

**MIDDLE TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES**

**FINANCE AND PERSONNEL COMMITTEE  
MINUTES**

The Finance and Personnel Committee met on Tuesday, May 24, 2022, in the Miller Education Center Meeting Room at Middle Tennessee State University.

**Call to Order**

Committee Chair Joey Jacobs called the meeting to order at 9:49 a.m. and requested Board Secretary James Floyd to call the roll.

**Roll Call**

The following Committee members were in attendance: J.B. Baker, Tom Boyd, Rick Cottle, Pete DeLay, Joey Jacobs, Steve Smith, Chris Karbowiak Vanek, and Pam Wright. A quorum was declared. Also present were Alan Thomas, Vice President for Business and Finance; Mark Byrnes, Provost; Joe Bales, Vice President for University Advancement; Yvette Clark, Interim Vice President for Information Technology and Chief Information Officer; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services; Brenda Burkhart, Chief Audit Executive; James Floyd, University Counsel and Board Secretary; and Jimmy Hart, Senior Director for Marketing and Communications. President Sidney A. McPhee; Kim Edgar, Assistant to the President and Chief of Staff; Andrew Oppmann, Vice President for Marketing and Communications; and Student Trustee Gabriela Jaimes could not attend. Trustee Darrell Freeman joined the meeting at 10:24 a.m.

**Approval of Minutes – Action**

The first agenda item was the approval of the minutes from the March 15, 2022, Finance and Personnel Committee meeting. Chairman Smith moved to approve the minutes from the March 15, 2022, meeting, and Trustee DeLay seconded the motion. A voice vote was taken,

and the motion to approve the minutes from the March 15, 2022, Finance and Personnel Committee meeting passed unanimously.

### **Revisions to Policies – Action**

The second agenda item was a recommendation for approval of revisions to University Policies 641 – Student Fees, Incidental Charges, and Refunds and 730 - Campus Crisis and Emergency Management presented by Alan Thomas, Vice President for Business and Finance. Revisions to Policy 641 included an update to the Corporate Partnership section related to the rate previously approved by the Board of Trustees and setting the tuition rate for Dual Enrollment to the maximum grant amount stipulated by the Tennessee Student Assistance Corporation (TSAC) each year. Revisions to Policy 730 reflected various changes to the University's emergency operations plan, including moving responsibility for the plan to the University Police Department.

Trustee Baker moved to approve revisions to Policy 641 - Student Fees, Incidental Charges, and Refunds. Trustee Wright seconded the motion. A voice vote was taken, and the motion to approve the revisions to Policy 641 - Student Fees, Incidental Charges, and Refunds passed unanimously.

Trustee DeLay moved to approve revisions to Policy 730 – Campus Crisis and Emergency Management. Trustee Boyd seconded the motion. A voice vote was taken, and the motion to approve the revisions to Policy 730 – Campus Crisis and Emergency Management passed unanimously.

### **Capital Outlay Project Request – Action**

The next agenda item was a request for approval of the Capital Outlay Project Submittal presented by Bill Waits, Assistant Vice President for Campus Planning. The proposed MTSU capital outlay request for FY 2023-2024 is the New Academic Building project which will provide academic classrooms, class labs, faculty and staff offices, and support space for selected Liberal Arts departments and the associated Center for Innovation and Leadership, History Museum, and

MTSU archives and exhibit spaces. The scope of work also includes a 300-seat lecture hall to host public lectures and other community events.

The estimated project cost is \$99 million with a University match of \$7.9 million and a minimum required gift match of \$2.64 million. The deadline for submitting the Capital Outlay Project request to THEC is Friday, August 26, 2022.

Chair Smith made a motion to approve the FY 2023-24 Capital Outlay Request for the New Academic Building project, and Vice-Chair Vanek seconded the motion. A voice vote was taken, and the motion to approve the FY 2023-24 Capital Outlay Request for the New Academic Building project passed unanimously.

Trustee Boyd asked if Mr. Waits could provide student enrollment data in the programs to be housed in the new academic building. Mr. Waits responded that he would provide this data to the Board and noted that it will also be included in the proposal to the state. The expectation is that this project will affect student enrollment university-wide since many of the general education courses that support all majors will be taught in this building.

### **Capital Disclosures – Action**

The fourth agenda item also presented by Mr. Waits was a request for approval of Capital Disclosures. Mr. Waits informed the Committee that MTSU plans to submit five projects as part of the FY 2023-2024 Capital Budget Request. The projects include the Addition and Renovations to the Murphy Center, Multi-sport Indoor Practice Facility, New Residence Hall, New Parking Structure, and an Athletic Video Board Upgrade project. The New Residence Hall, New Parking Structure, and Athletic Video Board Upgrade project were disclosed in FY 2021-2022 and are being re-disclosed to remain on the MTSU Disclosure list.

The meeting materials contained the Proposed FY 2023-2024 Capital Disclosure List and the Full MTSU Capital Disclosure List as it would appear if approved by the Board.

Trustee Baker made a motion to approve the proposed FY 2023-24 Capital Disclosures. Trustee DeLay seconded the motion. A voice vote was taken, and the motion to approve the proposed FY 2023-24 Capital Disclosures passed unanimously.

### **Capital Maintenance Projects Submittal – Action**

The next agenda item was a recommendation to submit seven (7) project requests totaling \$15,807,000 to THEC for FY 2023-24 capital maintenance funding. Joe Whitefield, Assistant Vice President for Facilities Services, presented information concerning the process for identifying and bringing forward capital maintenance projects in conjunction with the instructions received from THEC. He explained that the project submittal amount represents 7% of the total \$225 million in capital maintenance funding requested by THEC for all higher education institutions. Mr. Whitefield then directed the Committee to the meeting materials containing the FY 2023-24 maintenance projects listed in order of priority. He noted that information on potential project requests for fiscal years 2024-25 through 2027-28 was also included in the materials.

Vice-Chair Vanek asked how unexpected repairs are funded during the year. Mr. Whitefield responded that those types of repairs are typically funded through state insurance claims; however, the University allows flexibility when planning capital maintenance projects to cover a portion of unexpected repair costs. Additionally, the University maintains internal funds to help mitigate those costs.

Chair Smith asked how THEC determines the maintenance pool percentages for each institution. Mr. Whitefield explained the process and formula used by THEC to calculate percentage allocations of total capital maintenance funding across higher education institutions.

Trustee DeLay made a motion to approve the FY 2023-24 Capital Maintenance Projects Submittal for seven (7) projects totaling \$15,807,000 and the potential project requests for FY 2024-25 through 2027-28. Trustee Boyd seconded the motion. A voice vote was taken, and the motion to approve the FY 2022-23 Capital Maintenance Projects Submittal for seven (7) projects totaling

\$15,807,000 and the potential project requests for FY 2024-25 through 2027-28 passed unanimously.

### **Tuition, Fees and Housing Rates – Action**

The sixth agenda item was a request for approval of proposed Tuition, Fees and Housing Rates presented by Mr. Thomas. He informed the Committee that at its May 19, 2022 meeting, THEC approved binding ranges for undergraduate in-state tuition and the combined undergraduate in-state tuition plus mandatory fees at 0% for FY 2022-23. This recommendation aligns with the Governor's Budget, which stated that as a result of the appropriation to higher education, tuition/fees at public institutions would remain flat for the upcoming fiscal year. Mr. Thomas stated that the only rate increase proposed by the University was a 3% increase in FY 2022-23 housing rates.

Trustee Wright asked for the number of students living on campus. Vice President Sells responded that there were approximately 2,800 students housed on campus with a 100% occupancy rate in the dorms.

Trustee Boyd asked if a 3% increase in the housing rate would be sufficient to cover increases in energy costs. Mr. Thomas responded that the University had been able to contract for some reduced energy rates that would help mitigate the cost of increases over the next two years. He also stated that MTSU makes an effort to keep on-campus housing costs in line with the cost of nearby perimeter housing to encourage students to live on campus.

Trustee Wright made a motion to approve the recommendation for a 0% increase in undergraduate tuition and fees, a 0% increase in graduate and out-of-state tuition, and a 3% increase in housing rates for FY 2022-23. Trustee DeLay seconded the motion. A voice vote was taken, and the motion to approve the recommendation for a 0% increase in undergraduate tuition and fees, a 0% increase in graduate and out-of-state tuition, and a 3% increase in housing rates for FY 2022-23 passed unanimously.

### **Compensation Plan – Action**

The next agenda item was a request for approval of the Compensation Plan presented by Kathy Musselman, Assistant Vice President for Human Resources. Ms. Musselman informed the Committee that the Governor's budget provided partial funding of \$4.6 million in recurring funding for a 4% salary pool. The estimated cost to fully fund a 4% pool for the University would be \$7.2 million, including benefits. The following recommendations, along with a request for full funding of the salary pool, were presented for approval:

- Increase salaries for employees below the 2022 poverty level;
- Provide a 2.0% Cost of Living Allowance (COLA) increase or a \$1,000 minimum;
- Update current salary ranges from 2014-15 CUPA data to 2020-21 CUPA data and provide market adjustments.

Trustee Baker made a motion to approve the proposed Compensation Plan, and Trustee Wright seconded the motion. A voice vote was taken, and the motion to approve the proposed Compensation Plan increase passed unanimously.

### **Operating Budgets – Action**

The final agenda item was a recommendation for approval of the FY 2021-22 Estimated Budget and the FY 2022-23 July Proposed Operating Budget. Mr. Thomas began the presentation by noting that if the Governor's Budget had fully funded the 4% salary pool for higher education, there would have been an additional \$2.4 million in the budget to meet other University needs. He then directed the Committee to the budget materials provided in the notebooks prior to the meeting. He reminded the Committee that the Estimated Budget is the final budget for the fiscal year and reflects adjustments needed for spring enrollment, additional state appropriations, and other miscellaneous adjustments. The July Budget is a base budget for the upcoming fiscal year and is based on a 0% tuition increase, no mandatory fee increases, and a stable enrollment. Salary and operating appropriation increases approved by the General Assembly for FY 2022-23, along with the \$2 million one-time allocation for the Meharry partnership, are reflected in the

July budget. He noted that adjustments for actual enrollment and any changes in appropriations based on state calculations would be reflected in the October budget.

The final item presented in the budget materials was the TSSBA Debt Service Coverage – Disclosed Projects Coverage Adjustments schedule required by TBR under the FOCUS Act to disclose any budgeted projects that may require school bond financing in FY 2022-23.

A brief discussion ensued concerning the effects of the end of stimulus funding on the University budget and the process for allocating funds during the budget process.

Vice-Chair Vanek made a motion to approve the Estimated FY 2021-22 and Proposed FY 2022-23 Operating Budgets. Trustee Wright seconded the motion. A voice vote was taken, and the motion to approve the Estimated FY 2021-22 and Proposed FY 2022-23 Operating Budgets passed unanimously.

### **Closing Comments**

Chairman Jacobs thanked Mr. Thomas and his team for their hard work. Mr. Thomas also expressed his appreciation for his team and thanked the Board members for their support.

### **Adjournment**

The meeting adjourned at 10:36 a.m.

Respectfully submitted,

Finance and Personnel Committee