

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

MINUTES

April 24, 2020  
Johnson City, Tennessee

The quarterly meeting of the East Tennessee State University Board of Trustees was held at 10 a.m. on Friday, April 24 via teleconference call due to extraordinary circumstances surrounding the COVID-19 outbreak. The meeting was livestreamed to allow individuals to attend remotely.

**I. Call to Order**

Chair Scott Niswonger called the meeting to order at 10 a.m.

In his opening remarks, Chair Niswonger welcomed everyone to the first quarterly meeting held entirely via teleconference. Although Trustees had anticipated holding the meeting in the newly renovated D.P. Culp Student Center, these “unprecedented times” have called for all courses to move online, most students to move from their residence halls, and most employees to work remotely. Chair Niswonger spoke about ways ETSU has stepped forward to help the community and put students first.

**II. Roll Call**

Secretary Green provided special instructions for telephonic meetings. Because Trustees participated via Zoom, votes were taken by roll call. In accordance with Tennessee Code § 8-44-108 section (c) (3), Secretary Green asked Trustees two questions. First, he asked each Trustee if he or she could clearly hear and participate in the meeting, and second, if any other persons were present in the room. All Trustees answered yes and that they were along, respectively.

The following Trustees were present:

Janet Ayers  
Steven DeCarlo  
Virginia Foley  
David Golden  
Dorothy Grisham  
Linda Latimer  
Scott Niswonger  
Ron Ramsey  
Cristopher Santana  
Kelly Wolfe

Secretary Green said he did not detect a physical quorum present; however, a quorum existed by the inclusion of members participating by electronic means. He explained

that in accordance with Tennessee Code § 8-44-108 section (b) (2), the meeting was necessary for the following reasons:

- It is a regularly scheduled quarterly meeting of the ETSU Board in compliance with bylaws and state statute;
- Business critical decisions for the operations of the institution are slated for this meeting such as promotion and tenure of faculty members, tuition and fees establishment for the upcoming academic year, as well as budget planning among other items;
- Due to the COVID-19 virus outbreak and subsequent recommendations from the Centers for Disease Control and Prevention as well as Governor Bill Lee, social distancing measures and a limit on group gathers are being observed.

Secretary Green said that for these reasons, he contended that participation by a quorum of the Board members by electronic or other means of communication is necessary. He then asked Chairman Niswonger for a motion and a roll call vote for a determination on the necessity of holding this meeting. Trustee Golden made a motion, followed by a second from Trustee Grisham. All Trustees provided affirmative votes that the meeting had a necessity to proceed.

Since the meeting was held remotely, President Brian Noland said the Board would take actions as a committee of the whole with the exception of the Audit Committee.

### **III. Public Comments**

Because the meeting was conducted virtually, public comments could not be presented in the traditional manner. Chair Niswonger encouraged anyone who has a comment for the Board to email those comments to [TRUSTEES@etsu.edu](mailto:TRUSTEES@etsu.edu).

### **IV. Approval of the Minutes from February 21, 2020 Quarterly Meeting and March, 23, 2020 Called Meeting**

Trustee Golden made a motion to accept the minutes which was seconded by Trustee Foley and unanimously approved by roll call vote.

### **V. Report from the Audit Committee**

In his report, Committee Chair Golden said the committee conducted annual reviews of both the audit committee and internal audit charters, as well the internal audit and prohibiting fraud, waste and abuse policies. The TBR version of the conflict of interest policy is under review and a new version will be presented at the next Audit Committee Meeting. The committee reviewed the 2019-20 Audit Plan and received a variety of reports on audits performed since the February meeting. All items on the recommendation log are progressing well.

Chair Golden also congratulated President Noland and staff for a perfectly clean report of the audited financial statements from the Comptroller of the Treasury.

### **VI. Consent Agenda**

Trustee Foley made a motion to accept the items on the consent agenda. This was

seconded by Trustee Wolfe and unanimously approved by roll call vote.

**VII. Academic Research and Student Success Committee**

Dr. Wilsie Bishop encountered technical difficulties; therefore, Dr. Brian Noland presented the promotion and tenure of faculty members. Some faculty, he noted, are being recommended as exceptions with background and justification provided (pgs. 53-56 of agenda packet). This action has moved through a deliberative process of review at the departmental level, at the college level, by the University Provost, and ultimately, by the Office of the President, he said.

Trustee Foley made a motion to approve the promotion and tenure of faculty members. Trustee Latimer provided a second and the motion unanimously approved by roll call vote.

**VIII. Finance and Administration Committee**

Dr. BJ King provided an overview of the action items for consideration:

**A. Salary Increase for FY21**

The Finance and Administration Committee recommends that the proposed 1.5% Governor's salary increase for 2020-21 be placed in a reserve account. The Committee will meet at a later date to determine how the funds may be distributed in January. Dr. King said this is the most prudent action the Board could take. She will likely have more clarity about budgets for FY21 when the October revised budgets are generated.

**B. Revised COM and COP Tuition Increase, Housing Rent for FY21**

Given the climate with COVID-19, it was recommended that previously approved rate increases of 2% for Quillen College of Medicine and 1.5% for Gatton College of Pharmacy, as well as housing rent increases from the February 21, 2020 meeting of the Board of Trustees be amended for no increase.

**C. Tuition and Mandatory Fees for FY21**

Dr. King outlined the criteria the Board of Trustees must consider when setting tuition and mandatory fees (pg. 64-65 of agenda packet). She also discussed current year tuition and fee rates at other Tennessee public schools (pg. 66-67 of agenda packet). Other schools may attempt to keep tuition flat, but some may raise mandatory fees, she noted. A 1.66% tuition increase was originally proposed, but ETSU was the first school to announce a 0% increase across the board. A \$64 program service fee was also proposed, but is no longer recommended by the Finance and Administration Committee in light of current economic challenges associated with COVID-19.

**D. 2019-20 Estimated and 2020-21 Proposed Budget**

Dr. King presented each of the estimated and proposed budgets, starting with main campus. She said all university divisions had an opportunity to participate in annual budget hearings. The original budgets that would have been presented during this

meeting were adjusted in March after Gov. Lee released the revised budget. Proposed adjustments were discussed at the called meeting of the Finance and Administration Committee on April 1.

The budget for the main campus includes a \$2.3 million increase in state appropriations. Dr. King proposed using the appropriations to fund employee benefits (\$512,000), budget for a decline of 100 students as estimated in enrollment calculations (\$800,000) and the remaining funds will be used to offset a 1.7% inflationary factor and other expenses in a manner consistent with the strategic plan.

Dr. King said some budget items have changed since presented at the April 1 committee meeting (pg. 69 of agenda packet). Auxiliaries revenues in the spring estimated budget have been written down (about 45%) due to actions taken by executive leadership at ETSU to refund a portion of the housing and the dining fees that were charged for the term and were unused by students when they needed to return home after spring break. Also, tuition and fee revenues have been projected based on flat tuition and enrollment down 100 students.

Dr. King then defined the allocation of net new funding toward salary and benefits, as well as promotion and tenure pool, GA pay increase, operating dollars, strategic initiatives geared toward research and recruitment of students, and a reclassification of scholarship dollars.

Next, Dr. King gave an overview of position changes from the 2019-20 budget to the proposed budget 2020-21 (pg. 69 of agenda packet). She included a footnote at the bottom of the slide from her presentation that lists where each of faculty positions is allocated. Dr. King then presented graphs of the expenditure budget by function and natural classification for main campus.

Next, Dr. King presented the budget for Quillen College of Medicine, which has prepared a new budget based on a 0% increase in tuition (pg. 70 of agenda packet). The Medical Assistance Corporation supports about 41% of the total expenditures for Quillen College of Medicine, she noted. State appropriations account for about 34% of the budget for the college and tuition and fees are about 9%. Those two pieces, plus the resident participation agreements for medical residents, account for the majority of the revenue sources for their budget. The college has written down the revenue about \$300,000 due to the out-of-state tuition rate being set at 30% of in-state rate, which was approved at the September Board Meeting (pg. 71 of agenda packet). The college also has an increase of three faculty positions, but they are reallocating within their own unit and not asking for any new positions. Dr. King then presented graphs of the expenditure budget by function and natural classification for Quillen College of Medicine.

Family Medicine did not have to change their budgets from what was presented on April 1, Dr. King explained. The budget already included a reduction in salary increase and the elimination of the operating appropriations. They anticipate a slight

increase in revenue, which they are offsetting with a slight increase in expenditures, she added. Family Medicine has hired additional faculty members, some through vacant positions and an additional position (pg. 71 of agenda packet). Dr. King then presented graphs of the expenditure budget by function and natural classification for Family Medicine.

Next, Dr. King presented the Gatton College of Pharmacy budget, which receives no state appropriations and is almost 100% dependent on tuition and fees. The college has written its revenue down by about half a million dollars year-over-year. Expenditures were written down, she added, and the college is increasing in instruction and decreasing in other areas of expenditure within their unit to make their budget balance. There are no new positions in their budget. Lastly, Dr. King presented graphs of the expenditure budget by function and natural classification for Gatton College of Pharmacy.

A discussion followed about the benefits of the new budget model during the current economic environment. Then, Dr. King answered a question about the status of refunds for student housing.

#### **E. Capital Budget and Disclosures FY 2020-21**

Mr. Jeremy Ross provided an overview of projects requested in three categories – capital outlay, capital maintenance and disclosures (pgs. 73-74 of agenda packet). The deadline to submit the capital outlay project, the Humanities Building, has been extended to August. The capital maintenance requests include two items, electrical and HVAC, totaling about \$7.6 million. With disclosures, sometimes funding is available immediately and other times they are placeholders for when the funding does become available, he explained. There are 10 capital disclosures projects listed.

Trustee Latimer made a motion to approve the block of action items, which was seconded by Chairman Niswonger. The items passed after a unanimous roll call vote.

#### **IX. President's Report**

Dr. Noland said he would frame his remarks within two words – cares and safe. We are an institution that cares deeply about its people and has already been reflected in the actions of the Board of Trustees to hold fees constant across all aspects of the University. He said higher education is often the subject of a great deal of criticism, but in the past few weeks, ETSU has shown that when tested, this campus can rise to any challenge, and that we have a can-do attitude that has emerged across campus the past seven weeks.

Several significant academic actions have transpired since the called Board of Trustees Meeting on March 23:

- We have taken steps to provide the option for faculty to suspend the tenure clock for those working through the tenure promotion process.

- Based upon the recommendations of the shared governance workgroup, we have implemented a plan to allow our undergraduate students a pass/fall option for the Spring 2020 semester.
- We have moved our commencement activities to a virtual ceremony. However, we will hold a standalone commencement ceremony for the graduates of the spring class in December.

Noteworthy announcements and achievements include:

- University school was ranked eighth in the state of Tennessee;
- The next class of presidential fellows were selected – Dr. Nicholas Hagemeyer, Dr. Jodi Polaha, and Dr. Megan Quinn;
- Gatton College of Pharmacy was ranked first in the state for its residency match rate and 12th in the nation;
- A MSW student was named the 2020 National Association of Student Social Workers Student of the Year;
- The College of Nursing was ranked the 11th online College of Nursing in the country and the only College of Nursing in the state of Tennessee to be listed in the top 20;
- A Quillen College of Medicine faculty was awarded a \$1.85 million grant from NIH to continue work around possible treatment for pneumococcal infection; and
- ETSU was designated yet again for the 10th year in a row as a military friendly institution, and this year received a top 10 national designation, the highest received to date.

Dr. Noland said ETSU is an institution that cares deeply about the region as seen through the following:

- We have made the residence hall available to employees of those working on the front lines and need a place to stay.
- We have been actively involved in testing and have assisted the Department of Health with testing on campus.
- Sodexo has been delivering meals across the campus.
- Clemmer College has launched a Homework Hotline to tutor and mentor K-12 students.
- Third year medical students have arranged drive-thru collections of supplies,
- The College of Pharmacy is producing hand sanitizer in compounding labs.

The CARES Act was passed by Congress a couple weeks ago. Dr. Noland said the University will submit its application to receive the stimulus funds and will then begin distributing to students. ETSU will receive more than \$11 million to support students. Dr. Noland anticipates \$500,000 to \$700,000 will be directed to an emergency crisis fund for students. An existing fund is already awarding grants to students in need. The Board will receive an update once plans for CARES Act funds are finalized.

ETSU is actively engaged in efforts to ensure that we are positioned to launch classes on campus this fall, Dr. Noland said. As it relates to enrollment, we continue to ensure that our current students are successful in the classroom and return in the fall and prospective students who want to come to ETSU feel that this is the right choice for them, he added. Based on conversations with colleagues from across the country, he said most institutions such as ETSU anticipate potential reductions of 10% in their overall enrollment for the fall. To date, ETSU has experienced more than \$10 million in direct losses as a result of the COVID-19 outbreak, not including losses to clinical practice revenue. The University has faced budget challenges in the past, and Dr. Noland said he is confident that if values remain at the forefront, we will be able to navigate whatever uncertainties we face.

Since the March 23 called Board of Trustees Meeting, the endowment has rebounded and has gained more than \$10 million since it bottomed last month. University Advancement has also been engaged in the Bucs Help Bucs campaign to help with crisis relief efforts.

Next week, Dr. Noland said he would announce the formation of a workgroup that will advise the Office of the President on the process, protocols, and alternatives through which we will consider the opening of campus in the fall.

**X. Resolution of Appreciation for Mr. Cristopher Santana**

Dr. Noland read the Resolution of Appreciation for Student Trustee Mr. Cristopher Santana, thanking him for his service to the Board of Trustees.

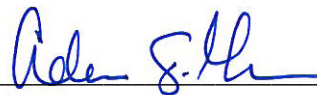
**XI. Other Business**

No other business was brought before the ETSU Board of Trustees.

**XII. Adjournment**

Trustee Ramsey made a motion to adjourn the meeting

Respectfully submitted,



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Adam Green  
Secretary of the Board of Trustees

Approved by the Board of Trustees at its July 17, 2020 meeting.