

**MINUTES OF THE
FINANCE AND PERSONNEL COMMITTEE**

The Finance and Personnel Committee met on Tuesday, February 27, 2018 at Middle Tennessee State University. Chairman Joey Jacobs called the meeting to order at 1:00 p.m. Board Secretary Heidi Zimmerman called the roll. A quorum was present with the following Committee members in attendance: Joey Jacobs, Steve Smith, J.B. Baker, Darrell Freeman, Pete DeLay, Tony Johnston and Lindsey Weaver. Also present were Trustee Pam Wright; Sidney A. McPhee, President; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, University Provost; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Joe Bales, Vice President for University Advancement; Debra Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services; Andrew Oppmann, Vice President for Marketing and Communications; Heidi Zimmerman, University Counsel and Board Secretary; and, Chris Massaro, Director of Athletics.

The first item on the agenda was approval of the minutes from the January 25, 2018 Finance and Personnel Committee meeting. Trustee Freeman moved to approve the minutes and Trustee DeLay seconded the Motion. Chairman Jacobs asked for any discussion. Trustee Weaver made a request for future meeting minutes to reflect the actual votes of individual trustees during a roll call vote. Ms. Zimmerman responded that the Committee could choose to make this a general rule for roll call voting, or they could choose to record individual votes as requested by a Committee member for a particular vote. Chairman Jacobs responded that recording individual votes as requested by a Committee member would be the preferable process. A voice vote was taken and the Motion to approve the minutes from the January 25, 2018 Finance and Personnel Committee meeting carried.

The second item on the agenda was a recommendation for approval of the promulgation of a rule concerning traffic, parking, and safety enforcement. Ms. Zimmerman explained that promulgating a rule specifically for this area is required by statute. Additionally, revisions were made to related Policy 775 Traffic, Parking, and Safety Enforcement to maintain consistency with

the rule and would also require approval by the Board. Chairman Jacobs called for a motion to recommend promulgation of the traffic, parking, and safety enforcement rule and revisions to the related policy. Ms. Zimmerman instructed that a voice vote on the rule by the Committee was needed for this meeting, and a roll call vote by the full Board would be required at the next Board of Trustees meeting in March. The motion was made by Trustee Freeman and seconded by Trustee DeLay. A voice vote was taken and the motion to recommend promulgation of the Traffic, Parking, and Safety Enforcement rule and revisions to the related Policy 775 Traffic, Parking, and Safety Enforcement carried.

The third item on the agenda concerned updates on the Governor's Budget. Mr. Thomas gave the Committee a brief summary of the Governor's FY 2018-19 budget recommendations and presented materials outlining the financial impact to the University. He stated that the only new document provided in the materials was a memorandum from THEC containing an overall summary of the budget proposal's impact on higher education. Discussion of budget highlights relating to the University's needs and priorities followed. Dr. McPhee expressed gratitude to THEC Executive Director, Mike Krause, for the Commission's support and his complimentary remarks made to the House Finance, Ways and Means Committee regarding MTSU's submission of a general academic classroom building. Mr. Thomas informed the Committee that Dr. McPhee would be attending the State Building Commission (SBC) meeting on March 8th to receive approval of the early design proposal for the new classroom building. Plans are for the new building to house several departments of MTSU's College of Behavioral and Health Sciences. On a final note in the budget discussion, Dr. McPhee informed the Committee that Senator Bill Ketron was putting through a bill for a forensic center that would be a partnership between Rutherford County and MTSU. The project could add some additional funds to the budget. Trustee Johnston asked if the University could submit institutional proposals directly to THEC or the state legislature for earmarks to fund projects that create research and income opportunities for the University. Dr. McPhee responded that this type of funding was built into the budget at the discretion of the Governor and his staff. He noted that the University had always received their share of funding for projects outside of formula funding through the efforts of our legislative delegation.

The fourth item on the agenda was discussion of the University Budget. Mr. Thomas explained to the Committee that the Department of Finance and Administration annually requests state agencies to prepare a budget scenario that includes a reduction in state appropriations. For the 2018-19 fiscal year, the department requested a 2.5 percent reduction scenario. This would result in a reduction in state appropriations of \$34.8 million for all of higher education and a reduction of approximately a \$3.5 million for MTSU. Each division, department and college was requested to review their budget and provide information related to the impact of such a reduction on their respective area. Mr. Thomas noted that since personnel costs make up seventy percent of the University's budget, the greatest impact would be to positions, both vacant and filled. Mr. Thomas informed the Committee that the University was not aware of any plans the state had to require these budget reductions; however, the University felt this exercise was a necessary stress test in the event these reductions become part of the final State Budget.

The fifth item on the agenda concerned the Regional Scholars Program. Mr. Thomas presented materials to the Committee containing two scenarios for expansion of the current program and an analysis of the possible effects of each on University revenue:

- Expanding the program to include the entirety of all border states;
- Expanding the program to include students from all 50 states.

Dr. McPhee asked Vice President Sells to discuss how current processes would need to change to accommodate each of the possible expansion scenarios. She also explained to the Committee how the Academic Common Market program would factor in with the proposed expansion. After much discussion on various ways to create affordable enrollment opportunities for out-of-state students, it was agreed by the Committee that the most important concern of any proposal would be to maintain the University's academic integrity.

The final item on the agenda was a capital outlay update presented by Bill Waits, Interim Assistant Vice President for Campus Planning. Mr. Waits presented materials to the Committee explaining how Capital Outlay Project requests are assessed and scored by the THEC staff. He also presented information sheets on the Applied Engineering Building project and new Concrete and Construction Management Building. He noted that both projects allow for the future demolition of

the Voorhies Engineering Building. Trustee DeLay asked if consideration should be given to the renovation and retrofitting of Voorhies rather than construction of a new facility. Mr. Waits explained that renovation of Voorhies had been considered, but construction of a custom tailored building to meet the needs of MTSU's unique Concrete and Construction Management program as part of the current Master Plan was determined to be the more feasible plan. It was also noted that the current Master Plan calls for demolition of Voorhies, and since part of the scoring of capital projects now includes alignment with an institution's Master Plan, a change in plans at this time could affect the points awarded for the project. Dr. McPhee advised the Committee that the University would need to decide which building project should be submitted to THEC in July for consideration of 2019-20 capital project funding if only one project was allowed for each LGI. He informed the Committee that his recommendation would be to resubmit the Applied Engineering Building project as it ranked high on THEC's project list last year. Mr. Thomas indicated the final decision would come back to the Finance and Personnel Committee in May and then be submitted for approval by the full Board of Trustees in June. The meeting ended with a discussion of current plans for acquiring properties under the Campus Master Plan. Trustee Baker encouraged Dr. McPhee and his staff to remain proactive in their efforts to secure ownership of properties surrounding the MTSU campus.

The meeting adjourned at 2:25 p.m.

Respectfully submitted,
Finance and Personnel Committee