

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.

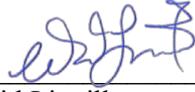
**VIII. Other Business**

There were no other business matters discussed.

**IX. Adjournment**

The meeting adjourned at 11:02 a.m.

Respectfully submitted,



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David Linville  
Secretary of the Board of Trustees

Approved by the Board of Trustees at its April 27, 2018 meeting.