



**Middle Tennessee State University
Board of Trustees
Finance and Personnel Committee**

Wednesday, May 29, 2019
9:30 a.m.

MEC Meeting Room – 2nd Floor
Miller Education Center
503 East Bell Street
Murfreesboro, Tennessee 37132



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Wednesday, May 29, 2019
9:30 a.m.

AGENDA

Call to Order and Opening Remarks

Roll Call

Approval of Minutes (Action)Tab 1

MTSU Foundation Agreement (Action)Tab 2

Capital Outlay Project Submittal (Action).....Tab 3

Capital Disclosures (Information)Tab 4

Capital Maintenance Projects Submittal (Action)Tab 5

Tuition, Fees and Housing Rates (Action)Tab 6

Operating Budgets (Action)Tab 7

1. Estimated 2018-19 Budget

2. Proposed 2019-20 Budget

Compensation Recommendation (Action)Tab 8

Closing Remarks

Adjournment



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Action Item

DATE: May 29, 2019

SUBJECT: **Approval of Minutes**

PRESENTER: Joey Jacobs
Committee Chair

BACKGROUND INFORMATION:

The Finance and Personnel Committee met on March 18, 2019. Minutes from this meeting are provided for your review and approval.

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**FINANCE AND PERSONNEL COMMITTEE
MINUTES**

The Finance and Personnel Committee met on Monday, March 18, 2019, in the Miller Education Center Meeting Room at Middle Tennessee State University.

Call to Order and Opening Remarks

Committee Chair Joey Jacobs called the meeting to order at 12:15 p.m. and requested Board Secretary Heidi Zimmerman to call the roll.

Roll Call

The following Committee members were in attendance: J.B. Baker, Pete DeLay, Darrell Freeman, Joey Jacobs, Tony Johnston, Steve Smith and Peyton Tracy. A quorum was declared. Also present was Trustee Pam Wright. President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, University Provost; Joe Bales, Vice President for University Advancement; Andrew Oppmann, Vice President for Marketing and Communications; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Success; Brenda Burkhardt, Chief Audit Executive; Heidi Zimmerman, University Counsel and Board Secretary; and, Kim Edgar, Assistant to the President and Chief of Staff were also in attendance.

Approval of Minutes

The first agenda item was approval of the minutes from the November 13, 2018 Finance and Personnel Committee meeting. Board Chair Smith moved to approve the minutes from the November 13, 2018 meeting and Trustee Freeman seconded the motion. A voice vote was taken and the motion to approve the minutes from the November 13, 2018 meeting of the Finance and Personnel Committee carried.

Rule Promulgation and Related Policy Revision

The second item on the agenda concerned approvals for a revision to Policy 775 – Traffic, Parking, and Safety Enforcement and a corresponding revision to associated Rule 0240-07-03. Mr. Thomas explained the purpose of the revision was to set the duration of a temporary disabled permit to be consistent with current per semester permit issuances. Mr. Thomas asked Ms. Zimmerman for additional comments regarding the revision to the rule. Ms. Zimmerman noted that rule promulgation on this topic is a requirement pursuant to T.C.A. § 49-8-203(a)(1)(D). Trustee Freeman made a motion to approve the revision to Policy 775 – Traffic, Parking, and Safety Enforcement and the corresponding revision to associated Rule 0240-07-03. Trustee DeLay seconded the motion. A roll call vote was taken and the motion to approve the revision to Policy 775 – Traffic, Parking, and Safety Enforcement and the corresponding revision to associated Rule 0240-07-03 carried unanimously.

Building Naming – Stark Agriculture Center

The next agenda item concerned approval to change the name of the Stark Agribusiness and Agriscience Center to the Stark Agriculture Center, which was the name given to the building when it was erected in 1978. Mr. Thomas informed the Committee that University policy requires approval from the Board of Trustees for recommendations of building name changes. He then provided the Committee with a brief history of the events leading up to the request for the name change. As required by MTSU Policy 160, the request was submitted to the Building Name Advisory Committee and they concurred with the recommendation for the change. Dr. McPhee added that Stark family members were also contacted to ensure their support of the name change. A motion was made by Trustee Freeman to change the name of the Stark Agribusiness and Agriscience Center to the Stark Agriculture Center. Trustee DeLay seconded the motion. Due to his position as a faculty member in the School of Agriculture, Trustee Johnston recused himself from the vote. A voice vote was taken and the motion to change the name of the Stark Agribusiness and Agriscience Center to the Stark Agriculture Center passed.

MTSU Foundation Agreement

The fourth item on the agenda was a request for approval of an updated agreement between the University and the MTSU Foundation. Mr. Thomas explained that the current Foundation agreement is no longer applicable since the University is now under the governance of the Board of Trustees. He provided the Committee with a brief overview of the roles and responsibilities assigned to both the University and the Foundation under the proposed agreement. Trustee DeLay stated that he would like to gain a better understanding of the Board's role in the relationship between the University and its Foundation before taking action on the agreement. The Committee agreed and action on this item was deferred until a later date. Chairman Jacobs asked University Advancement Vice President Joe Bales to provide an informational session on this topic during the luncheon meeting at the Spring Quarterly BOT Meeting on April 3, 2019.

Governor's 2019-20 Budget

The fifth item on the agenda concerned an update on the 2019-20 Governor's Budget. The meeting materials contained a copy of an email sent to the Board members summarizing the financial impact to MTSU along with an analysis prepared by the Tennessee Higher Education Commission (THEC) showing the impact to all of higher education. Mr. Thomas informed the Committee that MTSU is continuing to monitor the budget as it passes through the legislative process. Trustee Johnston asked if the Governor and his staff take salary increases allocated by our Board into consideration when making salary allocations for the following year. Dr. McPhee responded that any salary increases allocated by our Board would not have an effect on state budget allocations for the following year. Mr. Thomas stated that the 2019-20 Governor's Budget does not contain an allocation for higher education salary increases. He explained that the higher education institutions were allocated one amount and it is at the discretion of each institution to determine how much of that amount may be allocated towards salary increases. He noted, however, that it is possible for next year's budget allocation to contain separate categories for salaries and operations as it sometimes has in previous years. A brief discussion ensued of how salary allocations have been presented in the Governor's Budget over the last few years. Dr.

McPhee informed the Committee that employee salary improvement continues to be a top priority as MTSU works with the state legislature during the budget process.

CFI Ratios

The final item on the agenda was a presentation of information regarding MTSU's Composite Financial Index (CFI) and the four commonly associated ratios. Mr. Thomas noted that detailed background information had been provided in the meeting materials to explain how the ratios are calculated and weighted to determine the total CFI. He indicated that most of the ratios were either stable or had significant increases, while one experienced a decrease. Mr. Thomas then directed the Committee to the Return on Net Assets Ratio and discussion ensued concerning the specific factors that contributed to the fluctuations reflected in the ratio. Mr. Thomas noted that capital appropriations create changes in the ratio, so decreases should not necessarily be viewed as a negative result for the University. The discussion then turned to construction projects and the state requirement to provide building match. Mr. Thomas stated that match funding is provided either through University reserves or by private donations. Mr. Bales provided the Committee with a brief overview on the process for obtaining donor commitments and collecting payment on pledges.

Closing Remarks

Chairman Jacobs asked for a motion to adjourn. Trustee Freeman moved to adjourn the meeting and Trustee Delay seconded the motion.

Adjournment

The meeting adjourned at 12:55 p.m.

Respectfully submitted,

Finance and Personnel Committee



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Action Item

DATE: May 29, 2019

SUBJECT: **MTSU Foundation Agreement**

PRESENTER: Alan Thomas
Vice President for Business and Finance

BACKGROUND INFORMATION:

In order to support philanthropic investments in our colleges and universities, Tennessee state law - T.C.A. § 49-7-107 – calls for the governing board of each institution to enter into agreement with the institution’s foundation to encourage and support private investment in our institutions. The MTSU Foundation’s relationship to the University is based upon a shared interest in the University’s development and the success of the University’s mission. It is recognized that University participation in and support of Foundation operations are appropriate and desirable. While the MTSU Foundation operates independently, by law, from the University, it is prudent and beneficial to have a clear statement, agreed upon by both parties, of their specific responsibilities, authority, and the relationship between the University and the Foundation. This agreement will also define and establish the

standards and procedures related to accounting and auditing of accounts of the Foundation, while at the same time preserving the private and independent status of the Foundation.

With the approval of this Agreement, the Board of Trustees of the University designates the MTSU Foundation to receive all private gifts for support of the University, except any gift for which the donor has specifically directed in writing that the gift be received and held by the University. In such case, it is understood and agreed that the University may name the Foundation as the fiduciary manager of such gifts.

This Agreement will renew annually on July 1st of every year for a period not to exceed ten (10) years unless terminated by either party with a sixty (60) days' notice.

A copy of the proposed Agreement is included in these materials for your review and approval.

AGREEMENT BETWEEN
MIDDLE TENNESSEE STATE UNIVERSITY
AND
MIDDLE TENNESSEE STATE UNIVERSITY FOUNDATION

THIS AGREEMENT made by and between Middle Tennessee State University (hereinafter referred to as the “University”) and Middle Tennessee State University Foundation (hereinafter referred to as the “Foundation”). This Agreement supersedes all prior agreements between the Foundation and the Board of Education, and between the Foundation and the Tennessee Board of Regents.

The University is a public institution of higher education created by T.C.A. § 49-8-101 and governed by the authority of a local governing board of trustees.

The Foundation is a private, non-profit corporation existing by virtue of T.C.A. § 49-7-107 and T.C.A. § 48-51-101 *et seq.* (Tennessee Nonprofit Corporation Act), is tax-exempt under Section 501(c)(3) of Internal Revenue Code, and is organized in concert with the University. The Foundation is established by Articles of Association dated December 12, 1961 and its Charter filed on December 30, 1961, and revised on November 22, 1986 and November 23, 1993. The current Foundation Bylaws are dated May 10, 2010. Copies of the current documents are attached hereto as Exhibit A, and its purpose is as stated therein. The Foundation exists to receive, hold, invest, and administer private gifts and other private resources solely for the benefit of the University.

The Foundation’s relationship to the University is based upon a shared interest in the University’s development and the success of the University’s mission. Therefore, University participation in and support of Foundation operations are appropriate and desirable. Because of the close, but independent, association of the Foundation with the University, it is prudent and beneficial to have a clear statement, agreed upon by the parties, of the responsibilities, authority, and the relationship of the University and the Foundation and to agree on the standards and procedures for accounting for and auditing of accounts of the Foundation, while at the same time preserving the private and independent status of the Foundation.

By its approval of this Agreement, the Board of Trustees of the University designates the Foundation to receive all private gifts for support of the University, except any gift for which the donor has specifically directed in writing that the gift be received and held by the University. It is understood that the University may name the Foundation as the manager of such a gift.

THE PARTIES HEREBY AGREE AS FOLLOWS:

I. FOUNDATION POWERS, DUTIES, AND RESPONSIBILITIES

1. **Foundation Charter and Bylaws.** The Foundation is responsible for the performance and oversight of all aspects of its operations based on a comprehensive set of bylaws and policies that clearly address the MTSU Foundation Board of Trustee’s fiduciary responsibilities.

The Foundation shall file its initial and amended foundation charters and bylaws with the Secretary of State of the State of Tennessee, and University president will submit copies to the University’s legal counsel.

2. **Ethics Policy.** The Foundation shall adopt an ethics policy complying with T.C.A. § 49-7-107 that applies to and governs the conduct of all members of the Foundation’s governing body. Members must review and acknowledge the code of ethics annually.

3. **Foundation Business Affairs.** The Foundation’s Board shall develop policies and procedures concerning the conduct of its business affairs and to assure appropriate reporting of financial and other activities. Such policies and procedures shall implement sound business practices, provide for appropriate checks and balances and ensure prudent use of Foundation funds. Additionally, and as applicable and appropriate, the Foundation shall ensure that its policies are not in conflict with state policies.

- a. Budget Preparation. With the assistance of University administrative personnel, the Foundation will create the Foundation’s annual budget.

- b. Procurement and Contracting. The Foundation’s Board shall develop policies and procedures that address procurement and contracting activities. When practicable, the Foundation shall use competitive procurement methods. Such policies must include a process for determining authority for authorizing contracts on behalf of the Foundation and for authorizing expenditure of Foundation funds. Authority for these functions cannot be delegated solely to an employee of the University absent specific delegation by the Foundation’s Board.

- c. Contracts. The Foundation does not have any authority to obligate the University in any manner. A contract may not be entered into in the names of both the Foundation and the University or in the name of either entity “on behalf of” the other. If a transaction involves both the Foundation and the University, both must be parties to the contract and it must be executed by authorized representatives of both.

- d. Administration of Donations to the Foundation. The Foundation shall develop policies and procedures that address the management and investment of contributions to the Foundation, subject to the requirements of the Uniform Prudent Management of Institutional Funds Act, T.C.A. § 35-10-2.

- e. Records. Maintain records concerning gifts and contributions to the Foundation and the University.
- f. Document Retention Policy. The Foundation shall have a written mandatory document retention and periodic destruction policy that complies with Sarbanes-Oxley requirements. The policy should include guidelines for handling electronic files and voice mail, as well as paper documents. The Foundation's policy will prohibit document purging if an official investigation is anticipated or underway.
- g. Reports. The Foundation shall issue reports to the president of the University, at least annually, on the activities of the Foundation. The Foundation is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards. An annual financial report shall be issued, prepared in accordance with FASB standards, including all required note disclosures. The report must be issued in a timely manner to be included as a component unit in the University's financial statement.

The Foundation shall provide the University with its annual report and other information that may be publicly released. The Foundation will be treated as a component unit in the University's financial statements in accordance with accounting principles general accepted in the United States of America. Financial statements shall include, as applicable and according to appropriate accounting principles, the value of in-kind services provided by the University. The Foundation will strive for transparency and strong internal controls.

The management of the Foundation will perform regular, documented assessments of the Foundation's risk of fraud, waste, and abuse. The management of the Foundation will establish and implement a system of internal controls that adequately mitigates those risks and ensures compliance with all applicable laws and regulations. Management of the Foundation will submit the risk assessment and the documented mitigating controls to the Foundation's Finance committee for review and approval.

- 4. **Solicitation, Acceptance and Administration of Contributions**. The Foundation is hereby designated as the sole entity responsible for promoting and generating private sector, charitable support for the University. The Foundation may collect contributions for the University's charitable, scientific, and educational purposes. The Foundation shall provide leadership and assistance to the University and its departments in their fundraising activities, capital campaigns, and development programs with individuals, corporations, foundations, and other organizations. The Foundation shall develop policies and procedures addressing the solicitation and acceptance of contributions to the Foundation, incorporating sound business principles and safeguarding compliance with donor intent and conditions. Prior to accepting any donation that will require substantial University support such as staff, financial assistance, storage, on-going

maintenance, etc., approval must be obtained from the president of the University and, if applicable, from the Board of Trustees.

5. **Confidentiality of Donor Information.** The University and the Foundation may share employees and services, including information on donors. As used herein, the Foundation's "donor information" includes, but is not limited to, a compilation of contributors, prospects, alumni, friends, and supporters of the University. These records, as well as all other data, materials, and information belonging to the Foundation pertaining to past, current, and prospective donors are proprietary to the Foundation and constitute its confidential information and trade secrets. The University and the Foundation shall comply with the provisions of T.C.A. § 49-7-140 regarding the confidentiality of gift records. Subject to those provisions, the Foundation may disclose confidential information from time to time to authorized University personnel (to include authorized volunteers) for purposes of cooperative planning and implementation of activities, as authorized by the Foundation. University personnel shall preserve the confidentiality of such shared information.

6. **Use of University Name and Marks.**

- a. The Foundation may, in connection with its lawful business and activities, use the name of the University as well as the University's logo, seal, and other symbols and marks. The President of the University reserves the right to object to any particular use by the Foundation, and in the event of such an objection, the Foundation shall cease and desist the use and cooperate with the University to achieve an acceptable use.
- b. The Foundation shall not delegate the authority to use the University's name or marks without written approval of the University's president and shall not permit the University's name or marks to be used in connection with advertising of non-University or non-Foundation products or services unless such use is consistent with policies of the University. All correspondence, solicitations, activities and advertisements concerning the Foundation shall be clearly discernable as being from the Foundation and not the University.
- c. The Foundation agrees to cease using the University's name and marks in the event:
 - i. The Foundation dissolves;
 - ii. The Foundation ceases to be a non-profit corporation or ceases to be recognized by the Internal Revenue Service as described in Section 501(c)(3) of the Internal Revenue Code; or
 - iii. The Foundation or the University terminates this Agreement.

7. **Operational Support from the University.** The University may not transfer state or University funds to the Foundation; however, the University may provide in-kind services to Foundation as consideration for services rendered by the Foundation to the University. “In-kind services” include, but are not limited to, the provision of office space, administrative support and other staff.
8. **Respect for University’s Personnel Administration.** Foundations must respect the Board of Trustees and University authority over personnel administration. Foundation expenditures for compensation and other payments to, or for the benefit of, University personnel and reportable as income to the recipient, such as salary, expense accounts, automobiles, club or other organization memberships and dues, etc., must be approved in advance, annually, by the University president, unless the salaries funded by the Foundation are in accordance with the University’s compensation plan and included in the University’s personnel budget. Advance approval of the Board of Trustees shall be required if payments outside the University’s compensation plan are made to, or for the benefit of, any University employee, including the president, and if the aggregate value of such payments to any individual University employee exceeds one thousand five hundred dollars (\$1,500.00) per fiscal year. This provision does not apply to reimbursement of business expenses incurred by University employees or to non-taxable recognition awards given to University employees.
9. **Taxes.** The Foundation shall be responsible for compliance with all applicable state and federal tax laws. If the University provides in-kind services to assist with the preparation and filing of required tax forms and returns, the Foundation shall supply all necessary information in a timely manner.
10. **Compliance with Applicable Laws.** The Foundation agrees to comply with all executive orders, federal, state, and local rules, regulations, and laws applicable to similar non-profit corporations.
11. **Compliance with Middle Tennessee State University Policy.** The Foundation agrees to comply with MTSU Policy 130 Foundations.
12. **Hold Harmless.** The Foundation shall indemnify and hold harmless the University, it’s governing board, officers, employees, agents, and students, in their official and individual capacities, from and against any and all claims of liability, injury, damages, expenses, demands, and judgments, including court costs and attorneys’ fees, arising out of the Foundation’s performance of this Agreement, except for injury or damage caused by the sole negligence of the University, and furthermore, this provision shall survive the termination or expiration of this Agreement.
13. **Foundation Legal Counsel.** The Foundation shall be responsible for providing its own legal counsel.

14. Dissolution of Foundation. Consistent with provisions of the Foundation's bylaws, should the Foundation cease to exist or cease to be an Internal Revenue Code 501(c)(3) nonprofit corporation, the Foundation will transfer its assets and property to the University, to a reincorporated successor Foundation, to another 501(c)(3) organization affiliated with the University, or to the state or federal government for public purposes, in accordance with the law and donor intent.

The University will honor to the extent possible any donor restrictions on assets held by the Foundation, including, but not limited to, retaining endowment funds as permanent endowments for the purposes specified by the donor. If a donor agreement limits or precludes any portion of the Foundation's assets from matriculating to the University, the Foundation Board of Directors shall make all available effort to effectuate the transfer of such assets to the University.

Prior to the permanent dissolution or liquidation of the Foundation, a complete accounting of the Foundation will be attested to by the Foundation's independent accounting firm.

II. UNIVERSITY POWERS, DUTIES, AND RESPONSIBILITIES

1. **Independence of Foundation.** The University agrees to encourage and maintain the independence of the Foundation and, at the same time, foster the cooperative relationship between the University and Foundation.
2. **General Powers of the University.** The University may:
 - a. Provide the professional services of its employees, within the scope of their employment with the University;
 - b. Review the financial records of the Foundation to determine that the Foundation is adequately capitalized for any activities undertaken in the name of, for the benefit of, or in conjunction with the University.
 - c. Request or require evidence satisfactory to the president or president's designee of insurance or self-insurance adequate in form and amounts to cover foreseeable liability arising from activities undertaken in the name of, for the benefit of, or in conjunction with the University;
 - d. Request periodic review of any written general agreement or memorandum of understanding between the University and the Foundation to ensure that it describes each party's responsibilities in a manner that makes it clear to third parties dealing with the cooperative organization that the organization is acting as a legal entity separate from the University; and

- e. Take any action necessary to ensure that the actions of the University's officials, faculty, staff, or employees relative to the Foundation are consistent with policies established by the University regarding conflicts of interest, outside activities, and other matters.
3. **University Services to Foundation.** In consideration of the services provided to the University by the Foundation and as set forth herein, the University may assist the Foundation in the following:
 - a. Provision of office space, telephones, computers, supplies, etc. for personnel. These will be considered in-kind services from the University.
 - b. Provision of clerical and administrative support services through the University's Development Office.
 - c. Provision of designated financial services including financial record keeping.
 4. **Audit of Foundation Records.** In accordance with T.C.A. § 49-7-107(b), all annual reports, books of account and financial records of the Foundation shall be subject to audit by the Comptroller of the Treasury of the State of Tennessee. Records and accounts maintained by the Foundation shall be audited on the same cycle as the University audit performed by the Comptroller, or, with the approval of the Comptroller, an independent public accountant may perform such an audit. The contract between the independent public accountant and the Foundation shall be approved in advance by the Board of Trustees and the Comptroller and shall be on forms prescribed by the Comptroller. All annual reports, books of account and financial records of the Foundation shall be available for audit by the internal auditors of the University.
 5. **Confidential Records.** Confidential Records. The University acknowledges that under T.C.A. § 49-7-140, personally identifiable records and information concerning gifts received by both the University and the Foundation are protected against disclosure.

III. MUTUAL ACKNOWLEDGEMENTS AND OBLIGATIONS

1. **Termination.** Either party may terminate this agreement upon sixty (60) days' notice.
2. **Term.** This Agreement is based upon the University's fiscal year, which is July 1 through June 30. The term of this Agreement shall commence on July 1, 2019 and expire on June 30, 2020. If neither party gives notice of termination, as provided in Paragraph 1 above, prior to the expiration of the Agreement, it will continue on year-to-year basis for a period not to exceed ten (10) years. If this Agreement is terminated by either party, all funds, assets, data, and information in the possession of the Foundation will be transferred to the University as soon as is practicable.

3. **Entire Agreement/Modification.** This Agreement contains all the terms between the parties. It may be amended only in writing signed by legally authorized representatives of all parties.

APPROVED:

Middle Tennessee State University Foundation

By: _____
William J. Bales, Executive Director

_____ Date

Middle Tennessee State University

By: _____
Sidney A. McPhee, President

_____ Date

ACKNOWLEDGED AND APPROVED:

Middle Tennessee State University Board of Trustees

By: _____
Stephen B. Smith, Chairman

_____ Date



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Action Item

DATE: May 29, 2019

SUBJECT: **Capital Outlay Project Submittal**

PRESENTER: Bill Waits
Assistant Vice President - Campus Planning

BACKGROUND INFORMATION:

As part of the annual Capital Budget request process, institutions of higher education must submit their capital outlay project requests for state funding to the Tennessee Higher Education Commission (THEC) and the Tennessee Department of Finance and Administration. THEC ranks these project requests and issues project selection recommendations to the Governor based on their rankings.

The proposed MTSU capital outlay project for FY 2020-21 is the Applied Engineering Building that will provide lab, classroom, office space, and common space for the degree areas of Mechatronics Engineering (B.S.) and Engineering Technology (B.S. & M.S.). These programs accounted for 106 of the total degrees conferred by the University during the 2017-2018 academic year. The following materials provide a brief summary of the work and are being submitted to the Board of Trustees for review and approval.

Applied Engineering Building

Proposed FY 2020/2021 Capital Outlay Project

Gross Square Footage: 88,000 Square Feet

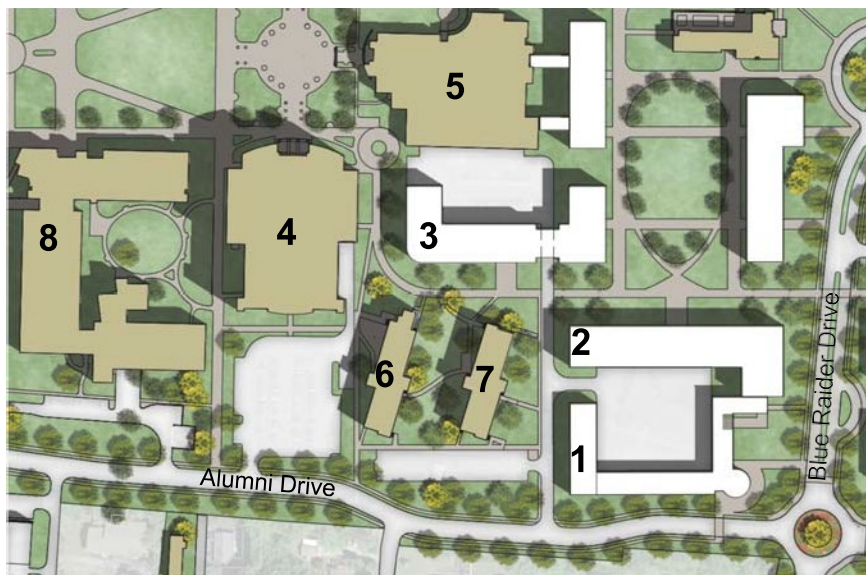
Estimated Construction Cost: \$40,000,000

Estimated Total Project Cost: \$51,000,000

University Match funding (10%): \$ 5,100,000 (\$2,040,000 in gift funding)

This project provides a new center for the Applied Engineering programs including Engineering Technology and Mechatronics Engineering. These highly related, integrative programs are currently located in multiple buildings across campus. This new facility will provide critically needed classrooms, offices, and labs designed to serve a technologically rich and collaborative pedagogy. The Applied Engineering Building is listed as a **“high priority”** item in the current Campus Master Plan.

The applied engineering programs are currently located in Voorhies and Midgett buildings. In a scale from A-D, Voorhies is rated a “C” in academic program suitability and a “D” in physical building condition rating in the Master Plan. The Midgett Building is rated a “D” in academic suitability and a “D” in physical building condition. The new Applied Engineering Building along with School of Concrete and Construction Management allows for the future demolition of the Voorhies building and the Midgett building. These demolitions are listed as **“high priority”** projects in the Campus Master Plan.



Site Vicinity Plan - East Quad

Future Buildings:

1. CCM Building
- 2. Applied Engineering**
3. Math & Computer Science

Existing Buildings:

4. Walker Library
5. Bragg Media
6. Deere Hall
7. Nicks Hall
8. Science Building

The proposed new location of the Applied Engineering Building is identified in the Campus Master Plan at the southern end of the East Quad. This location will group the future home of the School of Concrete and Construction Management and proposed Math and Computer Science and Applied Engineering buildings along with the existing Science Building together to create an **academic neighborhood focused on STEM disciplines.**

3.1 DB70

1 **Department:** Tennessee Higher Education Commission
Institution: Middle Tennessee State University
Project: Applied Engineering Building
City/County: Murfreesboro, Rutherford County

2 **Fiscal Year:** 2020 / 2021

3		New		Reno/Maint
<input checked="" type="checkbox"/>	Capital Outlay			0
<input type="checkbox"/>	Capital Maintenance	88,000	Gross Sq.Ft.	0
<input checked="" type="checkbox"/>	Disclosure	49,000	Net Sq.Ft.	0
<input checked="" type="checkbox"/>	Designer Required	454.55	Cost/Sq.Ft.	0.00

4 **Project Description:**

Design and construct a new center for the Applied Engineering programs. The new facility provides critically needed classrooms, offices, and labs designed to serve technologically rich and collaborative programs.

5	Total Project	This Request	Estimated Building Construction Cost:	40,000,400
	40,000,000	40,000,000	Building Construction	
	1,500,000	1,500,000	Site & Utilities	
	200,000	200,000	Built-in Equipment	
	41,700,000	41,700,000	Bid Target	
	2,000,000	2,000,000	Contingency:	4.80 percent
	43,700,000	43,700,000	MACC (Maximum Allowable Construction Cost)	
	2,356,528	2,356,528	Fee:	35/LogP-1.15= 5.39251215
	4,000,000	4,000,000	Movable Equipment	
	420,000	420,000	first other	Pre-Con, Commissioning
		0	second other	
	523,472	523,472	Administration & Miscellaneous	
	51,000,000	51,000,000	Total Cost	

6 Funding Request:	THIS REQUEST
45,900,000	45,900,000
0	0
5,100,000	5,100,000
	STATE funds
	FEDERAL funds
	Local and Institutional Funds
	Plant Funds, Gifts

7 Previous SBC Approved Funding:	fund year	description
already approved for existing SBC project	0	
0	0	
plus This Request	0	
51,000,000	0	

8 **SBC Action:** If an existing project, SBC Project No.: NA

9 **Designer:** NA



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Information Item

DATE: May 29, 2019

SUBJECT: **Capital Disclosures**

PRESENTER: Bill Waits
Assistant Vice President - Campus Planning

BACKGROUND INFORMATION:

In accordance with THEC Policy 4.0.6C concerning disclosure of projects funded through bonds, gifts, grants or local funds, MTSU proposes to submit five (5) capital projects for disclosure. Disclosure of a capital project is the first step in the project approval process and indicates an institution is considering a large-scale project investment.

Any project that may require funding through the Tennessee State School Bond Authority (TSSBA) must be disclosed as part of the yearly Capital Budget request. This allows TSSBA to predict how much capacity they will need in bond funds or short term financing.

The attached list of disclosed projects is provided to the Board of Trustees as an information item. These disclosures will be submitted in the MTSU FY 2020-2021 Capital Budget request to the Tennessee Higher Education Commission (THEC) and the Tennessee Department of Finance and Administration. These disclosures will become active on the disclosure list July 1, 2020. Once a project is disclosed, it will remain on the disclosure list for two years.

Capital Disclosure: FY2020-21

SPA	Project	Project Description	Project Cost	Funding Sources		
				Gifts	Gift-in-Place	Plant Funds
MTSU	Campus Quadrangle	Site Improvements in the central campus quadrangle, including sidewalks lighting, landscaping, grading, drainage, and related work.	\$1,700,000			\$1,700,000
MTSU	Food Service Improvements	Renovations to existing MTSU dining facilities at KUC and McCallie Food Court	\$6,200,000		\$6,200,000	
MTSU	Floyd Stadium Stairs	Repair and Replacement of stairwells and egress components at Floyd Stadium	\$1,300,000			\$1,300,000
<i>Project Re-disclosures (projects that will be removed from the disclosure list July 1, 2020 if not re-disclosed):</i>						
MTSU	Tennis Improvements	Demolition and construction of new tennis courts, seating, and support facilities. Previously disclosed in FY 18-19	\$3,000,000	\$1,500,000		\$1,500,000
MTSU	Renovations to Smith Baseball Clubhouse	Renovation to Smith Baseball Clubhouse to include weight training; previously disclosed FY 18-19 Q4 as "Baseball Weight Room	\$1,000,000	\$1,000,000		



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Action Item

DATE: May 29, 2019

SUBJECT: **Capital Maintenance Projects Submittal**

PRESENTER: Joe Whitefield
Assistant Vice President - Facilities Services

BACKGROUND INFORMATION:

The Board of Trustees is charged with approving the Capital Maintenance Project requests for Middle Tennessee State University for FY 2020-21 in conjunction with instructions received from the Tennessee Higher Education Commission (THEC).

This presentation provides the documentation to be submitted to THEC including:

- Summary of Capital Maintenance potential project requests for five years, FY 2020-21 thru FY 2024-25

- Capital Maintenance requests for six (6) projects for FY 2020-21 totaling \$10,050,000.

In addition to the project request documentation, this presentation provides the THEC FY 2020-21 Governing Board Maintenance Pools and Allocation(s).

**THEC FY 2020-21 Governing Board
Maintenance Pools and Allocations**

(Total Recommendation \$150,000,000/\$120,000,000)

Governing Board	Maintenance Pool (%)	Maintenance Allocation (\$)	Maintenance Allocation (\$)
MTSU	6.7%	\$10,050,000	\$8,040,000
APSU	3.1%	\$4,670,000	\$3,740,000
ETSU	7.3%	\$10,960,000	\$8,770,000
TSU	5.2%	\$7,810,000	\$6,250,000
TTU	5.2%	\$7,870,000	\$6,290,000
UoM	12.3%	\$18,380,000	\$14,700,000
SPA/LGI Subtotal	39.8%	\$59,740,000	\$47,790,000
UT System Subtotal	40.0%	\$60,010,000	\$48,010,000
TBR System Subtotal	20.2%	\$30,240,000	\$24,190,000
Grand total	100%	\$150,000,000	\$120,000,000

Note: Recent MTSU Capital Maintenance Allocation by FY
 FY 2019-20; \$4.7million (5 projects)
 FY2018-19; \$8.2million (7 projects)
 FY2017-18; \$8.9million (5 projects)
 FY2016-17; \$6.7million (5 projects)
 FY2015-16; \$2.6million (1 project)
 FY2014-15; \$1.3million (1 project)

Capital Maintenance Request: FY 2020-21

Governing Board: 2020-21 Maint Allocation:	Middle Tennessee	Maintenance Request Level from Governing System Pools tab
	\$10,050,000	\$150,000,000

FY	Priority*	SPA	Project	Project Description**	Project Cost
2020-21	1	MTSU	Murphy Center Window Repair/Replacement	Replace the window/wall system for Murphy Center.	\$ 4,600,000
2020-21	2	MTSU	Elevator Modernization Phase III	Modernization of elevators in several buildings to improve reliability and address current codes.	\$ 2,000,000
2020-21	3	MTSU	Water & Sewer System Updates Phase II	Repairs/Replacement of existing sewer and domestic water system sections across campus.	\$ 490,000
2020-21	4	MTSU	Several Buildings Roof Replacements	Replace roofs for various buildings that are out of warranty and in need of major repairs. (Ingram, Blue Warehouse, Cope)	\$ 950,000
2020-21	5	MTSU	Steam/Condensate & Manhole Repair/Replacement Phase III	Replacement of aged steam/condensate lines and rebuild manholes.	\$ 1,400,000
2020-21	6	MTSU	Sidewalk Repair/Replacement Phase I	Repairs & replacement of sidewalks to improve safety and address codes. Repair and replace seating walls, hardscapes and pave areas.	\$ 610,000
Total Cost of FY 20-21 Maintenance Projects					\$ 10,050,000

Capital Maintenance Out-Years: FY 2021-22 through 2024-25

FY	Priority*	SPA	Project	Project Description	Project Cost
2021-22	1	MTSU	Underground Electrical Update	Move overhead lines underground, reconfigure main feeder circuits for redundancy, remove/replace switch gear, remove dip poles etc.	\$ 1,200,000
2021-22	2	MTSU	Life Safety Fire Alarm System Upgrades Phase II	Fire alarm system upgrades and testing.	\$ 900,000
2021-22	3	MTSU	Elevator Modernization Phase IV	Modernization of elevators in several buildings to improve reliability and address current codes.	\$ 1,400,000
2021-22	4	MTSU	Several Buildings Window Replacement	Replace aging windows due to age and inefficiencies. (Complete prior to HVAC project)	\$ 1,550,000
2021-22	5	MTSU	Several Buildings Roof Replacements	Replace roofs, for various buildings, that are out of warranty and in need of major repairs.	\$ 1,400,000
2021-22	6	MTSU	Several Building Pneumatic Controls Replacements	Replacement of aged pneumatic control systems and devices with electronic ddc devices in several buildings.	\$ 650,000
2021-22	7	MTSU	Pump and VFD Replacement Phase I	Replacement of pump & VFD systems for utility systems.	\$ 1,000,000

Capital Maintenance Out-Years: FY 2021-22 through 2024-25

FY	Priority*	SPA	Project	Project Description	Project Cost
2022-23	1	MTSU	KUC Mechanical and HVAC Upgrades Phase II	Upgrade distributed mechanical and HVAC systems including piping systems and control devices.	\$ 1,500,000
2022-23	2	MTSU	Steam/Condensate & Manhole Repair/Replacement Phase IV	Replacement of aged steam/condensate lines and rebuild manholes.	\$ 1,500,000
2022-23	3	MTSU	Several Buildings Plumbing & Restroom Upgrades	Plumbing & restroom upgrades, in several buildings, to improve functionality and meet current codes.	\$ 2,950,000
2022-23	4	MTSU	Several Buildings Roof Replacement	Replace roofs, for various buildings, that are out of warranty and in need of major repairs.	\$ 750,000
2022-23	5	MTSU	Domestic Water & Sewer System's Updates Phase II	Repairs/replacement of existing sewer and domestic water system sections across campus.	\$ 650,000
2022-23	6	MTSU	Elevator Modernization Phase V	Modernization of elevators in several buildings to improve reliability and address current codes.	\$ 750,000
2023-24	1	MTSU	JUB Building Mechanical HVAC, Windows & Ceiling Upgrades	Mechanical & HVAC upgrades and ceiling replacements in building to improve reliability and meet codes (coordinate with window project)	\$ 2,550,000
2023-24	2	MTSU	Life Safety Fire Alarm System Upgrades Phase III	Fire alarm system upgrades and testing.	\$ 850,000
2023-24	3	MTSU	Elevator Modernization Phase V	Modernization of elevators in several buildings to improve reliability and address current codes.	\$ 1,500,000
2023-24	4	MTSU	Campus Stormwater BMP Phase II	Stormwater improvements to meet best management practices.	\$ 650,000
2023-24	5	MTSU	Womack Lane Switchgear Replacement	Replace primary electrical switchgear.	\$ 900,000
2023-24	6	MTSU	Sidewalk Repair/Replacement Phase II	Repairs & replacement of sidewalks to improve safety and address codes.	\$ 700,000
2023-24	7	MTSU	Several Buildings Roof Replacements	Replace roofs, for various buildings, that are out of warranty and in need of major repairs.	\$ 950,000
2024-25	1	MTSU	Pump and VFD Replacement	Replacement of pump & VFD systems for utility systems.	\$ 1,200,000
2024-25	2	MTSU	Jones Hall Mechanical, HVAC, Lighting, Ceiling Upgrades	Mechanical and HVAC upgrades and ceiling replacements in building to improve reliability and meet codes. (coordinate with window project)	\$ 2,500,000
2024-25	3	MTSU	Several Buildings Plumbing Upgrades	Plumbing upgrades, in several buildings, to improve functionality and meet current codes.	\$ 1,250,000
2024-25	4	MTSU	PMH Gear Replacement	Replace pad mounted electrical switchgear.	\$ 938,000
2024-25	5	MTSU	Several Building Mechanical, HVAC, Lighting, Ceiling Upgrades	Mechanical and HVAC upgrades and ceiling replacements in buildings to improve reliability and meet codes. (coordinate with window project)	\$ 2,500,000

3.1 DB70

1 **Department:** Tennessee Higher Education Commission
Institution: Middle Tennessee State University
Project: Murphy Center Window Repair/Replacement
City/County: Murfreesboro/Rutherford

2 **Fiscal Year:** 2020 / 2021

3		New		Reno/Maint
<input type="checkbox"/>	Capital Outlay			
<input checked="" type="checkbox"/>	Capital Maintenance	235,654	Gross Sq.Ft.	0
<input type="checkbox"/>	Disclosure	0	Net Sq.Ft.	0
<input checked="" type="checkbox"/>	Designer Required	18.03	Cost/Sq.Ft.	0.00

4 **Project Description:**

Replace antiquated curtain wall system with modern curtain wall, along with exterior repairs and all related work.

5	Total Project	This Request	Estimated Building Construction Cost:	4,248,842
	3,860,000	3,860,000	Building Construction	
	0	0	Site & Utilities	
	0	0	Built-in Equipment	
	3,860,000	3,860,000	Bid Target	
	390,000	390,000	Contingency: 10.10 10.10 percent	
	4,250,000	4,250,000	MACC (Maximum Allowable Construction Cost)	
	271,521	271,521	Fee: 35/LogP-1.15= 6.38873954	New
	0	0	Movable Equipment	
	0	0	first other	
	0	0	second other	
	78,479	78,479	Administration & Miscellaneous	
	4,600,000	4,600,000	Total Cost	

6	Funding Request:	THIS REQUEST
	4,600,000	4,600,000
	0	0
	0	0
		STATE funds
		FEDERAL funds
		Local and Institutional Funds

7	Previous SBC Approved Funding:	fund year	description
	already approved for existing SBC project	0	
	plus This Request	0	
	4,600,000	0	

8 **SBC Action:** If an existing project, SBC Project No.: NA

9 **Designer:** NA

3.2 Project Support Documentation sheet 1

Institution: Middle Tennessee State University

Project: Murphy Center Window Repair/Replacement

A. Architectural Program Scope

Replace antiquated curtain wall system with modern curtain wall, along with exterior repairs and all related work.

B. Evidence of Physical Facility Need

The window wall system at the Murphy Center is original to the structure. The existing window wall is showing signs of deterioration. The glazing is cracked in several areas, several of the seals have been compromised, and some of the gaskets are dry and failing. New curtain wall system will provide better insulation and also help in reducing energy costs for the University.

C. Historical Profile

Murphy Center was constructed in 1970. In addition to the 10,000 seat arena, the facility is the home of the Health and Human Performance (HHP) academic programs, and the Athletic Department administrative offices and programs. Overall the building is in serviceable condition, but the growth of the University over the past 40 years has created space constraints with overcrowding. Recent upgrades to the building include ADA updates to the restrooms in 2006 and updating the fire alarm system 2009.

D. Summary Results and Date of Physical Facilities Survey

2019 - Exterior enclosure - 60

3.3 Project Support Documentation sheet 2

Institution: Middle Tennessee State University

Project: Murphy Center Window Repair/Replacement

E. Cost Basis for Construction Estimate and Other Costs

Building construction cost was determined using 2019 RSMeans data for curtain wall and glazed assemblies taking local construction costs and indices (\$100 sq.ft.). The cost was validated by an independent wall system vendor.

F. Project Schedule

The project will be submitted for approval at the July 2020 SBC and July 2020 ESC Meeting for designer selection. It is anticipated that design will be completed in four months and the project will be bid in the December 2020 timeframe. The actual construction will be scheduled and coordinated with specific events and venues booked at Murphy Center. Weather consideration will be addressed in the overall construction duration.

G Campus or Architectural Program Impact

Murphy Center is located at one of the main gateways of the Campus and presents a significant positive image of the MTSU Campus. The building architecture, specifically the glazing/window system, gives the building its character and notoriety for every Campus visitor. The Murphy Center hosts many City of Murfreesboro civic events, including high school graduations and sporting events. The Murphy Center is also visited by anyone attending graduation at MTSU providing, at times, the last glimpse of the Campus to our graduates and their families.

Exterior Enclosure	Value	Campus Rating	Campus Score	Review Rating	Review Score
B20	7	60	4.2	100	7.0

Items

Wall Condition	2	****
Caulking	3	***
Cleaning & Pointing	3	***
Painting	2	****
Window Condition	4	**
Exterior Door Condition	3	***
Exterior Hardware	3	***

Description

The structural exterior wall system is reinforced concrete columns and reinforced concrete walls with light steel frame.
 The non-structural consist of concrete block, limestone and glass curtain panel
 Windows have been replaced

Condition / Recommendation

General cleaning needed
 Caulking needed at window condition
 Door hardware showing signs of age
 Concrete cracking west elevation
 Windows need cleaning Some are in bad shape
 Concourse doors need replacement or major rework.

SP100303 Replace 7 banks of doors/Murphy Center 2010
 SP100304 Install security system on windows & doors for after hour use/Ticket Office 2010

2014 review- no changes

2019 review - the existing window wall system is deteriorating with cracking condition and seals failing. Further investigation may be needed and repairs required.



3.1 DB70

1 **Department:** Tennessee Higher Education Commission
Institution: Middle Tennessee State University
Project: Elevator Modernization Phase III
City/County: Murfreesboro/Rutherford

2 **Fiscal Year:** 2020 / 2021

3		New		Reno/Maint
<input type="checkbox"/>	Capital Outlay			
<input checked="" type="checkbox"/>	Capital Maintenance	0	Gross Sq.Ft.	756,876
<input type="checkbox"/>	Disclosure	0	Net Sq.Ft.	0
<input checked="" type="checkbox"/>	Designer Required	0.00	Cost/Sq.Ft.	2.35

4 Project Description:

Continuation of modernization of elevators from previous phases. This phase includes the Miller Education Center (2 of 2 elevators in the West Building), James Walker Library (2 in back of house elevators of 6 total in building), Business & Aerospace Building (3 of 3 elevators), and Cason Kennedy Nursing (1 of 1 elevator).

5	Total Project	This Request	Estimated Building Construction Cost:	1,778,659
	12,725,000	1,636,000	Building Construction	
	0	0	Site & Utilities	
	0	0	Built-in Equipment	
	12,725,000	1,636,000	Bid Target	
	1,275,000	164,000	Contingency: 10.02 percent	10.02
	14,000,000	1,800,000	MACC (Maximum Allowable Construction Cost)	
	1,021,493	154,252	Fee: 35/LogP-1.15=	7.29637522
	0	0	Movable Equipment	Renovation
	100,000	20,000	first other	Haz Mat Abatement
	0	0	second other	
	278,507	25,748	Administration & Miscellaneous	
	15,400,000	2,000,000	Total Cost	

6 Funding Request:	THIS REQUEST
15,400,000	2,000,000
0	0
0	0
	STATE funds
	FEDERAL funds
	Local and Institutional Funds

7 Previous SBC Approved Funding:	fund year	description
already approved for existing SBC project	550,000	18-19 CFCM (A)
550,000	0	
plus This Request	0	
2,000,000	0	

8 **SBC Action:** If an existing project, SBC Project No.: 366/009-09-2018

9 **Designer:** NA

3.2 Project Support Documentation sheet 1

Institution: Middle Tennessee State University

Project: Elevator Modernization Phase III

A. Architectural Program Scope

To provide necessary modernization of passenger elevators in the Miller Education Center (west side), James Walker Library (2 back of house elevators), Business & Aerospace, and Cason Kennedy Nursing buildings.

B. Evidence of Physical Facility Need

A review of the facilities' elevator inventory for these buildings, combined with past work order history, visual inspections, occurrence of repair, and lack of available replacement parts demonstrates the need for modernization. Reliable vertical circulation is critical to the operations of all buildings on Campus. Accessibility to all floor and building areas is paramount to the academic success of students and faculty's support of students efforts.

C. Historical Profile

Elevators in the Miller Education Center were installed in 1997.
Elevators in the James Walker Library were installed in 1997.
Elevators in the Business & Aerospace building were installed in 1997.
Elevator in the Cason Kennedy Nursing Building were installed in 1994.

D. Summary Results and Date of Physical Facilities Survey

2019 - Miller Education Center - 70
2019 - James Walker Library - 70
2019 - Business & Aerospace Building - 70
2019 - Cason-Kennedy Nursing Building - 70

3.3 Project Support Documentation Sheet 2

Institution: Middle Tennessee State University

Project: Elevator Modernization Phase III

E. Cost Basis for Construction Estimate and Other Costs

The cost for each site specific elevator modernization has been developed with information from recently bid capital maintenance projects involving similar size and scope elevator. Additional cost information was provided by the Campus elevator vendor/contactor who currently holds the five year annual maintenance agreement.

F. Project Schedule

The project will be presented for approval at the July 2020 SBC Meeting, and July 2020 ESC Meeting for designer selection. The design will have a duration of approximately five months and the project will be bid in the January 2021 timeframe. Construction activities, expected to have a duration of four months, will be scheduled around the academic year calendar and specific accessibility needs at each building.

G Campus or Architectural Program Impact

Vertical circulation and access to all floors of all building is an inherent need of every student, visitor, and faculty. Elevators are a critical component of the operational requirements of any building on Campus. Beyond the immediate obvious accessibility need, elevators represent compliance to national accessibility requirements critical to the success of everyone on Campus.

Conveying	Value	Campus Rating	Campus Score	Review Rating	Review Score
D10	3	70	2.1	100	3.0

Items

Elevator Condition	S	*****
Elevator Suitability	S	*****
Other Conveying	NA	
ADA Compliance	S	*****

Description

2014- two Northern passenger elevators. Capacity 6000 lbs each and speed of 350.
Four elevators in building.

Condition / Recommendation

2014 Review - Building to undergo renovation. No recommendations.
2017 review- Modernization and repairs are recommended to address mechanical and code deficiencies.
2019 review- modernization and repairs needed

Conveying	Value	Campus Rating	Campus Score	Review Rating	Review Score
D10	3	70	2.1	100	3.0
Items					

Elevator Condition	3	***
Elevator Suitability	3	***
Other Conveying	NA	
ADA Compliance	S	*****

Description

6 passenger elevators (Automatic)
 2500 lbs capacity

2014 review- 5 passenger elevators automatic 2500 lbs, 1 freight automatic 4500 lbs
 New hydraulic elevator soft start installed on all 6 elevators. All Hydros.

Condition / Recommendation

no recommendations

2014 review- no recommendations
 2019 review- Freight and staff elevators: mechanical parts are worn and controller is obsolete. Need to replace the control system and moving mechanical parts. Door operator was replaced in 2019 on freight elevator #5. The recommendation is for freight and staff elevators only. Elevators are approximately 23 years old.

Conveying Value Campus Rating Campus Score Review Rating Review Score
 D10 3 70 2.1 100 3.0

Items

Elevator Condition	3	***
Elevator Suitability	3	***
Other Conveying	NA	
ADA Compliance	S	*****

Description

2 elevators
 1--3500 lbs
 carpet
 plastic laminate walls
 stainless steel door
 Lay in ceiling
 All Hydros

 2-- 5000 lbs
 Brand- Automatic (3)

Condition / Recommendation

no recommendations
 2014 review- no changes
 2019- mechanical parts worn and controller obsolete. Recommend modernization on all 3 elevators. Elevators are approximately 24 years old.

Conveying D10 Items	Value 3	Campus Rating 70	Campus Score 2.1	Review Rating 100	Review Score 3.0
---------------------------	------------	---------------------	---------------------	----------------------	---------------------

Elevator Condition	3	***
Elevator Suitability	3	***
Other Conveying	NA	
ADA Compliance	S	*****

Description

One hydraulic passenger elevator
2014 review- 2500 lb ESCO Brand

Condition / Recommendation

Elevator is in good condition

2014 review- no changes
2017 review- elevator electrical control equipment is outdated, cannot be replaced if breakdown occurs. Age 23 years. Modernization and repairs are recommended to address mechanical and code deficiencies.
2019 review- same recommendation, but now 25 years old.

3.2 Project Support Documentation sheet 1

Institution: Middle Tennessee State University

Project: Water and Sewer System Updates Phase II

A. Architectural Program Scope

To make repairs as needed to the existing sewer and domestic water systems. Many of the existing sanitary sewer lines date back to the early period of the original campus and are clay. Backflow preventers are needed to maintain compliance. Water system upgrades are necessary to keep buildings functioning.

B. Evidence of Physical Facility Need

Due to age, settling and localized disturbances to the sanitary sewer lines have become damaged and are at risk for failure. In addition, local failures at various sections have resulted in sewer back-up into buildings. A survey completed by the Murfreesboro Water Resources Dept. in 2003 show numerous points around campus that need to be addressed. Domestic water pumps in older buildings are aged and need upgrades.

C. Historical Profile

Campus water and sewer line installs date back to 1911. Other sewer lines needing improvement are over 50 years old and clay pipe was installed which is prone to damage and makes repairs difficult.

D. Summary Results and Date of Physical Facilities Survey

N/A

3.3 Project Support Documentation Sheet 2

Institution: Middle Tennessee State University

Project: Water and Sewer System Updates Phase II

E. Cost Basis for Construction Estimate and Other Costs

Estimates were based on the current capital maintenance sewer project costs, validated by the current designer. Updates to the systems were selected based on a prioritized list that cataloged the deterioration of the system. Additional costs were added for anticipated rock excavation and other site constraints.

F. Project Schedule

The project will be presented at the July 2020 SBC Meeting for approval, and July 2020 ESC Meeting for designer selection. The design has an expected duration of five months and the project will be bid in the January 2021 timeframe to provide ample time for coordination of traffic and closures during the summer months.

G Campus or Architectural Program Impact

Water service and sanitary sewer are critical infrastructure elements required for basic Campus operations. Any disruption of services will be immediately reflected in the need to vacate buildings or reschedule critical activities and limiting use of the overall Campus.

Water and Sewer System Updates Phase II		
Priority	Location	Description
1	From Peck Hall, along Old Main Circle to parking lot behind dorms	Sewer Line Rehabilitation Needed
2	Lyon Complex	Sewer Line Rehabilitation Needed
3	One Section of Womack Ln Apts (Could be done in-house)	Sewer Line Rehabilitation Needed
4	Tucker Theater	Sewer Line Rehabilitation Needed
5	Rutledge Complex and Vorhees	Sewer Line Rehabilitation Needed
6	Reynolds Complex	Sewer Line Rehabilitation Needed
7	Maintenance Complex	Sewer Line Rehabilitation Needed
8	Womack Lane Apts entire section	Sewer Line Rehabilitation Needed
9	Blue Warehouse	Needs a backflow
10	KOM	Needs a backflow

3.1 DB70

1 **Department:** Tennessee Higher Education Commission
Institution: Middle Tennessee State University
Project: Several Buildings Roof Replacements
City/County: Murfreesboro/Rutherford

2 **Fiscal Year:** 2020 / 2021

3		New		Reno/Maint
<input type="checkbox"/>	Capital Outlay			
<input checked="" type="checkbox"/>	Capital Maintenance	37,912	Gross Sq.Ft.	0
<input type="checkbox"/>	Disclosure	0	Net Sq.Ft.	0
<input checked="" type="checkbox"/>	Designer Required	22.15	Cost/Sq.Ft.	0.00

4 Project Description:

Roof replacement for several buildings that are out of warranty and in need of major repairs along with refurbishing of wall panels and all related work. The buildings included in the project are the Cope Administration Building, Sam Ingram and the Storage Warehouse.

5	Total Project	This Request	Estimated Building Construction Cost:	839,751
	763,500	763,500	Building Construction	
	0	0	Site & Utilities	
	0	0	Built-in Equipment	
	763,500	763,500	Bid Target	
	76,500	76,500	Contingency:	10.02 10.02 percent
	840,000	840,000	MACC (Maximum Allowable Construction Cost)	
	61,580	61,580	Fee:	35/LogP-1.15= 7.33094943 New
	0	0	Movable Equipment	
	0	0	first other	Haz Mat Abatement
	0	0	second other	
	48,420	48,420	Administration & Miscellaneous	
	950,000	950,000	Total Cost	

6 Funding Request:	THIS REQUEST
950,000	950,000
0	0
0	0
	STATE funds
	FEDERAL funds
	Local and Institutional Funds

7 Previous SBC Approved Funding:	fund year	description
already approved for existing SBC project	0	
plus This Request	0	
950,000	0	

8 **SBC Action:** If an existing project, SBC Project No.: NA

9 **Designer:** NA

3.2 Project Support Documentation sheet 1

Institution: Middle Tennessee State University
Project: Several Buildings Roof Replacements

A. Architectural Program Scope

Roof replacement for several buildings that are out of warranty and in need of major repairs along with refurbishing of wall panels. These buildings are the Cope Administration Building, Sam Ingram and the Storage Warehouse.

B. Evidence of Physical Facility Need

Due to age and numerous reoccurring leaks, these roofs need to be replaced. Roof replacement will eliminate any physical damage caused by roof leaks or water migration through flashings.

C. Historical Profile

Cope Administration Bldg. - Last replaced in 2000
Storage Warehouse - Original metal roof/1978
Sam Ingram Building - shingled roof/unknown

D. Summary Results and Date of Physical Facilities Survey

2019 - Cope Administration Building - 60
2019 - Sam Ingram Building - 60
2019 - Storage Warehouse - 50

3.3 Project Support Documentation Sheet 2

Institution: Middle Tennessee State University

Project: Several Buildings Roof Replacements

E. Cost Basis for Construction Estimate and Other Costs

Metal roof pricing is calculated by using historical data from 2012 for the Sam Ingram Building plus accounting for inflation and estimates from current designers. Metal roof cost per sq. ft. is \$17. EPDM roofing costs are from current roofing costs and designer estimates for the latest roof replacement projects on Campus. Cost per sq. ft. is \$16.

F. Project Schedule

The project will be presented at the July 2020 SBC Meeting and July 2020 ESC Meeting for designer selection. The design phase will have an expected duration of five months and the project will be bid on the January 2021 timeframe. Construction period will not be affected by the academic calendar or Campus activities.

G. Campus or Architectural Program Impact

Roof basically protect the building content and supports on ongoing and uninterrupted activities. Leaking roofs cause considerable damage to interior finishes requiring relocation of staff and activities. Roof replacement will assure that several recent interior renovations will be safeguarded from water intrusion.

Roofing	Value	Campus Rating	Campus Score	Review Rating	Review Score
B30	7	60	4.2	90	6.3
Items					

Roofing	3	***
Parapets	S	*****
Flashing	S	*****
Drainage	2	****

Description

Flashing is aluminum.
 Installed in 2000.

FEA- EPDM fully adhered on upper roof and lower roofs. (Both East and West wings)

Condition / Recommendation

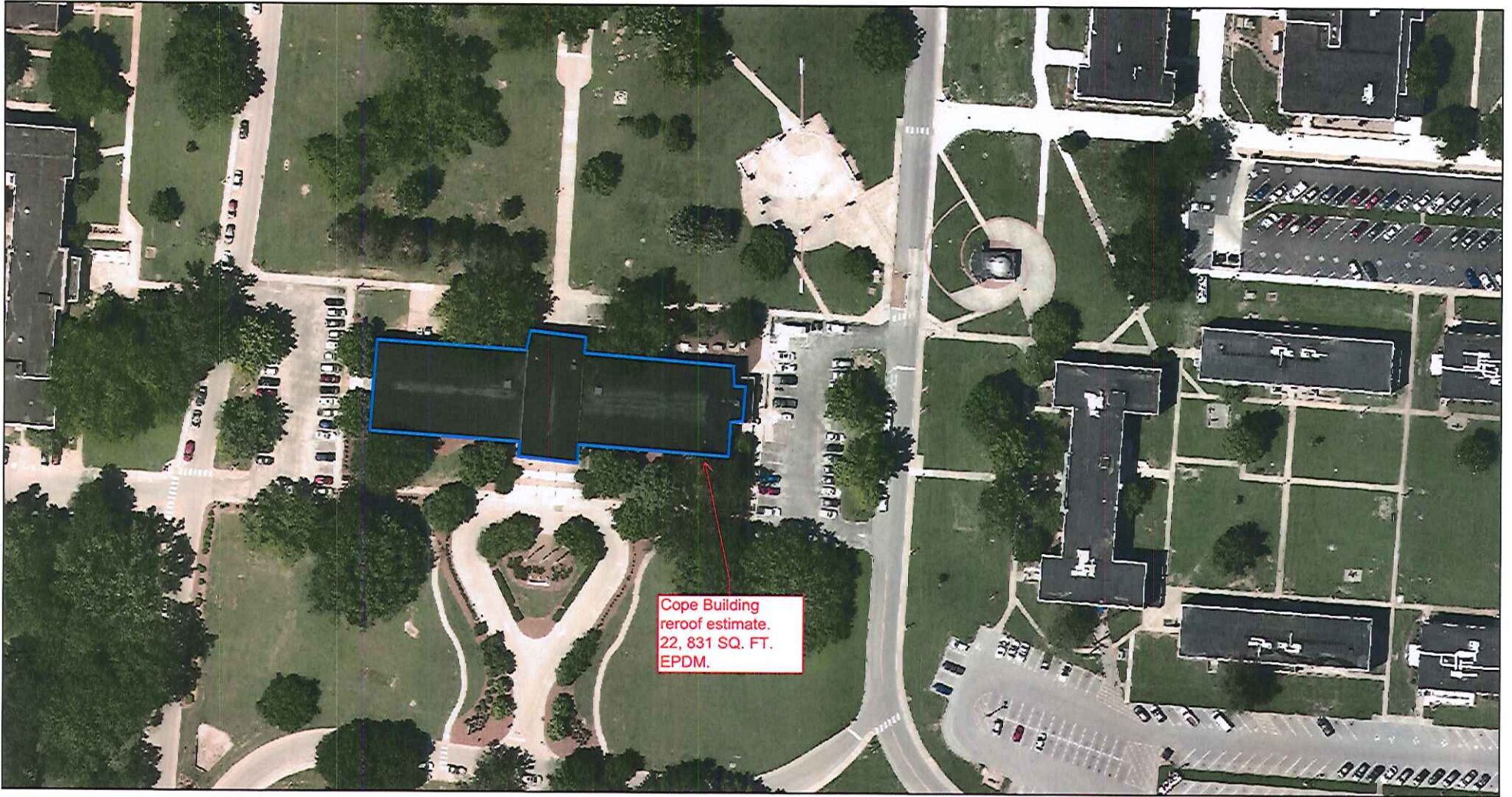
In good condition.

FEA- Upper roof and lower roof- ponding, clogged roof drains. See photo.
 2014 review- no changes
 2019 review- this roof is out of warranty and is currently leaking in many areas.

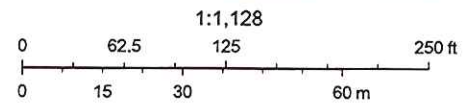
Roof Information

Type	Manufacturer	Location	Area	Year New	Warranty End	
EPDM Fully Adhered System	Firestone	Center	4,790	2000	2010-05-23	Y
EPDM fully Adhered System	Firestone	East Wing from Center Section	8,867	2000	2010-05-23	
EPDM Fully Adhered System	Firestone	West Wing from Center Section	8,888	2000	2010-05-23	
EPDM Fully Adhered System	Firestone	East Stair/Ramp Cover	254	2000	2006-05-23	

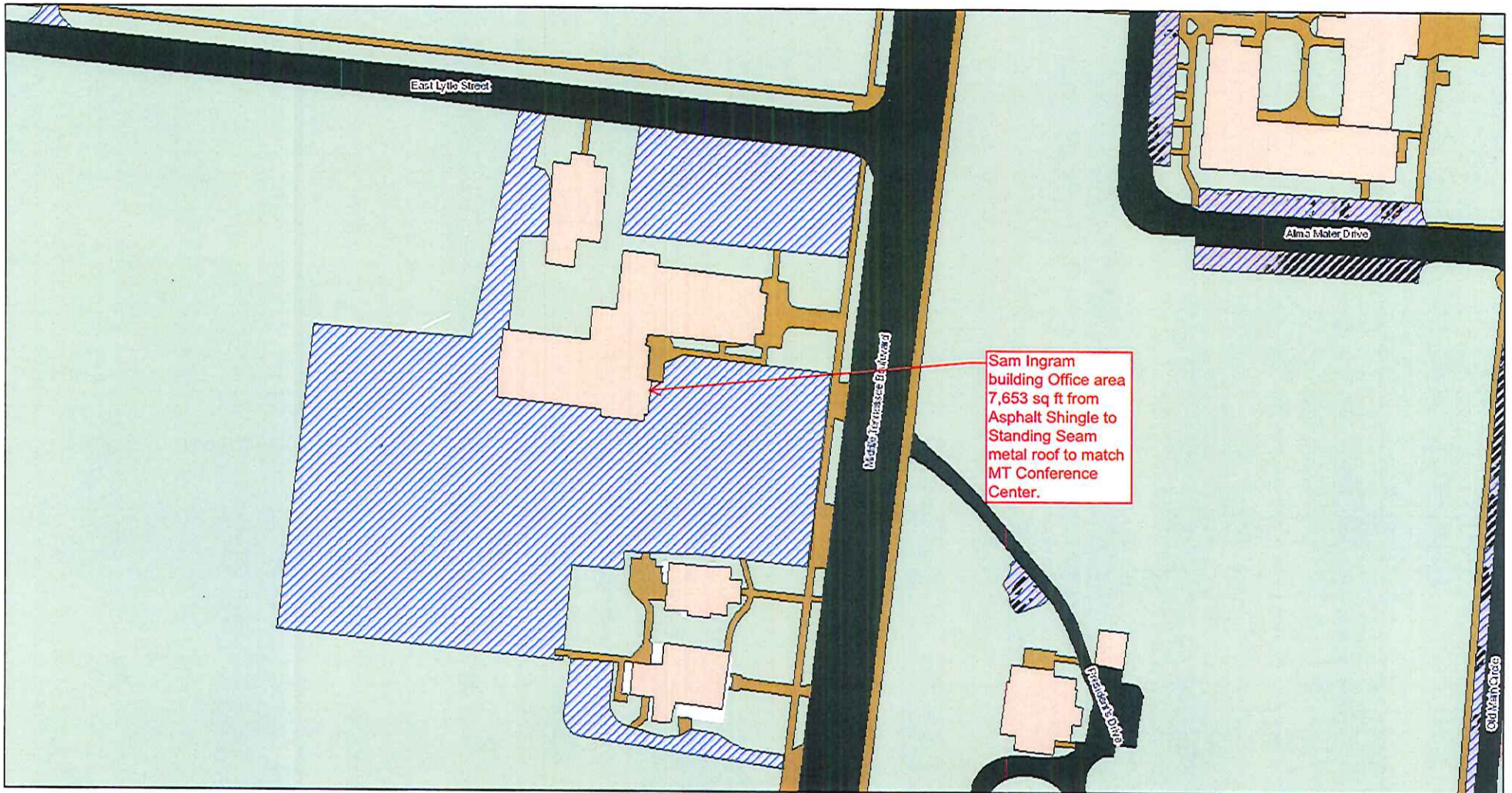
Cope Administration Building



Cope Building
reroof estimate.
22, 831 SQ. FT.
EPDM.

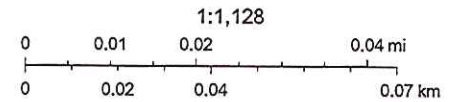


Sam Ingram Building



5/2/2019 10:49:07 AM

- Facility
- Parking Lots
- Grass
- Roads
- Sidewalks





Roofing	Value	Campus Rating	Campus Score	Review Rating	Review Score
B30	7	50	3.5	100	7.0

Items

	Roofing	3	***
	Parapets	NA	
	Flashing	NA	
	Drainage	S	*****

Description

Roof system: metal- steel trusses with purlins; insulation- 2" fiberglass, vinyl covered; no parapet.
 Area= 7200 SF

Condition / Recommendation

no recommendations

2014 Review - no recommendations

2019 review- current roof is 90% rusted, discolored, and leaks in several areas. Needs replacement.

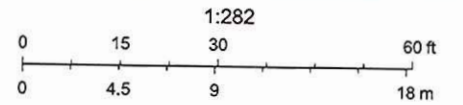
Roof Information

Type	Manufacturer	Location	Area	Year New	Warranty End
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Storage Warehouse



Blue Storage Warehouse 7,428 Sq. Ft. replace old metal roof with new Metal Roof.



3.1 DB70

1 **Department:** Tennessee Higher Education Commission
Institution: Middle Tennessee State University
Project: Steam Lines & Manhole Repair and Replac. Phase III
City/County: Murfreesboro/Rutherford

2 **Fiscal Year:** 2020 / 2021

3		New		Reno/Maint
<input type="checkbox"/>	Capital Outlay			
<input checked="" type="checkbox"/>	Capital Maintenance	0	Gross Sq.Ft.	0
<input type="checkbox"/>	Disclosure	0	Net Sq.Ft.	0
<input checked="" type="checkbox"/>	Designer Required	0.00	Cost/Sq.Ft.	0.00

4 Project Description:

Phase III of a multiple phase project to replace steam and condensate lines which are showing signs of leaking underground and to repair manholes associated with lines, and all related work.

5	Total Project	This Request	Estimated Building Construction Cost:	
	0	0		0
	5,727,000	1,127,000	Building Construction	
	0	0	Site & Utilities	
	0	0	Built-in Equipment	
	5,727,000	1,127,000	Bid Target	
	573,000	113,000	Contingency:	10.01 10.03 percent
	6,300,000	1,240,000	MACC (Maximum Allowable Construction Cost)	
	487,889	109,742	Fee:	35/LogP-1.15= 7.74426672
	0	0	Movable Equipment	Renovation
	0	0	first other	
	0	0	second other	
	362,111	50,258	Administration & Miscellaneous	
	7,150,000	1,400,000	Total Cost	

6 Funding Request:	THIS REQUEST	
7,150,000	1,400,000	STATE funds
0	0	FEDERAL funds
0	0	Local and Institutional Funds

7 Previous SBC Approved Funding:	fund year	description
already approved for existing SBC project	2,350,000	18-19 CFCM(MP) (A)
2,350,000	0	
plus This Request	0	
1,400,000	0	

8 **SBC Action:** If an existing project, SBC Project No.: 366/009-05-2018

9 **Designer:** NA

3.2 Project Support Documentation sheet 1

Institution: Middle Tennessee State University

Project: Steam Lines & Manhole Repair and Replac. Phase III

A. Architectural Program Scope

To replace aging steam & condensate lines which are showing signs of leaking underground. Also, to repair manholes associated with these lines to reduce/prevent rainwater infiltration that damages insulation etc.

B. Evidence of Physical Facility Need

Infrared surveys has shown evidence of steam/condensate leaks underground. These leaks are preventing condensate return to the Central Utilities Plant and result in an increase in local work orders and projects. Lack of condensate return is very costly to the University. The lines that are leaking are some of the oldest lines on campus. Rainwater infiltration into manholes compromises the insulation diminishing the energy performance of the system.

C. Historical Profile

2016 Master Plan and 2016 infrared reports. (See thermal image)

D. Summary Results and Date of Physical Facilities Survey

N/A

3.3 Project Support Documentation Sheet 2

Institution: Middle Tennessee State University

Project: Steam Lines & Manhole Repair and Replac. Phase III

E. Cost Basis for Construction Estimate and Other Costs

The cost of this project is based on historical data from a previous phase and validated by the current project, along with budget considerations.

F. Project Schedule

The project will be presented at the July 2020 SBC Meeting and July 2020 ESC Meeting for designer selection. The design phase will have an expected duration of five months and the project will bid in the January 2021 timeframe. Construction period will be coordinated with Campus traffic and academic calendar.

G Campus or Architectural Program Impact

Steam service affects all buildings on Campus and environmental quality since it supports heating and domestic hot water supplies. The steam infrastructure is critical to the operations of the Campus and the quality of life for staff, faculty and students. Beyond the service reliability, condensate leaching into the ground is detrimental to the environment.



MTSU 2016_IR

3.1 DB70

1 **Department:** Tennessee Higher Education Commission
Institution: Middle Tennessee State University
Project: Sidewalk Repair and Replacement Phase I
City/County: Murfreesboro/Rutherford

2 **Fiscal Year:** 2020 / 2021

3		New		Reno/Maint
<input type="checkbox"/>	Capital Outlay			
<input checked="" type="checkbox"/>	Capital Maintenance	0	Gross Sq.Ft.	0
<input type="checkbox"/>	Disclosure	0	Net Sq.Ft.	0
<input checked="" type="checkbox"/>	Designer Required	0.00	Cost/Sq.Ft.	0.00

4 **Project Description:**

Phase I of a mutple phase project for repairs and replacement of sidewalks, hardscape, steps, stairs, walls and handrails to improve safety and improve accessibility, and all related work.

5	Total Project	This Request	Estimated Building Construction Cost:
	0	0	0
	1,074,000	500,000	Building Construction
	0	0	Site & Utilities
	0	0	Built-in Equipment
	1,074,000	500,000	Bid Target
	108,000	50,000	Contingency: 10.06 10.00 percent
	1,182,000	550,000	MACC (Maximum Allowable Construction Cost)
	84,041	41,936	Fee: 35/LogP-1.15= 7.11003854 New
	0	0	Movable Equipment
	0	0	first other
	0	0	second other
	43,959	18,064	Administration & Miscellaneous
	1,310,000	610,000	Total Cost

6 Funding Request:	THIS REQUEST
1,310,000	610,000
0	0
0	0
0	0

7 Previous SBC Approved Funding:	fund year	description
already approved for existing SBC project	0	
0	0	
plus This Request	0	
610,000	0	

8 **SBC Action:** If an existing project, SBC Project No.: NA

9 **Designer:** NA

3.2 Project Support Documentation sheet 1

Institution: Middle Tennessee State University

Project: Sidewalk Repair and Replacement Phase I

A. Architectural Program Scope

Repair and replacement of aged and deteriorated sidewalks and hardscape areas. Repair of steps and guardrails and walls at sidewalks to address accessibility codes and requirements.

B. Evidence of Physical Facility Need

Sidewalks are used by students, faculty, and staff trying to access all the buildings and grounds. Sidewalks are at the heart of campus accessibility and require constant maintenance and replacement once they outlasted their useful life. ADA requirements will be incorporated in any new sections of sidewalks. Steps and level changes in the sidewalk paths continue to deteriorate and require attention to avoid tripping hazards or uneven surfaces.

C. Historical Profile

The Campus sidewalk network has been developing for years and addresses established paths taken by students, faculty, and staff trying to access specific buildings or site features. Although properly installed and maintained, concrete continues to deteriorate and eventually fails requiring replacement of entire or partial sections of sidewalks.

D. Summary Results and Date of Physical Facilities Survey

Ongoing traffic and landscaping activities deteriorate the sidewalk network.

3.3 Project Support Documentation Sheet 2

Institution: Middle Tennessee State University

Project: Sidewalk Repair and Replacement Phase I

E. Cost Basis for Construction Estimate and Other Costs

The budget was derived from previous capital projects that included earlier sidewalk deterioration or site accessibility throughout Campus. This project budget is more predictable since it will replace existing sidewalks and hardscapes avoiding unknown underground obstruction or infrastructure.

F. Project Schedule

The project will be presented at the July 2020 SBC Meeting and July 2020 ESC Meeting for designer selection. The design phase will have an expected duration of six months and the project will be bid in the February 2021 timeframe. The construction phase will be scheduled during the summer of 2021 to take advantage of favorable weather conditions and reduced traffic from staff, students, and faculty.

G Campus or Architectural Program Impact

Sidewalk and hardscape network is at the heart of Campus accessibility and is used constantly by everyone on Campus. Deterioration of surfaces must be addressed in order to avoid tripping hazards or inaccessible routes. Sidewalks and hardspaces provide access to various housing and academic buildings not served by vehicular traffic and accessibility is paramount their operations and usefulness on Campus.



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Action Item

DATE: May 29, 2019

SUBJECT: **Tuition, Fees, and Housing Rates**

PRESENTER: Alan Thomas
Vice President for Business and Finance

BACKGROUND INFORMATION:

Under the FOCUS Act, the Tennessee Higher Education Commission (THEC) now sets a binding range in which institutions can increase in-state tuition, as well as a binding range for the combined in-state tuition plus mandatory fees. For 2019-20, THEC approved both of these ranges at 0 – 2.5% at its May 17, 2019 Commission meeting.

Attached is a calculation of the University's unmet financial needs for 2019-20. The amount represented is net of funds provided through new state appropriations. This additional financial need is comprised of funding related to (1) employee salary increases, including faculty promotions and adjustments to adjunct salaries; (2) scholarships and increased scholarship levels; (3) new academic programs and student success initiatives; and (4) fixed cost increases for software maintenance agreements, utilities and

maintenance, and tuition discounts.

Included in the materials for this section are several comparisons of MTSU's historical fee rates to other public institutions in Tennessee, as well as comparisons to our THEC peers. The University is proposing a 2.36% increase in tuition for undergraduate students, which complies with THEC's binding range of 0 – 2.5%. The University is recommending an additional 3% increase in graduate tuition. Schedules are provided showing the effect on current in-state and out-of-state rates for students taking 15 credit hours.

An adjustment is being recommended to the Corporate Partnership Rate. Currently, in-state students pay the undergraduate in-state tuition rate; however, the rate for out-of-state students is tied to the e-Rate. The University is recommending charging the in-state tuition rate for all students who are employed by companies with a formal partnership with MTSU to develop and deliver a degree completion program.

In addition to tuition, materials are provided for both mandatory and non-mandatory fee requests, as well as housing rates. Only mandatory fees are subject to THEC's binding range. Non-mandatory fees and housing rates are only subject to approval by the MTSU Board of Trustees.

A summary of fees is provided at the end of this section for your approval. The total impact of the combined increase in undergraduate tuition and mandatory fees is a 2.37% increase on students taking 15 hours, which complies with THEC's total guidance of 0 – 2.5%.

In-State and Out-of-State Tuition

Suggested Student Revenue Increase

	<u>Amount</u>
2.0% Salary Pool, including benefits Faculty	\$ 3,200,000
Promotions	549,000
Adjunct Salaries	511,500
Scholarships & Discounts	1,538,800
Software Maintenance Agreements New	796,348
Academic Programs	171,057
Utilities and Maintenance Cost Increases	400,000
Other Fixed Costs and Student Success Initiatives	223,695
FY 19-20 Budget Need	<u>\$ 7,390,400</u>
State Appropriations	<u>3,778,900</u>
FY 19-20 Funds Available	<u>\$ 3,778,900</u>
Unmet Need	\$ 3,611,500
Tuition Increase Needed	2.36%

Tuition and Fees Comparison

	Tuition & Fees 18-19	Peer Tuition & Fees 18-19	+/- %	TN Rank ¹	Peer Max	Peer Min
APSU	\$8,471	\$8,490	-0.2%	7	\$10,615	\$5,775
ETSU	\$9,277	\$8,150	13.8%	6	\$10,872	\$5,775
MTSU	\$9,206	\$8,944	2.9%	7	\$12,462	\$6,093
TSU	\$8,007	\$8,766	-8.7%	8	\$11,060	\$5,775
TTU	\$9,103	\$7,843	16.1%	4	\$10,714	\$5,775
UM	\$9,701	\$10,775	-10.0%	10	\$15,324	\$6,410
UTC	\$8,664	\$7,485	15.8%	4	\$10,183	\$5,775
UTK	\$13,006	\$11,290	15.2%	4	\$16,520	\$6,380
UTM	\$9,194	\$9,674	-5.0%	7	\$15,730	\$6,808

Universities are ranked 1-13, with 1 being highest tuition and fees and 13 being lowest tuition and fee

Source: THEC-Defined Peers

MTSU Peers

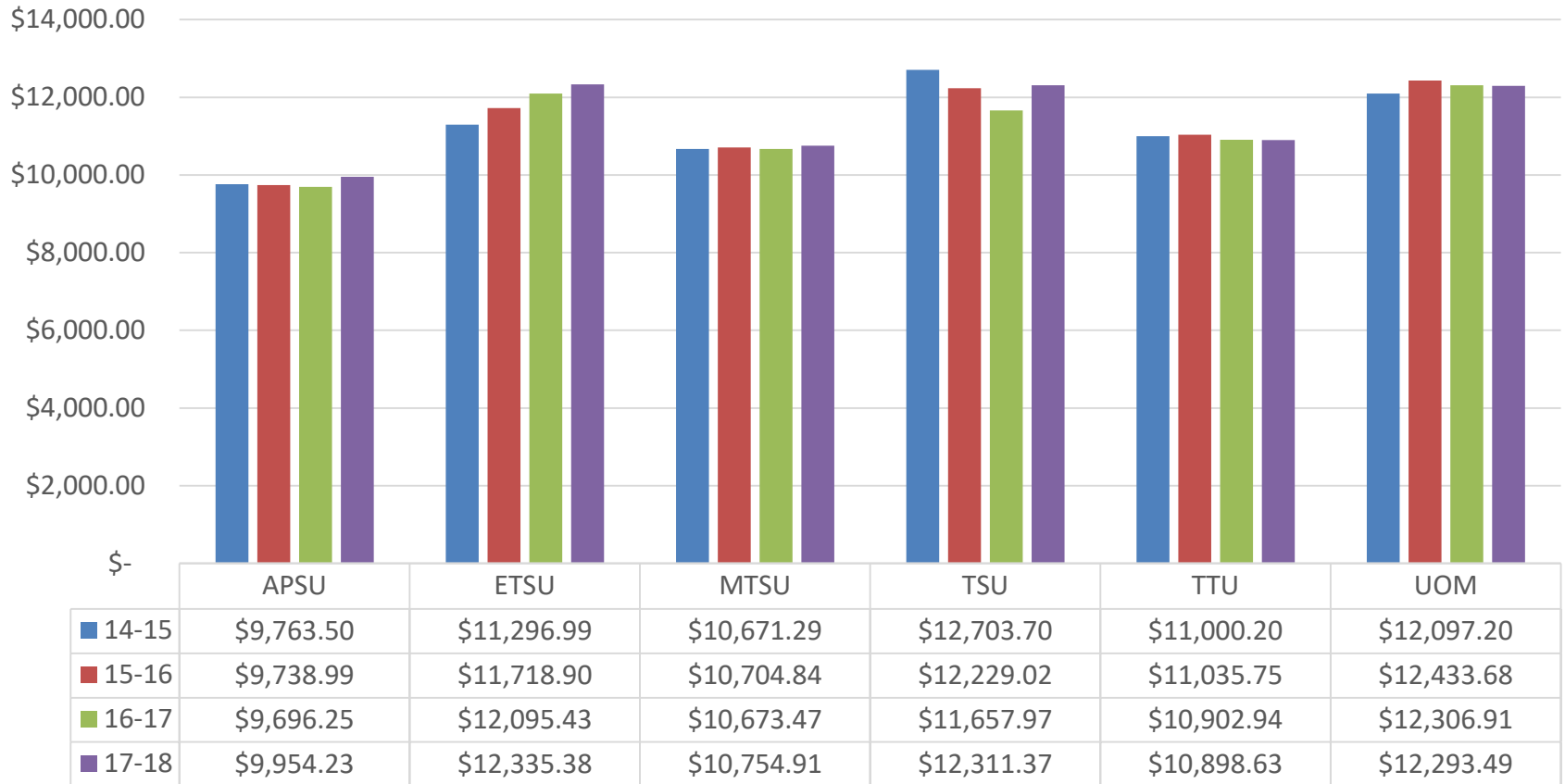
2018-19 Tuition & Fees

University	Tuition & Fees
George Mason University (VA)	12,462
University of North Texas	11,250
Old Dominion University (VA)	10,872
Georgia State University	10,858
The University of Texas at Arlington	10,250
University of Texas at San Antonio	9,900
Middle Tennessee State University	9,206
University of Southern Mississippi	8,734
Georgia Southern University	7,422
University of North Carolina-Greensboro	7,319
University of North Carolina-Charlotte	7,044
Florida International University	6,558
Florida Atlantic University	6,039

Source: The Chronicle of Higher Education
<https://www.chronicle.com/interactives/tuition-and-fees>

Total In-State Tuition and Mandatory Fees per FTE

(Inflation adjusted)



Source: THEC

FY 2019-20 Graduate Tuition

Fee	Current	Proposed	Prior Increase	Revenue Generated
College of Graduate Studies	NEW	Additional 3% tuition increase for graduate courses	None	\$ 641,000

Graduate student enrollment is approximately 10% of the total MTSU student body. Our peer institutions within the state and region have, on average, closer to 20% of the student body in graduate classes. This means to catch up to our peers, we need to increase graduate enrollment by 100%. MTSU is well-known undergraduate university in the Middle Tennessee Region but is less known for its graduate programs. To overcome this knowledge gap, the College of Graduate Studies will use the revenue from this fee to market and advertise graduate programs to increase awareness, applications, and enrollment until we meet, or exceed, our peer ratio of 20% of the student body, or 5000 students. Marketing reports suggest connecting employment with graduate degrees resonates well and parallels the Governor's focus on employment with degrees. Offering new and higher graduate assistantships will also result in higher enrollment. This tuition increase will still place MTSU as the 5th least expensive graduate tuition in the state.

In-State and Out-of-State Tuition (per credit hour)

Fee	Current	New	Increase
Undergraduate In-State Maintenance Fee	\$293	\$300	\$7
Over 12 hours	\$58	\$59	\$1
Undergraduate Out-of-State Tuition	\$1,053	\$1,078	\$25
Over 12 hours	\$211	\$216	\$5
Graduate In-State Maintenance fee	\$472	\$497	\$25
Over 10 hours	\$94	\$99	\$5
Graduate Out-of-State Tuition	\$1,306	\$1,376	\$70
Over 10 hours	\$260	\$274	\$14

TN E-Campus (per credit hour)

Fee	Current	New	Increase
TN eCampus Undergraduate In-State	\$410	\$420	\$10
TN eCampus Undergraduate Out-of-State	\$1,170	\$1,198	\$28
TN eCampus Graduate In-State	\$589	\$617	\$28
TN eCampus Graduate Out-of-State	\$1,423	\$1,496	\$73

-includes \$120 online course fee per credit hour

TN eCampus are online courses provided through the Tennessee Board of Regents. All courses are charged per hour and viewed separately from MTSU courses. TN eCampus courses do not apply to the full-time maximum for MTSU registration fees.

MTSU E-Rate (per credit hour)

Fee	Current	New	Increase
Undergraduate eRate	\$440	\$450	\$10
Undergraduate Online Course Fee	\$30	\$30	\$0
Graduate eRate	\$708	\$746	\$38
Graduate Online Course Fee	\$30	\$30	\$0

eRate is available to students who are classified as non-residents of Tennessee and who are enrolled exclusively in online courses

Regional Scholars

Fee	Current	New	Increase
Undergraduate Rate	\$517	\$540	\$23
Graduate Rate	\$741	\$785	\$44

- Regional Scholars are non-residents of Tennessee who mainly live in a state that borders Tennessee and meet specific academic requirements.
 - Graduated from a high school located in a county within a 250 mile radius of MTSU or in a state that borders Tennessee (undergrad) or have a permanent address in a county within a 250 mile radius of MTSU or in a state that borders Tennessee (graduate)
 - Have an ACT composite of 25 (SAT 1130) or above (undergrad)
 - Maintain full time enrollment (12 hours undergrad / 10 graduate)
 - Remain in good academic standing
- Rate is the in-state rate plus the state subsidy

Corporate Partnership Rate

Fee	Current	New	Decrease
Undergraduate Rate	\$440	\$300	(\$140)
Undergraduate Online Course Fee	\$30	\$30	\$0

The Corporate Partnership rate is available to out of state students who are employed by companies with a formal partnership with MTSU to develop and deliver a degree completion program. Currently, in-state students pay the undergraduate in-state tuition and out-of-state students pay the higher eRate. The proposal is to reduce the out-of-state rate to equal the in-state rate for these students.

Mandatory Fee Requests FY 2019-20

FY 2019-20 Mandatory Fee Requests

Fee	Current	Proposed	Increase	Student Exposure	Prior Increase	Revenue Generated
Athletics	\$ 225	\$ 240	\$ 15	Year 2 of 2 - Approved by SGA Executive Committee 4/27/18	FY17-18 \$35 FY18-19 \$15	\$ 525,000

The SGA Executive Committee approved a 2 year phase-in of \$30 per semester to support future capital projects in athletics. FY 2018-19 and FY 2019-20 each show a \$15 increase.

FY 2019-20 Mandatory Fee Requests

Fee	Current	Proposed	Increase	Student Exposure	Prior Increase	Revenue Generated
Parking	\$ 113	\$ 115	\$ 2	Fee increase approved by SGA Executive Committee 11/29/2018	FY18-19 \$2 FY17-18 \$2	\$70,000

Parking Services is a 100% auxiliary enterprise operation and is totally dependent on the Parking fee for its shuttle services for students, utilities and maintenance cost of the Parking office and shuttle buses, and various parking lots, campus lighting, and sidewalk maintenance projects. The \$2 increase is also needed for mandatory salary and benefit increases.

FY 2019-20 Mandatory Fee Requests

Fee	Current	Proposed	Increase	Student Exposure	Prior Increase	Revenue Generated
Health Services	\$ 87.50	\$ 90.50	\$ 3	Fee increase approved by SGA Executive Committee 11/29/2018	FY18-19 \$2 FY17-18 \$2	\$ 105,000

Student Health Services is a 100% auxiliary enterprise operation and is totally dependent on the Student Health Services fee for its services to students and operations and its portion of the shared capital cost (with Campus Recreation) for the 202,000 square foot building. The \$3 increase is needed for: required salary and benefit increases, inflationary cost of software support and medical supplies, and overhead costs. Student demand for health and mental health services continues to be strong.

FY 2019-20 Mandatory Fee Requests

Fee	Current	Proposed	Increase	Student Exposure	Prior Increase	Revenue Generated
Recreation Center	\$ 59	\$ 61	\$ 2	Fee increase approved by SGA Executive Committee 11/29/2018	FY18-19 \$2 FY17-18 \$2	\$ 70,000

Campus Recreation is a 100% auxiliary enterprise operation and is totally dependent on the Recreation Center fee for its services to students and operations and its portion of the shared capital cost (with Student Health) for the 202,000 square foot building. The \$2 increase is needed for required salary and benefit increases, and to cover inflationary costs of recreational programs and services provided to the student body.

Non-Mandatory Fee Requests FY 2019-20

FY 2019-20 Non-Mandatory Fee Requests

Fee	Current	Proposed	Increase	Prior Increase	Revenue Generated
College of Basic & Applied Sciences	NEW	\$15 per credit hour	\$ 15	None	\$ 2,000,000

Revenues will replace all current course and materials fees in the College of Basic and Applied Sciences (see next page for individual listing of fees) and will also be used to make much needed-investments in instruction, outreach and research in the College of Basic and Applied Sciences, including but not limited to: software purchases and updates; hardware updates and upgrades; acquisition of new equipment and replacement of outdated equipment; implementation of new and innovative student experiential learning and research opportunities; modification of Teaching and Student Research Laboratories; facilitate cooperative research with regional STEM professionals; facilitate outreach activities with local schools; materials and supplies used in classes; critical hires (students, staff and faculty) for student and faculty success in the college; and acquisitions related to faculty development and research requirements.

Basic & Applied Sciences Current Fees

College of Basic & Applied Existing Fees*	Current Charge	Revenue FY17-18
Biology Materials Fee	\$7.50 / credit hour	189,587
Chemistry Materials Fee	\$10 / credit hour	158,743
Geosciences Materials Fee	\$2.50 / credit hour	14,644
Geoscience Field Trip	\$20 / credit hour	14,395
Concrete Mgmt Materials Fee	\$15 / course	5,775
Agribusiness Materials Fee	\$150 / course (horse only)	8,400
Agribusiness Course Fee	\$20 / credit hour (except horse)	127,249
Engineering Tech Course Fee	\$20 / credit hour	199,258
Aerospace Course Fee	\$15 / credit hour	177,066
	TOTAL	895,117

*excludes flight training

Summary of Basic & Applied Sciences New Fee Structure

New Basic & Applied Sciences Course Fee	\$ 2,000,000
Current Materials & Course Fees	<u>(895,117)</u>
Net Additional Revenue	<u><u>\$ 1,104,883</u></u>

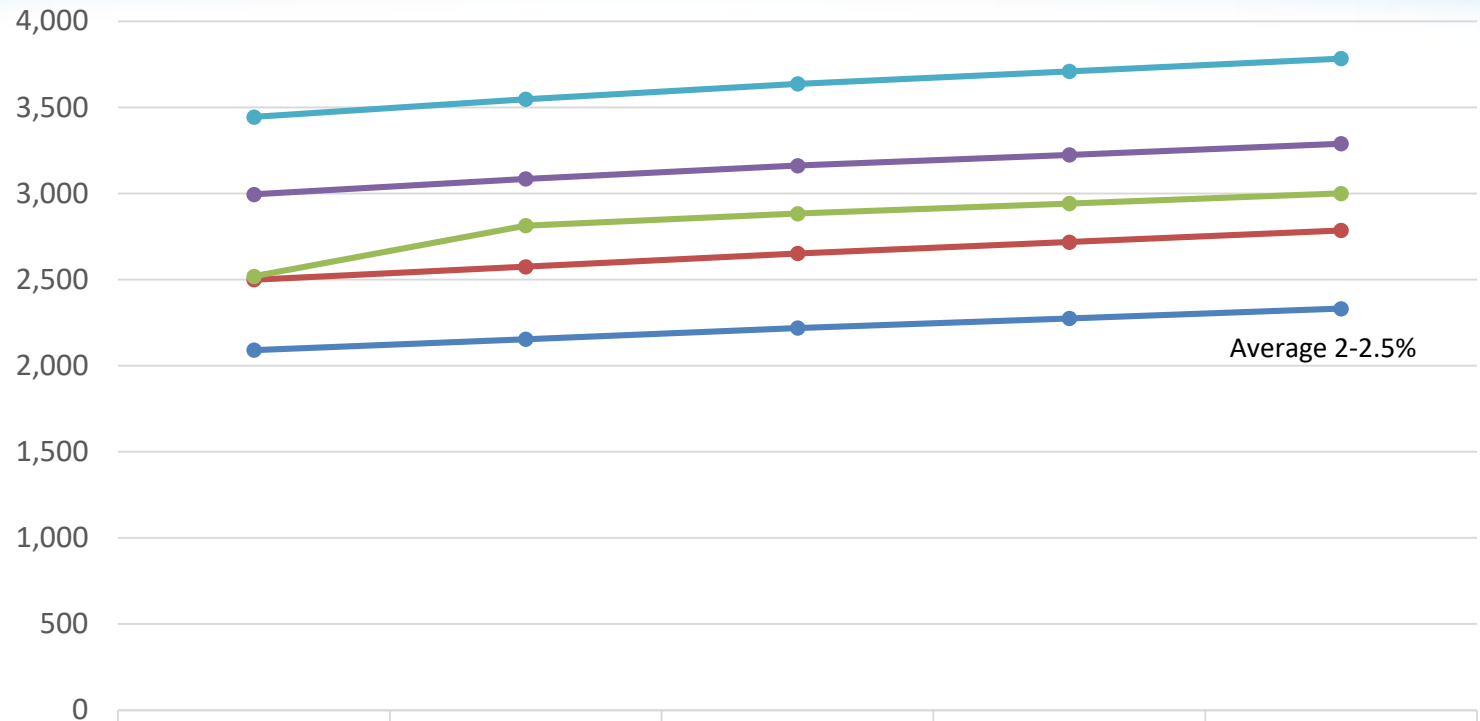
FY 2019-20 Non-Mandatory Fee Requests

Fee	Current	Proposed	Prior Increase	Revenue Generated
Art Materials Fee	\$20/Credit hour	\$30/Credit hour	None since inception FY08-09	\$ 50,000

The cost of materials over the past decade has continued to rise with inflation. The existing fee is not able to meet the demands of our students in terms of art supplies, technology, or technical support. As a result, in recent years, students have been required to purchase additional supplies on their own in order to complete their assignments. Bulk purchases are much more cost effective, so students will actually spend less money with an increased materials fee than if they are obligated to purchase supplies directly. Increasing the fee will allow for higher quality materials and technology to be purchased, which students would otherwise not be able to access.

Housing Rates FY 2019-20

Housing History Rates Per Semester



	2015-16	2016-17	2017-18	2018-19	2019-20
Dorm	2,091	2,154	2,219	2,275	2,332
Renovated Dorm	2,500	2,575	2,652	2,718	2,786
Single Apt	2,519	2,814	2,884	2,942	3,001
Scarlett Commons	2,995	3,085	3,162	3,225	3,290
Family	3,445	3,548	3,637	3,710	3,784

FY 2019-20 Housing Rates

Fee	Current	Proposed	Increase	Prior Increase	Revenue Generated
Residence Halls	\$398 - \$3,225	\$408 - \$3,290	\$10 - \$65	FY18-19 \$10 - \$63	\$ 353,675
Apartments	\$774 - \$3,710	\$789 - \$3,784	\$15 - \$74	FY18-19 \$15 - \$73	\$ 53,450

A 2% increase is proposed for apartments and a 2.5% increase for residence halls to cover the increasing cost of salaries, benefits, utilities, plant, and maintenance costs.

Summary of Fee and Housing Rate Requests

Mandatory Fee Recommendations

Mandatory Fees	Increase Per Semester
Athletics	\$ 15
Parking	\$ 2
Health Services	\$ 3
Recreation Center	\$ 2
Total Program Services Fee Increase	<u>\$ 22</u>

Non-Mandatory Fee Recommendations

Non-Mandatory Fees	Increase (Decrease)
College of Basic & Applied Sciences	\$15 / credit hour
Art Materials Fee	\$10 / credit hour

Housing Recommendations

Housing	Increase Per Semester
Dormitories	\$10 - \$65
Apartments	\$15- \$74

Summary of Fee Requests and the Revenue Generated

	# of Requests	Revenue
Mandatory Fees	4	\$ 770,000
Non-Mandatory Fees	2	\$ 1,154,883
Total Requests	6	\$ 1,924,883

Projected Annual Impact of Requested Fee Increases Based on 15 hour Enrollment Fall and Spring

		% Increase
Current In-State Tuition	\$ 7,380	
Current Mandatory Fees	\$ 1,826	
Total In-State Tuition & Mandatory Fees	\$ 9,206	
2.36% In-State Tuition Increase**	\$ 150	
Requested Mandatory Fees	\$ 44	
Total Fee Increase	\$ 194	
New In-State Tuition	\$ 7,554	
New Mandatory Fees	\$ 1,870	
New In-State Tuition & Mandatory Fees	\$ 9,424	2.37%

**THEC's recommendation for the combined maintenance fee and mandatory fee increase is 0-2.5%.



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Action Item

DATE: May 29, 2019

SUBJECT: **Estimated 2018-19 and Proposed
July 2019-20 Operating Budgets**

PRESENTER: Alan Thomas
Vice President for Business and Finance

BACKGROUND INFORMATION:

Under the FOCUS Act, the Board of Trustees is charged with approving the operating budgets and setting the fiscal policies for Middle Tennessee State University.

The Estimated Budget is the final budget for any given fiscal year and allows the University to reflect any adjustments needed for spring enrollment, additional funding provided through state appropriations, and other miscellaneous adjustments. The July Budget is the base budget for the upcoming fiscal year. It is based on a 1.5% tuition increase and includes mandatory fee increases, appropriation increases approved by the General Assembly, and a stable enrollment. A 2.0% salary pool is being recommended for 2019-20 even though the Governor's Budget did not allocate separate

funding for salary increases.

The materials that follow represent the 2018-19 Estimated Budget and the 2019-20 Proposed Budget and are being presented for your approval.

Estimated 2018-19 Operating Budgets

**MIDDLE TENNESSEE STATE UNIVERSITY
ANALYSIS OF BUDGET CHANGES FOR REVENUE CATEGORIES
ESTIMATED BUDGET 2018-19**

Revenue	2018-19 October Budget	2018-19 Estimated Budget	Difference
Tuition and Fees	\$ 195,869,500	\$ 198,879,600	\$ 3,010,100
State Appropriations	101,169,700	101,169,700	-
Federal Grants and Contracts	750,000	750,000	-
Local Grants and Contracts	60,000	60,000	-
State Grants & Contracts	45,000	45,000	-
Private Grants & Contracts	281,300	287,400	6,100
Sales & Services of Educ Activities	699,400	777,100	77,700
Sales & Services of Other Activities	19,424,300	19,172,700	(251,600)
Other Sources	821,800	821,800	-
Total Revenue	\$ 319,121,000	\$ 321,963,300	\$ 2,842,300

MIDDLE TENNESSEE STATE UNIVERSITY
UNRESTRICTED EDUCATION AND GENERAL EXPENDITURES BY FUNCTIONAL CATEGORY
ESTIMATED BUDGET 2018-19

	October Budget 2018-19	Estimated Budget 2018-19	Difference
Instruction	\$ 161,047,400	\$ 162,420,700	\$ 1,373,300
Research	8,000,700	8,032,400	31,700
Public Service	5,039,000	5,299,600	260,600
Academic Support	33,249,200	33,749,700	500,500
Student Services	39,066,000	39,293,000	227,000
Institutional Support	25,832,500	26,184,100	351,600
Operation and Maintenance	28,678,400	28,877,600	199,200
Scholarships and Fellowships	26,380,100	27,181,700	801,600
Transfers	14,013,400	13,110,200	(903,200)
Total	<u>\$ 341,306,700</u>	<u>\$ 344,149,000</u>	<u>\$ 2,842,300</u>

**MIDDLE TENNESSEE STATE UNIVERSITY
UNRESTRICTED EDUCATION AND GENERAL EXPENDITURES BY NATURAL CATEGORY
ESTIMATED BUDGET 2018-19**

	October Budget 2018-19	Estimated Budget 2018-19	Difference
Professional Salaries	\$ 142,252,800	\$ 142,500,800	\$ 248,000
Other Salaries	21,406,500	22,083,800	677,300
Employee Benefits	58,327,100	58,637,500	310,400
Travel	4,583,500	6,187,100	1,603,600
Operating Expense	97,973,000	97,096,900	(876,100)
Capital Outlay	2,750,400	4,532,700	1,782,300
Transfers	14,013,400	13,110,200	(903,200)
Total	<u>\$ 341,306,700</u>	<u>\$ 344,149,000</u>	<u>\$ 2,842,300</u>

**MIDDLE TENNESSEE STATE UNIVERSITY
ANALYSIS OF BUDGET CHANGES FOR AUXILIARIES
ESTIMATED BUDGET 2018-19**

<u>Auxiliary</u>	<u>2018-19 October Budget</u>	<u>2018-19 Estimated Budget</u>	<u>Difference</u>
Bookstore	\$ 450,000	\$ 457,755	\$ 7,755
Food Service	2,509,000	2,509,000	-
Housing	16,968,487	16,968,487	-
Vending	130,000	130,000	-
Recreational Center	3,032,644	3,032,644	-
Post Office	397,600	397,600	-
Parking Services	5,044,200	5,044,200	-
Residential & Commercial Rentals	280,000	280,000	-
Health Services	4,065,700	4,025,700	(40,000)
TN Miller Coliseum	614,614	614,614	-
Student LD Service	10,000	10,000	-
TOTAL	\$ 33,502,245	\$ 33,470,000	\$ (32,245)

**MIDDLE TENNESSEE STATE UNIVERSITY
SUMMARY OF RESTRICTED CURRENT FUNDS AVAILABLE AND APPLIED
ESTIMATED BUDGET 2018-19**

Revenues	2018-19 October Budget	2018-19 Estimated Budget	Difference
Tuition and Fees	\$ 1,600,000	\$ 1,600,000	\$ -
Federal Grants and Contracts	43,750,000	42,500,000	(1,250,000)
State Appropriations: Centers of Excellence	383,200	383,200	-
State Appropriations: Special Allocations	489,500	489,500	-
State Grants & Contracts	38,500,000	38,750,000	250,000
Local Grants & Contracts	50,000	50,000	-
Private Grants & Contracts	900,000	900,000	-
Private Gifts	2,400,000	2,500,000	100,000
Endowment Income	750,000	800,000	50,000
Other Income	1,500,000	1,500,000	-
Total Revenues	<u>\$ 90,322,700</u>	<u>\$ 89,472,700</u>	<u>\$ (850,000)</u>
Expenses			
Instruction	\$ 3,000,000	\$ 3,100,000	\$ 100,000
Research	3,500,000	3,300,000	(200,000)
Public Service	5,200,000	5,800,000	600,000
Academic Support	600,000	550,000	(50,000)
Student Services	3,200,000	3,500,000	300,000
Institutional Support	60,000	120,000	60,000
Operation and Maintenance	1,500	500	(1,000)
Scholarships and Fellowships	74,500,000	73,000,000	(1,500,000)
Total Expenses	<u>\$ 90,061,500</u>	<u>\$ 89,370,500</u>	<u>\$ (691,000)</u>

**MIDDLE TENNESSEE STATE UNIVERSITY
TOTAL REVENUE BUDGET
ESTIMATED BUDGET 2018-19**

Fund Group	2018-19 October Budget	2018-19 Estimated Budget	Difference
Unrestricted Education & General	\$ 319,121,000	\$ 321,963,300	\$ 2,842,300
Auxiliary	33,502,245	33,470,000	(32,245)
Restricted	90,322,700	89,472,700	(850,000)
TOTAL	\$ 442,945,945	\$ 444,906,000	\$ 1,960,055

Proposed 2019-20 Operating Budgets

**MIDDLE TENNESSEE STATE UNIVERSITY
ANALYSIS OF BUDGET CHANGES FOR REVENUE CATEGORIES
JULY BUDGET 2019-20**

	2018-19	2019-20	
	<u>Estimated Budget</u>	<u>July Budget</u>	<u>Difference</u>
Tuition and Fees	\$ 198,879,600	\$ 200,345,600	\$ 1,466,000
State Appropriations	101,169,700	106,505,600	5,335,900
Federal Grants and Contracts	750,000	650,000	(100,000)
Local Grants and Contracts	60,000	60,000	-
State Grants & Contracts	45,000	45,000	-
Private Grants & Contracts	287,400	281,300	(6,100)
Sales & Services of Educ Activities	777,100	697,400	(79,700)
Sales & Services of Other Activities	19,172,700	19,306,000	133,300
Other Sources	<u>821,800</u>	<u>1,371,700</u>	<u>549,900</u>
	<u>\$ 321,963,300</u>	<u>\$ 329,262,600</u>	<u>\$ 7,299,300</u>

The following items are reflected above:

- 1.5% Tuition Increase
- Appropriation Increases for Formula Funding
- Mandatory Fee Increases
- July Budget Figures are Base Budget

**MIDDLE TENNESSEE STATE UNIVERSITY
UNRESTRICTED EDUCATION AND GENERAL EXPENDITURES BY FUNCTIONAL CATEGORY
JULY BUDGET 2019-20**

	Estimated Budget 2018-19	July Budget 2019-20	Difference
Instruction	\$ 162,420,700	\$ 157,482,900	\$ (4,937,800)
Research	8,032,400	4,885,100	(3,147,300)
Public Service	5,299,600	4,123,100	(1,176,500)
Academic Support	33,749,700	33,853,900	104,200
Student Services	39,293,000	38,346,300	(946,700)
Institutional Support	26,184,100	24,852,400	(1,331,700)
Operation and Maintenance	28,877,600	28,431,700	(445,900)
Scholarships and Fellowships	27,181,700	26,194,100	(987,600)
Transfers	13,110,200	11,093,100	(2,017,100)
Total	\$ 344,149,000	\$ 329,262,600	\$ (14,886,400)

The following items are reflected above:

2.0% Salary Pool

Mandatory Fee Increases

July Budget Figures are Base Budget

**MIDDLE TENNESSEE STATE UNIVERSITY
UNRESTRICTED EDUCATION AND GENERAL EXPENDITURES BY NATURAL CATEGORY
JULY BUDGET 2019-20**

	Estimated Budget 2018-19	July Budget 2019-20	Difference
Professional Salaries	\$ 142,500,800	\$ 145,718,600	\$ 3,217,800
Other Salaries	22,083,800	22,445,300	361,500
Employee Benefits	58,637,500	61,329,600	2,692,100
Travel	6,187,100	5,351,400	(835,700)
Operating Expense	97,096,900	79,335,500	(17,761,400)
Capital Outlay	4,532,700	3,989,100	(543,600)
Transfers	13,110,200	11,093,100	(2,017,100)
Total	\$ 344,149,000	\$ 329,262,600	\$ (14,886,400)

The following items are reflected above:

2.0% Salary Pool

Mandatory Fee Increases

July Budget Figures are Base Budget

**MIDDLE TENNESSEE STATE UNIVERSITY
ANALYSIS OF BUDGET CHANGES FOR AUXILIARIES
JULY BUDGET 2019-20**

<u>Auxiliary</u>	<u>2018-19 Estimated Budget</u>	<u>2019-20 July Budget</u>	<u>Difference</u>
Bookstore	\$ 457,755	\$ 411,955	\$ (45,800)
Food Service	2,509,000	2,700,000	191,000
Housing	16,968,487	16,968,487	-
Vending	130,000	130,000	-
Recreational Center	3,032,644	3,102,644	70,000
Post Office	397,600	485,000	87,400
Parking Services	5,044,200	5,114,200	70,000
Residential & Commercial Rentals	280,000	280,000	-
Health Services	4,025,700	4,110,700	85,000
TN Miller Coliseum	614,614	614,614	-
Student LD Service	10,000	6,000	(4,000)
TOTAL	\$ 33,470,000	\$ 33,923,600	\$ 453,600

**MIDDLE TENNESSEE STATE UNIVERSITY
SUMMARY OF RESTRICTED CURRENT FUNDS AVAILABLE AND APPLIED
JULY BUDGET 2019-20**

Revenues	2018-19 Estimated Budget	2019-20 July Budget	Difference
Tuition and Fees	\$ 1,600,000	\$ 1,600,000	\$ -
Federal Grants and Contracts	42,500,000	42,250,000	(250,000)
State Appropriations: Centers of Excellence	383,200	389,900	6,700
State Appropriations: Special Allocations	489,500	489,500	-
State Grants & Contracts	38,750,000	38,250,000	(500,000)
Local Grants & Contracts	50,000	50,000	-
Private Grants & Contracts	900,000	1,000,000	100,000
Private Gifts	2,500,000	2,500,000	-
Endowment Income	800,000	900,000	100,000
Other Income	1,500,000	1,600,000	100,000
Total Revenues	<u>\$ 89,472,700</u>	<u>\$ 89,029,400</u>	<u>\$ (443,300)</u>
Expenses			
Instruction	\$ 3,100,000	\$ 3,000,000	\$ (100,000)
Research	3,300,000	3,400,000	100,000
Public Service	5,800,000	5,300,000	(500,000)
Academic Support	550,000	500,000	(50,000)
Student Services	3,500,000	3,500,000	-
Institutional Support	120,000	80,000	(40,000)
Operation and Maintenance	500	1,000	500
Scholarships and Fellowships	73,000,000	73,000,000	-
Total Expenses	<u>\$ 89,370,500</u>	<u>\$ 88,781,000</u>	<u>\$ (589,500)</u>

**MIDDLE TENNESSEE STATE UNIVERSITY
TOTAL REVENUE BUDGET
JULY BUDGET 2019-20**

Fund Group	2018-19 Estimated Budget	2019-20 July Budget	Difference
Unrestricted Education & General	\$ 321,963,300	\$ 329,262,600	\$ 7,299,300
Auxiliary	33,470,000	33,923,600	453,600
Restricted	89,472,700	89,029,400	(443,300)
TOTAL	\$ 444,906,000	\$ 452,215,600	\$ 7,309,600

MIDDLE TENNESSEE STATE UNIVERSITY
TSSBA DEBT SERVICE COVERAGE - DISCLOSED PROJECTS ADJUSTMENT
July Budget 2019-20

<u>Project Name</u>	<u>Total Project Budget</u>	<u>Amt. Financed by TSSBA</u>	<u>Est. Annual Debt Service</u>	<u>Est. Annual Related Fee Rev</u>
Estimated Budget:				
Parking Services Facility	3,400,000	2,000,000	248,340	
Academic Classroom Building	39,600,000	1,520,000	315,500	
July Budget:				
Parking Services Facility	3,400,000	2,000,000	248,340	
Academic Classroom Building	39,600,000	1,520,000	315,500	
Miller Education Center Renovation	12,000,000	4,000,000		
Parking Structure	17,000,000	17,000,000		
School of Concrete & Construction	6,015,000	2,000,000		
Football Operations Facility	50,000,000	40,000,000		
Women's Softball Facility	3,000,000	2,500,000		
Athletic Video Board Upgrades	3,000,000	3,000,000		



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Action Item

DATE: May 29, 2019

SUBJECT: **Compensation**

PRESENTER: Kathy Musselman
Assistant Vice President – Human Resources

BACKGROUND INFORMATION:

Policy 808 – Compensation Reporting and Approvals requires the Board of Trustees to approve salary increases for MTSU employees.

The Governor’s budget for fiscal year 2019-20 did not appropriate a separate allocation for salary increases; however, the budget does allow the operating appropriation received to be used for salaries and/or operational expenditures at the discretion of the institution. The University is recommending the creation of a 2% salary pool to implement salary increases from the operating appropriation increase approved for the University. The recommendation is to use half the pool for a 1% Cost of Living Allowance (COLA) increase as outlined in the attached materials, with the other half of the pool held for market

adjustments in October. A 2% salary pool for the University will cost approximately \$3.2 million, including benefits.

A proposal for implementing market adjustments will be brought to the Committee at the August meeting. The proposal will include the remaining funds from the 2% salary pool, along with any additional funds provided from an increase in enrollment, in an attempt to substantially close the gap between actual employee salaries and 2014-15 CUPA Salaries.

Attached for your consideration and approval is a recommendation for implementing the 1% COLA increase effective July 1, 2019.

Salary Pool Allocation Recommendation

Recommendation:

- Provide a Cost of Living Allowance (COLA) of 1.0% or \$500, whichever is greater, for regular employees, both full and part-time, on the payroll as of June 30, 2019, effective July 1, 2019. The estimated cost of this salary increase is \$1.7 million, including benefits.

Guidelines for Implementation of the COLA Increase:

- The COLA will be distributed to all unrestricted and restricted regular full-time and part-time employees and participants in the post-retirement service program.
- Increases will not apply to adjunct faculty, temporary employees, graduate assistants, or student workers.
- 1.0% COLA or \$500 minimum payment is pro-rated for part-time employees.
- Reclassifications, degree changes, etc. previously approved to be effective prior to or on July 1, 2019, are to be applied before the 1.0% COLA.
- Faculty promotions are to be applied before the 1.0% COLA.
- Unless specifically excluded by statute or on terminal leave status, all eligible persons employed as of June 30, 2019, shall receive the increase, with the exception of employees with unsatisfactory work performance. An employee appeal process will be available for those who don't receive the COLA increase due to an unsatisfactory evaluation. This is to allow the employee an opportunity to provide supporting evidence that an administrative error was made in the implementation process.