

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE
JUNE 2017 MEETING

9:30-11:30am EDT
Friday
June 9, 2017

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 Finance and Administration Committee Minutes of May 26, 2017](#)
- IV. [Adoption of Policies](#)
 - A. Consensual Romantic or Sexual Relationship Policy
- V. [Proposal for a Pilot In-State Equivalent Tuition Rate for Social Work BSW and MSW Programs in Asheville and Abingdon](#)
- VI. [Proposal for a Pilot In-State Equivalent Tuition Rate for Community Colleges of Appalachia](#)
- VII. [Budget for 2017-18](#)
- VIII. [Presentation: An Introduction to University Physical Plant and Current Capital Projects](#)
- IX. Other Business
- X. Adjournment

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: June 9, 2017

ITEM: Approval of the Minutes of May 26, 2017

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

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

The minutes of the May 26, 2017 meeting of the Finance and Administration Committee are included in the meeting materials

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

RESOLVED: The reading of the minutes of the May 26, 2017 meeting of the Finance and Administration Committee is omitted, and the minutes are approved as presented in the meeting materials, provided that the Secretary is authorized to make any necessary edits to correct spelling errors, grammatical errors, format errors, or other technical errors subsequently identified.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

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: Adoption of Policies

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

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

A single human resource policy is presented to the committee related to conflicts of interest that arise with individuals with evaluative authority (e.g., grading, employment, supervision, writing letters of recommendation, award/scholarship recognition, scheduling, or the ability to provide special consideration or treatment) who are involved in a consensual romantic or sexual relationship.

This policy was developed by a committee of faculty and staff, reviewed by the university community, and endorsed by the Interim University Council.

MOTION: I move that the Finance and Administration Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED: The Consensual Romantic or Sexual Relationship Policy is approved as presented in the meeting materials.

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

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

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
Community 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: Budget for 2017-18

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. B.J. King
Acting CFO

At its May 26, 2017 meeting, the Finance and Administration Committee discussed in detail the 2017-18 budget proposals for the university. The budget information is provided for further discussion and approval by the committee.

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: I move that the Finance and Administration Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED: The proposed budget for 2017-18 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)
<u>Revenue</u>	\$ 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)
<u>Revenue</u>	\$ 11,285,400	\$ 11,459,000	\$ 173,600
<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)
<u>Total</u>	\$ 11,559,800	\$ 11,458,300	\$ (101,500)

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: June 9, 2017

ITEM: Presentation: An Introduction to University Physical Plant and Current Capital Projects

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Brian Noland, President

Bill Rasnick, Associate Vice President Facilities Management, Planning, and Construction

The University occupies a total of approximately 64 buildings on the 204 acre Main Campus. The Main Campus area also includes approximately 148 acres of outlying University-owned land to the south of J.L. Seehorn Jr. Road. The James H. Quillen College of Medicine, Physical Therapy Program and Audiology labs, and the College of Pharmacy, are located on the 250-acre VA Mountain Home Campus, in a group of buildings on the west side of the campus.

In addition to the University complex comprised of the Main Campus and VA Mountain Home Campus, the University also maintains six other campuses in the region: ETSU at Kingsport Downtown, Kingsport University Center, Marshall T. Nave Center in Elizabethton, ETSU at Sevierville, and ETSU at Valleybrook. The ETSU Clinical Education Facility is located on State of Franklin Road west of the Main Campus. Other clinical Education facilities are located in the Kingsport Family Practice Center, Kingsport Internal Medicine, Johnson City Family Practice and the Bristol Family Practice Center. Other clinical education facilities are located at twelve clinics throughout East Tennessee. The East Tennessee State University and General Shale Brick Natural History Museum and Visitor Center located in Gray, Tennessee opened in August 2007.

The vast physical expanse of the University's infrastructure requires a dedicated and coordinated effort in the areas facilities management, planning, and construction. Operation of the complex physical plant are overseen by a single unit which is organized into the areas of facilities operations, environmental health and safety, communication infrastructure, energy management, sustainability and recycling, and planning design and renovation.

The presentation for today's committee meeting provides an introduction to some aspects of the physical plant operations of the university including specific information related to the university's current capital projects, the management of space during these projects, and the transition from TBR to institutional control of capital projects.