

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

February 21, 2020
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, February 21, 2020, in the Millennium Center on ETSU's main campus in Johnson City, Tennessee.

I. Call to Order

Steve DeCarlo, Chairman of the Finance and Administration Committee, called the meeting to order at 10:18 a.m.

II. Roll Call

Associate Board Secretary Nathan Dugger led the roll call. Committee members present were:

Chairman Steve DeCarlo
Trustee Dorothy Grisham (via teleconference)
Trustee Ron Ramsey
Trustee Cristopher Santana (non-voting student member)

Absent: Trustee Kelly Wolfe

Since Trustee Grisham called in to the meeting from another location, in accordance with Tennessee Code § 8-44-108 section (c)(3), Mr. Dugger asked a series of questions to ensure that Trustee Grisham could hear the proceedings and that others in the meeting could hear her. He also asked Trustee Grisham to identify anyone present in the room with her to which she indicated she was along. Mr. Dugger informed the Committee that a roll call vote would be required on all action items since Trustee Grisham was calling in to the meeting.

III. Approval of Minutes of the Finance and Administration Committee November 15, 2019

The minutes for the November 15, 2019 Finance and Administration Committee meeting were reviewed. Trustee Ramsey made a motion for approval, and Trustee DeCarlo seconded the motion. After a roll call vote, the minutes were unanimously approved.

IV. Approval of the College of Medicine and College of Pharmacy FY21 Tuition

Dr. B.J. King, Chief Financial Officer for Business and Finance, presented the College of Medicine and College of Pharmacy FY21 tuition increases. These increases are assessed at an earlier date than the main-campus since classes for these colleges begin earlier.

For the College of Medicine, a 2% increase is proposed – a \$328 increase for M1, M2, and M4 students and a \$436 increase for M3 students. For College of Pharmacy, a 1.5% increase is proposed – a \$285 increase for all students.

Trustee Ramsey made a motion for approval, and Trustee Grisham seconded the motion. After a roll call vote, the vote passed unanimously.

V. Approval of Housing and Food Service Non-Mandatory Charges for FY21

Dr. King presented the proposed rates for Housing and Food Service for 2020-21.

The proposal included a 1.7%-1.9% increase for residence halls and 1.9%-2% increase for apartments. The food service contract increase is 3.1% and will not be passed on to students as a dining service survey is being conducted.

Trustee Ramsey made a motion to approve the proposed rates, and Trustee Santana seconded the motion. After a roll call vote, it passed unanimously.

VI. Discussion of Proposed Salary Pool for FY21 for Budget Development

Dr. King updated the committee on Governor Lee's budget, which was released on Feb. 3, 2020. The Governor's budget included a 2.5% salary pool for higher education employees beginning July 1, 2020. Management proposed the creation of a 2.5% salary pool with a \$500 minimum for any across-the-board increase. Employees with annual performance evaluations that are unsatisfactory or performance far below expectations do not participate in salary increases. Additionally, service bonus is prorated based on percentage of contract. The proposed increases will be used in preparation of the FY21 budget, which will be presented at the next committee meeting.

VII. Discussion of Comparative Mandatory Fees for Tennessee Public Universities

Dr. King showed a slide that demonstrated what a 2% fee increase would look like at ETSU and how that compares to other Tennessee institutions. Under that model, ETSU is at \$9,681 at a 2% increase next year. She indicated that amount would keep ETSU at a comparative level with other institutions, while also leaving room for a possible move to a 15-4 in future years. She indicated that ETSU is working through a study with a

consulting group to look at the “enrollment funnel” and net tuition revenue. A report on this study will be presented at the April 2020 board meeting.

VIII. Discussion of Proposed Tuition/Maintenance Fees for Budget Development

The University is looking at going to a 2% overall program service fee increase generating approximately \$1.6 million to help fund the salary pool and inflationary costs. During this discussion, Dr. King also outlined proposed mandatory fee requests per semester, including an increase to the SGA fee, Student Activity Fee, and Technology Access Fee. She indicated that the figures she presented to the Committee would be utilized for budget development.

IX. Annual Tuition Transparency Report Submitted to State Legislature per T.C.A. 49-7-1604

Dr. King presented the report that was submitted to the Office of Legislative Budget Analysis for distribution to the General Assembly with information regarding expenditures of revenues derived from any increase in tuition and fees from the previous full academic year. The report shows how revenues were used, the effect on student financial aid, and the effect on the average total cost of attendance per student.

X. Quarterly Reports on Agreements \$250,000 or greater

As an information item, Dr. King provided the committee with a list of contracts and purchase orders that exceed \$250,000, covering the time period of October-December 2019.

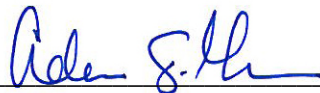
XI. Other Business

No other business was brought before the committee.

XII. Adjournment

Chairman DeCarlo adjourned the meeting at 11:30 a.m.

Respectfully submitted,



Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its April 24, 2020 meeting.