



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

Tuesday, March 17, 2020
10:00 am

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



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

March 17, 2020
10:00 am

AGENDA

Call to Order and Opening Remarks

Roll Call

Approval of Minutes (Action) Tab 1

Compensation Plan Update (Information) Tab 2

University Property Acquisitions (Information)..... Tab 3

Capital Disclosures (Action) Tab 4

Airport Master Plan (Action)..... Tab 5

2020-21 Governor’s Budget (Information)..... Tab 6

Composite Financial Index (Information) Tab 7

Federal Funds Report and Plan of Potential Reductions (Information)..... Tab 8

Closing Remarks

Adjournment



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Action Item

DATE: March 17, 2020

SUBJECT: **Approval of Minutes**

PRESENTER: Joey Jacobs
Committee Chair

BACKGROUND INFORMATION:

The Finance and Personnel Committee met on November 12, 2019. Minutes from this meeting are provided for your review and approval.

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**FINANCE AND PERSONNEL COMMITTEE
MINUTES**

The Finance and Personnel Committee met on Tuesday, November 12, 2019, in the Miller Education Center Meeting Room at Middle Tennessee State University.

Call to Order and Opening Remarks

Board Chair Smith called the meeting to order at 11:46 a.m. He informed the Committee that Committee Chair Jacobs was unable to attend the meeting. Board Secretary Heidi Zimmerman requested permission to call roll to establish a quorum.

Roll Call

The following Committee members were in attendance: J.B. Baker, Pete DeLay, Mary Martin, Steve Smith, and Samantha Eisenberg. A quorum was declared. Also present were Trustee Tom Boyd, Mark Byrnes, Provost; Alan Thomas, Vice President for Business and Finance; and Heidi Zimmerman, University Counsel and Board Secretary.

Compensation Plan Allocations – Action

The first agenda item was a recommendation for approval of the Compensation Plan Allocations. Kathy Musselman, Assistant Vice President for Human Resources, informed the Committee that 1% of the 2% salary pool, as approved by the Board of Trustees on June 29, 2019, was used to implement a Cost of Living Adjustment (COLA) for administrative/classified staff on July 1, 2019, and August 1, 2019 for faculty. Approval was needed to use the remaining 1% of the salary pool, plus an additional \$1 million from operating funds, to implement additional market adjustments per the University's approved compensation plan. She noted that this funding would only cover 43% of the amount needed for full implementation of predicted salaries based on 2014-15 CUPA

data. The adjustments will be effective January 1, 2020, for employees on the payroll as of December 31, 2019. Ms. Musselman directed the Committee to a summary of the recommended allocations contained in the meeting materials. Trustee Martin moved to approve the recommendation for approval of the compensation plan allocations. Trustee DeLay seconded the motion. A voice vote was taken, and the motion to approve the recommendation for approval of the compensation plan allocations carried.

2019-20 October Revised Budget – Action

The next agenda item was a recommendation for approval of the 2019-20 October Revised Operating Budget. Mr. Thomas presented information to the Committee concerning the following changes made since the July (Original) Budget:

- Adjusted revenue to include the (1) remainder of the 2.37% tuition and mandatory fee increase, (2) increase in fall enrollment, and (3) increase in graduate tuition;
- Adjusted expenditure budgets for (1) re-budgeting of various designated student fee balances from the prior year, (2) purchases in process at year-end but not be completed until the current fiscal year, (3) additional safety and security initiatives, (4) salary increases for the 1.0% COLA and market adjustments, (5) increases in adjunct pay, (6) increases in funding for graduate assistants and marketing for graduate courses, (7) additional scholarships, and (8) limited funding for new academic programs approved by THEC for FY 2019-20;
- Adjustments to auxiliary and restricted budgets based on information obtained since the July Budget submission.

The total University budget, including the unrestricted education and general funds and auxiliary and restricted funds, is approximately \$450 million. Mr. Thomas concluded the presentation by directing the Committee to the summary of disclosed Bond Finance projects included in the meeting materials. He noted that there had been no change in this schedule since the July Budget.

Ms. Zimmerman informed Board Chair Smith that, with the departure of one of the Committee members, the quorum was lost. Board Chair Smith asked how many members were required to constitute a quorum. Ms. Zimmerman replied that four (4) are needed, and they must be members of the Committee. After a discussion concerning membership of the Committee, the quorum was reestablished with the return to the meeting of Trustee DeLay. Trustee Baker moved to approve the 2019-20 October Revised Budget. Trustee Martin seconded the motion. Board Chair Smith requested a roll call vote, along with the addition of Trustee Boyd to the Committee. A roll call vote was taken, and the motion to approve the 2019-20 October Revised Budget passed unanimously.

Adjournment

The meeting adjourned at 12:15 p.m.

Respectfully submitted,
Finance and Personnel Committee



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Information Item

DATE: March 17, 2020

SUBJECT: **Compensation Update**

PRESENTER: Kathy Musselman
Assistant Vice President for Human Resources

BACKGROUND INFORMATION:

On December 10, 2019, the Board of Trustees approved the Finance and Personnel Committee's recommendation to implement market salary adjustments based on 2014-15 College and University Professional Association (CUPA) data. Funding was provided to implement 43% of the recommended market adjustments of \$2.6 million, which included benefits. The attached schedule represents the remaining amounts needed after factoring in the updated salary data to fund salaries/benefits for faculty and staff based on 2014-15 CUPA data and 2018-19 CUPA data.

As reported to the Committee in November 2019, full funding of salary adjustments using 2014-15 data, after the salary adjustments in January 2020, would cost approximately \$3.4 million, including benefits. Full implementation of market adjustments for faculty using 2018-19 CUPA data would cost approximately \$8.2 million, including benefits. The salary ranges for both administrative and classified

staff would need to be increased by 8.82% to reflect the current market. Full implementation of this increase would cost approximately \$3.9 million for administrative employee salaries and an additional \$2.0 million for classified employee salaries.

Implementation of Market

	Salary Increases Using 2014-15 CUPA Data	Salary Increases Using 2018-19 CUPA Data
Faculty	\$1,780,167	\$6,591,412
Administrative	607,290	3,116,704
Classified	320,599	1,570,473
Total Salary	\$2,708,056	\$11,278,589
Benefits at 25%	677,014	2,819,647
Total Including Benefits	\$3,385,070	\$14,098,236



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Information Item

DATE: March 17, 2020

SUBJECT: **University Property Acquisitions**

PRESENTER: Bill Waits
Assistant Vice President for Campus Planning

BACKGROUND INFORMATION:

Middle Tennessee State University has expanded its presence within the City of Murfreesboro and Rutherford County since its founding in 1911 in order to accommodate its growing student population.

The current MTSU Acquisition Area has been formally approved by the Tennessee State Building Commission and includes areas located north of East Main Street and west of Middle Tennessee Boulevard.

In the past decade, MTSU has acquired forty-six properties ranging in size from smaller residential properties to larger institutional properties, including the former Middle Tennessee Medical Center site and Bell Street Center.

The following documents are included in these materials for your information:

- MTSU Acquisition Area Map
- MTSU Properties Acquired From 2009-2019
- MTSU Approved Acquisition Area Property Not Owned by MTSU



Legend

- MTSU Buildings
- MTSU Property
- Approved Acquisition Zone

Main Campus Property and Acquisition Zone Middle Tennessee State University

Campus Planning

October 2019



Property Acquired 2009-2019

Building ID #	Address	Date Built	Date acquired	Comments
24-212	1707 East Main Street	1956	2009	
24-210	1815 Jordan Avenue	1932	2009	
24-215	213 Wilson Avenue	1987	2009	
24-217	216 Wilson Avenue	1962	2009	
24-216	220 Eastland Avenue	1956	2009	
	225 Wilson Avenue		2009	Demolished
	803 Wiles Court		2009	Demolished
	1118 Ewing Boulevard		2010	Demolished
	1812 Greenland Drive		2010	Demolished
	1818 Greenland Drive		2010	Demolished
24-227	2306 Louise Street	1996	2010	
24-226	2315 East Main Street	1942	2010	
	247 North Rutherford		2010	
	802 Wiles Court		2010	Demolished
	806-808 Wiles Court		2010	Demolished
	807 Wiles Court		2010	Demolished
	Lot 6 Wiles Court		2010	
24-235	1710 Elrod Street	1960	2011	
	2310 Louise Street		2011	Demolished
24-236	2739 Middle Tennessee Boulevard	1964	2011	
24-239	1618 Elrod Street	1952	2012	
24-237	1903 Jordan Avenue	1937	2012	
24-240	2207 East Main Street	1941	2012	
	2403-2405 Middle Tennessee Blvd		2013	Demolished
	301 North University Street		2013	
	309 North Highland Avenue		2013	
	311 North Highland Avenue		2013	

Building ID #	Address	Date Built	Date acquired	Comments
	417 North Highland Avenue		2013	
	419 North Highland Avenue		2013	
	423 North University Street		2013	
	442 East Bell Street		2013	
24-242	455 East Bell Street (Bell Street Garage)	1990	2013	
	456 Jackson Street		2013	
24-241	503 East Bell Street (Miller Education Center)	1999	2013	
	514 Greenland Drive		2013	
24-254	1102 Ewing Boulevard	1948	2014	
24-250	1105 Ewing Boulevard	1948	2014	
24-251	1109 Ewing Boulevard	1948	2014	
24-246	2302 Louise Street	1967	2014	
24-253	2505 Middle Tennessee Boulevard	1949	2014	
	802 Fairview Avenue		2014	Demolished
	Fairview Lot parcel 02900		2014	
24-259	1102A, 1102B, 1102C, 1102D Eaton Street	1995	2017	
24-260	1108A, 1108B Eaton Street	1960	2017	
24-258	2541-2547 Middle Tennessee Boulevard	1934	2017	
24-257	630 Crestland Avenue	1952	2017	
	1717 East Main Street			In Process

MTSU Approved Acquisition Area Property Not Owned by MTSU
MTSU Campus Planning
October 2019

Address	Year Built	Sale Price	Sale Date	Total Assessed Value *		Address	Year Built	Sale Price	Sale Date	Total Assessed Value *
208 AIRPORT AVE	1947	\$ -	12/11/1995	\$ 24,950		105 FOURTH AVE 104	2005	\$ 142,550	7/15/2015	\$ 38,150
210 AIRPORT AVE	1947	\$ -	11/30/1995	\$ 26,000		105 FOURTH AVE 103	2005	\$ 150,000	6/16/2008	\$ 37,675
207 209 AIRPORT AVE	1947	\$ 72,500	12/3/2004	\$ 49,960		105 FOURTH AVE 303	2005	\$ 132,000	5/29/2013	\$ 37,975
214 218 AIRPORT AVE	1965	\$ -	2/3/1993	\$ 107,200		105 FOURTH AVE 101	2005	\$ 160,000	8/1/2017	\$ 37,925
118 N BAIRD LN	1988		6/17/2016	\$ 129,480		105 FOURTH AVE 106	2005	\$ 133,900	8/23/2005	\$ 37,925
215 N BAIRD LN	1982	\$ -	7/16/2002	\$ 300,000		105 FOURTH AVE 502	2005		7/1/2015	\$ 37,675
1105 E BELL ST	1998	\$ -	1/16/1968	\$ -		105 FOURTH AVE 401	2005		3/13/2017	\$ 37,925
1109 E BELL ST	1938	\$ -	8/27/1970	\$ -		105 FOURTH AVE 113	2005	\$ 158,000	5/19/2017	\$ 37,975
114 CITY VIEW DR A-B	1951	\$ -	4/24/2001	\$ 98,200		105 FOURTH AVE 115	2005	\$ 168,000	4/6/2018	\$ 37,925
210 COLLEGE HEIGHTS ST		\$ 45,000	5/22/1987	\$ 12,225		111 FOURTH AVE	1957	\$ -	11/12/1993	\$ 60,525
216 COLLEGE HEIGHTS ST	1960		12/8/2015	\$ -		204 FOURTH AVE	1932	\$ 162,800	4/18/2007	\$ 56,960
607 CRESTLAND AVE	1947	\$ -	2/10/2011	\$ 32,175		FOURTH AVE		\$ -	7/7/1994	\$ 6,000
610 CRESTLAND AVE	1954	\$ -	2/10/2011	\$ 29,275		1109 GREENLAND DR	1984		12/14/2017	\$ 189,400
611 CRESTLAND AVE	1952	\$ 47,000	1/21/1987	\$ 33,000		1111 GREENLAND DR	1980		9/26/2017	\$ 155,480
617 CRESTLAND AVE	1947	\$ 133,300	1/31/2008	\$ 55,875		1121 GREENLAND DR	1962	\$ 240,000	2/17/1999	\$ 125,280
621 CRESTLAND AVE A-D	1957	\$ 3,592,000	5/31/2017	\$ 91,160		1030 GREENLAND DR	2017		2/2/2015	\$ 680,000

* Total Assessed Value from Rutherford County Property Assessor; assessed value is not market value of property

MTSU Approved Acquisition Area Property Not Owned by MTSU
MTSU Campus Planning
October 2019

Address	Year Built	Sale Price	Sale Date	Total Assessed Value *		Address	Year Built	Sale Price	Sale Date	Total Assessed Value *
702 CRESTLAND AVE	1950	\$ -	7/27/1984	\$ 33,925		GREENLAND DR			9/26/2017	\$ 28,120
705 CRESTLAND AVE	2012		9/12/2018	\$ 740,000		1825 JORDAN AVE	1952	\$ 60,000	9/16/1998	\$ 36,275
713 CRESTLAND AVE	1954		9/12/2018	\$ 32,425		1907 JORDAN AVE	1937	\$ -	6/19/1976	\$ 50,325
713 CRESTLAND AVE B & C	1964		9/12/2018	\$ 24,320		1911 JORDAN AVE	1932	\$ 132,000	10/16/2015	\$ 49,200
717 CRESTLAND AVE	1947	\$ 100,000	3/27/2015	\$ 33,300		2320 2322 LOUISE ST	2005	\$ 71,000	3/22/1994	\$ 13,250
719 CRESTLAND AVE		\$ 55,000	6/19/2015	\$ 9,250		LOUISE ST		\$ -	4/12/2005	\$ -
720A B CRESTLAND AVE	1958	\$ 224,900	4/21/2016	\$ 53,738		1156 E MAIN ST	1950		12/16/2014	\$ 163,800
723 CRESTLAND AVE	1937	\$ 250,000	6/28/2016	\$ 72,800		1153 E MAIN ST	1917	\$ -	10/10/2012	\$ 113,550
724 CRESTLAND AVE	1937	\$ 110,000	5/24/2004	\$ 39,975		1153 E MAIN ST	1917	\$ -	10/10/2012	\$ 33,760
812 CRESTLAND AVE	1950	\$ 148,300	11/23/2015	\$ 54,950		1212 E MAIN ST	1922	\$ 176,000	10/17/2003	\$ 57,500
815 CRESTLAND AVE	2005			\$ 2,360		1216 E MAIN ST	1925	\$ 180,000	5/28/2002	\$ 56,600
815 CRESTLAND AVE	1950	\$ -	5/18/1982	\$ 68,875		1408 E MAIN ST	1912	\$ -	7/7/1994	\$ 101,725
816 CRESTLAND AVE	1950		7/20/2018	\$ 37,625		1418 E MAIN ST	1975	\$ 775,000	6/1/1993	\$ 760,000
819 CRESTLAND AVE	1950	\$ -	9/10/2003	\$ 44,280		1426 E MAIN ST A,B,C	1910	\$ -	6/1/1977	\$ 75,160
820 CRESTLAND AVE	1950	\$ -	9/6/2006	\$ 26,925		1430 E MAIN ST A-J	1947	\$ -	12/26/2012	\$ 240,000
900 CRESTLAND AVE	1956	\$ -	9/17/1982	\$ 33,775		1434 E MAIN ST	1982	\$ 1,175,000	5/1/2007	\$ 560,000

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MTSU Campus Planning
October 2019

Address	Year Built	Sale Price	Sale Date	Total Assessed Value *		Address	Year Built	Sale Price	Sale Date	Total Assessed Value *
904 CRESTLAND AVE	1953	\$ 127,600	11/28/2017	\$ 30,200		1529 E MAIN ST	1955	\$ 700,000	3/1/2018	\$ 99,520
712 714 CRESTLAND AVE	1957	\$ -	4/12/2005	\$ 51,120		1509 1513 E MAIN ST	1955	\$ 700,000	3/1/2018	\$ 91,100
716 718 CRESTLAND AVE	1957	\$ -	1/11/2008	\$ 53,880		1619 E MAIN ST	1907	\$ -	5/4/2001	\$ 73,850
1103 DIVISION ST	1937	\$ 185,500	9/10/2002	\$ 64,160		1621 E MAIN ST	1947		3/18/2016	\$ 69,775
1105 DIVISION ST	1947	\$ 180,000	7/26/2016	\$ 36,325		1629 E MAIN ST	1922	\$ -	5/25/2004	\$ 63,250
1107 DIVISION ST A-C	1942	\$ 185,500	9/10/2002	\$ 62,560		1703 E MAIN ST	1958	\$ -	2/1/2007	\$ 52,825
1108 DIVISION ST	1937	\$ 78,000	12/13/2006	\$ 31,450		1717 E MAIN ST	1952	\$ -	6/7/1976	\$ 48,000
205 EASTLAND AVE	1946	\$ -	4/1/2003	\$ 29,500		1725 E MAIN ST	1955	\$ 114,500	10/19/1987	\$ 136,725
211 EASTLAND AVE	1950	\$ 190,000	1/19/2018	\$ 39,150		1807 E MAIN ST	1947	\$ 105,000	3/13/2006	\$ 33,875
215 EASTLAND AVE	1943	\$ 83,000	4/13/2004	\$ 36,300		1811 E MAIN ST A-C	1952	\$ 77,000	10/5/1993	\$ 73,320
216 EASTLAND AVE			12/14/2016	\$ 10,000		1903 E MAIN ST	1932	\$ -	6/29/1973	\$ 59,025
223 EASTLAND AVE	1941	\$ 86,333	6/30/2016	\$ 41,425		1907 E MAIN ST	1904	\$ 128,000	1/29/1999	\$ 60,700
224 EASTLAND AVE A & B	1938	\$ -	8/31/1992	\$ 49,300		1911 E MAIN ST		\$ 128,000	1/29/1999	\$ 13,750
EASTLAND AVE			12/14/2016	\$ 10,000		1915 E MAIN ST	1925	\$ 156,000	9/7/2001	\$ 58,325
1000 EATON ST	1922	\$ 125,000	7/29/2010	\$ 41,075		2115 E MAIN ST	1960	\$ -	1/26/1993	\$ 78,400
1001 EATON ST	1952		9/12/2018	\$ 53,500		2201 E MAIN ST	1948	\$ -	12/16/2014	\$ 69,640

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MTSU Campus Planning
October 2019

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1006 EATON ST A B C	1952		7/1/2015	\$ 92,020		102 104 CITY VIEW DR	1950	\$ -	12/16/2014	\$ 33,160
1010 EATON ST	1942	\$ -	2/10/2011	\$ 30,075		2215 E MAIN ST	1936	\$ -	7/19/1996	\$ 38,750
1012 EATON ST A-D	1942	\$ 3,592,000	5/31/2017	\$ 87,040		2219 E MAIN ST	1955	\$ -	8/21/2014	\$ 43,725
1107 EATON ST A-D	1935	\$ -	6/27/1984	\$ 34,840		2038 MIDDLE TENNESSEE BLVD		\$ 550,000	3/6/2017	\$ 11,875
1603 ELROD ST	1952	\$ 72,000	9/30/1999	\$ 46,000		2040 MIDDLE TENNESSEE BLVD		\$ 550,000	3/6/2017	\$ 11,875
1607 ELROD ST	1952	\$ 170,000	7/2/2010	\$ 55,500		2042 MIDDLE TENNESSEE BLVD		\$ 550,000	3/6/2017	\$ 11,875
1610 ELROD ST	1952	\$ -	11/28/2012	\$ 28,875		2105 MIDDLE TENNESSEE BLVD	1937	\$ 214,500	4/19/2013	\$ 66,225
1614 ELROD ST A-C	1952	\$ -	11/28/2012	\$ 73,320		2106 MIDDLE TENNESSEE BLVD	2016		7/28/2017	\$ 55,775
1615 ELROD ST A & B	1947		9/12/2018	\$ 70,960		2108 MIDDLE TENNESSEE BLVD	2016		7/28/2017	\$ 55,750
1702 ELROD ST	1954	\$ 60,000	7/22/2009	\$ 42,275		2110 MIDDLE TENNESSEE BLVD	2016		7/28/2017	\$ 55,750
1703 ELROD ST	1954	\$ 115,000	4/21/1997	\$ 61,275		2111 MIDDLE TENNESSEE BLVD	1947		12/16/2014	\$ 74,760
1706 ELROD ST	1958		9/12/2018	\$ 44,500		2112 MIDDLE TENNESSEE BLVD	2016		7/28/2017	\$ 55,775
1707 ELROD ST	1958	\$ -	9/20/1957	\$ 46,400		2114 MIDDLE TENNESSEE BLVD	2015	\$ 960,000	10/13/2017	\$ 55,350
1711 ELROD ST	1965	\$ 134,000	3/22/2001	\$ 47,425		2116 MIDDLE TENNESSEE BLVD	2015	\$ 960,000	10/13/2017	\$ 55,150
1715 ELROD ST	1950	\$ 170,000	8/21/2017	\$ 64,150		2117 MIDDLE TENNESSEE BLVD	1918	\$ -	7/10/2008	\$ 51,400
1510 54 ELROD ST	1985	\$ -	10/31/1991	\$ 356,000		2118 MIDDLE TENNESSEE BLVD	2015	\$ 960,000	10/13/2017	\$ 55,150

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MTSU Approved Acquisition Area Property Not Owned by MTSU
MTSU Campus Planning
October 2019

Address	Year Built	Sale Price	Sale Date	Total Assessed Value *		Address	Year Built	Sale Price	Sale Date	Total Assessed Value *
1005 EWING BLVD	1947		2/14/2018	\$ 33,500		2123 MIDDLE TENNESSEE BLVD	1932	\$ -	7/10/2008	\$ 39,825
1007 EWING BLVD	1947	\$ 78,000	11/11/1999	\$ 33,750		2251 MIDDLE TENNESSEE BLVD	1929	\$ -	11/6/2013	\$ 126,850
1011 EWING BLVD	1952	\$ 115,000	7/24/2012	\$ 37,475		2255 MIDDLE TENNESSEE BLVD	1932	\$ -	8/28/1996	\$ 73,325
1017 EWING BLVD	1946	\$ 50,000	3/30/1993	\$ 44,475		2517 MIDDLE TENNESSEE BLVD	1939		5/3/2017	\$ 38,825
1021 EWING BLVD B-2	1940	\$ 3,592,000	5/31/2017	\$ 88,120		2523 MIDDLE TENNESSEE BLVD	1950	\$ -	4/10/1992	\$ 63,225
608 FAIRVIEW AVE	1957	\$ -	2/13/1981	\$ 28,750		2529 MIDDLE TENNESSEE BLVD		\$ -	9/28/2007	\$ 4,375
612 FAIRVIEW AVE	1944	\$ -	9/26/1997	\$ 39,525		2529 MIDDLE TENNESSEE BLVD	1945	\$ -	9/28/2007	\$ -
616 FAIRVIEW AVE	1949	\$ -	4/19/2012	\$ 31,550		2535 MIDDLE TENNESSEE BLVD	1962	\$ -	10/4/1961	\$ -
622 FAIRVIEW AVE	1941	\$ 63,382	3/22/2016	\$ 36,538		2535 MIDDLE TENNESSEE BLVD		\$ -	10/4/1961	\$ 7,050
710 FAIRVIEW AVE A-E	1922	\$ 75,000	4/29/2010	\$ 78,040		2605 2613 MIDDLE TENNESSEE BLVD	1949	\$ -	6/19/1984	\$ 99,240
712 FAIRVIEW AVE	1932		7/1/2015	\$ 41,950		2617 MIDDLE TENNESSEE BLVD	1950	\$ -	2/9/2000	\$ 93,925
716 FAIRVIEW AVE	1952		7/1/2015	\$ 45,550		2633 MIDDLE TENNESSEE BLVD	1927	\$ 227,500	1/3/2002	\$ 103,920
718 FAIRVIEW AVE	1952	\$ 160,000	2/4/2016	\$ 43,050		2639 MIDDLE TENNESSEE BLVD	1950	\$ 265,000	1/11/2008	\$ 112,640
706 708 FAIRVIEW AVE	1937	\$ 90,000	11/10/2014	\$ 59,000		2653 MIDDLE TENNESSEE BLVD	1945	\$ -	2/13/2008	\$ 65,320
618 FAIRVIEW AVE B	1948		9/12/2018	\$ 69,040		2721 MIDDLE TENNESSEE BLVD	1942	\$ -	11/15/2013	\$ 46,875
722 FAIRVIEW AVE	2002	\$ 117,000	7/12/2018	\$ 23,875		2721 MIDDLE TENNESSEE BLVD	1993	\$ -	11/15/2013	\$ 56,640

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MTSU Approved Acquisition Area Property Not Owned by MTSU
MTSU Campus Planning
October 2019

Address	Year Built	Sale Price	Sale Date	Total Assessed Value *		Address	Year Built	Sale Price	Sale Date	Total Assessed Value *
720 FAIRVIEW AVE	2002	\$ 81,500	4/18/2005	\$ 22,800		2727 MIDDLE TENNESSEE BLVD	1965	\$ 143,100	7/9/2012	\$ 52,475
1006 DIVISION ST	2003	\$ 92,500	6/18/2014	\$ 23,225		2120 MIDDLE TENNESSEE BLVD	2015	\$ 960,000	10/13/2017	\$ 55,300
1012 DIVISION ST	2002	\$ 94,000	2/26/2016	\$ 22,975		2130 2154 MIDDLE TENNESSEE BLVD	2010	\$ 2,725,000	9/30/2014	\$ 645,560
1010 DIVISION ST	2002	\$ 95,000	11/9/2016	\$ 22,900		2130 2154 MIDDLE TENNESSEE BLVD	2010	\$ 2,725,000	9/30/2014	\$ 645,560
1008 DIVISION ST	2002	\$ 90,000	6/1/2009	\$ 22,975		MIDDLE TENNESSEE BLVD		\$ 550,000	3/6/2017	\$ 11,875
724 FAIRVIEW AVE	1937	\$ 145,000	7/20/2018	\$ 40,600		1821 RAGLAND AVE	1932	\$ 79,000	8/15/1990	\$ 38,950
1002 DIVISION ST	2003	\$ 95,000	8/11/2014	\$ 23,250		1825 RAGLAND AVE	1938	\$ 102,500	6/8/2001	\$ 46,375
1004 DIVISION ST	2003	\$ 74,900	4/23/2012	\$ 23,250		1903 RAGLAND AVE	1939	\$ 82,500	8/1/1994	\$ 62,000
105 FOURTH AVE 102	2005	\$ 146,500	12/12/2016	\$ 37,925		1910 RAGLAND AVE	1994	\$ 16,000	10/23/1992	\$ 62,000
105 FOURTH AVE 301	2005	\$ 145,000	3/23/2017	\$ 37,925		2010 RAGLAND AVE	1960		11/15/1984	\$ 36,175
105 FOURTH AVE 109	2005	\$ 143,500	5/11/2015	\$ 37,925		2011 RAGLAND AVE	1956		7/1/2015	\$ 40,275
105 FOURTH AVE 105	2005	\$ 134,000	7/3/2013	\$ 37,975		2105 RAGLAND AVE	1954	\$ 280,000	8/29/2018	\$ 46,575
105 FOURTH AVE 107	2005	\$ -	7/19/2005	\$ 37,675		1815 1817 RAGLAND AVE	1957	\$ 130,000	6/20/2018	\$ 48,420
105 FOURTH AVE 209	2005	\$ 128,265	8/4/2005	\$ 61,040		RAGLAND AVE			11/15/1984	\$ 10,000
105 FOURTH AVE 210	2005	\$ 128,265	8/4/2005	\$ 37,675		1012 ROSE AVE	1952	\$ 53,076	11/28/2012	\$ 35,550
105 FOURTH AVE 208	2005	\$ 128,265	8/4/2005	\$ 60,760		1016 ROSE AVE	1937	\$ -	7/25/1986	\$ 29,975

* Total Assessed Value from Rutherford County Property Assessor; assessed value is not market value of property

MTSU Approved Acquisition Area Property Not Owned by MTSU
MTSU Campus Planning
October 2019

Address	Year Built	Sale Price	Sale Date	Total Assessed Value *		Address	Year Built	Sale Price	Sale Date	Total Assessed Value *
105 FOURTH AVE 302	2005		8/25/2016	\$ 37,925		225 N RUTHERFORD BLVD	2001		11/15/2016	\$ 812,520
105 FOURTH AVE 305	2005	\$ 134,000	4/1/2016	\$ 37,675		235 N RUTHERFORD BLVD	2001	\$ 245,000	6/2/1999	\$ 346,680
105 FOURTH AVE 206	2005	\$ 137,900	8/15/2014	\$ 37,675		285 N RUTHERFORD BLVD	2004	\$ 22,097,800	3/28/2017	\$ 12,400,000
105 FOURTH AVE 111	2005	\$ 140,000	9/11/2015	\$ 37,675		1210 E VINE ST		\$ 550,000	3/6/2017	\$ 11,875
105 FOURTH AVE 114	2005	\$ 143,000	5/11/2015	\$ 37,925		1211 1219 E VINE ST		\$ 2,725,000	9/30/2014	\$ 52,600
105 FOURTH AVE 501	2005	\$ 134,000	3/19/2013	\$ 38,150		212 WILSON AVE	1962	\$ -	12/10/1987	\$ 45,900
105 FOURTH AVE 403	2005	\$ 126,000	2/15/2013	\$ 37,675		WILSON AVE		\$ -	4/1/2003	\$ 11,925
105 FOURTH AVE 108	2005	\$ -	7/19/2005	\$ 38,150		206 WOMACK LN	1964	\$ 200,000	7/26/2002	\$ 81,100
105 FOURTH AVE 406	2005	\$ 153,000	2/13/2017	\$ 37,925		215 WOMACK LN	1952	\$ 172,500	10/5/2004	\$ 53,625
105 FOURTH AVE 307	2005	\$ 153,500	8/31/2017	\$ 60,680		WOMACK LN		\$ 55,000	9/4/2002	\$ 12,500
105 FOURTH AVE 306	2005	\$ 153,500	8/31/2017	\$ 60,680		WOMACK LN		\$ 55,000	9/4/2002	\$ 11,250
105 FOURTH AVE 110	2005	\$ 157,000	8/11/2017	\$ 37,925		107 YEARWOOD AVE A-C	1940	\$ 71,000	3/22/1994	\$ 59,320
105 FOURTH AVE 202	2005	\$ 143,000	7/29/2016	\$ 37,925		2403 E MAIN ST	1920	\$ 71,000	3/22/1994	\$ 53,880
105 FOURTH AVE 404	2005	\$ 151,000	8/26/2008	\$ 38,150		203 YEARWOOD AVE	1942	\$ 575,000	10/24/2018	\$ 26,775
105 FOURTH AVE 203	2005	\$ 142,000	5/13/2016	\$ 37,925		205 YEARWOOD AVE	1963	\$ -	8/24/2012	\$ 26,900
105 FOURTH AVE 407	2005		6/28/2016	\$ 37,925		207 YEARWOOD AVE	1943	\$ 575,000	10/24/2018	\$ 27,650

* Total Assessed Value from Rutherford County Property Assessor; assessed value is not market value of property

MTSU Approved Acquisition Area Property Not Owned by MTSU
MTSU Campus Planning
October 2019

Address	Year Built	Sale Price	Sale Date	Total Assessed Value *		Address	Year Built	Sale Price	Sale Date	Total Assessed Value *
105 FOURTH AVE 304	2005	\$ 144,000	5/5/2006	\$ 38,150		207 YEARWOOD AVE		\$ 575,000	10/24/2018	\$ 150
105 FOURTH AVE 201	2005	\$ 149,000	5/15/2006	\$ 38,150		209 YEARWOOD AVE	1943	\$ 575,000	10/24/2018	\$ 28,425
105 FOURTH AVE 211	2005	\$ 133,865	8/4/2005	\$ 37,925		213 YEARWOOD AVE	1943	\$ 575,000	10/24/2018	\$ 21,600
105 FOURTH AVE 205	2005	\$ 133,000	1/30/2015	\$ 38,150		N RUTHERFORD BLVD		\$ 138,600	7/26/2017	\$ 4,375
105 FOURTH AVE 204	2005		7/21/2016	\$ 37,975		219 YEARWOOD AVE	1947	\$ 575,000	10/24/2018	\$ 42,800
105 FOURTH AVE 402	2005	\$ 150,000	5/29/2009	\$ 37,925		303 YEARWOOD AVE			8/1/2018	\$ 6,000
105 FOURTH AVE 405	2005	\$ 141,000	9/1/2015	\$ 37,975		N RUTHERFORD BLVD			8/1/2018	\$ 9,375
105 FOURTH AVE 503	2005	\$ -	7/10/2014	\$ 37,925		305 YEARWOOD AVE	1942	\$ 50,000	4/25/2006	\$ 26,925
105 FOURTH AVE 207	2005	\$ 152,000	8/1/2008	\$ 37,925		309 YEARWOOD AVE	1941	\$ 56,000	12/1/2004	\$ 35,250
105 FOURTH AVE 112	2005	\$ 141,500	8/10/2010	\$ 38,150		311 YEARWOOD AVE	1941		4/11/2018	\$ 33,400
105 FOURTH AVE 308	2005	\$ 144,000	1/4/2017	\$ 38,150						

* Total Assessed Value from Rutherford County Property Assessor; assessed value is not market value of property



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Action Item

DATE: March 17, 2020

SUBJECT: **Capital Project Disclosures**

PRESENTER: Bill Waits
Assistant Vice President for Campus Planning

BACKGROUND INFORMATION:

In accordance with THEC Policy 4.0.6C concerning disclosure of projects funded through bonds, gifts, grants, or local funds, MTSU has submitted two projects to amend the FY 2019-20 and FY 2020-21 disclosed project lists. Disclosure of a capital project is the first step in the project approval process and indicates an institution is considering a large-scale project investment.

Amendments include the addition of the "Food Service Improvements" project to the FY 2019-20 disclosure list and the "Flight School Addition" project to the FY 2020-21 disclosure list.

These projects were submitted under THEC's and the State's deadlines for submitting additional projects. The projects are being provided to the Committee for review and subsequent approval for amending MTSU's lists of disclosed projects.

MTSU Capital Disclosure: FY2020-21

Project	Project Description	Project Cost	Funding Sources			
			Gifts	Gift-in-Place	Plant Funds	TSSBA Bonds
Flight School Addition	Construct a new academic building to support the MTSU Department of Aerospace.	\$5,000,000				\$5,000,000

MTSU Capital Disclosure: FY2019-20

Project	Project Description	Project Cost	Funding Sources			
			Gifts	Gift-in-Place	Plant Funds	TSSBA Bonds
Food Service Improvements	Renovations to MTSU Dining facilities in Keathley University Center and McCallie Food Court. This work includes re-branding and renovations done as a gift-in-place project from Aramark who is the contract holder for MTSU food service.	\$6,200,000		\$6,200,000		



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Action Item

DATE: March 17, 2020

SUBJECT: **Airport Master Plan**

PRESENTER: Bill Waits
Assistant Vice President for Campus Planning

BACKGROUND INFORMATION:

The University is seeking approval from the Board of Trustees for the new MTSU Airport Master Plan. Upon Board approval, the MTSU Airport Master Plan will be submitted to the Tennessee Higher Education Commission for review and approval, and subsequently to the State Building Commission for inclusion as an amendment to the University's 2016 Campus Master Plan. Inclusion of these items in the Campus Master Plan is required by the Tennessee Higher Education Commission to proceed with the improvements documented.

The MTSU Airport Master Plan is a multi-phase plan, including future improvements to the MTSU Department of Aerospace facilities at the Murfreesboro Municipal Airport. These improvements include new hangars to support the Maintenance Management and Flight School programs, a new 10,000 square foot Aerospace Instructional Center, additional aircraft apron, and a 90,000 square foot Academic / Lab Building. These improvements are envisioned around a new quadrangle space to give the MTSU Aerospace facilities a collegiate atmosphere.

The MTSU Airport Master Plan is vital to ensure that the University's long-range planning is in congruence with the Murfreesboro Municipal Airport's Master Plan.

Introduction

The Middle Tennessee State University Department of Aerospace operates facilities at Murfreesboro Municipal Airport in support of the Professional Pilot and Maintenance Management concentrations. In response to accreditation recommendations and continued growth in enrollment, Campus Planning initiated a process to develop a master plan for MTSU facilities located at the Airport. This summary presents an overview of the planning process and the resulting recommended plan.

Facility Requirements

Future facility requirements were prepared based on projected numbers of students in the Professional Pilot and Maintenance Management concentrations along with space programs for functional areas, including classrooms, labs, flight briefing areas, hangar space, and support functions, which were benchmarked against comparable programs at other universities. Over the past thirteen years, Professional Pilot enrollment has grown at a 6.2 percent compound annual growth rate. With this continued growth, enrollment is forecast to increase from 721 students in 2019 to 1,350 in 2029. Maintenance Management enrollment grew at a 3.5 percent compound annual growth rate. This growth rate projects an increase in enrollment from 89 students in 2019 to 125 in 2029.

In total, the Department occupies approximately 49,700 square feet of building space along with parking apron for 26 aircraft at the Airport. The baseline facility requirement for today's enrollment is 124,400 square feet of building space and apron for 30 aircraft. The ten-year facility requirement to accommodate the growth presented above is 144,000 square feet of building and hangar space, and 60 aircraft parking positions. These facility requirements served as a guide in the development of alternatives for future facility development at the Airport.

Recommended Plan

Several initial alternatives were developed and reviewed with stakeholders, including Campus Planning, Aerospace faculty and staff, and Airport management. Based on operational efficiency, prioritization of needs, and likely funding availability, one alternative was carried forward and refined to serve the operations of the Department, and enhance compatibility with Murfreesboro Municipal Airport development goals. **Exhibit 1** presents the recommended plan and consists of the following development items:

Flight School Maintenance Hangar – A new 16,000 square foot hangar for the maintenance of the MTSU fleet of aircraft. The Donald McDonald Hangar would transition to use by the Maintenance Management program to address the need for additional space identified in the accreditation report.

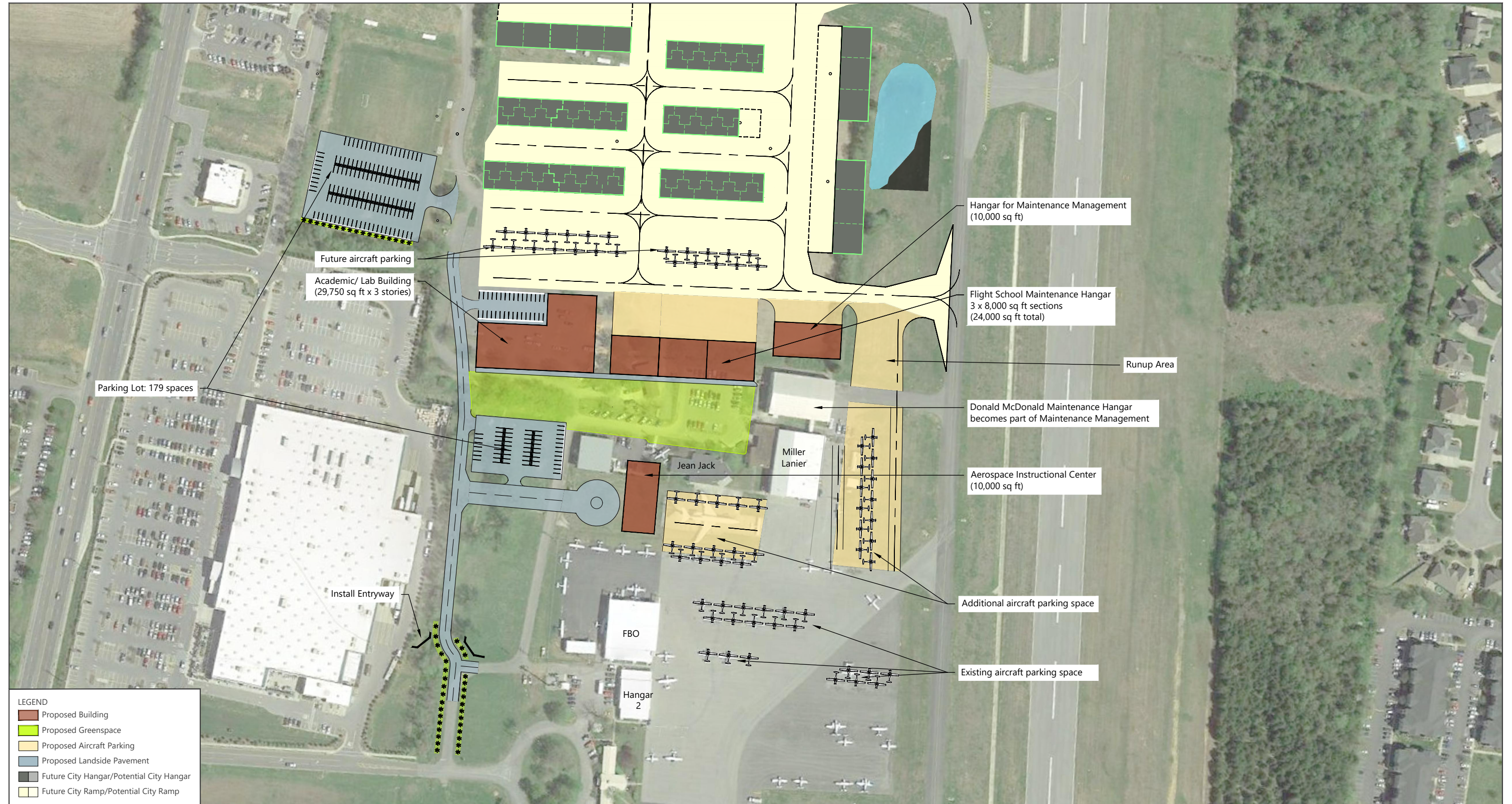
Aerospace Instructional Building – A new 10,000 square foot building with classroom and flight briefing rooms to accommodate growth in Professional Pilot enrollment.

Aircraft Parking Apron – Incremental addition of aircraft parking growth in the MTSU aircraft fleet.

Academic/Lab Building – A three-story, 89,000 square foot academic and lab building to serve both Professional Pilot and Maintenance Management students.

Maintenance Management Hangar – To meet the long-term requirements for hangar space, a third hangar is proposed north of the Donald McDonald Hangar, keeping the Maintenance Management hangars adjacent to one another.

Expand Flight School Maintenance Hangar – With continued growth in aircraft fleet, additional space will be required for flight school aircraft maintenance. The plan allows for an additional 8,000 square foot hangar bay to be added to the maintenance hangar for additional capacity.



SOURCE: Google Earth Pro, Image Landsat/Copernicus, April 2018, (for visual reference only - may not be to scale); Atkins, December 2019; Ricondo & Associates Inc., January 2020.

EXHIBIT 1



RECOMMENDED PLAN



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Information Item

DATE: March 17, 2020

SUBJECT: **Governor's 2020-21 Budget**

PRESENTER: Alan Thomas
Vice President Business and Finance

BACKGROUND INFORMATION:

Governor Lee held his State of the State Address on Monday, February 3, 2020, at which time he presented the 2020-21 State Budget. After a preliminary analysis of the budget in relation to higher education, a summary of the financial impact to MTSU was sent out to all Board members and the campus. An analysis prepared by the Tennessee Higher Education Commission (THEC) on the budget was released as well showing the impact to all of higher education.

The following documents are included in these meeting materials for your information and review:

- Email to Campus and Board Members on Impact to MTSU
- THEC's Summary of the Governor's 2019-20 Budget Recommendation

Alan Thomas

From: Kimberly Edgar
Sent: Thursday, February 6, 2020 12:55 PM
To: University
Subject: Message from President McPhee: Highlights of Governor Lee's 2020-21 budget presented to the Tennessee General Assembly

Good afternoon.

As you are aware, on Monday evening Governor Lee presented his 2020-21 budget to the Tennessee General Assembly. We have conducted a preliminary analysis of the details of the Governor's Budget and I wanted to outline how his proposed budget could affect our University, if approved by the Legislature.

Highlights of the budget as they relate to MTSU's institutional needs and priorities are as follows:

- Net operating appropriations, which includes adjustments made through the funding formula, will increase by \$1.9 million. The University will receive an additional \$634,500 to cover group health insurance premium increases for a partial year.
- The Governor's Budget included partial funding for a 2.5 percent salary pool for MTSU in the amount of \$2.85 million. As in years past, this is only partial funding and the University must fund the remaining pool from other revenue sources. Salary increases over the past few years have been minimal but improving employee salaries remains my number one priority in establishing the University's 2020-21 budget. I continue to make the case to our state legislative leaders and the executive branch, and more recently to our own Board of Trustees, regarding the importance of improving salaries for our employees.
- The Governor recommended \$159.1 million in capital improvements funding for higher education. A new 88,000 square foot academic facility to house our Applied Engineering programs was ranked No. 7 on the higher education priority list by the Tennessee Higher Education Commission. The capital outlay request would provide \$45.9 million in state funding and require the University to raise \$5.1 million through other sources, representing a total project cost of \$51.0 million. This project was not included in the Governor's Budget for funding this year.
- The Governor recommended \$109.1 million in capital maintenance funding for all of higher education, which includes funding for three (3) of MTSU's six (6) recommended capital projects totaling \$7.1 million. These projects include the repair/replacement of windows at

Murphy Center, phase III of elevator modernization across campus, and phase II of water and sewer system updates.

- Non-recurring funding of \$1.2 million was included in the budget for MTSU to assist with a 3+4 partnership we have with Meharry Medical College for a fast-track program for select, qualified students to receive both an undergraduate degree from MTSU and a medical degree from Meharry. The funding is earmarked for financial aid for the students in this medical education program.
- Non-recurring funding for campus safety initiatives on higher education campuses are included in the budget at \$2.0 million. It is unclear at this time how this funding will be allocated but the University should have access to these funds to further enhance the safety of our students and employees.

With the limited operating appropriations provided in the budget to cover our fixed costs increases (i.e. faculty promotion increases, utilities, software maintenance, etc.) and increases in funding scholarships, we will once again be operating on a very tight budget. The FOCUS Act, if you will remember, also gives THEC the authority to issue a binding tuition and mandatory fees range that the University must stay within when raising tuition and fees. While the preliminary recommendation is for a tuition increase in the range of 0 - 2.0%, the final range will not be issued until early May by THEC.

As the Legislature debates the final budget, we will continue to review additional information as it becomes available and incorporate the impact into the University's budgeting process for the upcoming year. As future developments are known, I will continue to communicate with the campus through our campus website and with email messages to keep you abreast of the Legislature's actions.

Sincerely,
Sidney A. McPhee





MIKE KRAUSE
Executive Director

BILL LEE
Governor

STATE OF TENNESSEE
HIGHER EDUCATION COMMISSION
STUDENT ASSISTANCE CORPORATION
PARKWAY TOWERS, SUITE 1900
NASHVILLE, TENNESSEE 37243-0830
(615) 741-3605

MEMORANDUM

To: Tennessee Higher Education Commission Members
Tennessee Student Assistance Corporation Board of Directors

From: Mike Krause

Subject: Governor's FY 2020-21 Budget Recommendation

Date: February 3, 2020

This evening, Governor Bill Lee presented his 2020-21 budget proposal to the 111th General Assembly. It includes an operating improvement of \$38 million to fund productivity increases and \$28.4 million for salary increases across universities, community colleges, and the Tennessee Colleges of Applied Technology—a total of \$66.4 million for all formula units and TCATs.

The budget proposal also includes \$6.5 million to fund operating increases at the medical universities, \$5.0 million to provide security for all TCATs, and \$10.5 million for salary increases across all specialized units. The Tennessee Student Assistance Awards will receive an improvement increase of \$9.6 million.

Finally, of THEC's eight recommended capital outlay projects, the Governor's budget includes funding for four, totaling over \$159 million in capital improvements. The Governor's budget also recommends \$109.1 million for capital maintenance, \$50 million of which is identified as recurring funds. See below for additional details.

Recurring Institutional Improvements (\$106.7 million)

- \$38.0 million to fully fund university and community college growth in outcomes and TCAT growth;
- \$28.4 million for salary increases, equal to a 2.5 percent salary pool, at UT, TBR, and LGI formula units;
- \$11.0 million for salary increases at the Specialized Units;
- \$6.5 million for operating increases at the medical universities;
- \$5.0 million to the Tennessee Board of Regents for system-wide TCAT Security Grants to improve the safety and security at the 27 TCATs;
- \$7.7 million to fund the state share of a 6.0 percent group health insurance premium increase;
- \$4.4 million to the Tennessee Colleges of Applied Technology to fund operational expenditures for the Governor's Correctional Education Investment initiative;
- \$2.0 million to Tennessee State University Cooperative Extension for agricultural extension services;
- \$2.2 million to University of Tennessee Institute of Agriculture to complete the expansion of at least one extension agent in the 4-H, family and consumer sciences, and agriculture and natural resources program areas in each of Tennessee's 95 counties;
- \$1.1 million to East Tennessee State University for Pediatric Surgery and Specialists. This recurring funding will support two additional pediatric surgeons needed to meet a critical shortage in northeast Tennessee as well as provide access to care in pediatric specialty areas not currently available in the region; and
- \$400,000 to TBR for a Competency-Based Education (CBE) Capacity program to support faculty as they convert courses to a CBE model.

Non-recurring Institutional Improvements (\$9.0 million)

- \$5.0 million to the University of Memphis for its pursuit of R1 Carnegie Classification status;
- \$1.2 million to provide continued financial aid for the Medical Education Program jointly administered by Middle Tennessee State University and Meharry Medical College;
- \$1.0 million to TBR to expand opportunities for mechatronics education through high school and postsecondary partnerships;
- \$984,600 to the TCATs to fund operational expenditures for the Governor's Correctional Education Investment initiative;
- \$500,000 to Tennessee Tech University to fund fourth year of National Science Foundation cybersecurity research; and
- \$350,000 to TBR for a Competency-Based Education (CBE) Capacity program to support faculty as they convert courses to a CBE model.

Capital Improvements (\$268.2 million)

- \$159.1 million for 4 capital outlay projects:
 - \$43.5 million for the Tennessee Technological University Engineering building;
 - \$21.7 million for the Tennessee College of Applied Technology-Chattanooga Advanced Manufacturing building;
 - \$60.96 million for the Austin Peay State University Health Professions building;
 - \$32.9 million for the University of Memphis STEM Research and Classroom building.
- \$109.1 million for capital maintenance projects:
 - \$59.1 million nonrecurring;
 - Increases recurring revenue from \$40 million to \$50 million.

Recurring THEC/TSAC Improvements (\$10.4 million)

- \$9.6 million for the Tennessee Student Assistance Awards (TSAA), Tennessee's primary need-based financial aid program. This appropriation will serve an additional 5,700 students by raising the qualifying family income for a family of four to \$44,000;
- \$400,000 for the HBCU Summer Bridge Program to create summer programs that prepare students for college rigor while acclimating them to their new college environment at each of the five undergraduate Historically Black Colleges and Universities in Tennessee; and
- \$363,000 to provide Contract Education funding for the Southern College of Optometry.

Non-Recurring THEC Administered Initiatives (\$3.25 million)

- \$2.0 million for Statewide Security Grants to implement targeted maintenance and programmatic security upgrades across all higher education institutions;
- \$1.0 million for Veteran Reconnect Grants to fund competitive grants focused on improving the success of student veterans enrolled in Tennessee colleges and universities by enhancing training for faculty and staff who work with veterans; and
- \$250,000 for the Training Alignment Grant Project to align industry credentials with the workforce.

Other Non-Recurring Initiatives (\$10 million)

- \$10 million to the University of Tennessee to create the Oak Ridge Institute to expand research and doctoral education in science and technology fields;



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Information Item

DATE: March 17,2020

SUBJECT: **Composite Financial Index (CFI)**

PRESENTER: Alan Thomas
Vice President Business and Finance

BACKGROUND INFORMATION:

The Composite Financial Index (CFI) provides a more complex picture of the financial health of the institution at a point in time than is possible by simply comparing multiple indicators. Examining the trend of an institution's CFI score over an extended period offers a more stable long-term view of an institution's financial performance, given fluctuations in institutional conditions, and external circumstances, such as market performance.

The CFI includes four commonly used financial ratios:

• **Primary Reserve Ratio**

- Indicates the University's financial position related to liquidity
- Makes up 35% of the CFI
- Expendable net assets / total expenses

- **Viability Ratio**

- Indicates the capacity to repay total debt through reserves
- Makes up 35% of the CFI
- Expendable net assets / long-term debt

- **Return on Net Assets Ratio**

- Indicates whether the University is better off financially this year than last
- Makes up 20% of the CFI
- Change in net assets / beginning net assets

- **Net Operating Revenues Ratio**

- Indicates whether the University is generating adequate resources
- Makes up 10% of the CFI
- Operating surplus or deficit / operating revenues

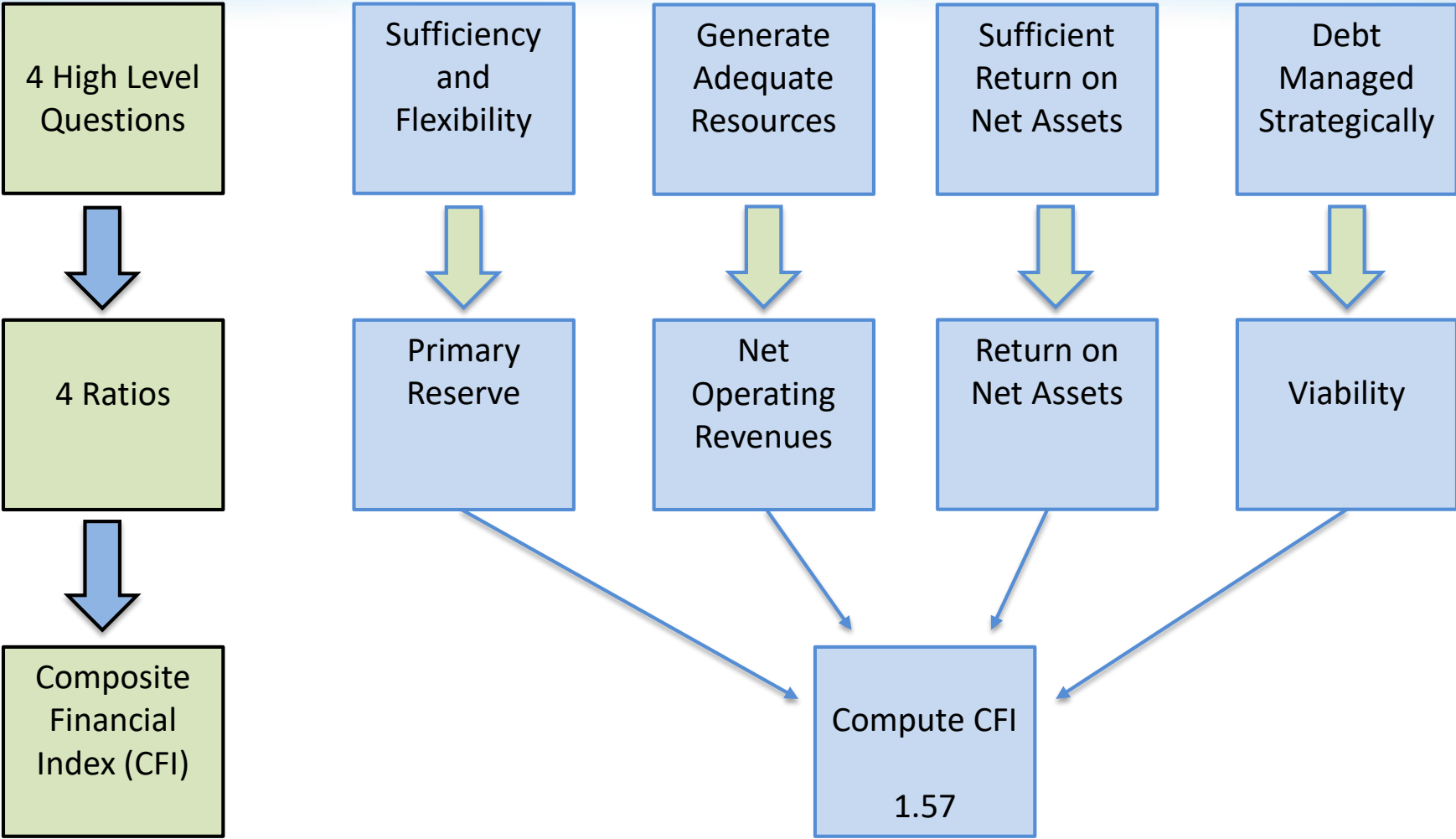
The University's CFI over a five-year period is included in these materials for your review.

Composite Financial Index (CFI)

Strategic Risk Questions	Related Ratio
1. Overall – What is the institutions overall financial health?	Composite Financial Index
2. Liquidity – Does the institution have sufficient liquidity in the near and medium term?	Primary reserve ratio
3. Net Operating Revenues – Is the institution generating adequate resources in excess of its operational costs?	Net operating revenues ratio
4. Total Return - Does the institution have adequate return on all assets?	Return on net assets ratio
5. Viability – is debt managed strategically?	Viability ratio

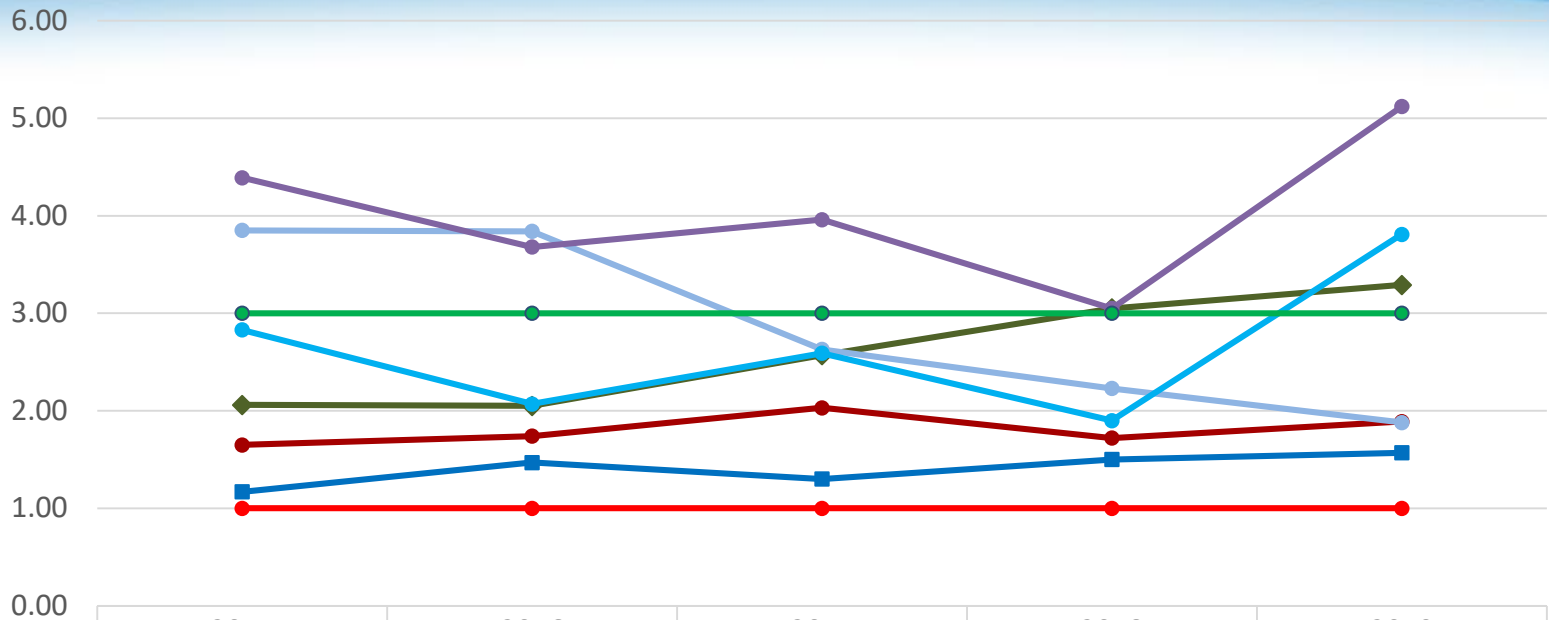
Composite Financial Index

Fiscal Year 2018-19



Overall Financial Health?

Composite Financial Index (CFI)



	2015	2016	2017	2018	2019
APSU	1.65	1.74	2.03	1.72	1.89
ETSU	2.06	2.05	2.57	3.05	3.29
MTSU	1.17	1.47	1.30	1.50	1.57
TSU	3.85	3.84	2.63	2.23	1.88
TTU	4.39	3.68	3.96	3.05	5.12
UOM	2.83	2.07	2.59	1.90	3.81
Expected	3.00	3.00	3.00	3.00	3.00
Watch Level	1.00	1.00	1.00	1.00	1.00



**Middle Tennessee State University
Board of Trustees**

Finance and Personnel Committee

Information Item

DATE: March 17, 2020

SUBJECT: **Federal Funds Report and Plan of Potential Reductions**

PRESENTERS: Alan Thomas
Vice President for Business and Finance

BACKGROUND INFORMATION:

In accordance with TCA § 9-1-111 each State agency shall prepare a report in 2019, 2021 and 2023 that:

- 1) Reports the aggregate value of federal receipts the designated state agency received for the preceding fiscal year;
- 2) Reports the aggregate amount of federal funds appropriated by the general assembly to the designated state agency for the preceding fiscal year;
- 3) Calculates the percentage of the designated state agency's total budget for the preceding fiscal year that constitutes federal receipts that the designated state agency received for that fiscal year; and

- 4) Develops plans for operating the designated state agency if there is a reduction of:
 - a. Five percent (5%) in the federal receipts that the designated state agency receives;
 - b. Twenty-five percent (25%) in the federal receipts that the designated state agency receives; and
 - c. One hundred percent (100%) in the federal receipts that the designated state agency receives.

Each designated state agency shall submit the report to the department of finance and administration on or before November 1 of each year indicated above.

The report submitted for 2019 is included in these materials.

Fiscal Year 2018-2019 Federal Funds Report and Plan of Potential Reductions

Institution of Higher Education:

Activity	Fiscal Year 2018-2019 Budgeted	Fiscal Year 2018-2019 Collected	Percentage of Budget Collected
Institutional			
Research and Development			
Student Financial Aid			
Total Federal Funding			

Institutional Funds

Please list any state funding, other funding, or full-time equivalencies that are affected with the potential reductions.

Funding Information	5% Reduction	25% Reduction	100% Reduction
Federal			
State Match			
Other			
FTEs			

Describe the program, activity, or expenditure type that would be impacted by the proposed federal funds receipts reductions. Would this reduction require a change in statute or rules? If so, list references.

5%	
25%	
100%	

Fiscal Year 2018-2019 Federal Funds Report and Plan of Potential Reductions

What would be the impact on recipients (including state and local agencies) receiving these services? What changes in program(s), services, expenditures, fees, staffing, etc. would be made if this reduction is implemented?

5%	
25%	
100%	

Are there mandated federal services that the State would have to maintain even though federal funding is cut? Are there other resources available to meet those needs?

5%	
25%	
100%	

Research and Development Funds

Please list any state funding, other funding, or full-time equivalencies that are affected with the potential reductions.

Funding Information	5% Reduction	25% Reduction	100% Reduction
Federal			
State Match			
Other			
FTEs			

Describe the program, activity, or expenditure type that would be impacted by the proposed federal funds receipts reductions. Would this reduction require a change in statute or rules? If so, list references.

5%	
-----------	--

Fiscal Year 2018-2019 Federal Funds Report and Plan of Potential Reductions

25%	
100%	

What would be the impact on recipients (including state and local agencies) receiving these services? What changes in program(s), services, expenditures, fees, staffing, etc. would be made if this reduction is implemented?

5%	
25%	
100%	

Are there mandated federal services that the State would have to maintain even though federal funding is cut? Are there other resources available to meet those needs?

5%	
25%	
100%	

Student Financial Aid Funds

Please list any state funding, other funding, or full-time equivalencies that are affected with the potential reductions.

Funding Information	5% Reduction	25% Reduction	100% Reduction
Federal			
State Match			
Other			
FTEs			

Fiscal Year 2018-2019 Federal Funds Report and Plan of Potential Reductions

Describe the program, activity, or expenditure type that would be impacted by the proposed federal funds receipts reductions. Would this reduction require a change in statute or rules? If so, list references.

5%	
25%	
100%	

What would be the impact on recipients (including state and local agencies) receiving these services? What changes in program(s), services, expenditures, fees, staffing, etc. would be made if this reduction is implemented?

5%	
25%	
100%	

Are there mandated federal services that the State would have to maintain even though federal funding is cut? Are there other resources available to meet those needs?

5%	
25%	
100%	