation of incompatible materials, are accomplished. Emergency responders in responding to incidents and accidents involving hazardous materials use this same information.

Package markings and labels convey information on packages, such as proper shipping name, identification number, and hazard class of a hazardous material. This information readily identifies that a package contains a hazardous material. Carrier personnel and other persons use hazard warning labels and package marking to ensure that the hazardous materials are properly segregated and stowed. This ensures compliance with loading and stowage requirements designed to prevent potentially dangerous situations that may occur with adjacent stowage of incompatible hazardous materials, or to prevent contamination of foodstuffs, feed or other edible materials. For example, the regulations generally prohibit the loading of Class 8 (corrosive) material above or next to Division 4.1 (flammable solid) materials or Division 5.1 (oxidizing) materials.

In addition, emergency responders can use the information provide by package markings and hazard warning labels when shipping papers are destroyed or otherwise not immediately available. Hazardous materials marking must be durable, in English, and unobscured by other information appearing on the package. Hazard warning labels must conform to the size and color specifications, be placed on the package near the marked proper shipping name, be clearly visible, and be unobscured by other information.

Hazard warning placards and identification numbers are displayed on the outside of motor vehicles, freight containers, and bulk packaging loaded with hazardous materials. They provide a readily visible warning that hazardous materials are present. The information they provide can be critical to emergency responders in mitigating the impacts of a hazardous materials incident or accident.

Emergency response information and an emergency response telephone number must be provided by the offeror and maintained by the carrier for use in the mitigation of an accident or incident involving hazardous material. The emergency response telephone number for use in the event of an emergency involving hazardous material must be:

- Monitored at all times the hazardous material is in transportation, including storage incidental to transportation, and
- Answered by a person who is either knowledgeable of hazards and characteristics of the hazardous material being shipped and has comprehensive emergency response and incident mitigation information for that material, or has access, without delay, to a person who possesses such knowledge.

F. Important Note Concerning State Owned Vehicle Transport

A state agency or local jurisdiction that transports chemicals for its own use, using its own personnel and state-owned vehicles, is exempt from the DOT regulations as long as the material is not shipped for commerce, it remains within the state, and it is packaged according to these procedures. ETSU must comply with the DOT regulations if it offers chemicals to a non-governmental carrier (by motor vehicle, aircraft, rail, or vessel) or transports these materials in "furtherance of a commercial enterprise."

This procedure states the requirements for the packaging and transport of chemicals in a manner that will minimize the threat of release via container breakage during transport. Chemicals which are considered hazardous cannot be transported in privately owned or personal vehicles. All transport must be in a University vehicle driven by a University employee. Chemicals can only be transported for the purposes of conducting research, field investigations, educational purposes and other official university business.

G. Security Measures For Shipping Hazardous Materials And Receiving Deliveries

Hazardous materials shipped from or received at ETSU's facilities, including hazardous materials loaded or unloaded to and from transport vehicles, are to be secured immediately against unauthorized access. This includes the following:

- Loading hazardous materials or receiving shipments must only occur in authorized areas.
- Visitor access to hazardous materials storage and handling areas, including truck drivers and delivery people, will be on a strictly controlled basis.
- Security devices including locks, gates, doors and other barriers will be utilized to the greatest extent possible to protect against unauthorized access to hazardous materials.
- All deliveries will be inspected for shipping documentation and damage to packages that may cause a release of the hazardous material.
- The shipper will be notified immediately of missing or damaged items.
- Deliveries of hazardous materials will only be accepted when verified as expected and when delivered by a carrier known to the University.
- Hazardous materials will only be received when authorized personnel are available to receive and promptly store them in a secure manner.
- Personnel observing the delivery of hazardous materials will watch for abnormal behavior.

H. Employee Responsibilities to Enhance Security

The following additional measures should be taken by all employees to further enhance security at the University:

- Be aware of your surroundings at all times.
- Report suspicious activities to ETSU Public Safety at 439-4480 and/or the Environmental Health & Safety Office at 439-6028.
- Make sure not to leave vehicle engines running unattended and do not leave keys in transport vehicles that are unattended.
- Lock unattended transport vehicles or vehicles not in use, making sure that the vehicle keys are secure or returned to the designated key storage area.
- Do not preload hazardous materials shipments during times of heightened threat levels.

I. Actions to be Taken in the Event of a Security Breach

In the event of a security breach, including suspicious incidents or individuals, ETSU employees should immediately contact ETSU Public Safety at 439-4480.

J. Actions to be Taken in the Event of a Spill

In the event of a spill due to a damaged or leaking package, ETSU employees should secure the location and immediately contact ETSU Public Safety at 439-4480. Trained spill response personnel will then be notified to manage the situation.

K. Important Links

[Pipeline and Hazardous Materials Safety
49 CFR Part 101](#)

Procedure History

Effective Date:

Revision Date:

Scope and Applicability

This policy applies to all ETSU faculty, staff, and students who are involved in transportation-related activities concerning hazardous materials and dangerous goods.

	Governance	
X	Academic	
X	Students	
	Employment	
	Information Technology	
X	Environmental Health and Safety	
	Business and Finance	
X	Facilities and Operations	
	Communications & Marketing	
	Advancement	

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: April 27, 2018

ITEM: Supplemental Presentation of Non-Mandatory Fee and Graduate Nursing eRate Proposal for 2018-19 and 2019-20

COMMITTEE: Finance and Administration Committee

RECOMMENDATION: Approve

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

At its March 29, 2018 meeting, the Finance and Administration Committee discussed the possible addition of a nursing course fee for the graduate programs to fund the faculty required for the programs. University administration is requesting that the following fee and fee adjustment be added to the list of approved non-mandatory fees as outlined in the meeting materials.

MOTION: I move that the Finance and Administration Committee recommend approval of the proposed fees and addition of this item to the presentation of the Resolution to the Board of Trustees regarding fees.

Non-Mandatory Fee Request – Per Semester

<u>Description</u>	<u>Current</u>	<u>Request Proposed</u>	<u>Per Hour Increase</u>	<u>Prior Increase</u>	<u>Revenue Generated</u>	<u>Justification</u>
Graduate Nursing Course Fee – two year implementation (The DPT-TTU program will implement in one year in 2019-20)	NA	\$75 per cr hr for FY19, \$150 per cr hr for FY20	\$75	NA	\$384,300 for FY19, \$768,600 for FY20	Cost studies with peer institution nursing programs reveal the graduate programs should be increased \$150 per credit hour to support graduate level faculty. This fee will be implemented in two years, \$75 in 2018-19 and \$75 in 2019-20 for students entering in those years. The total course fee when implemented will be \$150 per credit hour.
Graduate Nursing eRate Maintenance Fee (The DPT-TTU program will implement in one year in 2019-20)	The current eRate is 1.5 times in-state graduate maintenance fees.	(\$75) per cr hr for FY19, (\$150) per cr hr for FY20	(\$75)	NA	(\$126,300) for FY19, (\$252,600) for FY20	Cost studies with peer institution nursing programs reveal the graduate programs which are conducted 100% online would be adversely impacted by the graduate nursing course fee. A special eRate will be applied to graduate nursing courses to eliminate the negative impact of the Graduate Nursing Course Fee. This fee decrease will be implemented in two years, (\$75) in 2018-19 and (\$75) in 2019-20 for students enrolling in those years. The total reduction in eRate when implemented will be (\$150) per credit hour.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: April 27, 2018

ITEM: 2018-19 Budget Proposals

COMMITTEE: Finance and Administration Committee

RECOMMENDATION: Approve

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

At its March 29, 2018 meeting, the Finance and Administration Committee discussed in detail the 2018-19 budget proposals for the university. The budget information is provided for further discussion and approval by the committee.

The university has continued to implement a process of campus budget hearings, the results of which are presented by Vice Presidents for each division to the President and the Budget Advisory and Strategic Planning Committee. The purpose of the budget 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: I move that the Finance and Administration Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED: The proposed budget for 2018-19 is approved as presented in the meeting materials.

Main Campus Summary Budget Request

	Estimated 2017-18	Proposed 2018-19	Increase (Decrease)
<u>Revenue</u>	<u>\$ 250,628,800</u>	<u>\$ 259,316,800</u>	<u>\$ 8,688,000</u>
<u>Expenditures and Transfers</u>			
Instruction	\$ 106,490,300	\$ 105,195,100	\$ (1,295,200)
Research	3,157,300	1,149,700	(2,007,600)
Public Service	2,563,900	2,476,400	(87,500)
Academic Support	24,622,800	23,560,500	(1,062,300)
Student Services	25,475,100	25,819,400	344,300
Institutional Support	16,229,400	16,418,000	188,600
Facilities	17,469,700	17,301,300	(168,400)
Scholarships	<u>30,109,300</u>	<u>32,483,200</u>	<u>2,373,900</u>
Total before transfers	226,117,800	224,403,600	(1,714,200)
Debt Service	3,400,260	3,754,590	354,330
Non-Mandatory Transfers	5,850,000	5,328,810	(521,190)
Auxiliaries Exp & Tnfrs	<u>26,116,260</u>	<u>25,646,730</u>	<u>(469,530)</u>
<u>Total</u>	<u>\$ 261,484,320</u>	<u>\$ 259,133,730</u>	<u>\$ (2,350,590)</u>

College of Medicine Summary Budget Request

	Estimated 2017-18	Proposed 2018-19	Increase (Decrease)
<u>Revenue</u>	\$ 58,873,000	\$ 61,208,700	\$ 2,335,700
<u>Expenditures and Transfers</u>			
Instruction	\$ 43,299,900	\$ 44,889,600	\$ 1,589,700
Research	5,090,900	3,919,300	(1,171,600)
Academic Support	6,601,300	6,652,600	51,300
Student Services	1,709,800	1,679,600	(30,200)
Institutional Support	2,815,800	2,848,100	32,300
Facilities	6,652,700	6,656,500	3,800
Scholarships	260,000	260,000	-
Total before transfers	66,430,900	66,905,700	475,300
Debt Service	88,300	88,300	-
Non-Mandatory Transfers	(5,858,100)	(5,813,000)	45,100
<u>Total</u>	<u>\$ 60,660,600</u>	<u>\$ 61,181,000</u>	<u>\$ 520,400</u>

Family Medicine Summary Budget Request

	Estimated 2017-18	Proposed 2018-19	Increase (Decrease)
Revenue	\$ 16,721,800	\$ 17,146,000	\$ 424,200
<u>Expenditures and Transfers</u>			
Instruction	\$ 11,128,700	\$ 11,482,800	\$ 354,100
Research	352,000	334,800	(17,200)
Academic Support	3,395,500	3,601,600	206,100
Institutional Support	1,568,600	1,621,800	53,200
Facilities	394,000	377,000	(17,000)
Debt Service	262,900	262,900	-
Transfer from R&R	(200,000)	(545,000)	(345,000)
Transfer from COM	(100,000)	-	100,000
Total	\$ 16,801,700	\$ 17,135,900	\$ 334,200

College of Pharmacy Summary Budget Request

	Estimated 2017-18	Proposed 2018-19	Increase (Decrease)
Revenue	\$ 11,168,300	\$ 11,489,200	\$ 320,900
<u>Expenditures and Transfers</u>			
Instruction	\$ 6,850,000	\$ 6,899,300	\$ 49,300
Research	472,800	296,700	(176,100)
Academic Support	1,530,400	1,665,300	134,900
Student Services	677,900	661,400	(16,500)
Institutional Support	792,400	632,800	(159,600)
Facilities	527,400	521,100	(6,300)
Scholarships	410,000	215,000	(195,000)
Total before transfers	11,260,900	10,891,600	(369,300)
Debt Service	661,000	661,000	-
Nonmandatory Trfs	246,400	(63,500)	(309,900)
Total	\$ 12,168,300	\$ 11,489,100	\$ (679,200)



ETSU 2018-19 Budget Proposal

ETSU Board of Trustees
April 2018

Governor's Budget Recommendations

	Main Campus	COM	FM	Total
Operating Increase	\$ 1,708,000	\$ -	\$ -	\$ 1,708,000
Salary 2.5% Pool	1,842,300	1,186,800	337,800	3,366,900
Insurance Increase				
Increased revenue and expense	396,300	82,500	15,000	493,800
Total Increase	<u>\$ 3,946,600</u>	<u>\$ 1,269,300</u>	<u>\$ 352,800</u>	<u>\$ 5,568,700</u>

Source: Governor's 2018-19 Budget



Governor's Budget - Capital

	State Funds
Capital Maintenance	
Campus HVAC Upgrades	\$ 2,740,000
CEB HVAC Repairs	1,800,000
Campus Water Lines Ph 1	1,500,000
Roof Replacements	1,000,000
Code Deficiencies Mem Ctr	<u>1,600,000</u>
	<u>\$ 8,640,000</u>

Capital Outlay
None Included

Source: Governor's 2018-19 Budget



Salary Improvements Included in Budget Request

- Governor's budget includes a 2.5% salary pool for each appropriation unit
- Proposed 2.5 % across-the-board pay adjustment, with a floor of \$500



Fall 2018 Enrollment Projection

ETSU Fall 2018 Enrollment Outlook						
Student Category	Fall 14	Fall 15	Fall 16	Fall 17	F18	% Change Yr. to Yr.
Main Campus	13,822	13,727	13,419	13,764	13,664	-0.73%
COM	288	284	282	277	277	0.00%
COM (Residents)	249	251	260	254	254	0.00%
COP	324	323	321	311	311	0.00%
COP (Fellow)	2	2	3	2	2	0.00%
Total	14,685	14,587	14,285	14,608	14,508	-0.68%
Fall 18 is projected and is the number used to project the budget impact to ETSU						

- Applications support the current projection
- Proposed budget anticipates an enrollment decline of 100 students

Source: ETSU Institutional Research and Planning



State Appropriations for Tennessee Public Higher Education Formula Units 2012-13 through 2018-19							
Institution	2012-13	2013-14	2014-15	2015-16	2016-17	Estimated 2017-18	Proposed 2018-19
Former TBR Universities							
University of Memphis	87,346,700	89,106,400	89,331,900	98,871,200	102,487,500	110,827,200	116,739,900
Middle Tennessee State University	77,193,600	81,024,600	82,830,300	86,020,200	90,791,800	97,003,700	102,904,100
East Tennessee State University	45,772,200	48,685,000	48,048,900	51,547,600	55,391,900	61,099,800	65,025,400
Tennessee Technological University	37,288,600	39,559,500	38,394,000	39,386,900	42,692,700	47,731,100	51,066,700
Austin Peay State University	28,537,600	32,995,000	34,239,800	37,040,500	40,393,800	44,621,700	47,403,200
Tennessee State University	30,810,900	32,610,800	32,088,900	32,954,100	34,773,400	36,757,500	39,010,700
Former TBR University Total	306,949,600	323,981,300	324,933,800	345,820,500	366,531,100	398,041,000	422,150,000
UT Universities							
University of Tennessee-Knoxville	153,343,900	174,335,300	179,044,900	188,226,200	199,956,000	223,270,000	231,152,000
University of Tennessee-Chattanooga	34,601,800	36,128,500	37,501,400	41,771,200	45,847,400	51,005,300	55,002,000
University of Tennessee-Martin	24,609,100	25,243,000	26,249,700	27,962,700	30,804,000	32,495,400	34,000,000
UT University Total	212,554,800	235,706,800	242,796,000	257,960,100	276,607,400	306,770,700	320,154,000

Source: FY16-FY19 Governor's Proposed Budget, FY13-FY15 THEC



Maintenance/Tuition Proposal

Campus Per Term	17-18	Request	Increase	%	Prior
Undergraduate @15	\$ 3,612	\$ 3,711	\$ 99	2.74%	3.17%
UG Out of State	9,339	9,591	252	2.70%	3.22%
Graduate @9	4,122	4,230	108	2.62%	3.15%
Grad Out of State	7,353	7,560	207	2.82%	3.16%
To fund \$1.2M unfunded salary pool, increases in scholarships, and adjust for inflation and budgeted enrollment decline					
COM M1, M2, M4 *	15,779	16,095	316	2.00%	2.00%
COM M3 *	20,986	21,406	420	2.00%	2.00%
Pharmacy *	18,045	18,586	541	3.00%	3.00%

* Adjustments based on cost study of peer institutions

Source: ETSU Business and Finance

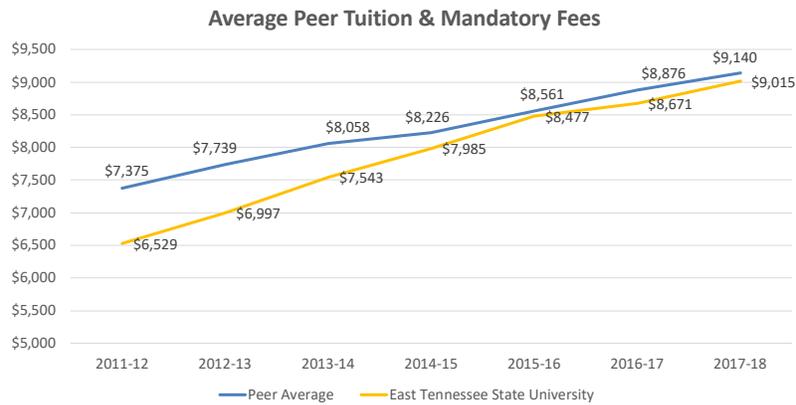


Annual Undergraduate Tuition and Mandatory Fees Based on 15 Hour Enrollment for Fall and Spring Semesters				
Institution	Last Year		Current Year	
	2016-17	2017-18	\$ Increase	% Increase
Locally Governed Institutions				
Austin Peay State University	\$7,995	\$8,225	\$230	2.88%
East Tennessee State University	8,671	9,015	344	3.97%
Middle Tennessee State University	8,610	8,948	388	3.93%
Tennessee State University	7,567	7,776	209	2.76%
Tennessee Technological University	8,551	8,873	322	3.77%
University of Memphis	9,497	9,701	204	2.15%
UT Universities				
University of Tennessee-Chattanooga	\$8,544	\$8,664	\$120	1.40%
University of Tennessee-Martin	8,783	8,927	144	1.64%
University of Tennessee-Knoxville (15/4)	12,668	12,970	302	2.38%
ETSU Proposed Annual Undergraduate Tuition and Mandatory Fees Based on 15 Hour Enrollment for Fall and Spring Semesters				
Institution	2017-18		2018-19	
	2017-18	2018-19	\$ Increase	% Increase
East Tennessee State University 2018-19	\$9,015	\$9,277	\$262	2.91%

Source: THEC



Tuition and Mandatory Fees



Source: ETSU Institutional Research and Planning



ETSU Budget

- The FY2019 Proposed Budget is balanced & within available resources
- Undergraduate tuition increases continue trending lowest in 20 years and in line with our peer institutions
- Funding for faculty & staff salary increases
- Unrestricted state funding up \$5,074,900 for four combined ETSU budget units





Main Campus
Proposed Budget
2018-19

Main Campus Appropriation and Maintenance Fee Revenue from Budget Call

Revenue and Adjustments:	Original
Appropriation increase	\$ 3,550,300
Maintenance fee increase 2.74%	3,329,670
Required Scholarship Increase	(1,290,300)
Projected enrollment decline - 100	(759,300)
Campus Investments	
Salary Pools @ 2.5%	(3,000,000)
GA Base Increase – 2 years	(220,000)
Faculty promotion and tenure pool	(250,000)
Non-instructional job audit pool	(250,000)
Allocated to new positions	(733,450)
Allocated to travel and operations	(366,550)
Unallocated	<u>\$ 10,370</u>

Source: Budget Advisory and Strategic Planning Committee



Main Campus Unrestricted Funds 2018-19 Revenue Budget

<u>Revenues by Source</u>	<u>%</u>	<u>Amount</u>
Tuition and Fees	57.77%	\$ 149,816,500
State Appropriation	25.08%	65,046,400
Grants and Contracts	2.08%	5,393,700
Sales and Services	4.62%	11,985,740
Auxiliaries	9.89%	25,645,700
Other Sources	0.55%	1,427,780
		<u>\$ 259,316,800</u>

Source: Office of Budget and Financial Planning



Main Campus Proposed Budget

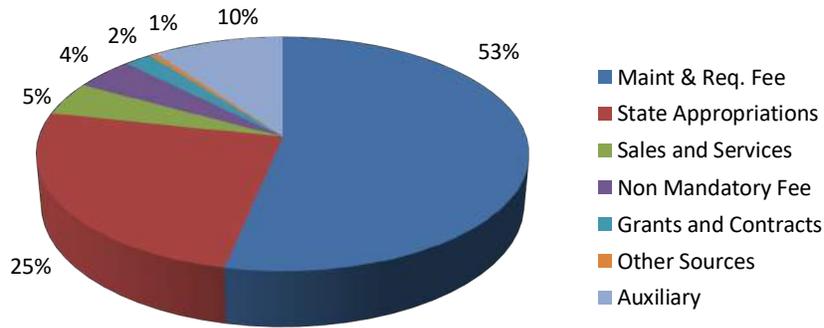
	Estimated 17-18	Proposed 2018-19	Increase (Decrease)
<u>Revenue</u>	\$ 250,628,800	\$ 259,316,800	\$ 8,688,000
<u>Expenditures and Transfers</u>			
Instruction	\$ 106,490,300	\$ 105,195,100	\$ (1,295,200)
Research	3,157,300	1,149,700	(2,007,600)
Public Service	2,563,900	2,476,400	(87,500)
Academic Support	24,622,800	23,560,500	(1,062,300)
Student Services	25,475,100	25,819,400	344,300
Institutional Support	16,229,400	16,418,000	188,600
Facilities	17,469,700	17,301,300	(168,400)
Scholarships	30,109,300	32,483,200	2,373,900
Total before transfers	226,117,800	224,403,600	(1,714,200)
Debt Service	3,400,260	3,754,590	354,330
Non-Mandatory Transfers	5,850,000	5,328,810	(521,190)
Auxiliaries Exp & Tnfrs	26,116,260	25,646,730	(469,530)
Total	<u>\$ 261,484,320</u>	<u>\$ 259,133,730</u>	<u>\$ (2,350,590)</u>

Source: Office of Budget and Financial Planning



FY 18-19 Revenue Budget

Revenue by Source



Total Revenue - \$259,316,800

Source: Office of Budget and Financial Planning



Allocation of Net New Funding – Main Campus

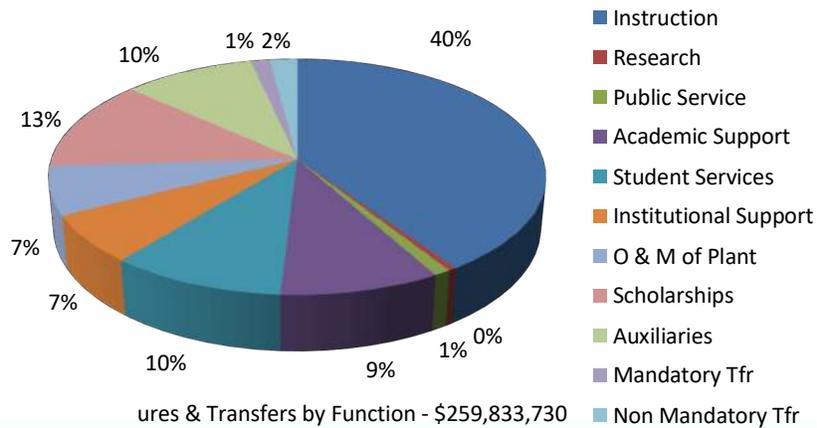
Function	Salaries and Benefits				Total
	2.5% Pool	New Positions	Travel	Operating	
Instruction	\$1,623,830	\$165,970	\$12,000	\$59,210	\$1,861,010
Research	20,580				20,580
Public Service	32,450				32,450
Academic Support	362,080	-			362,080
Student Support	352,000	62,220	15,000	66,000	495,220
Institutional Support	385,210	289,880		195,300	870,390
Operation and Maintenance	223,850	215,380		19,040	458,270
Total Expenditures	\$3,000,000	\$733,450	\$27,000	\$339,550	\$4,100,000

Source: Budget Advisory and Strategic Planning Committee



FY 18-19 Expenditure Budget

By Function

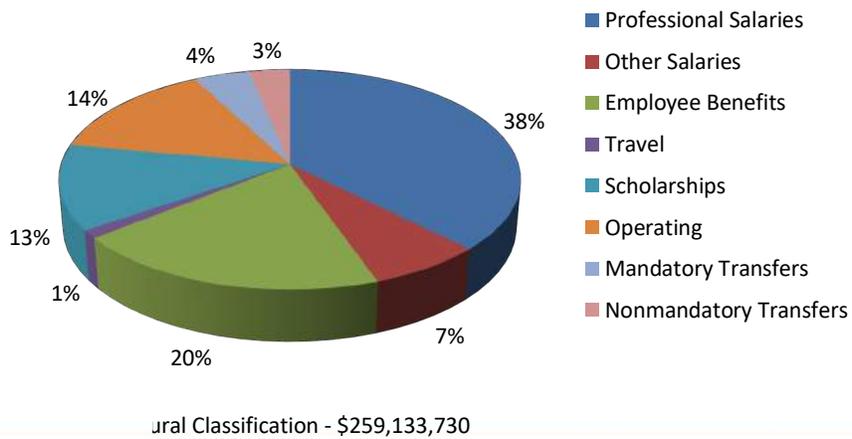


Source: Office of Budget and Financial Planning



FY 18-19 Expenditure Budget

By Natural Classification



Source: Office of Budget and Financial Planning





Quillen College of Medicine
Proposed Budget
2018-19

College of Medicine 2018-19

	Estimated 17-18	Proposed 2018-19	Increase (Decrease)
<u>Revenue</u>	\$ 58,873,000	\$ 61,208,700	\$ 2,335,700
<u>Expenditures and Transfers</u>			
Instruction	\$ 43,299,900	\$ 44,889,600	\$ 1,589,700
Research	5,090,900	3,919,300	(1,171,600)
Academic Support	6,601,300	6,652,600	51,300
Student Services	1,709,800	1,679,600	(30,200)
Institutional Support	2,815,800	2,848,100	32,300
Facilities	6,652,700	6,656,500	3,800
Scholarships	260,000	260,000	-
Total before transfers	66,430,400	66,905,700	475,300
Debt Service	88,300	88,300	-
Non-Mandatory Transfers	(5,858,100)	(5,813,000)	45,100
Total	\$ 60,660,600	\$ 61,181,000	\$ 520,400

Source: QCOM Finance and Administration



COM and MEAC Revenue Budget

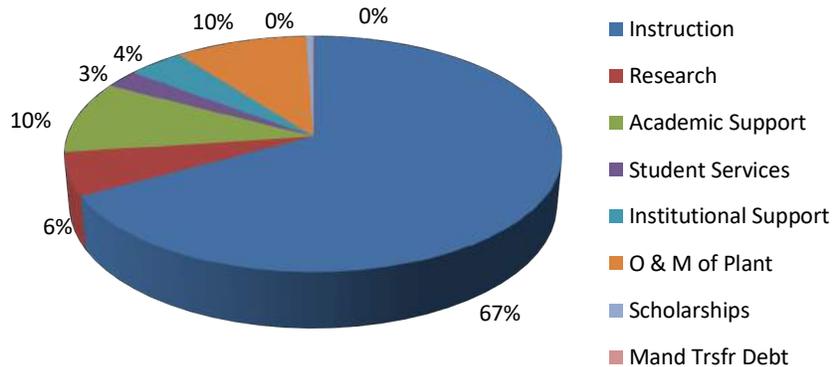
Revenues by Source	%	Amount
State Appropriations	34.42%	\$ 34,535,500
Tuition and Fees	9.76%	9,789,100
Grants and Contracts	1.40%	1,405,000
Residents Participation	15.18%	15,228,100
Other Sources	.25%	251,000
		<u>\$ 61,208,700</u>
Medical Education Assistance Corp	39.00%	39,137,200
Total		<u>\$100,345,900</u>

Source: QCOM Finance and Administration



COM FY 18-19 Expenditure Budget

By Function (Excluding Non-mandatory Transfers)



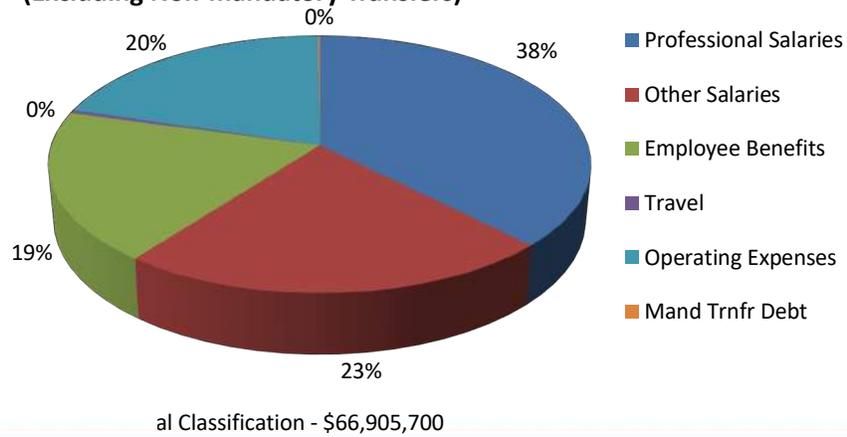
Expenditures by Function - \$66,905,700

Source: QCOM Finance and Administration



COM FY 18-19 Expenditure Budget

By Natural Classification (Excluding Non-mandatory Transfers)



Source: QCOM Finance and Administration



ETSU Family Medicine
Proposed Budget
2018-19

Family Medicine 2018-19

	Estimated 2017-18	Proposed 2018-19	Increase (Decrease)
Revenue	\$ 16,721,800	\$ 17,146,000	\$ 424,200
Expenditures and Transfers			
Instruction	\$ 11,128,700	\$ 11,482,800	\$ 354,100
Research	352,000	334,800	(17,200)
Academic Support	3,395,500	3,601,600	206,100
Institutional Support	1,568,600	1,621,800	53,200
Facilities	394,000	377,000	(17,000)
Debt Service	262,900	262,900	-
Transfer from R&R	(200,000)	(545,000)	(345,000)
Transfer from COM	(100,000)	-	100,000
Total	\$ 16,801,700	\$ 17,135,900	\$ 334,200

Source: Family Practice Finance Office



FM Revenue Budget

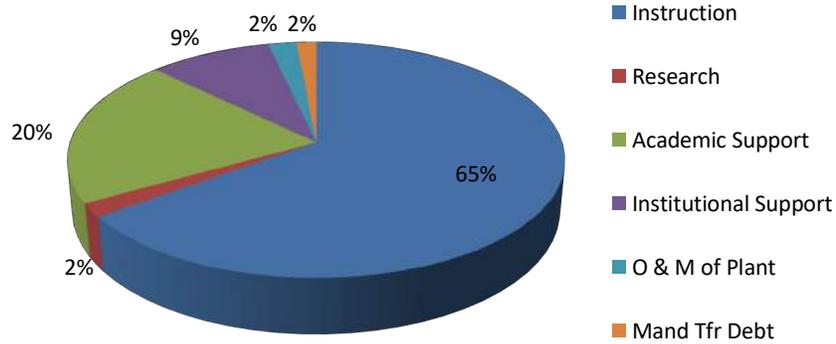
Revenues by Source	%	Amount
State Appropriations	44.09%	\$ 7,560,000
Clinical Revenue	30.82%	5,285,000
Resident Participation	21.84%	3,745,000
Other Sources	3.24%	556,000
		\$ 17,146,000

Source: Family Practice Finance Office



FM FY 18-19 Expenditure Budget

By Function (Excluding Non-Mandatory Transfers)



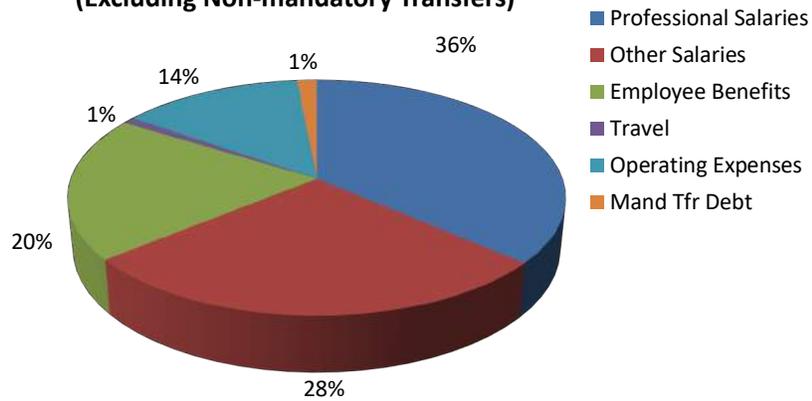
ures & Mandatory Transfers by Function - \$17,680,900

Source: Family Practice Finance Office



FM FY 18-19 Expenditure Budget

By Natural Classification (Excluding Non-mandatory Transfers)



by Natural Classification - \$17,680,900

Source: Family Practice Finance Office





Bill Gatton College of Pharmacy
Proposed Budget
2018-19

College of Pharmacy 2018-19

	Estimated 17-18	Proposed 2018-19	Increase (Decrease)
<u>Revenue</u>	\$ 11,168,300	\$ 11,489,200	\$ 320,900
<u>Expenditures and Transfers</u>			
Instruction	\$ 6,850,000	\$ 6,899,300	\$ 49,300
Research	472,800	296,700	(176,100)
Academic Support	1,530,400	1,665,300	134,900
Student Services	677,900	661,400	(16,500)
Institutional Support	792,400	632,800	(159,600)
Facilities	527,400	521,100	(6,300)
Scholarships	410,000	215,000	(195,000)
Total before transfers	11,260,900	10,891,600	(369,300)
Debt Service	661,000	661,000	-
Nonmandatory Trfs	246,400	(63,500)	(309,900)
Total	\$ 12,168,300	\$ 11,489,100	\$ (679,200)

Source: GCOP



COP Revenue Budget

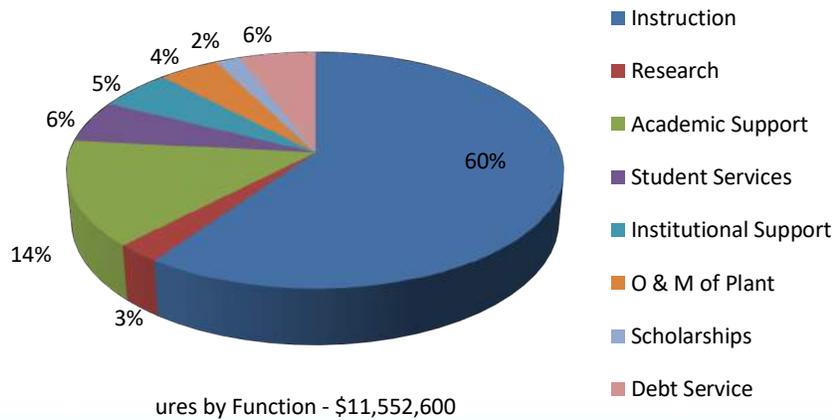
Revenues by Source	%	Amount
State Appropriations	0%	\$ 0
Tuition and Fees	99.69%	11,474,200
Other Sources	0.31%	15,000
		\$ 11,489,200

Source: GCOP



COP FY 18-19 Expenditure Budget

By Function (Excluding Non-mandatory Transfers)

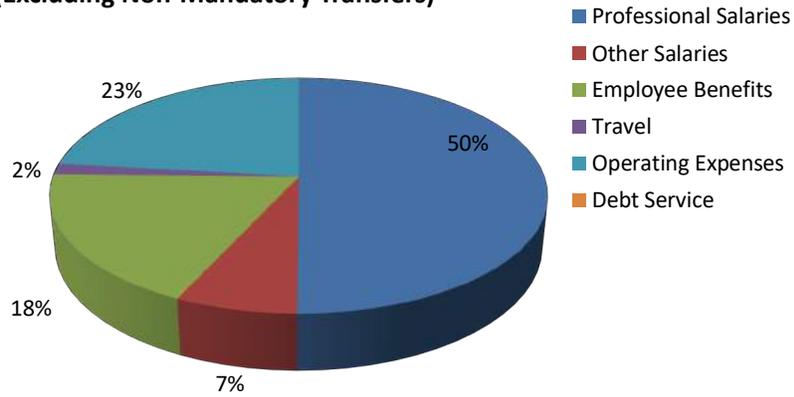


Source: GCOP



COP FY 18-19 Expenditure Budget

By Natural Classification
(Excluding Non-Mandatory Transfers)



by Natural Classification - \$11,552,600

Source: GCOP



Summary

Summary

- Thorough budget hearing process
- Recommending low tuition increases with stable state appropriation revenue
- Investments of significant institutional resources in ETSU employees with 2.5% salary pool
- State continued investment in campus infrastructure for several maintenance projects

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: April 27, 2018

ITEM: Capital Project Approval

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Jeremy Ross, Acting Chief Operating Officer

The overall goal of facilities planning for the Tennessee Higher Education Commission (THEC) is to provide physical facilities that enable each institution to provide a quality educational atmosphere to fulfill their role and mission. This goal is accomplished through annual recommendations for the funding of projects in two programs: capital outlay and capital maintenance.

Capital outlay projects utilize state funding in whole or in part. They include new facilities or additions required by enrollments or significant changes in programmatic requirements; major renovations which change the function, use or capacity of existing space; major expansions or conversions of central energy plants; and major renovation projects which upgrade or appreciably extend the life of an existing facility.

The capital maintenance projects recommended each year provide a multi-year commitment to protect the integrity of the building structures or bring the equipment or systems in the buildings into compliance with current federal, state and local standards.

Last year, a new annual scoring process was instituted by THEC to prioritize projects submitted by the TBR, UT System, and the boards of trustees from the six regional universities. Below is the list of ETSU's capital projects and priorities for fiscal year 2019-20. Last year, the Board of Trustees authorized the submission of a capital outlay project proposal for a humanities building. That proposal will be resubmitted in addition to the capital maintenance projects.

Capital Outlay

\$76,000,000 Humanities Building and Renovation of backfill spaces (Burlison/Rogers Stout)

\$76,000,000 Total

Capital Maintenance

\$1,640,000 Campus HVAC Upgrades

\$2,210,000 Chiller Replacement

\$1,760,000 Building Envelope Repairs

\$1,640,000 Bldgs # 2 and #4 Window Replacement/Envelope Repairs

\$1,000,000 Main Electrical Service Upgrade/Several Building Electrical Repair and Replacement

\$1,000,000 Shelbridge Repairs

\$9,250,000 Total

MOTION: I move that the Board of Trustees adopt the following resolution, approving the submission of the capital maintenance projects as presented in committee to the Tennessee Higher Education Commission.

RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees approves the university's submission of the capital maintenance projects to the Tennessee Higher Education Commission.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: April 27, 2018

ITEM: Project Calendar and Overview

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Jeremy Ross, Acting Chief Operating Officer

The presentation provides an update to the numerous capital projects underway at the university and the significant changes that will be occurring over the next several months on campus. Mr. Ross will provide details and a timeline of these projects.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: April 27, 2018

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

COMMITTEE: Finance and Administration Committee

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

Included in the meeting materials are a list of agreements, both expense and revenue, with amounts totaling \$250,000 or greater for the period of January 2018 – March 2018.

**January - March 2018
Contracts / Purchase Orders over \$250,000**

Contract/ PO Date	Start	End	Contractor	Description of Services/Products	Contract / PO Amount	Competitive	Fiscal Review approval
2/7/2018	1/1/2018	6/30/2018	Elsevier	Online Collections/Subscription library	251,402	n/a	TBR contract 103744
4/4/2018	4/4/2018		Kb Port	AV capture system for Interprofessional Education and Research Center. Initial purchase and first year costs.	786,265	yes	n/a
3/5/2018	3/1/2018	2/28/2019	SalesForce.org	Constituent Relationship Management Services (database). First year of five.	276,000	yes	n/a
3/5/2018	3/1/2018	2/28/2019	TargetX	Constituent Relationship Management Services (provider). First year of five.	372,000	yes	n/a

RFPs - Awarded, In-Process and Upcoming				Status
			Sponsorship Sales and Multi-Media Rights. Athletics. Est \$10-20 mil over 10 years.	In process
			Beverage vending and pouring rights. Auxiliary Services. Est. \$4.5 mil revenue over 10 years.	In process
			Security Services. Campus wide. Est \$1 mil over 5 years.	In process
		American Paper & Twine	Custodial supplies (listed on previous quarterly report).	Dept. decided to now use TBR contract.
2/9/2018	2/8/2023	Express AV	Production of events. Student Affairs. Est \$780,000 over 5 years.	Awarded - listed on previous quarterly report.
4/4/2018	4/3/2023	Kb Port	AV capture system.	Awarded.