



Middle Tennessee State University
Board of Trustees
Winter Quarterly Board Meeting
Rulemaking Hearing

Wednesday, December 6, 2023
1:00 p.m.

MEC Meeting Room – 2nd Floor
Miller Education Center
503 East Bell Street
Murfreesboro, Tennessee 37130



**Middle Tennessee State University
Board of Trustees**

Quarterly Board Meeting

Wednesday, December 6, 2023
1:00 p.m.

AGENDA

Call to Order

Pledge of Allegiance

Introduction of Student-Veteran

Welcome and Opening Remarks

Roll Call

Minutes.....Tab 1
September 12, 2023, Fall Board Meeting

Election of Board of Trustees Chair and Vice ChairTab 2

Rulemaking HearingTab 3
1. Rule 0240-07-02 Residency Classification - Amendment

**Academic Affairs, Student Life and Athletics Committee Report
and Recommendations**Tab 4
1. Policy 501 Residency Classification (Policy & Rule)
2. Approval of Expedited Tenure

Audit and Compliance Committee Meeting Report

Executive and Governance Committee Meeting Report

Finance and Personnel Committee Meeting Report and RecommendationsTab 5
1. Compensation
2. 2023-24 October Revised Budget

Research Foundation Agreement Tab 6

President’s Report

Closing Remarks

Adjournment



**Middle Tennessee State University
Board of Trustees**

MEETING: Winter Quarterly Board Meeting

SUBJECT: **Minutes of September 12, 2023
Fall Quarterly Board Meeting**

PRESENTER: Chairman Steve Smith

Background Information

Approval of minutes of September 12, 2023 Fall Quarterly Board Meeting

MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
MINUTES

The Middle Tennessee State University Board of Trustees met on September 12, 2023, in the Miller Education Center Meeting Room at Middle Tennessee State University.

Call to Order and Pledge of Allegiance

Vice Chair Chris Karbowski called the meeting to order at 1:00 p.m. Lt. Gen. (Ret.) Keith Huber led the Pledge of Allegiance

Introduction of Student Veteran

General Huber introduced Mr. Ben Thompson, a Navy Veteran. General Huber shared that Mr. Thompson started his adult life in the electronics field before deciding to enlist into the US Navy. He would serve in Desert Shield, Desert Storm, as an infantry corpsman attached to the 3rd Marine Division, helping liberate Kuwait. He served eight years before deciding to transition to the communication and electronics industry. This industry served Mr. Thompson well until the pandemic. At this point, Mr. Thompson resumed his educational pursuits which ultimately led him to transfer from Nashville State Community College to MTSU in the Summer 2022. He intends to graduate in December of 2024 with a degree in Concrete Industry Management. Mr. Thompson expressed that his military experience has been instrumental in shaping who he is today. He also voiced his thanks to the Daniels Center for its support and to the individuals who so willingly work to assist him and other veterans.

Roll Call

Board Secretary James Floyd called the roll. The following trustees were in attendance: J.B. Baker, Tom Boyd, Pete DeLay, Bill Jones, Mary Martin, Chris Karbowski Vanek (REMOTE VERIFIED), Pam Wright, and Molly Mihm. A quorum was declared.

President Sidney A. McPhee; Mark Byrnes, University Provost; Joe Bales, Vice President for University Advancement; Yvette Clark, Vice President for Information Technology and Chief Information Officer; Sarah Sudak, Interim Vice President for Student Affairs and Dean of Students; Alan Thomas, Vice President for Business and Finance; Andrew Oppmann, Vice President for Marketing and Communications; Diane Snodgrass, Interim Chief Audit Executive; James Floyd, University Counsel and Board Secretary; and Kim Edgar, Executive Assistant to the President and Chief of Staff, were also in attendance.

Approval of June 23, 2023, Meeting Minutes – Action

Trustee Delay made the motion to approve the minutes from the June 23, 2023, meeting, and Trustee Wright seconded the motion. A roll call vote was taken, and the motion was approved unanimously.

Committee Report from the Academic Affairs, Student Life and Athletics Committee

Committee Chair Pam Wright reported that the Academic Affairs, Student Life, and Athletics Committee met on August 15, 2023. The Committee approved the minutes from the May 23, 2023, meeting. The Committee report contained one action item, which was unanimously approved for the Board's consideration. Information items included an enrollment report and an athletics update. Materials outlining this action were made available for review prior to the Board meeting and were contained in the Board notebooks.

Department Merger - Action

A proposal to merge the Department of Global Studies and Human Geography and the Department of Political Science and International Relations was presented by Provost Mark Byrnes. The combined department will be named Political and Global Affairs effective May 13, 2024.

Motion

Trustee Boyd made the motion to approve the action item recommended by the Committee and Trustee Martin seconded the motion. A roll call vote was taken and the motion to approve the amendment action item was carried unanimously.

Committee Report from The Audit and Compliance Committee

Committee Chair Tom Boyd reported that the Audit and Compliance Committee met on August 15, 2023. The Committee approved the minutes from its May 23, 2023, meeting.

The Committee report contained two (2) action items, unanimously approved by the Committee, to be considered and voted on by the Board. Several information items were also presented. Materials outlining these actions were made available for review prior to the Board meeting and were contained in the Board notebooks.

Annual Report for Audit and Consulting Services – Action

TCA 49-14-102, the MTSU Board of Trustees Bylaws, and Policy on Board Committees require that an annual comprehensive report on the internal audit function be submitted for the Committee's review. The Annual Report for Audit and Consulting Services was submitted and reviewed. In addition, Policy 70 Internal Audit requires approval of the audit plan by the Audit and Compliance Committee. Diane Snodgrass, Interim Chief Audit Executive presented the Internal Audit Plan for Fiscal Year 2024. The Committee unanimously approved the annual plan as presented.

Risk Assessment Reporting – Action

T.C.A. § 9-18-104 of the Financial Integrity Act requires institutions of higher education prepare and provide a management assessment of risk to the State of Tennessee's Commissioner of Finance and Administration and to the Comptroller of the Treasury by December 31 annually. For 2023, the President's Division and the Information Technology Division performed and provided risk assessment reporting.

In addition, a risk assessment report was completed detailing university-wide risk and control activities. The risk assessment documents are designated as confidential and are discussed in the non-public executive session of the Committee. Drew Harpool, Assistant Vice President Office of Compliance and Enterprise Risk Management, presented the risk assessment reports to the Committee for approval prior to the reports' submission to the State, as required by law.

Motion

Trustee DeLay made the motion to approve the action items recommended by the Committee and Trustee Wright seconded the motion. A roll call vote was taken and the motion to approve the action items carried unanimously.

Committee Report: Executive and Governance Committee

Vice Chair Vanek reported that the Executive and Governance Committee met on August 15, 2023. The Committee approved the minutes from its May 23, 2023 meeting. The Committee report contained two (2) action items, unanimously approved by the Committee, to be considered and voted on by the Board. Materials outlining the action items were made available for review prior to the Board meeting and were contained in the Board notebooks.

Review and Approval of 2023 Board Self-Evaluation Instrument – Action

James Floyd, University Counsel and Board Secretary, stated that MTSU's accreditation body, Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) requires a governing board to define and regularly evaluate its responsibilities and expectations. As evidence of compliance, SACSCOC recommends a regular board self-evaluation. The Executive and Governance Committee is responsible for overseeing the performance of the Board of Trustees and, as such, is charged with preparation of the Board's self-evaluation procedures and instrument.

Authorization to Administer the Board's Biennial Self-Evaluation Prior to November Executive and Governance Committee Meeting – Action

James Floyd, University Counsel and Board Secretary, stated the Executive and Governance Committee is charged with implementation of the regular cycle of Board self-evaluation. The Committee will direct the Board Secretary to administer the self-evaluation survey over a specified period, compile responses received, and report results to the Board Chair. At its May 2021 meeting, the Committee revised the Board's Policy on Board Committees for compliance with SACSCOC Standard 4.2.g Board Self-Evaluation. The Committee is required to adopt a regular schedule for evaluations of the Board's responsibilities and expectations on at least a biennial basis. This action will establish a documented cycle of evaluation and continuous improvement for the Board of Trustees.

Informational Items

Discussion of 2021 Self-Evaluation Results and Action for Improvement occurred.

2023 Board Self-Evaluation Instrument Discussion

Vice Chair Vanek noted that the action items were approved. Also, at the Committee meeting, Chairman Smith asked Board members to share any comments or edits to the 2023 Self-Evaluation Instrument with the Board Secretary. Mr. Floyd compiled the submitted proposals, which were included in Board notebooks for Trustee consideration.

Vice Chair Vanek and Board Secretary Floyd initiated a discussion on the 2023 Self-Evaluation Instrument, which included evaluation of comments submitted by Trustees Boyd and Martin. The Board first agreed to adjust the answer scale from five answers to four. Then the Board made edits to the substance of some questions and added questions resulting in a total of twenty-four (24) questions. In addition, revisions were made to the questions soliciting written responses, which included an extensive discussion of the Board's responsibilities and accountabilities, benchmarks, and expectations. The Board agreed for the Executive and

Governance Committee to consider additional adjustments and improvements prior to the next self-evaluation cycle.

Motion to Amend

Trustee DeLay made a motion to amend the self-evaluation instrument as discussed by the Board and Trustee Baker seconded the motion. A roll call vote was taken and the motion to approve the amendment carried unanimously.

Motion

Trustee Baker made the motion to approve the action items recommended by the Committee as amended and Trustee Wright seconded the motion. A roll call vote was taken and the motion to approve the action items as amended carried.

Committee Report: Finance and Personal Committee

Committee Chair Pete DeLay reported that the Finance and Personal Committee met on August 15, 2023. The committee approved the minutes from the May 23, 2023, meeting. The Committee report contained two information items. First, Kathy Musselman, Assistant Vice President for Human Resources presented the Classified Employee Grievance Annual Report, which showed that the University had zero grievances for the 2022-23 year. Second, Joe Bales, Vice President for University Advancement, provided a philanthropy update. Materials outlining this information were made available for review prior to the Board meeting and were contained in the Board notebooks.

Permanent Appointment of the Chief Audit Executive

Policy 808 Compensation Reporting and Approvals requires the appointment and salary recommendation of Vice Presidents or other executives reporting directly to the President be approved by the Board of Trustees. President McPhee requested approval to appoint Ms. Leah Ladley as Chief Audit Executive, as well as seeking approval of the salary requested.

President McPhee also offered thanks to Diane Snodgrass for her years of dedicated service to the University.

Motion

Trustee Boyd made the motion to approve the appointment and salary of the Chief Audit Executive and Trustee DeLay seconded the motion. A roll call vote was taken and the motion to approve the action items carried unanimously.

Report from The President

Dr. McPhee thanked the Board for the opportunity to give updates on activities since the last meeting.

2023 Fall Recruitment and Enrollment

Total enrollment stands at 20,187 registered students for the 2023 Fall as of today, our census day. This represents an increase of .5% over last year and the first increase in total enrollment since 2020. Our enrollment numbers reflect the following: new freshmen are up by 11.12%; new graduates are up by 10.69%; and dual enrollments are up by 34.01% - leading Dr. McPhee to highlight the hard work of the University College led by Dean Sluder. While we are slightly down in transfer students, the University is certainly holding its own in light of the decreased enrollment at our neighboring community colleges. On the recruitment front, we will start with our True Blue Tours beginning tomorrow. Our Tours will take us to each grand division of Tennessee. In addition, we will go to Kentucky, Alabama, and Georgia. Our stops will include counselor lunches and receptions for prospective students and parents in fourteen (14) different locations. President McPhee shared that he is hopeful that we will have more record admissions. He also commended the deans, department chairs, and staff who are continuing to work hard to make connections with prospective students.

New Deans

Dr. McPhee shared that we have three (3) new academic deans. Dr. Neporcha Cone, Dean of the College of Education, Dr. Joyce Heames, Dean of the Jones College of Business, and Dr. Michael Hein, Interim Dean of the College of Behavioral and Health Sciences, introduced themselves and gave brief presentations on their vision for their respective colleges.

Conclusion

In closing, Dr. McPhee reminded the Board that homecoming is next week and invited members to come join in related events including the parade, mixer on middle, and the alumni tailgate. He then thanked the Board for its continued support.

Adjournment

Vice Chair Vanek adjourned the meeting at 2:05 p.m.

Respectfully submitted,

James C. Floyd, Board Secretary



**Middle Tennessee State University
Board of Trustees**

MEETING: Winter Quarterly Board Meeting

SUBJECT: **Election of Board of Trustees Chair and Vice Chair**

DATE: December 6, 2023

PRESENTER: James Floyd
Board Secretary

BACKGROUND INFORMATION:

Article 5 of the Bylaws of the Middle Tennessee State University Board of Trustees provides for the election of a Chair and a Vice Chair to serve as Officers of the Board. These officers shall be elected from among the voting membership of the Board by a majority of those present and voting. Each officer shall serve a two (2) year term until successors are elected or a vacancy occurs. The officers may be elected to consecutive terms without limitation.



**Middle Tennessee State University
Board of Trustees**

Action Item

MEETING: Winter Quarterly Board Meeting

DATE: December 6, 2023

SUBJECT: **Rule 0240-07-02 Residency Classification - Amendment**

BACKGROUND INFORMATION:

Rule 0240-07-02 Residency Classification - Amendment is presented as an amendment that captures the revised version of Policy 501 Residency Classification. The policy was revised to include dependent children of Licensed Tennessee Public School Teachers. This Rule Amendment reflects the update.

Department of State
Division of Publications
 312 Rosa L. Parks Ave., 8th Floor, Snodgrass/TN Tower
 Nashville, TN 37243
 Phone: 615-741-2650
 Email: publications.information@tn.gov

For Department of State Use Only

Sequence Number: 10-13-23
 Notice ID(s): 3735
 File Date: 10/12/2023

Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

Agency/Board/Commission:	Middle Tennessee State University
Division:	
Contact Person:	James Floyd, University Counsel
Address:	1301 E. Main Street, CAB 209, Murfreesboro, TN 37132
Phone:	615-898-2025
Email:	James.floyd@mtsu.edu

Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

ADA Contact:	Lance Alexis, Director of ADA Compliance
Address:	1301 E. Main Street, CAB 116, Murfreesboro, TN 37132
Phone:	615-898-2185
Email:	Lance.alexis@mtsu.edu

Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	Miller Education Center, MEC Meeting Room
Address 2:	503 E. Bell Street
City:	Murfreesboro
Zip:	37130
Hearing Date:	12/6/2023
Hearing Time:	1:00 p.m. CST

Additional Hearing Information:

--

Revision Type (check all that apply):

- Amendment
- New
- Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
0240-07-02	Residency Classification
Rule Number	Rule Title
0240-07-02-.02	Out-of-State Students who are not Required to Pay Out-of-State Tuition

Rules of
Middle Tennessee State University

Chapter 0240-07-02
Residency Classification

Amendment

0240-07-02-.02 Out-of-State Students who are not Required to Pay Out-of-State Tuition is amended by adding Paragraph (4) so that, as amended, the amended rule in its entirety shall read:

0240-07-02-.02 Out-of-State Students who are not Required to Pay Out-of-State Tuition

- (1) An unemancipated, currently enrolled student will be reclassified as out-of-state should his/her parent move out of the state of Tennessee. However, the student will not be required to pay out-of-state tuition nor be treated as an out-of-state student for admission purposes so long as he/she is continuously enrolled at MTSU.
- (2) The waiver of out-of-state tuition granted to a student will follow the student from a Tennessee public community college to MTSU if the student transfers from the community college without a break in enrollment after successfully completing an associate's degree or if participating in a reverse transfer program.
- (3) Students who participate in a study abroad program, when the course(s) in the study abroad program is/are the only course(s) for which the student is registered during that entire term are not required to pay out-of-state tuition.
- (4) Dependent children whose parents are full-time, licensed Tennessee Public School Teachers and will be utilizing the Public Higher Education Fee Discount form.
- (5) Military veterans who have a Tennessee address in Box 19A on their DD214 (mailing address after separation) will be charged in-state tuition and fees.
- (6) A veteran or dependents eligible to receive educational benefits (to include the David Fry Scholarship) administered by the United States Department of Veterans Affairs, through any provision of the United States Code, shall not be required to pay out-of-state tuition and fees when the veteran or eligible dependent is:
 - (a) Enrolled at MTSU;
 - (b) Utilizing such benefits at MTSU; and
 - (c) Living in the state of Tennessee, regardless of the individual's formal state of residency.

If VA benefits run out/expire prior to graduation, a student can continue to qualify for in-state tuition and fees until completion of that degree, if he/she:

1. Maintains continuous enrollment (Fall and Spring terms); and
2. Demonstrates objective evidence of established residency in the state of Tennessee by presenting three (3) of the following:
 - (i) A Tennessee driver's license, issued for at least one (1) year;
 - (ii) A Tennessee Identification Card, issued for at least one (1) year;
 - (iii) Proof of a Tennessee voter's registration;
 - (iv) A Tennessee motor vehicle registration;

(v) Proof of established employment in Tennessee;

(vi) Residential lease or mortgage.

Further, if the veteran or eligible dependent wishes to become a permanent resident, he/she can follow Steps 1 and 2 above and be recoded as an in-state resident.

- (7) Individuals who join the Tennessee National Guard (active member) will be charged in-state tuition and fees.
- (8) Military service members on active-duty orders who are stationed outside of the state of Tennessee but still maintain a Tennessee domicile will be charged in-state tuition and fees.
- (9) An unemancipated person or spouse of an active-duty military member who is stationed outside of Tennessee but whose home of record is Tennessee, will be charged in-state tuition and fees (must show proof of domicile, including, but not limited to, driver's license, voter's registration, LES, tax document).
- (10) An unemancipated person whose parent is not domiciled in Tennessee but is a member of the armed forces and stationed in Tennessee or at Fort Campbell, Kentucky pursuant to military orders will be classified out-of-state but shall not be required to pay out-of-state tuition. Such a person, while in continuous attendance toward the degree for which he/she is currently enrolled, will not be required to pay out-of-state tuition if his/her parent is transferred on military orders.
- (11) Active-duty military personnel who begin working on a college degree at MTSU while stationed in Tennessee or at Fort Campbell, Kentucky, and who are transferred or deployed prior to completing their degree, can continue to completion of the degree at MTSU without being required to pay out-of-state tuition, as long as he/she completes at least one (1) course for credit each twelve (12) month period after the transfer or deployment. Exceptions may be made in cases where the service member is deployed to an area of armed conflict for periods exceeding twelve (12) months.
- (12) Military personnel and their spouses stationed in Tennessee or at Fort Campbell, Kentucky who would be classified out-of-state in accordance with other provisions of these rules will be classified out-of-state but will not be required to pay out-of-state tuition. This does not apply to military personnel and their spouses who are stationed in Tennessee primarily for educational purposes.
- (13) MTSU shall charge a dependent child under twenty-three (23) years of age, whose military parent dies as a result of a targeted attack that occurred in Tennessee, in-state tuition and fees regardless of the dependent child's domicile or place of residence during the dependent child's enrollment at MTSU, provided the dependent child has met and continues to meet all stated statutory requirements.
- (14) Part-time students who are not domiciled in Tennessee but who are employed full-time in Tennessee, or who are stationed at Fort Campbell, Kentucky pursuant to military orders, shall be classified out-of-state but shall not be required to pay out-of-state tuition. This shall also apply to part-time students who are employed in Tennessee by more than one (1) employer, resulting in the equivalent of full-time employment. Full-time employment is defined as working either one (1) job at a minimum of thirty-two (32) hours per week or more than one (1) part-time job to total an average of thirty-two (32) hours per week.
- (15) Presumption. No person shall qualify for in-state fees if he/she came to Tennessee for the primary purpose of attending college. For example, if an individual moved to Tennessee and immediately enrolled at MTSU, another university, college, or community college as a full-time student, that person is presumed to have moved to Tennessee for the primary purpose of attending college and will not be eligible for in-state fees. The presumption is that a student cannot acquire domicile in Tennessee while enrolled as a full-time student.
- (16) Evidence to be Considered for Establishment of Domicile. If a person asserts that he/she has established domicile in Tennessee, he/she has the burden of proving that he/she has done so. MTSU will consider any and all evidence provided concerning such claim of domicile. Generally, persons attempting to prove domicile should be prepared to offer multiple items of evidence including, but not limited to, proof of residence and/or property ownership within Tennessee; military orders assigning the person to Tennessee; proof of full-time employment within Tennessee; proof of receiving a Tennessee state benefit

including, but not limited to, TennCare, TN Disability benefits, or SNAP; proof of current classification as in-state for tuition and fee purposes at another public Tennessee higher education institution; etc.

Authority: T.C.A. § 49-8-104; T.C.A. § 49-4-704; T.C.A. § 49-7-164.

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: October 12, 2023

Signature: 

Name of Officer: James Floyd

Title of Officer: University Counsel

Department of State Use Only

Filed with the Department of State on: 10/12/2023


Tre Hargett
Secretary of State

RECEIVED

Oct 12 2023, 3:24 pm

Secretary of State
Division of Publications



**Middle Tennessee State University
Board of Trustees**

MEETING: Winter Quarterly Board Meeting

SUBJECT: **Academic Affairs, Student Life, and Athletics Committee**

DATE: December 6, 2023

PRESENTER: Pam Wright
Committee Chair

- Policy 501 Residency Classification (Policy and Rule)
- Approval of Expedited Tenure



**Middle Tennessee State University
Board of Trustees**

Action Item

MEETING: Winter Quarterly Board Meeting

DATE: December 6, 2023

SUBJECT: **Rule Promulgation and Related Policy Revision
501 Residency Classification**

BACKGROUND INFORMATION:

Revisions to Policy 501 Residency Classification were drafted to include dependent children of Licensed Tennessee Public School Teachers. The Responsible Division was changed to Academic Affairs, and the Responsible Officer was changed to the Vice Provost for Enrollment Services.

A parallel rule, Rule 0240-07-02 Residency Classification, is also presented for amendment and will capture the revised version of Policy 501.



501319 Residency Classification

Approved by Board of Trustees

Effective Date: ~~September 18, 2019~~ _____, 2023

Responsible Division: ~~Student~~Academic Affairs

Responsible Office: Enrollment Services

Responsible Officer: ~~AVP~~Vice Provost for Enrollment Services

I. Purpose

It is the intent of Middle Tennessee State University (MTSU or University) that uniform criteria shall apply in determining whether students shall be classified in-state or out-of-state for tuition and fee purposes and for admission purposes. This policy provides the criteria that will be utilized in making classification determinations.

II. Determination of Status

- A. Students and applicants with a domicile in Tennessee are to be classified in-state for tuition and fee purposes and for admission purposes. Domicile is a person's true, fixed, and permanent home and place of habitation; it is the place where he/she intends to remain, and to which he/she expects to return when he/she leaves MTSU without intending to establish a new domicile elsewhere.
 1. Persons eligible to establish domicile include U.S. citizens; valid/unexpired permanent residents; asylees/refugees; and those with certain visa types, including A1 – A3; E1, E2; G1 – G5; H1B, H4; I; K1 – K4; L1, L1a, L1b, L2; NATO 1 – NATO 7; O1, O3 (dependents of O1 only); P1 – P4; R1, R2; T1 – T4; and V.
 2. Persons not eligible to establish domicile include persons who have not met requirements of the Eligibility Verification for Entitlement Act (EVEA); undocumented persons, regardless of length of residence in Tennessee; persons on Deferred Action (DACA/Dream Act), and those with certain visa types, including B1, B2; C1 – C3; D1; F1, F2; H1C, H2A, H2B, H3; J1, J2; M1, M2; N; O2, O3 (dependents of O2); Q1 – Q3; S5 – S7; TC, TN, TD; and U1 – U5.
- B. Absence from Tennessee for short periods of time will not affect the establishment of a residence, provided domicile was not established in another state during that time.

- C. Students and applicants not having domicile in Tennessee shall be classified out-of-state.
- D. The domicile of an unemancipated person is that of his/her parent, except as provided in Section II.E. of this policy. Students who are unemancipated must submit parent, legal guardian, or foster parent documentation in lieu of their own. An emancipated person is one who has attained the age of eighteen (18) years, and whose parents have entirely legally surrendered the right to the care, custody, and earnings of such person and who no longer are under any legal obligation to support or maintain such deemed emancipated person.
- E. Unemancipated students of divorced parents shall be classified in-state when one (1) parent, regardless of custodial status, is domiciled in Tennessee.
- F. A student is classified in-state for tuition and fee purposes if the student is a citizen of the U.S. and has resided in Tennessee for at least one (1) year immediately prior to admission and meets one (1) of the following:
 1. Graduated from a Tennessee public secondary school;
 2. Graduated from a private secondary school that is located in Tennessee; or
 3. Earned a Tennessee high school equivalency diploma.
- G. The spouse of a student classified as in-state will also be classified as in-state.
- H. Regular full-time employees at institutions governed by the Tennessee Board of Regents (TBR) or a Locally Governed Institution (LGI), along with their spouses and children shall be classified as in-state students for purposes of fees and tuition when enrolled in courses at any TBR institution or LGI.
- I. Graduate assistants at MTSU shall be classified as in-state for purposes of fees and tuition.
- J. Continuous enrollment at MTSU is defined as enrollment in at least one (1) course in successive Fall or Spring terms during the student's enrollment.

III. Out-of-State Students who are Not Required to Pay Out-of-State Tuition

- A. An unemancipated, currently enrolled student will be reclassified as out-of-state should his/her parent move out of the state of Tennessee. However, the student will not be required to pay out-of-state tuition nor be treated as an out-of-state student for admission purposes so long as he/she is continuously enrolled at MTSU.

- B. The waiver of out-of-state tuition granted to a student will follow the student from a Tennessee public community college to MTSU if the student transfers from the community college without a break in enrollment after successfully completing an associate's degree or if participating in a reverse transfer program.
- C. Students who participate in a study abroad program, when the course(s) in the study abroad program is/are the only course(s) for which the student is registered during that entire term are not required to pay out-of-state tuition.
- D. Dependent children who qualify and are selected to receive a scholarship because their parent is a law enforcement officer, fireman, or emergency medical service technician who was killed or totally and permanently disabled while performing duties within the scope of their employment are not required to pay out-of-state tuition. T.C.A. § 49-4-704.

E. Dependent children whose parents are full-time, licensed Tennessee Public School Teachers and will be utilizing the Public Higher Education Fee Discount form.

~~E.F.~~ Military veterans who have a Tennessee address in Box 19A on their DD214 (mailing address after separation) will be charged in-state tuition and fees.

~~F.G.~~ _____ A veteran or dependents eligible to receive educational benefits (to include the David Fry Scholarship) administered by the United States Department of Veterans Affairs, through any provision of the United States Code, shall not be required to pay out-of-state tuition and fees when the veteran or eligible dependent is:

1. Enrolled at MTSU;
2. Utilizing such benefits at MTSU; and
3. Living in the state of Tennessee, regardless of the individual's formal state of residency.

If VA benefits run out/expire prior to graduation, a student can continue to qualify for in-state tuition and fees until completion of that degree, if he/she:

- a. Maintains continuous enrollment (Fall and Spring terms); and
- b. Demonstrates objective evidence of established residency in the state of Tennessee by presenting three (3) of the following:
 - (1) A Tennessee driver's license, issued for at least one (1) year;
 - (2) A Tennessee Identification Card, issued for at least one (1) year;

- (3) Proof of a Tennessee voter's registration;
- (4) A Tennessee motor vehicle registration;
- (5) Proof of established employment in Tennessee;
- (6) Residential lease or mortgage.

Further, if the veteran or eligible dependent wishes to become a permanent resident, he/she can follow Steps a. and b. above and be recoded as an in-state resident.

~~G.H.~~ Individuals who join the Tennessee National Guard (active member) will be charged in-state tuition and fees.

~~H.I.~~ Military service members on active-duty orders who are stationed outside of the state of Tennessee but still maintain a Tennessee domicile will be charged in-state tuition and fees.

~~H.J.~~ An unemancipated person or spouse of an active-duty military member who is stationed outside of Tennessee but whose home of record is Tennessee, will be charged in-state tuition and fees (must show proof of domicile, including, but not limited to, driver's license, voter's registration, LES, tax document).

K. ~~J.~~—An unemancipated person whose parent is not domiciled in Tennessee but is a member of the armed forces and stationed in Tennessee or at Fort Campbell, Kentucky pursuant to military orders will be classified out-of-state but shall not be required to pay out-of-state tuition. Such a person, while in continuous attendance toward the degree for which he/she is currently enrolled, will not be required to pay out-of-state tuition if his/her parent is transferred on military orders.

L. Active-duty military personnel who begin working on a college degree at MTSU while stationed in Tennessee or at Fort Campbell, Kentucky, and who are transferred or deployed prior to completing their degree, can continue to completion of the degree at MTSU without being required to pay out-of-state tuition, as long as he/she completes at least one (1) course for credit each twelve (12)-month period after the transfer or deployment. Exceptions may be made in cases where the service member is deployed to an area of armed conflict for periods exceeding twelve (12) months.

M. A spouse or dependent child of a service member who has been transferred out of the state of Tennessee on military orders will be classified as an in-state student for tuition purposes, if the spouse or dependent child: (1) Was accepted for admission to a public postsecondary institution; (2) Was initially classified by the institution that accepted the spouse or dependent child for admission as a Tennessee resident for tuition purposes;

(3) Enrolls as a student in that institution for the academic term for which the spouse or dependent child was accepted for admission; and (4) Maintains continuous enrollment in that institution.

- N. Military personnel and their spouses stationed in Tennessee or at Fort Campbell, Kentucky who would be classified out-of-state in accordance with other provisions of this policy will be classified out-of-state but will not be required to pay out-of-state tuition. This does not apply to military personnel and their spouses who are stationed in Tennessee primarily for educational purposes.
- O. Pursuant to T.C.A. § 49-7-164, MTSU shall charge a dependent child under twenty-three (23) years of age, whose military parent dies as a result of a targeted attack that occurred in Tennessee, in-state tuition and fees regardless of the dependent child's domicile or place of residence during the dependent child's enrollment at MTSU, provided the dependent child has met and continues to meet all stated statutory requirements.
- P. Part-time students who are not domiciled in Tennessee but who are employed full-time in Tennessee, or who are stationed at Fort Campbell, Kentucky pursuant to military orders, shall be classified out-of-state but shall not be required to pay out-of-state tuition. This shall apply to part-time students who are employed in Tennessee by more than one (1) employer, resulting in the equivalent of full-time employment. Full-time employment is defined as working either one (1) job at a minimum of thirty-two (32) hours per week or more than one (1) part-time job to total an average of thirty-two (32) hours per week.
- Q. ~~P.~~ Presumption. No person shall qualify for in-state fees if he/she came to Tennessee for the primary purpose of attending college. For example, if an individual moved to Tennessee and immediately enrolled at MTSU, another university, college, or community college as a full-time student, that person is presumed to have moved to Tennessee for the primary purpose of attending college and will not be eligible for in-state fees. The presumption is that a student cannot acquire domicile in Tennessee while enrolled as a full-time student.
- R. ~~Q.~~ Evidence to be Considered for Establishment of Domicile. If a person asserts that he/she has established domicile in Tennessee, he/she has the burden of proving that he/she has done so. MTSU will consider any and all evidence provided concerning such claim of domicile. Generally, persons attempting to prove domicile should be prepared to offer multiple items of evidence including, but not limited to, proof of residence and/or property ownership within Tennessee; military orders assigning the person to Tennessee; proof of full-time employment within Tennessee; proof of receiving a Tennessee state benefit including, but not limited to, TennCare, TN Disability benefits,

or SNAP; proof of current classification as in-state for tuition and fee purposes at another public Tennessee higher education institution; etc.

IV. Appeal Procedure

Individuals may appeal their initial classification of residency status for purposes of tuition and fee payment prior to the census date for the applicable term as specified on the registration calendar for each term according to the following procedure:

- A. Individuals who are initially classified as out-of-state for purposes of tuition and fee payment by personnel in the Admissions Office, the College of Graduate Studies, or the Office of International Admissions, and who wish to appeal this classification, must complete the Application for Tennessee Residency for Fee-Paying Purposes.
 1. Documentation submitted by the individual will be reviewed by the appropriate staff. The individual will be notified of any change in status or other action taken on his/her application. If the individual has an MTSU email account, he/she will be notified through this account. Otherwise, the individual will be notified using the information provided on the application. Notice to the individual of MTSU's decision is anticipated to be within five (5) business days, except during periods when a large volume of appeals has been filed, which may require extension of this notification period.
 2. In the event that the individual's application for in-state residency is denied, the individual will be advised to contact the Assistant Vice President for Student Affairs or designee to initiate an appeal of the classification.
- B. The Assistant Vice President for Student Affairs or designee will, upon request of the individual and receipt of any additional information required for full consideration, convene the Student Appeals Committee. A representative of the office of original classification in each individual case shall serve as a consultant to the Student Appeals Committee and, upon request, shall provide the basis for the original decision and any other relevant information.
- C. The Student Appeals Committee shall hear such evidence members regard as relevant to a proper review of the individual's residency status and will make a recommendation to the Vice ~~President~~Provost for ~~Student Affairs~~Enrollment Services either denying the appeal or recommending that the individual be reclassified as in-state for purposes of tuition and fee payment.
- D. The Vice ~~President~~Provost for ~~Student Affairs~~Enrollment Services will approve, reject, or modify the recommendation of the Student Appeals Committee. Notification to the individual of MTSU's decision is anticipated to be within five (5) business days, except

during periods when a large volume of appeals has been filed, which may require extension of this notification period.

- E. The decision of the Vice ~~President~~Provost for ~~Student Affairs~~Enrollment Services will be final in matters of appeal with regard to residency status for purposes of tuition and fee payment.

V. Effective Date for Reclassification

- A. If a student classified out-of-state applies for in-state classification and is subsequently so classified, his/her in-state classification shall be effective as of the date on which reclassification was sought.
- B. However, out-of-state tuition will be charged for any semester during which reclassification is sought and obtained unless application for reclassification is made to the classification officer on or before the census day of that semester.

VI. Regional Scholars

- A. The MTSU Regional Scholars Program allows select non-Tennessee resident students who live within a specified radius of the MTSU campus, as determined by the Board of Trustees and published on the [Regional Scholars website](#) and who meet specific academic requirements, to attend MTSU at a reduced rate.
- B. Though still classified as out-of-state, students who qualify will receive:
 1. A reduced tuition as determined by MTSU in accordance with approved guidelines.
 2. Consideration for institutional scholarships if admitted by the established scholarship deadlines.

Forms: none.

Revisions: June 5, 2017 (original); December 5, 2017; August 15, 2019; Sept. 18, 2019; _____, 2023.

Last Reviewed: August ~~2022~~2023.

References: Tennessee Higher Education Commission Chapter 1540-1-1 Regulations for Classifying Persons as Tennessee Residents for the Purpose of Participating in Tennessee Higher Education Commission Programs Authority; Eligibility Verification for Entitlement Act; Deferred Action (DACA/Dream Act); T.C.A. §§ 49-4-704, 49-7-164.



319 Residency Classification

Approved by Board of Trustees

Effective Date: _____, 2023

Responsible Division: Academic Affairs

Responsible Office: Enrollment Services

Responsible Officer: Vice Provost for Enrollment Services

I. Purpose

It is the intent of Middle Tennessee State University (MTSU or University) that uniform criteria shall apply in determining whether students shall be classified in-state or out-of-state for tuition and fee purposes and for admission purposes. This policy provides the criteria that will be utilized in making classification determinations.

II. Determination of Status

- A. Students and applicants with a domicile in Tennessee are to be classified in-state for tuition and fee purposes and for admission purposes. Domicile is a person's true, fixed, and permanent home and place of habitation; it is the place where he/she intends to remain, and to which he/she expects to return when he/she leaves MTSU without intending to establish a new domicile elsewhere.
 1. Persons eligible to establish domicile include U.S. citizens; valid/unexpired permanent residents; asylees/refugees; and those with certain visa types, including A1 – A3; E1, E2; G1 – G5; H1B, H4; I; K1 – K4; L1, L1a, L1b, L2; NATO 1 – NATO 7; O1, O3 (dependents of O1 only); P1 – P4; R1, R2; T1 – T4; and V.
 2. Persons not eligible to establish domicile include persons who have not met requirements of the Eligibility Verification for Entitlement Act (EVEA); undocumented persons, regardless of length of residence in Tennessee; persons on Deferred Action (DACA/Dream Act), and those with certain visa types, including B1, B2; C1 – C3; D1; F1, F2; H1C, H2A, H2B, H3; J1, J2; M1, M2; N; O2, O3 (dependents of O2); Q1 – Q3; S5 – S7; TC, TN, TD; and U1 – U5.
- B. Absence from Tennessee for short periods of time will not affect the establishment of a residence, provided domicile was not established in another state during that time.

- C. Students and applicants not having domicile in Tennessee shall be classified out-of-state.
- D. The domicile of an unemancipated person is that of his/her parent, except as provided in Section II.E. of this policy. Students who are unemancipated must submit parent, legal guardian, or foster parent documentation in lieu of their own. An emancipated person is one who has attained the age of eighteen (18) years, and whose parents have entirely legally surrendered the right to the care, custody, and earnings of such person and who no longer are under any legal obligation to support or maintain such deemed emancipated person.
- E. Unemancipated students of divorced parents shall be classified in-state when one (1) parent, regardless of custodial status, is domiciled in Tennessee.
- F. A student is classified in-state for tuition and fee purposes if the student is a citizen of the U.S. and has resided in Tennessee for at least one (1) year immediately prior to admission and meets one (1) of the following:
 - 1. Graduated from a Tennessee public secondary school;
 - 2. Graduated from a private secondary school that is located in Tennessee; or
 - 3. Earned a Tennessee high school equivalency diploma.
- G. The spouse of a student classified as in-state will also be classified as in-state.
- H. Regular full-time employees at institutions governed by the Tennessee Board of Regents (TBR) or a Locally Governed Institution (LGI), along with their spouses and children shall be classified as in-state students for purposes of fees and tuition when enrolled in courses at any TBR institution or LGI.
- I. Graduate assistants at MTSU shall be classified as in-state for purposes of fees and tuition.
- J. Continuous enrollment at MTSU is defined as enrollment in at least one (1) course in successive Fall or Spring terms during the student's enrollment.

III. Out-of-State Students who are Not Required to Pay Out-of-State Tuition

- A. An unemancipated, currently enrolled student will be reclassified as out-of-state should his/her parent move out of the state of Tennessee. However, the student will not be required to pay out-of-state tuition nor be treated as an out-of-state student for admission purposes so long as he/she is continuously enrolled at MTSU.

- B. The waiver of out-of-state tuition granted to a student will follow the student from a Tennessee public community college to MTSU if the student transfers from the community college without a break in enrollment after successfully completing an associate's degree or if participating in a reverse transfer program.
- C. Students who participate in a study abroad program, when the course(s) in the study abroad program is/are the only course(s) for which the student is registered during that entire term are not required to pay out-of-state tuition.
- D. Dependent children who qualify and are selected to receive a scholarship because their parent is a law enforcement officer, fireman, or emergency medical service technician who was killed or totally and permanently disabled while performing duties within the scope of their employment are not required to pay out-of-state tuition. T.C.A. § 49-4-704.
- E. Dependent children whose parents are full-time, licensed Tennessee Public School Teachers and will be utilizing the Public Higher Education Fee Discount form.
- F. Military veterans who have a Tennessee address in Box 19A on their DD214 (mailing address after separation) will be charged in-state tuition and fees.
- G. A veteran or dependents eligible to receive educational benefits (to include the David Fry Scholarship) administered by the United States Department of Veterans Affairs, through any provision of the United States Code, shall not be required to pay out-of-state tuition and fees when the veteran or eligible dependent is:
 - 1. Enrolled at MTSU;
 - 2. Utilizing such benefits at MTSU; and
 - 3. Living in the state of Tennessee, regardless of the individual's formal state of residency.

If VA benefits run out/expire prior to graduation, a student can continue to qualify for in-state tuition and fees until completion of that degree, if he/she:

- a. Maintains continuous enrollment (Fall and Spring terms); and
- b. Demonstrates objective evidence of established residency in the state of Tennessee by presenting three (3) of the following:
 - (1) A Tennessee driver's license, issued for at least one (1) year;
 - (2) A Tennessee Identification Card, issued for at least one (1) year;

- (3) Proof of a Tennessee voter's registration;
- (4) A Tennessee motor vehicle registration;
- (5) Proof of established employment in Tennessee;
- (6) Residential lease or mortgage.

Further, if the veteran or eligible dependent wishes to become a permanent resident, he/she can follow Steps a. and b. above and be recoded as an in-state resident.

- H. Individuals who join the Tennessee National Guard (active member) will be charged in-state tuition and fees.
- I. Military service members on active-duty orders who are stationed outside of the state of Tennessee but still maintain a Tennessee domicile will be charged in-state tuition and fees.
- J. An unemancipated person or spouse of an active-duty military member who is stationed outside of Tennessee but whose home of record is Tennessee, will be charged in-state tuition and fees (must show proof of domicile, including, but not limited to, driver's license, voter's registration, LES, tax document).
- K. An unemancipated person whose parent is not domiciled in Tennessee but is a member of the armed forces and stationed in Tennessee or at Fort Campbell, Kentucky pursuant to military orders will be classified out-of-state but shall not be required to pay out-of-state tuition. Such a person, while in continuous attendance toward the degree for which he/she is currently enrolled, will not be required to pay out-of-state tuition if his/her parent is transferred on military orders.
- L. Active-duty military personnel who begin working on a college degree at MTSU while stationed in Tennessee or at Fort Campbell, Kentucky, and who are transferred or deployed prior to completing their degree, can continue to completion of the degree at MTSU without being required to pay out-of-state tuition, as long as he/she completes at least one (1) course for credit each twelve (12)-month period after the transfer or deployment. Exceptions may be made in cases where the service member is deployed to an area of armed conflict for periods exceeding twelve (12) months.
- M. A spouse or dependent child of a service member who has been transferred out of the state of Tennessee on military orders will be classified as an in-state student for tuition purposes, if the spouse or dependent child: (1) Was accepted for admission to a public postsecondary institution; (2) Was initially classified by the institution that accepted the spouse or dependent child for admission as a Tennessee resident for tuition purposes;

(3) Enrolls as a student in that institution for the academic term for which the spouse or dependent child was accepted for admission; and (4) Maintains continuous enrollment in that institution.

- N. Military personnel and their spouses stationed in Tennessee or at Fort Campbell, Kentucky who would be classified out-of-state in accordance with other provisions of this policy will be classified out-of-state but will not be required to pay out-of-state tuition. This does not apply to military personnel and their spouses who are stationed in Tennessee primarily for educational purposes.
- O. Pursuant to T.C.A. § 49-7-164, MTSU shall charge a dependent child under twenty-three (23) years of age, whose military parent dies as a result of a targeted attack that occurred in Tennessee, in-state tuition and fees regardless of the dependent child's domicile or place of residence during the dependent child's enrollment at MTSU, provided the dependent child has met and continues to meet all stated statutory requirements.
- P. Part-time students who are not domiciled in Tennessee but who are employed full-time in Tennessee, or who are stationed at Fort Campbell, Kentucky pursuant to military orders, shall be classified out-of-state but shall not be required to pay out-of-state tuition. This shall apply to part-time students who are employed in Tennessee by more than one (1) employer, resulting in the equivalent of full-time employment. Full-time employment is defined as working either one (1) job at a minimum of thirty-two (32) hours per week or more than one (1) part-time job to total an average of thirty-two (32) hours per week.
- Q. Presumption. No person shall qualify for in-state fees if he/she came to Tennessee for the primary purpose of attending college. For example, if an individual moved to Tennessee and immediately enrolled at MTSU, another university, college, or community college as a full-time student, that person is presumed to have moved to Tennessee for the primary purpose of attending college and will not be eligible for in-state fees. The presumption is that a student cannot acquire domicile in Tennessee while enrolled as a full-time student.
- R. Evidence to be Considered for Establishment of Domicile. If a person asserts that he/she has established domicile in Tennessee, he/she has the burden of proving that he/she has done so. MTSU will consider any and all evidence provided concerning such claim of domicile. Generally, persons attempting to prove domicile should be prepared to offer multiple items of evidence including, but not limited to, proof of residence and/or property ownership within Tennessee; military orders assigning the person to Tennessee; proof of full-time employment within Tennessee; proof of receiving a Tennessee state benefit including, but not limited to, TennCare, TN Disability benefits,

or SNAP; proof of current classification as in-state for tuition and fee purposes at another public Tennessee higher education institution; etc.

IV. Appeal Procedure

Individuals may appeal their initial classification of residency status for purposes of tuition and fee payment prior to the census date for the applicable term as specified on the registration calendar for each term according to the following procedure:

- A. Individuals who are initially classified as out-of-state for purposes of tuition and fee payment by personnel in the Admissions Office, the College of Graduate Studies, or the Office of International Admissions, and who wish to appeal this classification, must complete the Application for Tennessee Residency for Fee-Paying Purposes.
 1. Documentation submitted by the individual will be reviewed by the appropriate staff. The individual will be notified of any change in status or other action taken on his/her application. If the individual has an MTSU email account, he/she will be notified through this account. Otherwise, the individual will be notified using the information provided on the application. Notice to the individual of MTSU's decision is anticipated to be within five (5) business days, except during periods when a large volume of appeals has been filed, which may require extension of this notification period.
 2. In the event that the individual's application for in-state residency is denied, the individual will be advised to contact the Assistant Vice President for Student Affairs or designee to initiate an appeal of the classification.
- B. The Assistant Vice President for Student Affairs or designee will, upon request of the individual and receipt of any additional information required for full consideration, convene the Student Appeals Committee. A representative of the office of original classification in each individual case shall serve as a consultant to the Student Appeals Committee and, upon request, shall provide the basis for the original decision and any other relevant information.
- C. The Student Appeals Committee shall hear such evidence members regard as relevant to a proper review of the individual's residency status and will make a recommendation to the Vice Provost for Enrollment Services either denying the appeal or recommending that the individual be reclassified as in-state for purposes of tuition and fee payment.
- D. The Vice Provost for Enrollment Services will approve, reject, or modify the recommendation of the Student Appeals Committee. Notification to the individual of MTSU's decision is anticipated to be within five (5) business days, except during periods when a large volume of appeals has been filed, which may require extension of this notification period.

- E. The decision of the Vice Provost for Enrollment Services will be final in matters of appeal with regard to residency status for purposes of tuition and fee payment.

V. Effective Date for Reclassification

- A. If a student classified out-of-state applies for in-state classification and is subsequently so classified, his/her in-state classification shall be effective as of the date on which reclassification was sought.
- B. However, out-of-state tuition will be charged for any semester during which reclassification is sought and obtained unless application for reclassification is made to the classification officer on or before the census day of that semester.

VI. Regional Scholars

- A. The MTSU Regional Scholars Program allows select non-Tennessee resident students who live within a specified radius of the MTSU campus, as determined by the Board of Trustees and published on the [Regional Scholars website](#) and who meet specific academic requirements, to attend MTSU at a reduced rate.
- B. Though still classified as out-of-state, students who qualify will receive:
 - 1. A reduced tuition as determined by MTSU in accordance with approved guidelines.
 - 2. Consideration for institutional scholarships if admitted by the established scholarship deadlines.

Forms: none.

Revisions: June 5, 2017 (original); December 5, 2017; August 15, 2019; Sept. 18, 2019; _____, 2023.

Last Reviewed: August 2023.

References: Tennessee Higher Education Commission Chapter 1540-1-1 Regulations for Classifying Persons as Tennessee Residents for the Purpose of Participating in Tennessee Higher Education Commission Programs Authority; Eligibility Verification for Entitlement Act; Deferred Action (DACA/Dream Act); T.C.A. §§ 49-4-704, 49-7-164.

Department of State
Division of Publications
 312 Rosa L. Parks Ave., 8th Floor, Snodgrass/TN Tower
 Nashville, TN 37243
 Phone: 615-741-2650
 Email: publications.information@tn.gov

For Department of State Use Only

Sequence Number: 10-13-23
 Notice ID(s): 3735
 File Date: 10/12/2023

Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

Agency/Board/Commission:	Middle Tennessee State University
Division:	
Contact Person:	James Floyd, University Counsel
Address:	1301 E. Main Street, CAB 209, Murfreesboro, TN 37132
Phone:	615-898-2025
Email:	James.floyd@mtsu.edu

Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

ADA Contact:	Lance Alexis, Director of ADA Compliance
Address:	1301 E. Main Street, CAB 116, Murfreesboro, TN 37132
Phone:	615-898-2185
Email:	Lance.alexis@mtsu.edu

Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	Miller Education Center, MEC Meeting Room
Address 2:	503 E. Bell Street
City:	Murfreesboro
Zip:	37130
Hearing Date:	12/6/2023
Hearing Time:	1:00 p.m. CST

Additional Hearing Information:

--

Revision Type (check all that apply):

- Amendment
- New
- Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
0240-07-02	Residency Classification
Rule Number	Rule Title
0240-07-02-.02	Out-of-State Students who are not Required to Pay Out-of-State Tuition

Rules of
Middle Tennessee State University

Chapter 0240-07-02
Residency Classification

Amendment

0240-07-02-.02 Out-of-State Students who are not Required to Pay Out-of-State Tuition is amended by adding Paragraph (4) so that, as amended, the amended rule in its entirety shall read:

0240-07-02-.02 Out-of-State Students who are not Required to Pay Out-of-State Tuition

- (1) An unemancipated, currently enrolled student will be reclassified as out-of-state should his/her parent move out of the state of Tennessee. However, the student will not be required to pay out-of-state tuition nor be treated as an out-of-state student for admission purposes so long as he/she is continuously enrolled at MTSU.
- (2) The waiver of out-of-state tuition granted to a student will follow the student from a Tennessee public community college to MTSU if the student transfers from the community college without a break in enrollment after successfully completing an associate's degree or if participating in a reverse transfer program.
- (3) Students who participate in a study abroad program, when the course(s) in the study abroad program is/are the only course(s) for which the student is registered during that entire term are not required to pay out-of-state tuition.
- (4) Dependent children whose parents are full-time, licensed Tennessee Public School Teachers and will be utilizing the Public Higher Education Fee Discount form.
- (5) Military veterans who have a Tennessee address in Box 19A on their DD214 (mailing address after separation) will be charged in-state tuition and fees.
- (6) A veteran or dependents eligible to receive educational benefits (to include the David Fry Scholarship) administered by the United States Department of Veterans Affairs, through any provision of the United States Code, shall not be required to pay out-of-state tuition and fees when the veteran or eligible dependent is:
 - (a) Enrolled at MTSU;
 - (b) Utilizing such benefits at MTSU; and
 - (c) Living in the state of Tennessee, regardless of the individual's formal state of residency.

If VA benefits run out/expire prior to graduation, a student can continue to qualify for in-state tuition and fees until completion of that degree, if he/she:

1. Maintains continuous enrollment (Fall and Spring terms); and
2. Demonstrates objective evidence of established residency in the state of Tennessee by presenting three (3) of the following:
 - (i) A Tennessee driver's license, issued for at least one (1) year;
 - (ii) A Tennessee Identification Card, issued for at least one (1) year;
 - (iii) Proof of a Tennessee voter's registration;
 - (iv) A Tennessee motor vehicle registration;

(v) Proof of established employment in Tennessee;

(vi) Residential lease or mortgage.

Further, if the veteran or eligible dependent wishes to become a permanent resident, he/she can follow Steps 1 and 2 above and be recoded as an in-state resident.

- (7) Individuals who join the Tennessee National Guard (active member) will be charged in-state tuition and fees.
- (8) Military service members on active-duty orders who are stationed outside of the state of Tennessee but still maintain a Tennessee domicile will be charged in-state tuition and fees.
- (9) An unemancipated person or spouse of an active-duty military member who is stationed outside of Tennessee but whose home of record is Tennessee, will be charged in-state tuition and fees (must show proof of domicile, including, but not limited to, driver's license, voter's registration, LES, tax document).
- (10) An unemancipated person whose parent is not domiciled in Tennessee but is a member of the armed forces and stationed in Tennessee or at Fort Campbell, Kentucky pursuant to military orders will be classified out-of-state but shall not be required to pay out-of-state tuition. Such a person, while in continuous attendance toward the degree for which he/she is currently enrolled, will not be required to pay out-of-state tuition if his/her parent is transferred on military orders.
- (11) Active-duty military personnel who begin working on a college degree at MTSU while stationed in Tennessee or at Fort Campbell, Kentucky, and who are transferred or deployed prior to completing their degree, can continue to completion of the degree at MTSU without being required to pay out-of-state tuition, as long as he/she completes at least one (1) course for credit each twelve (12) month period after the transfer or deployment. Exceptions may be made in cases where the service member is deployed to an area of armed conflict for periods exceeding twelve (12) months.
- (12) Military personnel and their spouses stationed in Tennessee or at Fort Campbell, Kentucky who would be classified out-of-state in accordance with other provisions of these rules will be classified out-of-state but will not be required to pay out-of-state tuition. This does not apply to military personnel and their spouses who are stationed in Tennessee primarily for educational purposes.
- (13) MTSU shall charge a dependent child under twenty-three (23) years of age, whose military parent dies as a result of a targeted attack that occurred in Tennessee, in-state tuition and fees regardless of the dependent child's domicile or place of residence during the dependent child's enrollment at MTSU, provided the dependent child has met and continues to meet all stated statutory requirements.
- (14) Part-time students who are not domiciled in Tennessee but who are employed full-time in Tennessee, or who are stationed at Fort Campbell, Kentucky pursuant to military orders, shall be classified out-of-state but shall not be required to pay out-of-state tuition. This shall also apply to part-time students who are employed in Tennessee by more than one (1) employer, resulting in the equivalent of full-time employment. Full-time employment is defined as working either one (1) job at a minimum of thirty-two (32) hours per week or more than one (1) part-time job to total an average of thirty-two (32) hours per week.
- (15) Presumption. No person shall qualify for in-state fees if he/she came to Tennessee for the primary purpose of attending college. For example, if an individual moved to Tennessee and immediately enrolled at MTSU, another university, college, or community college as a full-time student, that person is presumed to have moved to Tennessee for the primary purpose of attending college and will not be eligible for in-state fees. The presumption is that a student cannot acquire domicile in Tennessee while enrolled as a full-time student.
- (16) Evidence to be Considered for Establishment of Domicile. If a person asserts that he/she has established domicile in Tennessee, he/she has the burden of proving that he/she has done so. MTSU will consider any and all evidence provided concerning such claim of domicile. Generally, persons attempting to prove domicile should be prepared to offer multiple items of evidence including, but not limited to, proof of residence and/or property ownership within Tennessee; military orders assigning the person to Tennessee; proof of full-time employment within Tennessee; proof of receiving a Tennessee state benefit

including, but not limited to, TennCare, TN Disability benefits, or SNAP; proof of current classification as in-state for tuition and fee purposes at another public Tennessee higher education institution; etc.

Authority: T.C.A. § 49-8-104; T.C.A. § 49-4-704; T.C.A. § 49-7-164.

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: October 12, 2023


Signature: 

Name of Officer: James Floyd

Title of Officer: University Counsel

Department of State Use Only

Filed with the Department of State on: 10/12/2023


Tre Hargett
Secretary of State

RECEIVED

Oct 12 2023, 3:24 pm

Secretary of State
Division of Publications



**Middle Tennessee State University
Board of Trustees**

Action Item

MEETING: Winter Quarterly Board Meeting
DATE: December 6, 2023
SUBJECT: **Approval of Expedited Tenure**

BACKGROUND INFORMATION:

The University may find it necessary to expedite tenure review in order to recruit high-quality faculty for administrative positions. Departmental input regarding tenure for an administrator is necessary since tenure is awarded in a specific department.

The following faculty member has been reviewed for tenure by his department and college committees, chair, and college dean according to MTSU Policy 204 Tenure and the respective college and department policies. The President and Provost recommend that tenure be granted effective December 6, 2023.

Name	Department	Rank
Barbosa, Sal	Computer Science	Associate Professor



**Middle Tennessee State University
Board of Trustees**

MEETING: Winter Quarterly Board Meeting

SUBJECT: **Finance and Personnel Committee**

DATE: December 6, 2023

PRESENTER: Pete DeLay
Committee Chair

- Compensation
- 2023-24 October Revised Budget



**Middle Tennessee State University
Board of Trustees**

Action Item

MEETING: Winter Quarterly Board Meeting

DATE: December 6, 2023

SUBJECT: **Compensation**

BACKGROUND INFORMATION:

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

On June 20, 2023, the MTSU Board of Trustees approved the allocation of the state appropriation salary pool of \$6.1 million to employees. The approval involved the implementation of an across-the-board raise of 3.2% or \$1,250, whichever is greater, for employees on the payroll as of June 30, 2023. These increases were implemented on the July 31, 2023, payroll for classified and administrative staff and on August 31, 2023, for faculty.

Since the State only partially funds the salary pool, the University is committed to providing additional funding of \$3 million dollars and is recommending the implementation of market salary increases for faculty and staff. Of these funds, \$2,449,000 will be allocated to salary increases and the remaining to employee benefit costs associated with these increases.

The market adjustments will be based on 2020-21 CUPA data and will be effective January 1, 2024, for employees on the payroll as of December 31, 2023. With the allocated resources, employees whose current salary is below the market predicted salary will receive 46.7% of the recommended adjustment in accordance with the University's approved compensation plan.

Additional information has been included in your materials that show how these market salary adjustments affect the remaining gap between actual salaries and market salaries of the whole University.

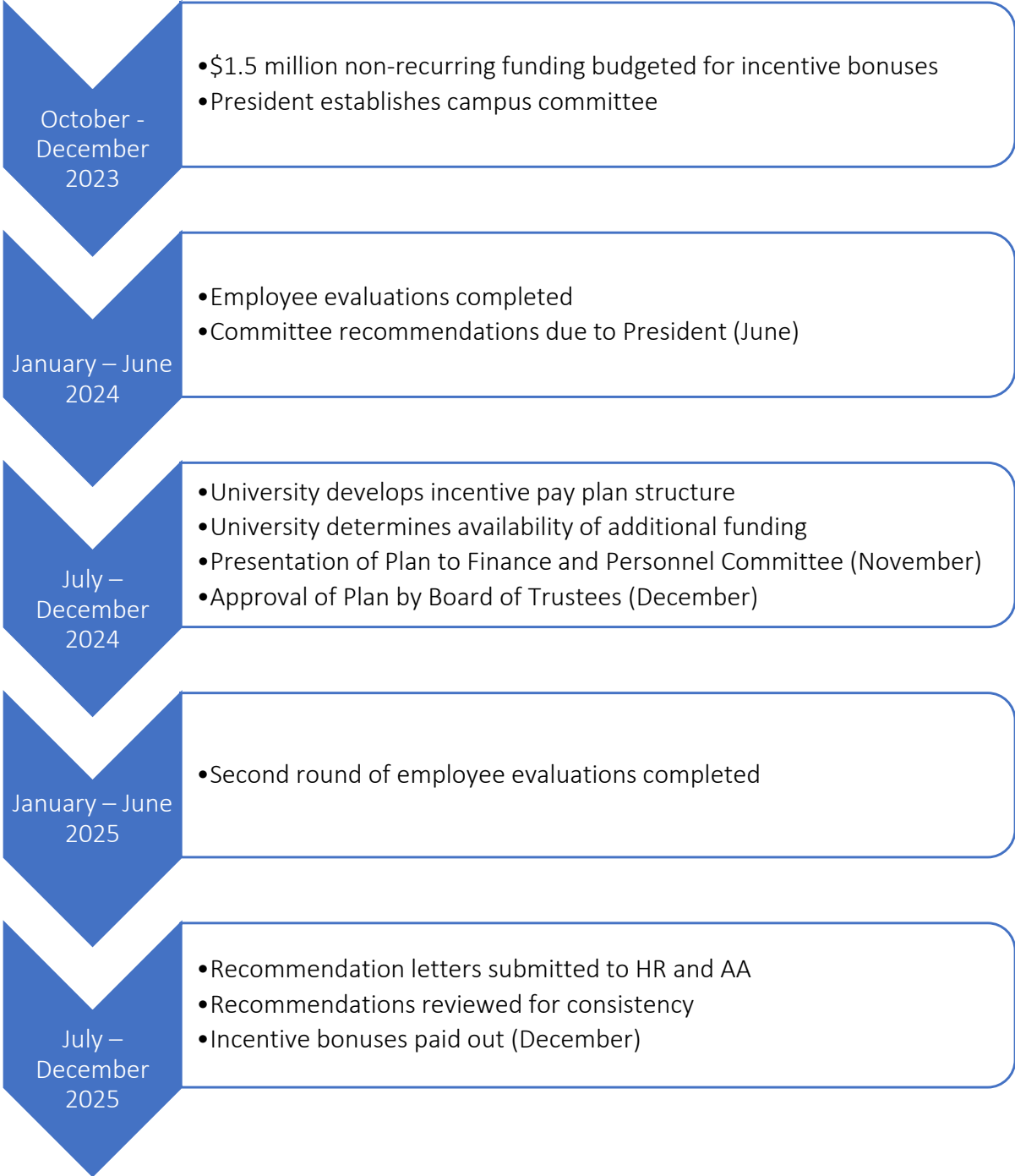
One-time funding will be available from these resources due to the mid-year implementation of the salary increases. The University is developing an incentive plan for employees using these additional resources. A tentative timeline is provided in these materials and will be discussed at the meeting.

Implementation of Market

	Full Market using 2020-21 CUPA Data	Market Increases January 1, 2024	Net Remaining Need for Market
Faculty	3,095,906	1,445,574	1,650,332
Administrative	1,624,747	758,642	866,105
Classified	524,194	244,763	279,431
Total Salary	5,244,847	2,448,979	2,795,868
Benefits at 22.5%	1,180,091	551,021	629,070
Total Including Benefits	6,424,938	3,000,000	3,424,938

MTSU Incentive Pay Proposed Timeline

October 2023 – December 2025





**Middle Tennessee State University
Board of Trustees**

Action Item

MEETING: Winter Quarterly Board Meeting
DATE: December 6, 2023
SUBJECT: **2023-24 October Revised Budget**

BACKGROUND INFORMATION:

The Board of Trustees is charged with approving the operating budgets and setting the fiscal policies for Middle Tennessee State University. As required by THEC, one of the three budgets submitted by the University annually is an October (Revised) budget.

The attached budget submitted for your review and approval contains the following changes since the July (Original) Budget:

- Increased state appropriations to reflect funding of \$2.0 million for our Medical Education Program jointly administered by MTSU and Meharry Medical College and \$2.6 million in funding for increased employee benefits and risk management premiums.
- Adjustments to tuition and fee revenue based on fall enrollment and funding related to the Higher Education Emergency Relief Fund (HEERF).

- Adjustments to expenditure budgets for (1) fall enrollment, (2) funding related to HEEERF, (3) re-budgeting of various student fee revenue balances from the prior year, (3) purchases in process at year-end but not be completed until the current fiscal year (encumbrances), (4) scholarships, and (5) marketing and branding commitments.
- Adjustments to auxiliary and restricted budgets based on fall enrollment information.

**MIDDLE TENNESSEE STATE UNIVERSITY
ANALYSIS OF BUDGET CHANGES FOR REVENUE CATEGORIES
OCTOBER BUDGET 2023-24**

	<u>2022-23</u> <u>Estimated Budget</u>	<u>2022-23</u> <u>July Budget</u>	<u>2023-24</u> <u>October Budget</u>	<u>Difference</u>
Tuition and Fees	\$ 202,154,900	\$ 207,928,700	\$ 203,607,900	\$ (4,320,800)
State Appropriations	134,721,900	135,845,500	140,511,400	4,665,900
Federal Grants and Contracts	1,150,000	1,150,000	1,150,000	-
Local Grants and Contracts	60,000	60,000	60,000	-
State Grants & Contracts	45,000	45,000	45,000	-
Private Grants & Contracts	282,500	282,500	282,500	-
Sales & Services of Educ Activities	669,900	646,700	646,700	-
Sales & Services of Other Activities	18,525,200	17,635,200	17,635,200	-
Other Sources	<u>1,656,900</u>	<u>1,667,900</u>	<u>2,667,900</u>	<u>1,000,000</u>
	<u>\$ 359,266,300</u>	<u>\$ 365,261,500</u>	<u>\$ 366,606,600</u>	<u>\$ 1,345,100</u>

MIDDLE TENNESSEE STATE UNIVERSITY
UNRESTRICTED EDUCATION AND GENERAL EXPENDITURES BY FUNCTIONAL CATEGORY
OCTOBER BUDGET 2023-24

	Estimated Budget 2022-23	July Budget 2023-24	October Budget 2023-24	Difference
Instruction	\$ 191,368,700	\$ 175,593,100	\$ 194,109,700	\$ 18,516,600
Research	12,075,300	6,840,400	12,384,800	5,544,400
Public Service	9,370,000	4,981,500	9,373,400	4,391,900
Academic Support	37,139,600	36,645,100	37,776,000	1,130,900
Student Services	42,855,100	40,264,200	43,921,700	3,657,500
Institutional Support	29,939,900	28,219,200	30,513,300	2,294,100
Operation and Maintenance	31,237,200	31,593,300	33,660,000	2,066,700
Scholarships and Fellowships	36,379,200	30,874,100	38,387,200	7,513,100
Transfers	13,286,600	10,250,600	10,800,600	550,000
Total	<u>\$ 403,651,600</u>	<u>\$ 365,261,500</u>	<u>\$ 410,926,700</u>	<u>\$ 45,665,200</u>

**MIDDLE TENNESSEE STATE UNIVERSITY
UNRESTRICTED EDUCATION AND GENERAL EXPENDITURES BY NATURAL CATEGORY
OCTOBER BUDGET 2023-24**

	Estimated Budget 2022-23	July Budget 2023-24	July Budget 2023-24	Difference
Professional Salaries	\$ 157,217,700	\$ 164,599,000	\$ 164,461,300	\$ (137,700)
Other Salaries	24,484,300	25,206,200	25,593,700	387,500
Employee Benefits	70,550,300	70,390,600	71,424,600	1,034,000
Travel	5,809,600	5,199,300	5,392,100	192,800
Operating Expense	127,829,400	85,962,100	129,248,200	43,286,100
Capital Outlay	4,473,700	3,653,700	4,006,200	352,500
Transfers	13,286,600	10,250,600	10,800,600	550,000
Total	\$ 403,651,600	\$ 365,261,500	\$ 410,926,700	\$ 45,665,200

**MIDDLE TENNESSEE STATE UNIVERSITY
ANALYSIS OF BUDGET CHANGES FOR AUXILIARIES
OCTOBER BUDGET 2023-24**

<u>Auxiliary</u>	<u>2022-23 Estimated Budget</u>	<u>2023-24 July Budget</u>	<u>2023-24 October Budget</u>	<u>Difference</u>
Bookstore	\$ 313,125	\$ 348,928	\$ 348,145	\$ (783)
Food Service	2,940,468	3,059,950	3,059,167	(783)
Housing	16,687,000	16,710,000	16,615,000	(95,000)
Vending	145,500	145,500	143,000	(2,500)
Recreational Center	2,758,380	2,858,030	2,894,730	36,700
Post Office	512,300	512,300	542,300	30,000
Parking Services	4,990,960	4,994,628	4,993,845	(783)
Residential & Commercial Rentals	290,000	290,000	230,000	(60,000)
Health Services	4,007,500	4,207,500	4,189,300	(18,200)
TN Miller Coliseum	681,598	683,592	678,765	(4,827)
Student LD Service	<u>20</u>	<u>20</u>	<u>20</u>	<u>-</u>
TOTAL	<u><u>\$ 33,326,851</u></u>	<u><u>\$ 33,810,448</u></u>	<u><u>\$ 33,694,272</u></u>	<u><u>\$ (116,176)</u></u>

**MIDDLE TENNESSEE STATE UNIVERSITY
SUMMARY OF RESTRICTED CURRENT FUNDS AVAILABLE AND APPLIED
OCTOBER BUDGET 2023-24**

Revenues	2022-23 Estimated Budget	2023-24 July Budget	2023-24 October Budget	Difference
Tuition and Fees	\$ (2,750,000)	\$ 1,450,000	\$ 1,400,000	\$ (50,000)
Federal Grants and Contracts	48,500,000	37,500,000	38,500,000	1,000,000
State Appropriations: Centers of Excellence	420,700	439,400	439,400	-
State Appropriations: Special Allocations	489,500	489,500	489,500	-
State Grants & Contracts	47,500,000	46,000,000	47,000,000	1,000,000
Local Grants & Contracts	40,000	40,000	40,000	-
Private Grants & Contracts	525,000	525,000	525,000	-
Private Gifts	2,500,000	2,500,000	2,850,000	350,000
Endowment Income	650,000	600,000	600,000	-
Other Income	1,500,000	1,500,000	1,500,000	-
Total Revenues	<u>\$ 99,375,200</u>	<u>\$ 91,043,900</u>	<u>\$ 93,343,900</u>	<u>\$ 2,300,000</u>
Expenses				
Instruction	\$ 5,600,000	\$ 2,500,000	\$ 3,400,000	\$ 900,000
Research	4,700,000	4,500,000	5,750,000	1,250,000
Public Service	5,650,000	4,800,000	5,000,000	200,000
Academic Support	800,000	300,000	300,000	-
Student Services	3,750,000	3,000,000	3,000,000	-
Institutional Support	100,000	100,000	100,000	-
Operation and Maintenance	80,000	2,500	2,500	-
Scholarships and Fellowships	77,000,000	75,750,000	75,750,000	-
Auxiliary Enterprises	1,650,000	-	-	-
Total Expenses	<u>\$ 99,330,000</u>	<u>\$ 90,952,500</u>	<u>\$ 93,302,500</u>	<u>\$ 2,350,000</u>

**MIDDLE TENNESSEE STATE UNIVERSITY
BUDGET SUMMARY
OCTOBER BUDGET 2023-24**

	<u>2022-23</u>	<u>2023-24</u>	<u>2023-24</u>
	<u>Estimated Budget</u>	<u>July Budget</u>	<u>October Budget</u>
Beginning Fund Balance	\$ 58,859,400	\$ 14,519,300	\$ 56,841,600
Revenue	491,968,400	490,115,800	493,644,800
Expenses	<u>536,308,500</u>	<u>490,024,400</u>	<u>537,923,500</u>
Ending Fund Balance	<u>\$ 14,519,300</u>	<u>\$ 14,610,700</u>	<u>\$ 12,562,900</u>

MIDDLE TENNESSEE STATE UNIVERSITY
TSSBA DEBT SERVICE COVERAGE - DISCLOSED PROJECTS ADJUSTMENT
October Budget 2023-24

<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>
Addition/Rennovations to Murphy Center	59,000,000	59,000,000		
Athletic Video Board Upgrades	3,900,000	3,900,000		
Multi-Sport Indoor Practice Facility	28,400,000	28,400,000		



**Middle Tennessee State University
Board of Trustees**

Action Item

MEETING: Winter Quarterly Board Meeting

DATE: December 6, 2023

SUBJECT: **Research Foundation Agreement**

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 an agreement with the institution's foundation(s) to encourage and support private investment in our institutions. The MTSU Research Foundation was formed to promote the objectives of the University in promoting and managing research, innovation, and technology transfer and commercialization efforts, including providing assistance to faculty and staff in the procurement of patents and registering of copyrights and the licensing thereof. The Research Foundation's relationship to the University is based upon a shared interest in developing the University's research capacity and productivity and the success of the University's mission. The University's participation in and support of the Research Foundation's operations is recognized as appropriate and desirable.

While the Research Foundation will operate 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 Research Foundation. This Agreement will also define and establish the standards and procedures for accounting for and auditing of accounts of the Research Foundation while at the same time preserving the private and independent status of the Research Foundation.

With the approval of this Agreement, the Board of Trustees of the University designates the MTSU Research Foundation to receive private gifts that are related to or for the purposes of research grants and intellectual property, except for 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 Research Foundation as the manager of such gifts.

**AGREEMENT BETWEEN
MIDDLE TENNESSEE STATE UNIVERSITY
AND
MTSU RESEARCH FOUNDATION**

THIS AGREEMENT is made by and between Middle Tennessee State University (the “University”) and MTSU Research Foundation (the “Research Foundation”).

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 Research 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), has applied for tax-exempt under Section 501(c)(3) of Internal Revenue Code, and is organized in concert with the University. The Research Foundation is established by Articles of Incorporation filed with the State of Tennessee on July 15, 2019. Copies of the current documents are attached hereto as Exhibit A, and its purpose is as stated therein.

The Research Foundation’s relationship to the University is based upon a shared interest in the development of the University’s research capacity and productivity and the success of the University’s mission. Therefore, University participation in and support of the Research Foundation operations are appropriate and desirable. Because of the close, but independent, association of the Research 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 Research Foundation and to agree on the standards and procedures for accounting for and auditing of accounts of the Research Foundation. For the avoidance of doubt, nothing in this agreement is intended to eliminate the private and independent status of the Research Foundation.

By its approval of this Agreement, the Board of Trustees of the University approves the Research Foundation to receive private gifts that are related to or for the purpose of research grants and intellectual property. The types of private gifts that can be received by the Research Foundation does not include 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 Research Foundation as the manager of such a gift.

THE PARTIES HEREBY AGREE AS FOLLOWS:

I. RESEARCH FOUNDATION PURPOSE, POWERS, DUTIES, AND RESPONSIBILITIES

1. **Purpose.** The Research Foundation is organized for charitable, scientific, literary, and educational purposes, including for such purposes, the making of distributions to higher education institutes, or organizations that qualify as exempt organizations under Section

501(c)(3) of the Internal Revenue Code of 1986, as amended, or any corresponding section of any future federal tax code and, to the extent consistent with the provisions herein, to do any and all things allowable under the Tennessee Nonprofit Corporation Act. The Research Foundation is organized to operate for the benefit of the University, but only to the extent that such functions and purposes are for charitable, scientific, literary and educational purposes.

More specifically, the Research Foundation was formed to promote the objectives of the University in promoting and managing research, innovation, and technology transfer and commercialization efforts, including providing assistance to faculty and staff in the procurement of patents and registering of copyrights and the licensing thereof. In furtherance of these objectives, the Research Foundation was organized for the following purposes:

- a. Encourage, promote, and aid in the fulfillment of the educational, service, and research functions of the University;
 - b. Facilitate acquisition of research funds from public and private sources;
 - c. Develop and administer sponsored research and other projects conducted using University funds and/or by University faculty, staff, or students;
 - d. Accept donations to support activities of the Research Foundation;
 - e. Pursue appropriate legal protection for proprietary technologies developed using University funds and/or by University faculty, staff, or students;
 - f. Hold and manage intellectual property assets on behalf of the University; and
 - g. Promote commercialization of research products and transfer of University technologies to appropriate partners for their further development and commercialization.
2. **Powers.** The Research Foundation is empowered to and may exercise all rights and powers conferred on nonprofit corporations under the laws of Tennessee, or which may hereafter be conferred; provided however, that the Research Foundation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Research Foundation, as set forth above. Specifically, and without limiting the general powers granted to the Research Foundation under Tennessee law, the Research Foundation shall have the following powers:
- a. To encourage, promote, and develop the scientific and commercial value of inventions, discoveries, and processes by University faculty, staff, or students and to provide financial support for the publication and distribution of the results thereof;

- b. To encourage, promote, and conduct projects which will fulfill the research, teaching, and service functions of the University;
 - c. To accept, negotiate, and enter into contracts to support research, teaching, and service functions by the faculty and staff of the University;
 - d. To accept, administer, and disburse gifts, grants, and bequests of property of every kind or to hold said property in trust in such a manner as the Research Foundation deems appropriate for the furthering of the purposes of the Research Foundation;
 - e. To provide or assist in providing funds, scholarships, fellowships, professorships, support services, and facilities for scientific and other research by University faculty, staff, and students;
 - f. To apply for, take out, receive (by purchase or gift), hold, administer, license, and dispose of patents, patent rights, copyrights, licenses, assignments of inventions, discoveries, processes, secrets, and other intellectual property protection for any inventions, creations, or publications, and the income derived from or associated with; provided however, that no such income shall accrue to any officer, director, or employee of the Research Foundation for remuneration for services, except as an inventor or author of a project;
 - g. To receive grants from governments or other sources and to distribute such grants for the support of scientific, educational, and other research;
 - h. To sell, exchange, convey, mortgage, lease, transfer, or otherwise dispose of any such property, both real and personal, as the purposes of the Research Foundation may require, subject to such limitations as may be prescribed by law; and
 - i. To engage in all other activities which support and effectuate the purposes of the Research Foundation and which are not prohibited by law.
3. **Duties Relating to Inventions/Creations.** The Research Foundation shall act as the patent, copyright, and licensing agent for the University, and shall have the following duties relating to Inventions and Creations (as defined in the University's Intellectual Property Policy):
- a. Abide by all policies in the MTSU Intellectual Property Policy;
 - b. Investigate diligently the patentability, suitability for copyright registration, and commercial potential of all Inventions and Creations, pursuant to Section V.B. of the Intellectual Property Policy;
 - c. Pursue federal protection of those Inventions/Creations deemed patentable or copyrightable and of potential commercial value or, alternatively, to arrange for direct commercial development without patent protection or copyright registration where this appears to be a more attractive option; and

- d. Pursue an active licensing program for Inventions/Creations. The Research Foundation shall normally grant non-exclusive licenses in the pursuit of commercialization; however, where required for the effective commercialization of Inventions/Creations, the Research Foundation may negotiate exclusive licenses for a limited term.
4. **Prohibited Activities.** Notwithstanding any other provision of this agreement, the Research Foundation shall not conduct any other activity not permitted by an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as amended, or the corresponding provision of any future United States Internal Revenue Law. No substantial part of the activities of the Research Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Research Foundation shall not participate in or intervene in (including the publishing or distribution of statements for) any political campaign on behalf of any candidate for public office.

No part of the net earnings of the Research Foundation shall inure to the benefit of, or be distributable to, its Board of Directors, trustee, members, officers, or any private individual, except that the Research Foundation shall be authorized and empowered to pay reasonable compensation for services rendered, and no trustee, director, officer, or any private individual shall be entitled to share in the distribution of any of the corporate assets upon dissolution of the Research Foundation.

The Research Foundation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code, as amended, or corresponding section of any future federal tax code. The Research Foundation will not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code, as amended, or corresponding section of any future federal tax code. The Research Foundation shall not make any investments in such manner as to subject the Research Foundation to the tax under Section 4944 of the Internal Revenue Code, as amended, or corresponding section of any future federal tax code. The Research Foundation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code, as amended, or corresponding section of any future federal tax code.

5. **Research Foundation Charter and Bylaws.** The Research Foundation is responsible for the performance and oversight of all aspects of its operations based on a comprehensive set of bylaws that clearly address the Research Foundation Board of Director's fiduciary responsibilities. The Research Foundation has filed its articles of incorporation with the Secretary of State of the State of Tennessee, with copies submitted to the University's legal counsel.
6. **Ethics Policy.** The Research 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 Research Foundation's Board of Directors and the Director of the Research Foundation. Members must review and acknowledge the code of ethics annually.

7. **Research Foundation Business Affairs.** The business affairs of the Research Foundation shall be conducted, as elucidated below. The Research Foundation Board of Directors may develop further policies and procedures concerning the conduct of the Research Foundation's business affairs and to assure appropriate reporting of financial and other activities, as may be desired.

- a. Budget Preparation. With the assistance of University administrative personnel, the Research Foundation will create an itemized statement of the proposed operating income and expenditures for the following year. It shall be the policy of the Research Foundation to maintain its operating expenses at the lowest feasible level consistent with prudent management of its resources and effective service to faculty and staff of the University.
- b. Funds. The funds and income of the Research Foundation shall be deposited in accounts in such banks, trust companies, or other depositories, as the Research Foundation Board of Directors may select. Reserve funds of the Research Foundation may be invested in such kinds and types of securities as may be directed by the Research Foundation Board of Directors by resolution.

All gifts to the Research Foundation, or other income not otherwise designated by the donor, shall go into the general fund of the Research Foundation and shall be used exclusively for the benefit of the University, in accordance with the general purposes of the Research Foundation. The Research Foundation may receive, manage, invest, and disburse conditional gifts only if such gifts are for the exclusive use and benefit of the University.

All income and contributions to the Research Foundation shall be recorded, and such records shall be subject to examination at any reasonable time, upon request, by the Research Foundation Director or the University President.

- c. Distributions. The Research Foundation shall distribute any net income resulting from the commercialization of patents, copyrights, discoveries, and developments in accordance with Section VII of the Intellectual Property Policy. All disbursements from the Research Foundation shall be recorded, and such records shall be subject to examination at any reasonable time, upon request, by the Research Foundation Director or the University President.
- d. Negotiable Instruments. Checks, drafts, bills of exchange, notes, or other instruments or orders for the payment of money shall be signed in the name of the Research Foundation or, if made payable to the Research Foundation, may be endorsed for deposit to the credit of the Research Foundation, by such officer or officers, person or persons, as the Research Foundation Board of Directors may from time to time designate by resolution.

- e. Contracts. The Research 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 Research Foundation and the University or in the name of either entity “on behalf of” the other unless expressly provided for in writing by both the University and the Research Foundation. If a transaction involves both the Research Foundation and the University, both the Research Foundation and the University must be treated as separate parties to the contract, and the contract for the transaction must be executed separately by authorized representatives of each party.
 - f. Document Retention Policy. The Research 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 voicemail, as well as paper documents. The Research Foundation’s policy will prohibit document purging if litigation, administrative proceeding, and/or an official investigation is anticipated or underway.
 - g. Business Reports. The Research Foundation shall issue reports to the University President and the Research Foundation Board of Directors, at least annually, on the work of the Research Foundation, including but not limited to, number of Invention/Creation disclosures, pursuits of patent and copyright applications, commercialization progress and efforts, etc.
 - h. Financial Reports. The Research Foundation is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards. An annual financial report shall be issued and prepared in accordance with FASB standards, including all required note disclosures. As the Research 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, the Research Foundation’s financial report must be issued in a timely manner to be included as a component unit in the University’s financial statement for the fiscal year that ends on June 30 of the applicable year.
 - i. Risk Assessments. The Research Foundation will establish and implement a system of internal controls that adequately mitigates those risks and ensures compliance with all applicable laws and regulations. The Research Foundation will be included in the University's overall annual risk assessment as part of the Division of Academic Affairs.
8. **Solicitation, Acceptance, and Administration of Contributions**. The Research Foundation is hereby designated as an entity responsible for promoting and generating private sector, charitable support for the research and commercialization activity on behalf of the University. The Research Foundation may collect contributions for the University’s charitable, scientific, and educational purposes. The Research Foundation shall provide leadership and assistance, as requested, to the University and its departments in their fundraising activities, capital campaigns, and development programs with individuals, corporations, and other organizations. The Research Foundation shall comply with donor

intent and conditions upon acceptance of any contribution. 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 University President and, if applicable, from the University Board of Trustees.

9. **Confidentiality of Sponsor, Venture Partner, and Donor Information.** The University and the Research Foundation may share employees and services, including information on sponsors, venture partners, and donors. As used herein, the Research 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 Research Foundation pertaining to past, current, and prospective donor information are proprietary to the Research Foundation and constitute its confidential information and trade secrets. The University and the Research Foundation shall comply with the provisions of T.C.A. § 49-7-140 regarding the confidentiality of gift records. Subject to those provisions, the Research 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 to promote research, commercialization, and/or the mission of the University. University personnel shall preserve the confidentiality of such shared information, including donor information.

10. **Use of University Name and Trademarks.**

The Research 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 trademarks. The University President reserves the right to object to any particular use of any of the foregoing by the Research Foundation, and in the event of such an objection, the Research Foundation shall promptly cease and desist the use and cooperate with the University to achieve an acceptable use. The Research Foundation must not use the name of the University, its logo, seal, or other symbols and trademarks in any manner that represents or implies that the Research Foundation is an arm of the University or is authorized to act in any way on the University’s behalf without the University’s written authorization.

- a. The Research Foundation shall not delegate the authority to use the University’s name or trademarks without written approval of the University’s President and shall not permit the University’s name or trademarks to be used in connection with the advertising of non-University or non-Research Foundation products or services, unless such use is consistent with all policies of the University. All correspondence, solicitations, activities, and advertisements concerning the Research Foundation shall be clearly discernable as being from the Research Foundation and not the University.
- b. The Research Foundation agrees to cease using the University’s name and trademarks in the event of the dissolution of the Research Foundation; cessation of the Research Foundation being a non-profit corporation or recognized by the

Internal Revenue Service as described in Section 501(c)(3) of the Internal Revenue Code; or termination of this agreement.

11. **Operational Support from the University.** The University may not gift state or University funds to the Research Foundation; however, the University may provide payment for Research Foundation services as consideration for services rendered by the Research Foundation to the University. The University can also provide in-kind services to the Research Foundation that include, but are not limited to, the provision of office space, administrative support, and other staff.
12. **Respect for University's Personnel Administration.** The Research Foundation must respect the University Board of Trustees and University authority over personnel administration. Any Research 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 Research Foundation are in accordance with the University's compensation plan and included in the University's personnel budget. Advance approval of the University 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.
13. **Taxes.** It is intended that the Research Foundation shall have the status of a corporation that is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code as amended, or corresponding section of any future federal tax code and more specifically shall be an organization described in Section 501(c)(3) of the Code. Notwithstanding the foregoing, the Research 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 Research Foundation shall supply all necessary information in a timely manner.
14. **Compliance with Applicable Laws.** The Research Foundation agrees to comply with all executive orders; federal, state, and local rules; regulations; and laws applicable to similar non-profit corporations.
15. **Compliance with University Policy.** The Research Foundation agrees to comply with any University policies as may be promulgated regarding the relationship between the University and the Research Foundation.
16. **Hold Harmless.** The Research Foundation shall indemnify and hold harmless the University, its 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 Research Foundation's breach of this agreement, except for injury or damage caused by the sole negligence of the University. This provision shall survive the termination or expiration of this Agreement.

17. **Research Foundation Legal Counsel.** The Research Foundation shall be responsible for obtaining its own legal counsel.
18. **Dissolution of Research Foundation.** Consistent with provisions of the Research Foundation's bylaws, should the Research Foundation cease to exist or cease to be an Internal Revenue Code 501(c)(3) nonprofit corporation, the Research Foundation will transfer its assets and property to the University, to a reincorporated successor to the Research 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. Subject to the foregoing, the assets of the Research Foundation shall be distributed in accordance with the provisions of the Tennessee Nonprofit Corporation Act, as they now exist and as they may hereafter be amended or adopted.

The University will honor to the extent possible any donor restrictions on assets held by the Research 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 Research Foundation's assets from matriculating to the University, the Research 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 Research Foundation, a complete accounting of the Research Foundation will be attested to by an independent accounting firm.

II. UNIVERSITY POWERS, DUTIES, AND RESPONSIBILITIES

1. **Independence of Research Foundation.** The University agrees to encourage and maintain the independence of the Research Foundation and, at the same time, foster the cooperative relationship between the University and Research Foundation.
2. **General Powers of the University.** The University may:
 - a. Provide the professional services of its employees to the Research Foundation, within the employees' scope of their employment with the University;
 - b. Review the financial records of the Research Foundation to determine that the Research 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 Research Foundation to ensure that it describes each party's responsibilities in a manner that makes it clear to third parties dealing with the Research Foundation that the Research Foundation 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 Research Foundation are consistent with policies established by the University regarding conflicts of interest, outside activities, and other matters.
3. **University Services to Research Foundation.** In consideration of the services provided to the University by the Research Foundation and as set forth herein, the University may assist the Research 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 Office of Research and Sponsored Programs.
 - c. Provision of designated financial services including financial record keeping.
4. **Audit of Research Foundation Records.** In accordance with T.C.A. § 49-7-107(b), all annual reports, books of account, and financial records of the Research Foundation shall be subject to audit by the Comptroller of the Treasury of the State of Tennessee. Records and accounts maintained by the Research Foundation shall be audited on the same cycle as the University audit performed by the Comptroller or, with the approval of the Comptroller, by an independent public accountant. Approval of the contract between the independent public accountant and the Research Foundation shall be requested in advance by the University Board of Trustees and shall be on forms prescribed by the Comptroller. All annual reports, books of account, and financial records of the Research Foundation shall be available for audit, upon request, by the internal auditors of the University.
5. **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 Research Foundation are protected against disclosure.

III. MUTUAL ACKNOWLEDGEMENTS AND OBLIGATIONS

1. **Termination.** Either party may terminate this agreement upon sixty (60) days' prior written notice to the other party.
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 the date first written below and expire on June 30, 2028. At the conclusion of the initial term, this agreement will be subject to an automatic extension for successive one (1) year periods, unless either party notifies the other party in writing of its desire not to renew at least sixty (60) days prior to the end of the initial period or any extension period. If this Agreement is terminated by either party, all funds, assets, data, and information in the possession of the Research 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. This agreement represents the entire agreement of the parties with respect to the subject matter hereof, and it expressly supersedes all previous written and oral communications between the parties. No amendment, alteration, or modification of this agreement or any exhibit attached hereto will be valid unless executed in writing by authorized signatories of both parties.
4. **Governing Law; Disputes.** This agreement will be governed by and construed in accordance with the laws of the State of Tennessee, without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the State of Tennessee. Any and all claims pursuant to or arising under this Agreement against the University, including the Institution or its employees, shall be heard and determined by the Tennessee Claims Commission in the manner prescribed by law. Damages recoverable against the University shall be expressly limited to claims paid by the Claims Commission pursuant to T.C.A. Section 9-8-301 et seq. Any and all claims pursuant to or arising under this Agreement against the Research Foundation shall be heard by the Rutherford County Circuit Court. No other commission or court is the proper venue or forum for a claim other than the commission or court that is specified above.
5. **Severability.** If any one or more of the provisions of this agreement will be held to be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the remaining provisions of this agreement will not in any way be affected or impaired thereby.
6. **Waiver.** The failure of any party hereto to insist upon strict performance of any provision of this agreement or to exercise any right hereunder will not constitute a waiver of that provision or right.

7. **Assignment.** Neither party will assign or transfer any obligation or interest in this agreement without the prior written approval of the other party.
8. **Jointly Prepared.** This Agreement has been jointly prepared by both Parties and will not be strictly construed against either Party.

Signature Page Follows

MTSU Research Foundation

By: _____
Bill Ketron, Chairman, Board of Directors

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

EXHIBIT A

ARTICLES OF INCORPORATION OF MTSU RESEARCH FOUNDATION, INC.

We, the undersigned, voluntarily form a non-stock, nonmember, public benefit nonprofit corporation pursuant to and under the provisions of the Tennessee Non-Profit Corporation Act:

ARTICLE I

The name of the corporation is MTSU Research Foundation, Inc.

ARTICLE II

Purpose of the Corporation

The mission of the MTSU Research Foundation, Inc. is to increase the impact and outcomes of Middle Tennessee State University's research and sponsored program's enterprise across the university's mission, including education, research, innovation, technology transfer.

The corporation is formed exclusively for charitable purposes, including the making distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provisions of any future tax code or laws.

ARTICLE III

Operations Prohibitions

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles of Incorporation. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Notwithstanding any other provision in these Articles of Incorporation, the corporation shall not carry on any activities not permitted to be carried on (a) by a corporation recognized as exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future Federal tax code.

B06999-2796 05/08/2019 8:44 AM Received by Tennessee Secretary of State Tre Hargett

MTSU RESEARCH FOUNDATION, INC.

ARTICLE IV

Dissolution Clause

Upon the dissolution of the corporation, its assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is located, exclusively for such exempt or public purposes or to such organization or organizations, as such court shall determine, which are organized exclusively for such purposes.

ARTICLE V

Duration

The duration of the corporation shall be perpetual. The fiscal year ends the month of June.

ARTICLE VI

Conflict of Interest Policy

The purpose of the conflict of interest policy is to protect MTSU Research Foundation, Inc.'s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace any applicable state or federal laws governing conflict of interest applicable to nonprofit or charitable organizations.

Section 2 Definitions

1. Interested Person – any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family (a) an ownership or investment interest in any entity with which the organization has a transaction or arrangement, (b) a compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement, or (c) a potential ownership or MTSU Research Foundation, Inc. investment interest in, or compensation arrangement with any entity or individual with which the organization is negotiating a transaction or arrangement.

MISU RESEARCH FOUNDATION, INC.

A financial interest is not necessarily a conflict of interest. Under Section 3 Part 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Compensation - Compensation includes direct or indirect remuneration as well as bonuses, retirement plan payments, unreimbursed allowances, a certain portion of life insurance premiums, gifts, and favors that are not insubstantial.

Section 3 Procedures

1. Duty to Disclose - In connection with any actual or potential conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the members of the Board of Directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists - After the disclosure of the financial interest and all material facts, and after any discussion with the interested person she/he shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon.

3. Procedure for Addressing the Conflict of Interest - An interested person may make a presentation at the governing board or committee meeting, but after the presentation, she/he shall leave the meeting during the discussion of, and vote on, the transaction or arrangement involving the potential conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising the necessary due diligence, the governing board or committee shall determine whether the organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under the circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors or committee members whether the transaction or arrangement is in the organization's best interest, for its interest, and whether it is fair and reasonable. In conformity with the above determination shall make its decision as to whether to enter into the transaction or arrangement.

If the governing board or committee has reasonable cause to believe a member has failed to disclose an actual or potential conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged

MTSU RESEARCH FOUNDATION, INC.

failure to disclose. If, after hearing the member's response and after making further investigation, as warranted by the circumstances, the governing board or committee determines the member failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4 – Records of Proceedings

The minutes of the governing board and all committees with the board delegated powers shall contain the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or potential conflict of interest, the nature of the financial interest, and action is taken whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed. The minutes shall also contain the names of persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connections with the proceedings.

Section 5 - Compensation

A voting member of the governing board, who receives compensation, directly or indirectly, from the organization for services, is precluded from voting on matters about that member's compensation.

A voting member of any committee, whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services precluded from voting on matters about that member's compensation.

No voting member of the governing board or any committee, whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6 – Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers, shall annually sign a statement which affirms such person has received a copy of the conflict policy, has read and understands such policy, has agreed to comply with the policy, and understands the organization is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7 – Periodic Reviews

To ensure the organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status; periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include whether

MTSU RESEARCH FOUNDATION, INC.

compensation arrangements are reasonable, based on competent survey information, and the result of arm's length bargaining and whether partnerships, joint ventures, and arrangements with management organizations conform to the organization's written policies, are properly recorded, reflected reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Section 8 – Use of Outside Experts –

When conducting the periodic reviews, as provided for in Section 7, the organization may, but need not, use outside advisors. If the outside experts used, their use should not relieve the governing board of its responsibility for ensuring periodic reviews conducted.

ARTICLE VII

Name & Address of Registered Office and Principal Office

The name of the registered agent and address of the registered office and the principal place of business of the corporation in Tennessee Jeff Porter, 1301 East Main St., MTSU Box 124, Murfreesboro, TN 37132.

ARTICLE VIII

Mailing Address

The mailing address is 1301 East Main Street, MTSU PO Box, Murfreesboro, TN 37132

ARTICLE IX

Name and Addresses of Incorporators

The names and addresses of the incorporators are:

- 1 Patrick R. Geho, Executive Director, TN Small Business Development Lead Center, MTSU Box 98, Murfreesboro, TN 37132.
- 2 Dr. H. Lee Martin, President, Trinity Health Foundation, 625 Marker Street, Suite 400 Knoxville, TN 37902.
- 3 Bill Kepron, 805 S. Church St. Suite 12, Murfreesboro, TN 37120

ARTICLE X

Board of Directors

The affairs of the MTSU Research Foundation, Inc. shall be managed by a Board of Directors and by such officers as shall be described in the By-Laws of the Corporation.

MTSU RESEARCH FOUNDATION, INC.

ARTICLE XI

Limited Personal Liability of the Directors

No person, who is a director or officer of the corporation, shall be liable to the corporation for monetary damages for breach of fiduciary duty as a director. However, this provision shall not eliminate or limit the liability of a director for any breach of a director's duties of loyalty, due care or confidentiality to the corporation, for acts or omissions not in good faith or which involve intentional misconduct or a known violation of the law.

As of Apr. 15, 2019 the board of directors approved the Articles of Incorporation and recognized it will be effective when filed with the Secretary of State.

[Handwritten Signature]
Signature of Officer

4/30/19
Date

Bill K. [Handwritten Name]
Printed Name of Officer

Chairman
Title of Officer

B0699-2801 05/08/2019 8:44 AM Received by Tennessee Secretary of State Tre Hargett

**BYLAWS
OF
MTSU RESEARCH FOUNDATION, INC.**

**ARTICLE I
OFFICES**

Section 1.01 REGISTERED OFFICE. The registered office of the corporation (the “**Corporation**”) shall be as set forth in the Corporation’s Articles of Incorporation, as amended or restated (the “**Charter**”), provided that the board of directors of the Corporation (the “**Board of Directors**”) may change the location of the registered office at any time by making the appropriate filing with the Secretary of State of the State of Tennessee (the “**SOS**”).

Section 1.02 OTHER OFFICES. The Corporation may have other offices, in or outside the State of Tennessee, as the Board of Directors may designate, as the business of the Corporation may require, or as may be desirable.

Section 1.03 REGISTERED AGENT. The name and address of the Corporation’s registered agent shall be as set forth in the Charter. The Board of Directors may change the registered agent at any time by making the appropriate filing with the SOS.

Section 1.04 BOOKS AND RECORDS. Any records maintained by the Corporation in the regular course of its business, including its books of account and minute books, may be maintained on any information storage device or method that can be converted into clearly legible paper form within a reasonable time. The Corporation shall convert any records so kept upon the written request of any person entitled to inspect such records pursuant to applicable law.

**ARTICLE II
FUNDS**

Section 2.01 RAISING OF FUNDS. The Corporation shall raise funds by receipt of money and property including but not limited to payments, receipts and fees for services, grants and funds which may inure to the benefit of the Corporation.

Section 2.02 USE OF FUNDS. All funds collected and received by the Corporation, together with the revenue therefrom, shall be held, retained, managed and conserved in an operating fund or funds and administered, used and applied by the Corporation at the sole discretion of the Board of Directors in accordance with the purposes described in the Charter. The Board of Directors may accept revenues and properties which are qualified, limited or restricted in use; provided, however, such qualifications, conditions, limitations or restrictions shall not conflict with the purposes of the Corporation set forth in the Charter. Unless otherwise specifically required, such restricted revenues or property may be commingled with other funds and property of the Corporation.

Section 2.03 ACCOUNT. Funds received by the Corporation shall be held in an account in the name of the Corporation in such location(s) as may be designated by the Board of Directors. The Corporation may invest and reinvest all or portions of these funds in its discretion, in accordance with such investments policies as may be adopted and revised from time to time by the Board of Directors.

ARTICLE III DIRECTORS

Section 3.01 POWERS AND ELECTION. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, subject to any limitations set forth by law, the Charter, or these Bylaws. The members of the Board of Directors shall be elected by a majority vote of the then current directors in office at the annual meeting of the Board of Directors.

Section 3.02 NUMBER AND COMPOSITION. The Board of Directors shall consist of no fewer than three (3) and no more than thirteen (13) members. Subject to any provision in the Charter fixing the number of directors, the exact number of directors shall be fixed from time to time by resolution of the Board of Directors. No decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

Section 3.03 TERM OF OFFICE. Directors shall serve for terms of three (3) years and may serve an unlimited number of consecutive terms. The terms of the directors shall be staggered, so that approximately one-third of the terms of such directors shall expire each year. The President of the Corporation shall designate which positions on the Board of Directors shall have one-year terms or two-year terms where needed to create or maintain staggered terms, except once determined, no term shall be reduced by the President. Terms of office begin with the start of the fiscal year used by the organization.

Section 3.04 REMOVAL. Any director may be removed with or without cause by an affirmative vote of at least two-thirds of the remaining members of the Board of Directors.

Section 3.05 RESIGNATION. A director may resign at any time by giving written notice to the Board of Directors or the Secretary. A resignation is effective when the notice is delivered unless the notice specifies a future effective date or makes resignation effective on the occurrence of an event. The pending vacancy may be filled before the effective date in accordance with 3.06 of these Bylaws, but the successor shall not take office until the effective date. Members of the Board of Directors who fail to attend at least two (2) board meetings annually may be requested to resign.

Section 3.06 VACANCIES. Any vacancy on the Board of Directors or in any office may be filled by a vote of a simple majority of the remaining Board of Directors at any regular meeting upon proper notice of said meeting. The President or any member of the Board of Directors may recommend one (1) nominee to the Board of Directors to fill each vacancy that occurs. Any director elected or appointed by the Board of Directors to fill a vacancy shall serve out the remaining term of the director being replaced.

Section 3.07 REGULAR MEETINGS OF DIRECTORS. There shall be at least four (4) regular meetings of the Board of Directors each year, one during each quarter of the Corporation's fiscal year. The first meeting in each fiscal year shall be the annual meeting. Notice of regular meetings shall be given via regular mail or electronic mail, if the recipient has consented to electronic mail, utilizing the contact information on file with the Secretary, to each member of the Board of Directors at least ten (10) days in advance.

Section 3.08 SPECIAL MEETINGS OF DIRECTORS. Special meetings of the Board of Directors may be held at any time or place upon five (5) days written notice to the Board of Directors upon call of the President or by the Secretary upon written request of a majority of the directors. The Secretary shall give written notice, via regular mail or electronic mail, if the recipient has consented to electronic mail, utilizing the contact information on file with the Secretary, to each director of all meetings of the Board of Directors, and in the case of a special meeting, shall state the purpose of the meetings. Notwithstanding the foregoing, any meeting held for the purpose of voting on the removal of a director or any matter that would have required member approval under the Tennessee Nonprofit Corporation Act (the "Act") if the Corporation had members, requires at least seven (7) days' notice stating the purpose of the meeting.

Section 3.09 PARTICIPATION BY REMOTE COMMUNICATION. The Board of Directors may permit any or all directors to participate in any meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by remote communication is considered to be present in person at the meeting.

Section 3.10 WAIVER OF NOTICE. A director may waive any required notice of a meeting, before or after the date and time of the meeting, by a written waiver, signed by the director and filed with the minutes of the meeting or the corporate records. The participation or attendance of a director at a meeting constitutes waiver of notice, except where the director attends for the express purpose of objecting to holding the meeting or transacting business at the meeting, and the director does not vote for or assent to action taken at the meeting.

Section 3.11 QUORUM OF AND ACTION BY DIRECTORS. Fifty percent (50%) of the number of directors shall constitute a quorum for the transaction of business. The directors at a meeting for which a quorum is not present may adjourn the meeting until a time and place as may be determined by a vote of the directors present at that meeting. The affirmative vote of a majority of the directors present at a meeting at which a quorum is present when the vote is taken shall be the act of the Board of Directors, unless the vote of a greater number is required by the Charter or these Bylaws.

Section 3.12 COMPENSATION. Directors shall serve without compensation.

Section 3.13 ACTION BY DIRECTORS WITHOUT A MEETING. Unless prohibited by the Charter or these Bylaws, any action required or permitted to be taken at a meeting of the Board of Directors or any committee thereof may be taken without a meeting if all of the members consent to such action in writing, as evidenced by each member's signature on such written consent. The written consents must be delivered to the Corporation and included

in the minutes of the proceedings of the Board of Directors or otherwise filed with the corporate records. A director with a material financial interest in the transaction voted upon is excluded from the foregoing “all of the members” consent requirement. Action taken under this Section 3.13 is effective when the last director signs the consent unless the consent specifies a different effective date. A consent signed under this Section 3.13 has the effect of a meeting vote and may be described as such in any document.

Section 3.14 COMMITTEES OF THE BOARD OF DIRECTORS. The Board of Directors, by resolution adopted by a majority of the Board of Directors, may designate one or more directors, or persons who are not directors, to constitute one or more committees, to exercise the authority of the Board of Directors to the extent provided in the resolution of the Board of Directors and allowed under the Act, except that no committee shall have the authority to do any of the following:

- (a) authorize distributions;
- (b) approve the dissolution, merger, or sale, pledge or transfer of all or substantially all of the Corporation’s assets;
- (c) elect, appoint, or remove directors or officers or fill vacancies on the Board of Directors or any committees; or
- (d) adopt, amend, or repeal the Charter or these Bylaws.

The designation of a committee of the Board of Directors and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

ARTICLE IV OFFICERS

Section 4.01 POSITIONS AND ELECTION. The officers of the Corporation shall be elected by the Board of Directors and shall be a President, Secretary, Executive Director, and any other officers, including assistant officers and agents, as may be deemed necessary by the Board of Directors. Any two or more offices may be held by the same person. Officers shall be elected annually at the annual meeting of the Board of Directors. Each officer shall serve for a one (1) year term or until the earlier death, resignation, or removal of that officer. Vacancies or new offices shall be filled at the next regular or special meeting of the Board of Directors.

Section 4.02 REMOVAL AND RESIGNATION. Any officer may be removed with or without cause by an affirmative vote of the majority of the Board of Directors. Any officer or assistant officer appointed by an authorized officer may be removed at any time with or without cause by any officer with authority to appoint such officer or assistant officer. Removal shall be without prejudice to the contract rights, if any, of the officer so removed. The election or appointment of an officer shall not of itself create contract rights. Any officer may resign at any time by giving written notice to the Corporation. Resignation is effective when the notice is

delivered, unless the notice provides a later effective date. Any vacancies may be filled in accordance with Section 4.01 of these Bylaws.

Section 4.03 PRESIDENT. The President shall preside at all meetings of the Board of Directors and perform all of the duties usually vested in the President of a corporation. The President shall be an ex-officio member of all committees with the privilege of voting at all meetings.

Section 4.04 VICE PRESIDENT. The Vice President shall perform the duties of the President in the event of his or her absence, resignation, or inability to perform duties, in addition to other duties that may be delegated by the President. The Vice President must be a member of the Board of Directors.

Section 4.05 SECRETARY. The Secretary shall attend all meetings of the Board of Directors, shall record all votes and the minutes of all proceedings, and shall perform like duties for the standing committees when required. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors and shall perform all other duties the Board of Directors or President shall assign. The Secretary shall be the custodian of the records of the Corporation. In the absence of the Secretary, the minutes of all meetings of the Board of Directors and shareholders shall be recorded by the person designated by the President or Board of Directors. The Secretary must be a member of the Board of Directors.

Section 4.06 EXECUTIVE DIRECTOR. The Executive Director shall be a non-voting member of the Board of Directors and serves at the pleasure of the Board of Directors as chief administrative and managerial personnel for the conduct of the Corporation's business pursuant to terms and conditions set forth by the Board of Directors.

ARTICLE V INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 5.01 INDEMNIFICATION FOR SUCCESSFUL DEFENSE OF PROCEEDINGS. The Corporation shall, to the fullest extent permitted by law, indemnify any person who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the person was a party by reason of the fact that the person is or was a director or officer of the Corporation, against reasonable expenses (including counsel fees) incurred by the person in connection with the proceeding.

Section 5.02 INDEMNIFICATION FOR OTHER PROCEEDINGS. The Corporation shall, to the extent permitted by the Act, indemnify any person who is a party to a proceeding because the person is or was a director, officer, employee, or agent of the Corporation against liability incurred in the proceeding.

Section 5.03 NON-EXCLUSIVITY OF INDEMNIFICATION RIGHTS. The rights of indemnification set out in this Article V shall be in addition to and not exclusive of any other rights to which any director or other person may be entitled to under the Charter, these Bylaws, a resolution of the Board of Directors, any other agreement with the Corporation, or otherwise,

both as to action in an official capacity and as to action in another capacity while holding such office.

ARTICLE VI MISCELLANEOUS

Section 6.01 CHECKS, DRAFTS, ETC. All checks, drafts, or other instruments for payment of money or notes of the Corporation shall be signed by an officer or officers or any other person or persons as shall be determined from time to time by resolution of the Board of Directors.

Section 6.02 FISCAL YEAR. The fiscal year of the Corporation shall be as stated in the Charter or if not stated therein, as determined by the Board of Directors.

Section 6.03 CONFLICT WITH APPLICABLE LAW OR CHARTER. Unless the context requires otherwise, the general provisions, rules of construction, and the definitions of the Act shall govern the construction of these Bylaws. These Bylaws are adopted subject to any applicable law and the Charter. Whenever these Bylaws may conflict with any applicable law or the Charter, such conflict shall be resolved in favor of such law or the Charter.

Section 6.04 INVALID PROVISIONS. If any one or more of the provisions of these Bylaws, or the applicability of any provision to a specific situation, shall be held invalid or unenforceable, the provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these Bylaws and all other applications of any provision shall not be affected thereby.

Section 6.05 PARLIAMENTARY PROCEDURE. Robert's Rules of Order, when not in conflict with these Bylaws, shall govern the proceedings of the Corporation.

ARTICLE VII AMENDMENT OF BYLAWS

To the extent allowed by the Act and not limited by the Charter, these Bylaws may be amended or repealed by the Board of Directors.

**ACTION BY WRITTEN CONSENT OF
THE INCORPORATORS OF
MTSU RESEARCH FOUNDATION, INC.**

The undersigned, being the incorporators of MTSU Research Foundation, Inc., a Tennessee nonprofit corporation (the “Corporation”), acting by written consent in lieu of holding a meeting, do hereby adopt the following resolution, effective as of May 8, 2019:

RESOLVED, that the names and addresses of the persons who are to serve as the initial members of the Board of Directors of the Corporation and to serve until the election and qualification of their successors or their individual earlier resignation or termination are as follows:

<u>Name</u>	<u>Address</u>
Patrick R. Geho	MTSU Box 98 Murfreesboro, Tennessee 37132
Dr. H. Lee Martin	625 Market Street, Suite 400 Knoxville, Tennessee 37902
Bill Ketron	805 S. Church St., Suite 12 Murfreesboro, Tennessee 37120

This Action by Written Consent may be executed and delivered by facsimile or other electronic means.

[signature page follows]

IN WITNESS WHEREOF, the undersigned incorporators of MTSU Research Foundation, Inc. have executed this Action by Written Consent effective as of the date first above written.



Patrick R. Geho
Incorporator

Dr. H. Lee Martin
Incorporator

Bill Ketron
Incorporator

IN WITNESS WHEREOF, the undersigned incorporators of MTSU Research Foundation, Inc. have executed this Action by Written Consent effective as of the date first above written.

Patrick R. Geho
Incorporator

H Lee Martin

Dr. H. Lee Martin
Incorporator

Bill Ketron
Incorporator

IN WITNESS WHEREOF, the undersigned incorporators of MTSU Research Foundation, Inc. have executed this Action by Written Consent effective as of the date first above written.

Patrick R. Geho
Incorporator

Dr. H. Lee Martin
Incorporator



Bill Ketron
Incorporator