

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

April 27, 2018
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Finance and Administration Committee met at 10:15 a.m. on Friday, April 27, 2018, in the third floor meeting room of the D.P. Culp University Center.

I. **Call to Order**

Chairman Steven DeCarlo called the meeting to order at 10:17 a.m.

II. **Roll Call**

Kristen Swing, in the absence of Dr. David Linville, led the roll call. Trustees in attendance were:

Steven DeCarlo
Dorothy Grisham
Jim Powell
Ron Ramsey

Others in attendance were: Pam Ritter, university advancement/ETSU Foundation; Margaret Pate, budget office; Karen Glover, financial services; Scott Carter, intercollegiate athletics; Kristen Swing, university relations; Karen King, information technology; B.J. King, business and finance; Greg Aloia, Clemmer College; Barbara Love, College of Medicine Finance and Administration; Sue Taylor, College of Medicine Finance and Administration; Jeremy Ross, chief operating officer; Amanda Mowell, university relations; and Joe Smith, university relations (taking minutes).

III. **Approval of Minutes from February 23 and March 29 meetings**

Minutes from the February 23 and March 29 meetings were presented and approved.

IV. **Policies for Approval**

Dr. B.J. King presented two policies – the Passenger Van Policy and the Hazardous Materials Policy – for approval. Both were previously existing policies but have been revised to reflect current operations of the university and the foundation. The new format provides for the policy and the procedure to be separate within the document. Ron Ramsey made a motion to approve the two new policies, and Jim Powell seconded the motion. Motion passed.

V. **Supplemental Non-Mandatory Fee and Graduate Nursing eRate Fee Adjustment**

Dr. King presented on a fee adjustment that was first discussed during the called meeting on March 29. The proposed fee is a nursing course fee for graduate programs to fund the faculty required for the program. The \$150-per-credit-hour fee increase would be implemented over a two-year period: \$75 in 2018-19 and \$75 for 2019-20. Out-of-state students taking the program 100 percent online are paying an eRate that is 1.5 times higher than the in-state graduate maintenance fees. To prevent these students from paying a significantly higher rate, a fee decrease of \$150 will be implemented over a two-year period (\$75 in 2018-19 and \$75 for 2019-20). Ron Ramsey made a motion to recommend the approval of the fees, and Steven DeCarlo seconded the motion. Motion passed.

VI. **2018-19 Budget Proposals**

Dr. King discussed how the university has conducted budget hearings across campus and that the results were presented by the vice presidents for each division to the President and the Budget Advisory and Strategic Planning Committee.

According to Dr. King, Governor Haslam's recommendations for ETSU for 2018-19 are operational increases of \$3,946,600 (main campus), \$1,269,300 (College of Medicine), and \$352,800 (Family Medicine), for a total increase of \$5.5 million. The proposed budget also includes \$8.6 million for capital maintenance and a 2.5 percent salary pool, of which 60 percent is funded by the state. ETSU is proposing a 2.5 percent increase across the board, with a minimum floor of \$500.

ETSU's 2018-19 budget was built with a projected enrollment decline of 100 students. For in-state undergraduate students taking 15 credit hours in the fall and spring semesters, the proposed tuition and mandatory fee increase is 2.91 percent or \$262. Last year, the increase was 3.97 percent or \$344.

The proposed maintenance fee increase of 2.74 percent will be used to fund the \$1.2 million unfunded salary pool, increases in scholarships, and adjust for inflation and budgeted enrollment decline.

Dr. King provided a summary of the proposed 2018-19 budgets for main campus, Quillen College of Medicine, and Family Medicine. The proposed budget for main campus includes \$259,316,800 in revenue from all sources and \$259,133,730 in proposed expenditures and transfers. Projected revenues for the Quillen College of Medicine (excluding support from the Medical Education Assistance Corporation) is \$61,208,700. Most of the new dollars for 2018-19 will support instruction. Additional support from the Medical Education Assistance Corporation, which represents 39 percent of the College of Medicine's budget, for 2018-19 is \$39,137,200. For ETSU Family Medicine, the proposed 2018-19 budget includes \$17,146,000 in revenue. Revenue for Family Medicine is based on state

appropriations, clinical revenue, resident physician participation (hospital contracts), and other sources.

Dr. King added that the revenue budget for the Gatton College of Pharmacy is \$11,489,200 and includes tuition and fees and other sources; the College of Pharmacy receives no state appropriations.

Dr. King again noted that a thorough budget hearing process had taken place and that ETSU is recommending low tuition increases and that investments of significant institutional resources are being made with the 2.5 salary increase pool. The state is continuing to invest in campus maintenance projects.

Jim Powell made a motion to approve the 2018-19 budget proposals and Ron Ramsey seconded the motion. Motion passed.

VII. Capital Project Approval

A proposed list of capital outlay and capital maintenance projects was reviewed, which included \$76 million for a humanities building and to backfill spaces in two buildings as well as \$9.2 million in capital maintenance. Jeremy Ross talked about ETSU's five-year plan and emphasized how the construction of the new humanities building will enhance the university's retention rates.

Steven DeCarlo made a motion to approve the list of the capital projects to be submitted to the Tennessee Higher Education Commission, and Ron Ramsey seconded the motion. Motion passed.

VIII. Project Calendar and Overview

Mr. Ross provided an update on capital projects currently taking place on campus. Work on the Martin Center for the Arts continues, and the project may be completed by 2019 but not occupied. Following graduation, offices from the D.P. Culp University Center will be relocated to various building on campus as the major renovation project begins.

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

Dr. King discussed a list of agreements, which include both expenditures and revenues, with amounts totaling \$250,000 or greater for the period of January 2018 – March 2018.

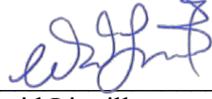
X. Other Business

No other business items were discussed.

XI. Adjournment

The meeting adjourned at 11:31 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'David Linville', positioned above a horizontal line.

David Linville
Secretary of the Board of Trustees

Approved by the Board of Trustees at its September 21, 2018 meeting.