



Middle Tennessee State University Finance and Personnel Committee

Tuesday
November 13, 2018

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



Middle Tennessee State University Finance and Personnel Committee

Tuesday, November 13, 2018 – 11:30am

ORDER OF BUSINESS

- I. Call to Order
- II. Roll Call
- III. Remarks by Board Chairperson / President
- IV. Approval of the Minutes
 - August 28, 2018 Committee Meeting (Action)..... [Tab 1](#)
- V. Update on 2019-20 Capital Outlay and Capital Maintenance Requests (Information) [Tab 2](#)
- VI. Review THEC 2019-20 Operating Recommendations (Information) [Tab 3](#)
- VII. 2018-19 October Revised Budget (Action) [Tab 4](#)
- VIII. Compensation Update (Information)..... [Tab 5](#)
- IX. Regional Scholars Program (Action)..... [Tab 6](#)
- X. Tuition Transparency Act: Factors Considered When Developing Recommendations to Increase Tuition and Mandatory Fees (Action) ... [Tab 7](#)



**Middle Tennessee State University
Finance and Personnel Committee**

Tuesday, November 13, 2018

Tab 1

Approval of Minutes



**Middle Tennessee State University
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [Minutes of August 28 Finance and
Personnel Committee Meeting](#)

DATE: November 13, 2018

PRESENTER: Joey Jacobs

ACTION REQUIRED: Voice Vote

STAFF RECOMMENDATION: Approval

BACKGROUND INFORMATION:

The Finance and Personnel Committee met on August 28, 2018. Minutes from this meeting are provided for your review and approval.

**MINUTES OF THE
FINANCE AND PERSONNEL COMMITTEE**

The Finance and Personnel Committee met on Tuesday, August 28, 2018 at the MTSU Miller Education Center.

Call to Order and Roll Call

Chairman Joey Jacobs called the meeting to order at 2:00 p.m. A quorum was present with the following Committee members in attendance: Joey Jacobs, J.B. Baker, Darrell Freeman, Pete DeLay, Tony Johnston and Peyton Tracy. Board Chairman Smith was unable to attend. Also present were Trustees Pam Wright and Andy Adams; Sidney A. McPhee, President; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, University Provost; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Joe Bales, Vice President for University Advancement; Debra Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services; Andrew Oppmann, Vice President for Marketing and Communications; Heidi Zimmerman, University Counsel and Board Secretary; and Brenda Burkhart, Chief Audit Executive.

Chairman Jacobs opened the meeting by thanking Vice President Thomas and his team for the great job they are doing for the University. He also thanked Dr. McPhee for presenting information at the Fall Faculty Meeting concerning the Committee's efforts to address salary equity issues for University employees.

Approval of Minutes - Action

The first item on the agenda was approval of the minutes from the May 30, 2018 Finance and Personnel Committee meeting. Trustee DeLay moved to approve the minutes and Trustee Baker seconded the motion. A voice vote was taken and the motion to approve the minutes from the May 30, 2018 Finance and Personnel Committee meeting carried.

THEC Meeting Update - Information

The second item on the agenda was an update from the Tennessee Higher Education Commission (THEC) meeting held on Thursday, July 26. Mr. Thomas gave an overview of the information presented to the Commission by the LGI's, the University of Tennessee system, and the Tennessee Board of Regents' system on their tuition and budget setting processes. He informed the Committee that a guidance range for tuition and fee increases will be provided by THEC at the November meeting. This will allow the University to see a preview of where the binding range may fall when set by THEC next May. Trustee Baker inquired if there was discussion at the meeting on the possible impact a new administration might have on state funding. Mr. Thomas responded that THEC, through their finance group, has informed the institutions that they will be asked to go through "stress tests" exercises to prepare for possible decreases in state funding and enrollment declines. The institutions will be expected to formally document how they would respond under these conditions.

Philanthropy Update – Information

The third item on the agenda was a report from Joe Bales, Vice President for University Advancement on the philanthropic activity for the Middle Tennessee State University Foundation. Items presented for discussion included the following:

- 5-year fundraising results, national trends and comparisons
- Individual unit performance
- Foundation assets and endowment management
- Current challenges and opportunities
- Trustee Fund update

Trustee Freeman commended Vice President Bales and President McPhee on the excellent job they are doing in developing and maintaining relationships with donors for the University.

Capital Disclosures - Information

The fourth information item on the agenda was a report from Bill Waits, Assistant Vice President for Campus Planning on the recent submission of five (5) capital project disclosures. Mr. Waits discussed the process for submitting capital projects to THEC for disclosure. Information concerning the FY2019-20 disclosed projects was provided to the Committee members prior to the meeting and included in the meeting notebooks. He noted that the Miller Education Center renovation and the Parking Structure were new additions to the disclosed projects list. Other disclosures on the list were revisions to Phase I of the Football Operations Facility and budget revisions to the upgrades for the Women's Softball Facility and Athletic Video Board System. Mr. Thomas commented on the importance of getting projects disclosed as early as possible to allow the Tennessee State School Bond Authority (TSSBA) to plan for the total amount of bond funding needed for all institutions across the state.

Capital Projects Updates - Information

The final item on the agenda concerned updates on capital projects. Mr. Waits gave a brief update on the new Parking Services Facility Building, the Campus-wide Improvements Project, and the Peck Hall Renovation. He informed the Committee that funding for the Academic Classroom Building was received in July. Construction is scheduled to start in mid-October 2018 and expected to be completed by July 2020. Joe Whitefield, Assistant Vice President for Facility Services, provided an update on the capital maintenance projects presented at the May Committee meeting. He informed the Committee that all of the 2019-20 projects approved at the May meeting are now in the queue to receive funding in July of 2019. He stated that funding totaling \$8.2 million for the seven (7) 2018-19 projects was received in July of this year. Designers for the planning, designing, and programming for those projects have been assigned. Mr. Whitefield then discussed the process for selecting buildings in the facilities inventory for capital maintenance. He explained to the Committee that capital maintenance decisions are not made reactively but are instead made through an informed approach based on a quantitative assessment of the condition of the building. Mr. Whitefield concluded with a brief update on the steam line project located on Faulkinberry Drive. He stated that the substantial completion date of the project is scheduled for mid-October.

Chairman Jacobs asked if there was any further business for the Committee. Trustee Johnston noted that a request for a recommendation for expansion of the Regional Scholars Program on Page 5 of the May 30 Finance and Personnel Meeting Minutes had not been included on the August 28 meeting agenda. Dr. McPhee responded that this item is on the list for further discussion and a recommendation.

The meeting adjourned at 3:33 p.m.

Respectfully submitted,
Finance and Personnel Committee



**Middle Tennessee State University
Finance and Personnel Committee**

Tuesday, November 13, 2018

Tab 2

**Update on 2019-20 Capital Outlay and
Capital Maintenance Requests**



**Middle Tennessee State University
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [Capital Outlay and Capital Maintenance](#)

DATE: November 13, 2018

PRESENTER: Bill Waits

ACTION REQUIRED: None

BACKGROUND INFORMATION:

Each year, the Tennessee Higher Education Commission (THEC), at its fall meeting, makes the following recommendations for the campuses:

- Capital outlay funding
- Capital maintenance funding

Capital Outlay Funding:

In June of this year, the MTSU Board of Trustees approved the University's submittal of a new facility to house the School of Concrete and Construction Management (SCCM) with a total project budget of \$40.1 million. This project included a 54,000 square foot building for the SCCM, as well as an addition to the Satellite Chiller Plant and demolition of Abernathy and Ezell Halls in order to ready the proposed site for development.

The Tennessee Higher Education Commission's (THEC) ranked priority list of recommended projects for funding in 2019-20 is included in these materials. **MTSU's School of Concrete and Construction Management project was ranked #3 overall but is the top ranked Locally Governed Institution (LGI) project.**

THEC is recommending a total of nine (9) projects for funding in 2019-20 out of a total of over fifteen (15) projects submitted. The capital outlay funding request totals \$374.86 million and includes two (2) projects for the Tennessee Board of Regents totaling \$32.65 million; five (5) projects for the LGI's totaling \$250.8 million; and two (2) projects for the University of Tennessee (UT) system totaling \$91.4 million.

Capital Maintenance Funding:

In June of this year, the MTSU Board of Trustees approved the University's submittal of five (5) capital maintenance projects for the 2019-20 fiscal year with a total project budget of \$8.1 million. The projects included roof replacements, mechanical and HVAC upgrades, lighting and ceiling upgrades, storm water system upgrades, and a boiler replacement at the Miller Education Center.

In late September, the University was informed by THEC they were requesting an additional \$30 million in capital maintenance funding for higher education. This equates to an additional \$2,030,000 for MTSU. In order to meet THEC's deadline for submitting additional projects and/or scope of work, the University reviewed the scope of work of the maintenance projects already submitted as well as projects that were submitted for future fiscal years. Based on this review, project budgets were increased for mechanical, HVAC, lighting, and ceiling upgrades; scope of work was revised to include window replacements; and a sidewalk repair project was moved from 2020-21 to 2019-20. The additional funding would allow for these projects to be performed earlier rather than being deferred to a later fiscal year. With the additional funding amount, THEC's recommendation for capital maintenance funding related to MTSU is \$10.1 million.

A list of the individual capital maintenance projects and their associated budgets are included in these materials.

ATTACHMENT I

THEC 2019-20 Capital Projects Recommendation Summary

THEC Priority	Capital Outlay		Total Project Cost	Previous Years Funding	2019-20 Project Cost	Match Percentage	Total Match Funds ¹	Previous Years Match Funds ²	2019-20 Match Funds	State Appropriation Request ³	
1	UT	UTIA	Energy & Environmental Science Education Research Center	\$ 95,000,000	\$ 4,000,000	\$ 91,000,000	10%	\$ 9,500,000	\$ 2,000,000	\$ 7,500,000	\$ 81,500,000
2	TBR	TCAT Athens and Cleveland	McMinn Higher Education Center	17,750,000	-	17,750,000	20%	3,518,750	-	3,518,750	14,231,250
3	LGI	MTSU	School of Concrete and Construction Management	40,100,000	-	40,100,000	15%	6,015,000	-	6,015,000	34,085,000
4	LGI	TTU	Engineering Building	55,000,000	-	55,000,000	15%	8,250,000	-	8,250,000	46,750,000
5	LGI	ETSU	Humanities Building	71,800,000	-	71,800,000	13%	9,513,500	-	9,513,500	62,286,500
6	TBR	Columbia	Williamson Co Technology Building	18,800,000	-	18,800,000	2%	376,000	-	376,000	18,424,000
7	LGI	APSU	Health Professions	79,650,000	-	79,650,000	10%	7,965,000	-	7,965,000	71,685,000
8	LGI	UM	STEM Research & Classroom Building	40,000,000	-	40,000,000	10%	4,000,000	-	4,000,000	36,000,000
9	UT	UTHSC	Audiology & Speech Pathology	9,900,000	-	9,900,000	0%	-	-	-	9,900,000
TBR Total				\$ 36,550,000	\$ -	\$ 36,550,000		\$ 3,894,750	\$ -	\$ 3,894,750	\$ 32,655,250
LGI Total				\$ 286,550,000	\$ -	\$ 286,550,000		\$ 35,743,500	\$ -	\$ 35,743,500	\$ 250,806,500
UT Total				\$ 104,900,000	\$ 4,000,000	\$ 100,900,000		\$ 9,500,000	\$ 2,000,000	\$ 7,500,000	\$ 91,400,000

Capital Maintenance	Total	Total Projects	State Funds Request
TBR Total	\$ 29,690,000	45	\$ 29,690,000
LGI Total	\$ 54,330,000	31	\$ 54,330,000
UT Total	\$ 59,860,000	10	\$ 59,860,000
Special Initiative	\$ 5,500,000	2	\$ 5,500,000

Reallocated Maintenance Funded Capital Outlay Project	Total Project Cost	Previous Years Funds ²	2019-20 Project Cost	Match	Total Match Funds ¹	Previous Years Match Funds ²	2019-20 Match Funds	State Funds Request
LGI UM Lambuth Sprague Hall Nursing Rehab	\$ 6,000,000	\$ -	\$ 6,000,000	4%	\$ 240,000	\$ -	\$ 240,000	\$ 5,760,000
Total	\$ 6,000,000	\$ -	\$ 6,000,000		\$ 240,000	\$ -	\$ 240,000	\$ 5,760,000

Total	Total	Total Match Funds ¹	Total Projects	State Appropriation Request ³
Total Capital Outlay Request	\$ 428,000,000	\$ 49,138,250	10	\$ 374,861,750
Total Capital Maintenance Request	\$ 155,380,000	\$ 240,000	88	\$ 149,380,000
Total Capital Investment⁴	\$ 583,380,000	\$ 49,378,250	98	\$ 524,241,750

1 - Match is applicable to the entire scope of each capital outlay project. Total Match Funds consist of previous years match funds and 2019-20 match funds.

2 - Institutional funding expended since 2013-14 for project planning.

3 - Reflects total state appropriation request after all other funding sources — including previous years funding, total match funds and other institutional funds — are taken into account.

ATTACHMENT III
THEC 2019-20 Capital Outlay Projects Descriptions

THEC Priority	Campus/System Priority	Governing Board	Institution	Project Name	Total Project Cost	State Request	Project Description
1	1	UT	UTIA	Energy & Environmental Science Education Research Center	\$ 95,000,000	\$ 81,500,000	The site for this new project is the current location of the Ellington Plant Science Building which will be demolished. The new building will house teaching laboratories, research/public service labs, offices, classrooms, 500-seat teaching and learning center with appropriate support space. Included will be a new Surge Building constructed on the Ag Campus. In FY 12-13, \$2M was approved for planning. In FY 18-19, \$4M was approved for planning and construction of the surge building.
2	3	TBR	TCAT Athens and Cleveland	McMinn Higher Education Center	\$ 17,750,000	\$ 14,231,250	Construct a facility to allow collaboration between TCAT Athens, CISCC, UT Extension, Adult Education and local industry. Project will relocate current CISCC leased space, expand TCAT programs as identified in TCAT Master Plan, and relocate both UT Extension and Adult Education and create a space for local industry training to upgrade the existing workforce.
3	1	LGI	MTSU	School of Concrete and Construction Management	\$ 40,100,000	\$ 34,085,000	Design and construction of a new facility for the School of Concrete and Construction Management (SCCM) Building, approximately 54,000 square feet, to support current and future education, research, and services needs for Middle Tennessee State University and the Industry. The project, defined in the 2016 Campus Master Plan, will include relocation of current functions and demolition of Abernathy and Ezell Halls, along with an addition to the Satellite Chiller Plant to increase cooling capacity on Campus, extension and added infrastructure capacity, and all related work.
4	1	LGI	TTU	Engineering Building	\$ 55,000,000	\$ 46,750,000	Construct a student centered interdisciplinary engineering building for the College of Engineering.
5	1	LGI	ETSU	Humanities Building	\$ 71,800,000	\$ 62,286,500	ETSU will construct a new Humanities Building in the campus core adjacent to the Quad and the renovated Culp Student Center, and selectively renovate areas in Rogers-Stout and Burleson Halls. The existing Campus Center Building will be demolished and the Humanities Building constructed on the same central campus site. The new Humanities Building will provide space for flexible classrooms, instructional laboratories, offices, and other spaces as outlined in the Academic Facilities Master Plan. Rogers-Stout Hall will be renovated to provide modern instructional and research space for the social sciences. The renovated Burleson Hall will consist primarily of office spaces to accommodate those moving from CCB. The work will be phased with demolition and new construction completed prior to the backfill renovations.
6	1	TBR	Columbia	Williamson Co Technology Building	\$ 18,800,000	\$ 18,424,000	This project is the construction of Building 4 of Phase 1 of the Williamson Campus in which design has been completed and awaiting completion funds. Building 4, the Technology Building, will expand the capacity of the campus to serve the educational needs of Williamson County particularly in the information technology field. Included in this project is parking to support the student enrollment of this building.
7	1	LGI	APSU	Health Professions	\$ 79,650,000	\$ 71,685,000	Construction of a new Health Professions Building to house school of nursing and allied health sciences, psychological science and counseling, Health and Human Performance, Social Work, and renovation of approximately 20,000 SF in Clement, McCord, Dunn and Sundquist for the creation of classrooms and research labs.
8	1	LGI	UM	STEM Research & Classroom Building	\$ 40,000,000	\$ 36,000,000	Construction of a new 65,000 sq. ft. interdisciplinary STEM building that will include activity based classrooms, faculty offices, laboratories and sponsored research centers. 17,000 square feet of existing space in the adjacent Engineering Building will be renovated as required for reuse by non-research related instruction.
9	2	UT	UTHSC	Audiology & Speech Pathology	\$ 9,900,000	\$ 9,900,000	This project will renovate a portion of the basement and the 2nd floor of the UT Conference Center. The renovated spaces will house the department of Audiology & Speech Pathology.

ATTACHMENT IV

THEC 2019-20 Capital Maintenance Projects Recommendation

TENNESSEE BOARD OF REGENTS		Total
Statewide	TCAT Building System Updates A	\$ 1,050,000
Statewide	TCAT Roof Repairs/Replacements A	1,160,000
CISCC	Technology Building Roof Replacement	250,000
STCC	Roof Replacement and Envelope Repairs	610,000
CoSCC	Several Buildings Roof Replacements	470,000
PSCC	Exterior Lighting Upgrades	390,000
WSCC	Sevier County Mechanical Upgrades	800,000
Statewide	TCAT MPE and Infrastructure Updates A	1,050,000
DSCC	Multi-building Boiler System Updates	440,000
NaSCC	Interior Lighting Updates	750,000
MSCC	Fayetteville Campus HVAC Modernization	680,000
ChSCC	CETAS Building Modernization	1,890,000
RSCC	HVAC Corrections	1,100,000
JSCC	McWherter HVAC Updates Phase 1	910,000
NeSCC	Network and Communication Modernization	1,000,000
VSCC	Cookeville Higher Education Parking Expansion	360,000
ChSCC	Gym Roof System Replacement	660,000
VSCC	Chiller Replacement	380,000
PSCC	Alarm System Upgrades	700,000
TCAT Jacksboro	Door and Window Replacements	140,000
Statewide	TCAT Parking and Paving Repairs A	730,000
STCC	Exterior Safety Repairs and Updates	1,550,000
Statewide	TCAT Maintenance Repairs	580,000
WSCC	Sevier County Campus Reroof	1,000,000
JSCC	McWherter HVAC Updates Phase 2	340,000
TCAT Crossville	Interior and Exterior Updates	250,000
CoSCC	Powerhouse System Repairs	320,000
PSCC	Boiler and Cooling Tower Replacement	850,000
ChSCC	Elevator Modernizations	880,000
TCAT Paris	Exterior Repairs	280,000
DSCC	Campus Paving and Repairs	200,000
CISCC	Campus Parking and Road Updates	900,000
VSCC	Warf Roof Replacement	450,000
VSCC	Wallace North Roof Replacement	380,000
RSCC	Cumberland and Scott Campus HVAC Updates	420,000
PSCC	Air Handling Unit Replacements	620,000
WSCC	Infrastructure Repairs	900,000
DSCC	Eller Administration Building Generator	400,000
CISCC	Data Infrastructure Modernization	750,000
CoSCC	Exterior Lighting Updates	130,000
VSCC	Campus Exterior Repairs	290,000
PSCC	Window Replacements	380,000
ChSCC	CAT Building Modernization	1,530,000
Statewide	TCAT Building System Updates B	280,000
TCAT Hartsville	Wilson Campus Roof Replacement	490,000
2019-20 TBR Total		\$ 29,690,000

AUSTIN PEAY STATE UNIVERSITY		Total
APSU	Boiler Installation, Phase 1	\$ 2,420,000
APSU	Power House Update	1,250,000
APSU	Fire alarm upgrades	920,000
2019-20 APSU Total		\$ 4,590,000

EAST TENNESSEE STATE UNIVERSITY		Total
ETSU	Campus HVAC Upgrades	\$ 1,640,000
ETSU	Chiller Replacement	2,210,000
ETSU	Building Envelope Repairs	1,760,000
ETSU	Buildings #2 and# 4 Window Replacement	1,640,000
ETSU	Several Building Electrical Repair and Replacement	1,000,000
ETSU	Shelbridge Repairs	1,000,000
ETSU	Safety Lighting and Fire Alarm System Replacements	1,700,000
ETSU	HVAC Repairs Phase I	610,000
2019-20 ETSU Total		\$ 11,560,000

MIDDLE TENNESSEE STATE UNIVERSITY		Total
MTSU	Several Buildings Roof Replacements	\$ 600,000
MTSU	KOM Mechanical, HVAC, Fire Protection, Lighting & Ceiling Upgrades	5,600,000
MTSU	Stark Ag/Police Station Mechanical & HVAC Upgrades	1,965,000
MTSU	Campus Stormwater BMP Phase I	785,000
MTSU	Sidewalk Repair/Replacement Phase I	800,000
MTSU	Miller Education Center Boiler Replacement	400,000
2019-20 MTSU Total		\$ 10,150,000

ATTACHMENT IV

THEC 2019-20 Capital Maintenance Projects Recommendation

TENNESSEE STATE UNIVERSITY

		Total
TSU	Utility Tunnel Upgrades	\$ 375,000
TSU	Fire Alarm Upgrades	705,000
TSU	Electrical Upgrades	1,205,000
TSU	Strange Roof Replacement	415,000
TSU	Power Plant Equipment / Lighting Upgrades	2,630,000
TSU	Replace Boswell Doors	230,000
TSU	HVAC Upgrades	1,710,000
TSU	Upgrade Building Envelope	360,000
TSU	McMinnville NCRS Improvements	150,000
2019-20 TSU Total		\$ 7,780,000

TENNESSEE TECHNOLOGICAL UNIVERSITY

		Total
TTU	Roof Replacements - Phase 3	\$ 3,060,000
TTU	Multiple Buildings Upgrades	4,650,000
2019-20 TTU Total		\$ 7,710,000

UNIVERSITY OF MEMPHIS

		Total
UM	Re-Roof Several Buildings	\$ 3,000,000
UM	Building Interior Repairs	5,540,000
UM	Building Code and Safety Repairs	4,000,000
2019-20 UM Total		\$ 12,540,000

UNIVERSITY OF TENNESSEE

		Total
UTK	Fire Safety Upgrades	\$ 7,500,000
UTIA	4-H Center Improvements	5,000,000
UTC	East Campus Utility Expansion	6,190,000
UT	Facilities Assessment	1,000,000
UTHSC	Elevator Upgrades	8,410,000
UTK	Window Replacements & Masonry Repairs	4,500,000
UTM	Engineering Physical Sciences (EPS) Systems Upgrades	11,520,000
UTC	Roof Replacements	3,770,000
UTIA	CRC/MAST, BESS & JARTU Improvements	5,500,000
UTHSC	Roof Replacements Ph 1	6,470,000
2019-20 UT Total		\$ 59,860,000

SPECIAL INITIATIVE

Statewide	ADA Compliance	\$ 3,500,000
Statewide	TBR and LGI Campus Security Task Force Rec - Phase III	2,000,000
2019-20 Special Initiative Total		\$ 5,500,000

	Projects	Total
TBR	45	\$ 29,690,000
LGI	31	\$ 54,330,000
UT	10	\$ 59,860,000
Special Initiative	2	\$ 5,500,000
Total	88	\$ 149,380,000



**Middle Tennessee State University
Finance and Personnel Committee**

Tuesday, November 13, 2018

Tab 3

THEC 2019-20 Operating Recommendations



**Middle Tennessee State University
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [THEC 2019 – 20 Operating Recommendations](#)

DATE: November 13, 2018

PRESENTER: Alan Thomas

ACTION REQUIRED: None

BACKGROUND INFORMATION:

Each year, the Tennessee Higher Education Commission (THEC), at its fall meeting, makes the following recommendations for the campuses:

- Operating appropriations
- Tuition guidance range

THEC is recommending operating state appropriations for 2019 – 20 in the amount of \$107.7 million for MTSU, representing a \$4.5 million increase, or 4.4%, over 2018 – 19 appropriations. This net increase is a combination of a decrease of \$1.5 million in the outcomes formula adjustments and a \$6.0 million increase in proposed new funding for higher education. As in prior years, it is not presently known if the State will mandate salary increases for higher education; however, the Committee will be updated on any proposed funding and salary increases when the Governor's Budget is presented in early 2019. A schedule of THEC's 2019 – 20 state appropriations distribution recommendation is included in these materials, as well as a schedule showing showing the additional funding by individual formula metric for the University.

The Complete College Tennessee Act (CCTA) requires THEC to make student fee and state appropriation recommendations concurrently. The FOCUS Act expanded THEC's authority on student fees, requiring THEC to issue binding tuition ranges each year. THEC has approved a guiding tuition (maintenance fee) range of zero to two-and-a-half percent for all public universities, community colleges, and TCATs, as well as a guiding tuition and mandatory fee range of zero to two-and-a-half percent. A final binding tuition range will be approved later in the fiscal year once clarity around the state budget and overall impact on higher education funding is determined.

ATTACHMENT I

State Appropriations History

Academic Formula Units	2013-14 *	2014-15 *	2015-16*	2016-17*	2017-18*	2018-19*
LGI Universities						
Austin Peay	\$32,995,000	\$34,239,800	\$36,983,700	\$40,378,500	\$44,621,700	\$47,857,100
East Tennessee	48,685,000	48,048,900	51,428,100	55,362,800	61,099,800	65,770,700
Middle Tennessee	81,024,600	82,830,300	85,856,700	90,753,200	97,003,700	103,216,200
Tennessee State	32,610,800	32,088,900	32,892,000	33,717,900	36,757,500	39,402,300
Tennessee Tech	39,559,500	38,394,000	39,297,400	42,671,100	47,231,100	55,020,600
University of Memphis	89,106,400	89,331,900	95,139,600	102,440,600	110,827,200	117,771,000
Subtotal	\$323,981,300	\$324,933,800	\$341,597,500	\$365,324,100	\$397,541,000	\$429,037,900
Community Colleges						
Chattanooga	\$26,624,800	\$26,008,100	\$27,449,400	\$29,315,200	\$31,118,200	\$31,863,600
Cleveland	8,997,100	8,843,700	9,336,300	9,751,700	10,988,200	11,215,700
Columbia	12,339,500	12,349,500	12,842,400	13,970,500	15,026,400	15,821,100
Dyersburg	7,238,900	7,317,900	7,841,700	8,622,500	9,388,600	9,734,200
Jackson	11,510,200	11,095,700	11,401,100	12,395,800	13,561,500	14,266,600
Motlow	11,017,200	10,656,700	11,007,400	11,739,900	13,292,500	15,023,000
Nashville	15,983,500	15,861,200	16,935,900	17,756,500	20,259,300	22,228,600
Northeast	13,648,200	13,224,100	14,594,100	16,059,900	18,137,200	19,695,300
Pellissippi	22,913,400	23,429,800	25,599,300	27,349,000	30,477,800	32,729,600
Roane	16,619,800	17,399,500	18,011,800	19,093,300	21,087,900	22,518,000
Southwest	25,739,300	24,677,200	25,278,600	26,115,800	27,147,100	28,504,100
Volunteer	16,075,400	16,216,000	17,198,100	18,698,700	20,809,700	23,498,200
Walters	19,866,900	20,350,200	20,967,800	21,912,500	23,469,700	24,606,600
Subtotal	\$208,574,200	\$207,429,600	\$218,463,900	\$232,781,300	\$254,764,100	\$271,704,600
UT Universities						
UT Chattanooga	\$36,128,500	\$37,501,400	\$41,674,700	\$45,835,300	\$51,005,300	\$56,184,500
UT Knoxville	174,335,300	179,044,900	187,890,300	199,911,900	217,270,000	234,382,200
UT Martin	25,243,000	26,249,700	27,892,100	29,922,900	32,495,400	34,698,100
Subtotal	\$235,706,800	\$242,796,000	\$257,457,100	\$275,670,100	\$300,770,700	\$325,264,800
Total Colleges and Universities	\$768,262,300	\$775,159,400	\$817,518,500	\$873,775,500	\$953,075,800	\$1,026,007,300
TN Colleges of Applied Technology	\$57,400,500	\$55,346,600	\$56,343,900	\$60,790,600	\$66,857,600	\$71,579,600
Total Academic Formula Units	\$825,662,800	\$830,506,000	\$873,862,400	\$934,566,100	\$1,019,933,400	\$1,097,586,900

Note: All years of appropriations are recurring funds only.

*Detail for the community colleges was estimated by THEC based on information from the Tennessee Board of Regents. Funds are allocated to the community colleges as a system.

ATTACHMENT I

State Appropriations History

Specialized Units	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Medical Education						
ETSU College of Medicine	\$28,893,900	\$28,948,800	\$30,166,900	\$31,268,700	\$33,094,900	\$34,470,700
ETSU Family Practice	6,117,800	6,130,800	6,447,000	6,687,600	7,160,800	7,526,300
UT College of Vet Medicine	16,453,000	16,530,900	17,379,800	18,124,700	19,710,800	21,398,400
UT Health Science Center*	128,887,400	129,382,100	134,984,800	140,534,000	149,498,300	157,683,100
Subtotal	\$180,352,100	\$180,992,600	\$188,978,500	\$196,615,000	\$209,464,800	\$221,078,500
Research and Public Service						
UT Agricultural Experiment Station	\$25,438,800	\$25,557,800	\$26,380,600	\$27,625,600	\$29,048,400	\$30,435,300
UT Agricultural Extension Service	30,836,900	31,044,400	32,384,200	33,831,200	35,590,500	37,509,700
TSU McMinnville Center	560,400	560,400	575,500	594,500	608,200	619,400
TSU Institute of Ag. and Environmental Research	2,280,500	2,278,500	2,340,600	3,456,300	3,541,700	3,613,700
TSU Cooperative Extension	3,110,400	3,108,900	3,207,300	3,318,500	3,510,100	3,610,200
TSU McIntire-Stennis Forestry Research	179,400	179,400	183,400	189,400	193,300	196,200
UT Space Institute	7,896,700	7,916,500	8,187,700	8,490,500	8,900,500	9,129,100
UT Institute for Public Service	5,642,700	5,661,900	5,847,000	6,145,600	6,465,100	6,684,800
Tennessee Language Center	410,300	414,100	426,500	516,700	637,800	672,000
Institute for Public Service: Other Agencies	5,232,400	5,247,800	5,420,500	5,628,900	5,827,300	6,012,800
UT County Technical Assistance Service	1,753,200	1,763,100	1,858,100	2,236,600	2,962,700	3,103,800
UT Municipal Technical Advisory Service	2,886,200	2,897,500	3,033,400	3,157,300	3,408,700	3,603,800
Subtotal	\$80,585,200	\$80,968,400	\$83,997,800	\$89,045,500	\$94,229,200	\$98,506,000
Other Specialized Units						
UT University-Wide Administration	\$4,589,300	\$4,661,800	\$4,859,900	\$5,202,100	\$5,537,800	\$5,939,000
TN Board of Regents Administration	5,104,200	5,133,100	5,465,400	5,720,200	6,483,500	8,196,600
TN Student Assistance Corporation	61,586,800	61,566,800	70,459,600	83,568,600	93,536,000	103,703,900
Tennessee Student Assistance Awards	57,762,500	57,762,500	67,762,500	80,962,500	90,962,500	100,962,500
Tennessee Student Assistance Corporation	1,353,500	1,333,500	1,476,300	1,627,900	1,795,300	1,963,200
Loan/Scholarships Program	1,220,800	1,220,800	1,220,800	978,200	778,200	778,200
Endowment Scholarships	1,250,000	1,250,000	-	-	-	-
Contract Education	2,232,900	2,180,800	2,110,800	2,176,000	1,832,500	1,832,500
TN Higher Education Commission	2,479,200	2,438,800	2,921,000	3,619,300	4,495,700	5,187,100
THEC Administration	2,479,200	2,438,800	2,921,000	3,202,900	3,669,800	3,735,700
College Completion Initiatives for Minority Students	-	-	-	-	105,000	105,000
Tennessee Reconnect Grant Coordinator	-	-	-	-	100,000	100,000
Capital Projects Coordinator	-	-	-	-	120,600	120,600
Drive to 55 Support Specialist	-	-	-	-	83,900	83,900
FOCUS Act	-	-	-	416,400	416,400	416,400
College Advisor Corps	-	-	-	-	-	245,200
Adult Learner Initiatives	-	-	-	-	-	200,000
Labor Education Alignment Program	-	-	-	-	-	96,300
Tennessee Reconnect Coordinator	-	-	-	-	-	84,000
Subtotal	\$75,992,400	\$75,981,300	\$85,816,700	\$100,286,200	\$111,885,500	\$124,859,100
Program Initiatives						
Campus Centers of Excellence	\$18,193,700	\$17,769,000	\$17,414,600	\$17,133,600	\$17,685,600	\$18,063,100
Campus Centers of Emphasis	1,313,300	1,282,600	1,257,000	1,236,600	1,288,100	1,314,400
Academic Scholars Program	411,800	411,800	411,800	711,800	1,211,800	1,211,800
UT Access and Diversity Initiative	5,688,900	5,688,900	5,806,700	5,806,700	5,806,700	5,806,700
TBR Access and Diversity Initiative	10,048,800	10,048,800	10,256,900	10,256,900	10,256,900	10,256,900
Research Initiatives - UT	5,734,200	5,734,200	5,852,900	5,852,900	5,852,900	5,852,900
THEC Grants	2,403,300	2,353,900	5,778,400	5,778,400	6,028,400	10,739,000
Subtotal	\$43,794,000	\$43,289,200	\$46,778,300	\$46,776,900	\$48,130,400	\$53,244,800
Total Operating	\$1,206,386,500	\$1,211,737,500	\$1,279,433,700	\$1,367,289,700	\$1,483,643,300	\$1,595,275,300

Note: All years of appropriations are recurring funds only.

* UT Health Science Center includes funding for UT College of Medicine, UT Family Practice, and UT Memphis.

ATTACHMENT II

2019-20 State Appropriations Distribution Recommendation

	A	B	C	D	E = C + D	F = E + A	G = E / A	H = F / B
			Breakdown of 2019-20 Changes					
Academic Formula Units	2018-19 Appropriation ¹	2019-20 Formula Calculation	Outcomes Formula Adjustments	Share of New Funding	2019-20 Changes	2019-20 Recommendation	Percent Change	Percent Funded
LGI Universities								
Austin Peay	\$47,857,100	\$73,145,700	(\$11,900)	\$2,810,300	\$2,798,400	\$50,655,500	5.8%	69.3%
East Tennessee ²	65,420,700	100,654,100	417,900	3,867,200	4,285,100	69,705,800	6.6%	69.3%
Middle Tennessee	103,216,200	155,578,100	(1,451,400)	5,977,400	4,526,000	107,742,200	4.4%	69.3%
Tennessee State	39,402,300	60,449,500	138,200	2,322,500	2,460,700	41,863,000	6.2%	69.3%
Tennessee Tech ²	50,820,600	78,939,500	814,300	3,032,900	3,847,200	54,667,800	7.6%	69.3%
University of Memphis	117,771,000	178,978,400	(699,900)	6,876,500	6,176,600	123,947,600	5.2%	69.3%
Subtotal	\$424,487,900	\$647,745,300	(\$792,800)	\$24,886,800	\$24,094,000	\$448,581,900	5.7%	69.3%
Community Colleges³								
Chattanooga	\$31,863,600	\$48,445,000	(\$175,400)	\$1,861,300	\$1,685,900	\$33,549,500	5.3%	69.3%
Cleveland	11,215,700	17,776,000	411,700	683,000	1,094,700	12,310,400	9.8%	69.3%
Columbia	15,821,100	24,201,400	9,200	929,800	939,000	16,760,100	5.9%	69.3%
Dyersburg	9,734,200	15,096,400	140,500	580,000	720,500	10,454,700	7.4%	69.3%
Jackson	14,266,600	21,627,500	(119,900)	830,900	711,000	14,977,600	5.0%	69.3%
Motlow	15,023,000	25,299,700	1,525,700	972,000	2,497,700	17,520,700	16.6%	69.3%
Nashville	22,228,600	33,663,800	(208,900)	1,293,400	1,084,500	23,313,100	4.9%	69.3%
Northeast	19,695,300	30,330,200	143,900	1,165,300	1,309,200	21,004,500	6.6%	69.3%
Pellissippi	32,729,600	50,250,500	139,600	1,930,700	2,070,300	34,799,900	6.3%	69.3%
Roane	22,518,000	34,669,500	159,600	1,332,000	1,491,600	24,009,600	6.6%	69.3%
Southwest	28,504,100	43,715,300	90,400	1,679,600	1,770,000	30,274,100	6.2%	69.3%
Volunteer	23,498,200	37,924,500	1,308,500	1,457,100	2,765,600	26,263,800	11.8%	69.3%
Walters	24,606,600	36,725,400	(584,200)	1,411,000	826,800	25,433,400	3.4%	69.3%
Community College Subtotal	\$271,704,600	\$419,725,200	\$2,840,700	\$16,126,100	\$18,966,800	\$290,671,400	7.0%	69.3%
UT Universities								
UT Chattanooga	\$56,184,500	\$85,281,000	(\$401,500)	\$3,276,600	\$2,875,100	\$59,059,600	5.1%	69.3%
UT Knoxville ²	231,382,200	353,584,900	(99,600)	13,585,000	13,485,400	244,867,600	5.8%	69.3%
UT Martin ²	34,248,100	50,842,300	(991,600)	1,953,600	962,000	35,210,100	2.8%	69.3%
Subtotal	\$321,814,800	\$489,708,200	(\$1,492,700)	\$18,815,200	\$17,322,500	\$339,137,300	5.4%	69.3%
Total Colleges and Universities	\$1,018,007,300	\$1,557,178,700	\$555,200	\$59,828,100	\$60,383,300	\$1,078,390,600	5.9%	69.3%
TN Colleges of Applied Technology	\$71,579,600	\$108,582,200	(\$555,200)	\$4,171,900	\$3,616,700	\$75,196,300	5.1%	69.3%
Total Academic Formula Units	\$1,089,586,900	\$1,665,760,900	\$0	\$64,000,000	\$64,000,000	\$1,153,586,900	5.9%	69.3%

1 - Recurring funding. Includes historical funding of \$2.81M for legislative initiatives. A breakdown of these initiatives by campus is included in Appendix A.

2 - Does not include recurring funds appropriated to the ETSU Gray Fossil Site (\$350K), TTU Carnegie Classification Change (\$1.2M), TTU College of Engineering (\$3M), UT Knoxville College of Engineering (\$3M), UT Martin Parsons Center (\$200K), or to UT Martin Somerville Center (\$250K). These appropriations are included as Program Initiatives.

3 - THEC's community college recommendation is only for the sector as a whole. Institutional detail displayed here is for informational purposes only.

ATTACHMENT II

2019-20 State Appropriations Distribution Recommendation

	A	B	C = B - A	D = C / A
Specialized Units	2018-19 Appropriation ¹	2019-20 Recommendation ¹	Total Change	Percent Change
Medical Education				
ETSU College of Medicine	\$34,470,700	\$35,332,500	\$861,800	2.5%
ETSU Family Practice	7,526,300	7,784,600	258,300	3.4%
UT College of Vet Medicine	21,398,400	22,491,100	1,092,700	5.1%
UT Health Science Center	157,683,100	163,786,200	6,103,100	3.9%
UT College of Medicine	56,826,511	58,618,300	1,791,789	3.2%
UT Family Practice	12,767,812	13,187,000	419,188	3.3%
UT Memphis Other Specialized Units	88,088,778	91,980,900	3,892,122	4.4%
Subtotal	\$221,078,500	\$229,394,400	\$8,315,900	3.8%
Research and Public Service				
UT Agricultural Experiment Station	\$30,435,300	\$31,760,000	\$1,324,700	4.4%
UT Agricultural Extension Service	37,509,700	38,447,400	937,700	2.5%
TSU McMinnville Center	619,400	668,600	49,200	7.9%
TSU Institute of Ag. and Environmental Research	3,613,700	3,771,000	157,300	4.4%
TSU Cooperative Extension	3,610,200	3,767,400	157,200	4.4%
TSU McIntire-Stennis Forestry Research	196,200	204,700	8,500	4.3%
UT Space Institute	9,129,100	9,431,900	302,800	3.3%
UT Institute for Public Service	6,684,800	6,939,000	254,200	3.8%
Tennessee Language Center	672,000	716,100	44,100	6.6%
Institute for Public Service: Other Agencies	6,012,800	6,222,900	210,100	3.5%
UT County Technical Assistance Service	3,103,800	3,181,400	77,600	2.5%
UT Municipal Technical Advisory Service	3,603,800	3,693,900	90,100	2.5%
Subtotal	\$98,506,000	\$101,865,300	\$3,359,300	3.4%
Other Specialized Units				
UT University-Wide Administration	\$5,939,000	\$6,087,500	\$148,500	2.5%
TN Board of Regents Administration	8,196,600	8,401,500	204,900	2.5%
TN Student Assistance Corporation	103,703,900	116,072,500	12,368,600	11.9%
Tennessee Student Assistance Awards	100,962,500	113,262,500	12,300,000	12.2%
Tennessee Students Assistance Corporation	1,963,200	2,012,300	49,100	2.5%
Loan/Scholarships Program	778,200	797,700	19,500	2.5%
Contract Education	1,832,500	1,878,300	45,800	2.5%
TN Higher Education Commission	5,187,100	5,316,800	129,700	2.5%
Subtotal	\$124,859,100	\$137,756,600	\$12,897,500	10.3%
Program Initiatives				
Campus Centers of Excellence	\$18,063,100	\$18,514,700	\$451,600	2.5%
Campus Centers of Emphasis	1,314,400	1,347,300	32,900	2.5%
Academic Scholars Program	1,211,800	1,242,100	30,300	2.5%
UT Access and Diversity Initiative	5,806,700	5,951,900	145,200	2.5%
TBR Access and Diversity Initiative	10,256,900	10,513,300	256,400	2.5%
Research Initiatives - UT	5,852,900	5,999,200	146,300	2.5%
THEC Grants ²	10,739,000	18,407,500	7,668,500	71.4%
Specialized Units Strategic Initiatives ³	-	7,045,100	7,045,100	NA
Statewide System Strategic Initiatives ³	-	2,100,000	2,100,000	NA
TTU Carnegie Classification Recognition ⁴	1,200,000	2,100,000	900,000	75.0%
ETSU Gray Fossil Site ⁵	350,000	350,000	-	NA
TTU College of Engineering ⁵	3,000,000	3,000,000	-	0.0%
UT Knoxville College of Engineering ⁵	3,000,000	3,000,000	-	NA
UT Martin Parsons & Somerville Centers ⁵	450,000	450,000	-	NA
Subtotal	\$61,244,800	\$80,021,100	\$18,776,300	30.7%
Total	\$1,595,275,300	\$1,702,624,300	\$107,349,000	6.7%

1 - Recurring funds.

2 - Recurring increases for SAILS (\$200k) and Advise TN (\$200K), as well as recurring funds for Southern Optometry (\$300K), LEAP 3.0 (\$5M), Reverse Associate Degrees Outreach (\$300K), Veteran Reconnect Grants (\$1M), HBCU Summer Bridge Program (\$400K), and a 2.5% programmatic adjustment for all THEC Grants.

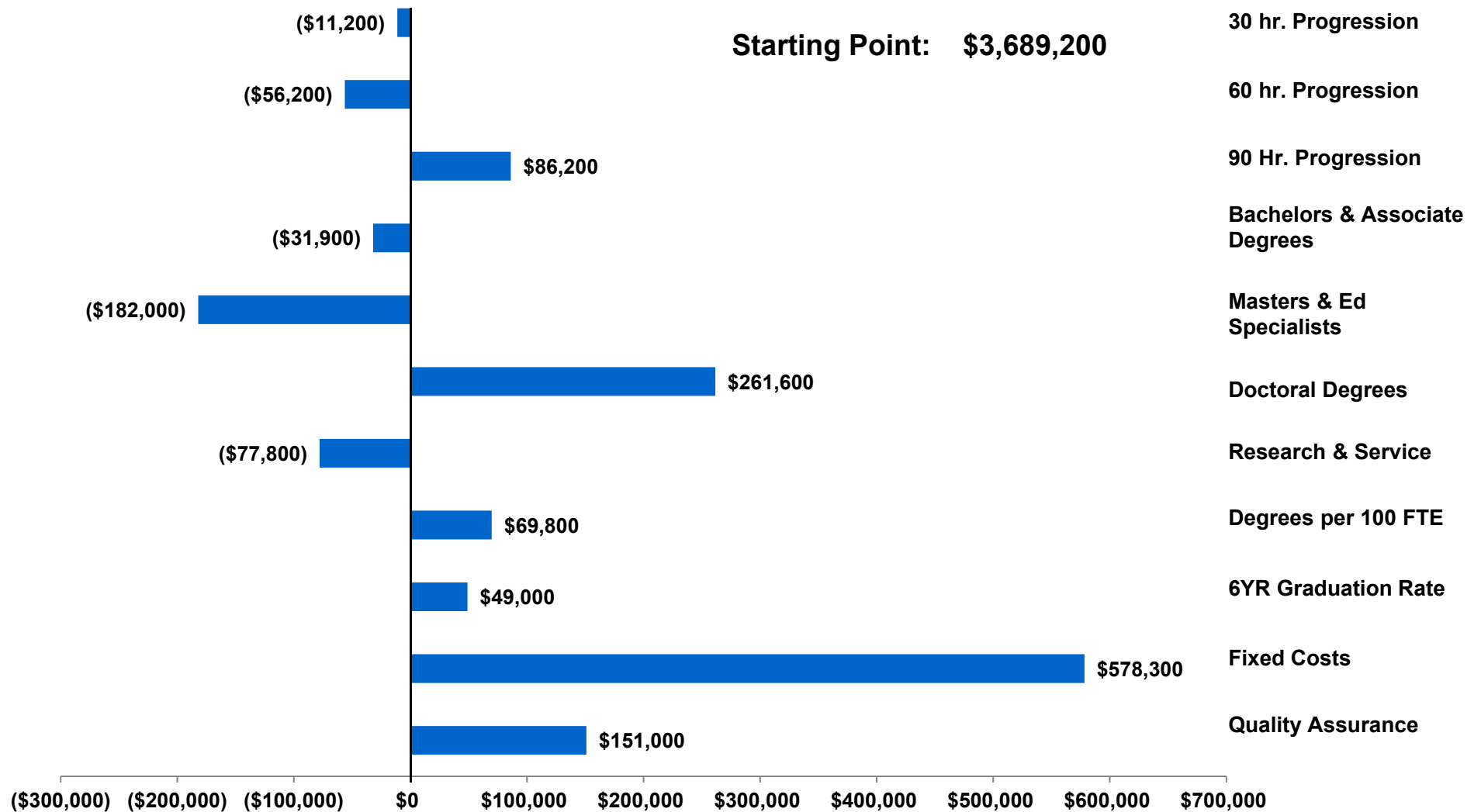
3 - Recurring funding for strategic investments in specialized units and statewide programs. See Attachment III for further detail.

4 - Year 3 of 3 of recurring funding to recognize a 2015 Carnegie classification change.

5 - Recurring funds appropriated to ETSU (\$350K), TTU (\$3M), UT Knoxville (\$3M) and UT Martin (\$450K).

Breakdown of Components Parts

Middle Tennessee State University





**Middle Tennessee State University
Finance and Personnel Committee**

Tuesday, November 13, 2018

Tab 4

2018-19 October Revised Budget



**Middle Tennessee State University
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: 2018-19 October Revised Operating Budget

DATE: November 13, 2018

PRESENTER: Alan Thomas

ACTION REQUIRED: Voice Vote

STAFF RECOMMENDATION: Approval

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 being submitted for your approval contains the following changes since the July (Original) Budget:

- Adjustments to Tuition and Fee Revenue for (1) inclusion of the remaining 2.84% tuition increase and (2) reflecting a 1.35% decrease in FTE for fall enrollment.
- Adjusted appropriations for state funded employee health insurance benefits due to the 9% premium decrease.
- Adjusted expenditure budgets for (1) state funded decrease in health insurance employee benefit, (2) re-budgeting of various student fee balances from the prior year, (3) purchases in process at year end but not be completed until the current fiscal year, (4) additional safety and security initiatives, (5) salary increases for 1.5% across-the-board and market adjustments, and (6) limited funding for new academic programs approved by THEC for FY 2018-19.
- Adjustments to auxiliary and restricted budgets based on information obtained since the July Budget submission.

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

	<u>2018-19 July Budget</u>	<u>2018-19 October Budget</u>	<u>Difference</u>
Tuition and Fees	\$ 194,948,700	\$ 195,869,500	\$ 920,800
State Appropriations	102,414,600	101,169,700	(1,244,900)
Federal Grants and Contracts	750,000	750,000	-
Local Grants and Contracts	60,000	60,000	-
State Grants & Contracts	45,000	45,000	-
Private Grants & Contracts	281,300	281,300	-
Private Gifts	-	-	-
Sales & Services of Educ Activities	686,200	699,400	13,200
Sales & Services of Other Activities	18,780,700	19,424,300	643,600
Other Sources	<u>833,000</u>	<u>821,800</u>	<u>(11,200)</u>
	<u>\$ 318,799,500</u>	<u>\$ 319,121,000</u>	<u>\$ 321,500</u>

The following items are reflected above:

1.5% Tuition Increase is reflected in the July Budget

Remaining 1.34% tuition increase and -1.35% enrollment decline is reflected in October Budget

Appropriation Adjustments for Health Insurance

Mandatory and Non-mandatory Fee Increases

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

<u>Function</u>	<u>July Budget 2018-19</u>	<u>October Budget 2018-19</u>	<u>Difference</u>
Instruction	\$ 151,821,400	\$ 161,047,400	\$ 9,226,000
Research	4,843,100	8,000,700	3,157,600
Public Service	3,852,000	5,039,000	1,187,000
Academic Support	32,602,500	33,249,200	646,700
Student Services	37,461,300	39,066,000	1,604,700
Institutional Support	24,063,200	25,832,500	1,769,300
Operation and Maintenance	27,972,400	28,678,400	706,000
Scholarships and Fellowships	24,600,600	26,380,100	1,779,500
Transfers	<u>11,583,000</u>	<u>14,013,400</u>	<u>2,430,400</u>
Total	<u>\$ 318,799,500</u>	<u>\$ 341,306,700</u>	<u>\$ 22,507,200</u>

The following items are reflected above:

2.5% Mandated Salary Pool plus 1.2% Additional Market Adjustment Funding

Health Insurance Funding

Mandatory Fee Increases

July Budget Figures are Base Budget

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

	July Budget 2018-19	October Budget 2018-19	Difference
Professional Salaries	\$ 141,554,500	\$ 142,252,800	\$ 698,300
Other Salaries	21,273,300	21,406,500	133,200
Employee Benefits	59,252,500	58,327,100	(925,400)
Travel	4,273,200	4,583,500	310,300
Operating Expense	78,372,200	97,973,000	19,600,800
Capital Outlay	2,490,800	2,750,400	259,600
Transfers	11,583,000	14,013,400	2,430,400
Total	\$ 318,799,500	\$ 341,306,700	\$ 22,507,200

The following items are reflected above:

- 2.5% Mandated Salary Pool plus 1.2% Additional Market Adjustment Funding
- Health Insurance Funding
- Mandatory Fee Increases
- July Budget Figures are Base Budget

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

<u>Auxiliary</u>	<u>2018-19 July Budget</u>	<u>2018-19 October Budget</u>	<u>Difference</u>
Bookstore	\$ 450,000	\$ 450,000	\$ -
Food Service	2,509,000	2,509,000	-
Housing	16,968,500	16,968,487	(13)
Vending	130,000	130,000	-
Recreational Center	3,116,000	3,032,644	(83,356)
Post Office	397,600	397,600	-
Parking Services	5,044,200	5,044,200	-
Residential & Commercial Rentals	280,000	280,000	-
Greek Row	149,000	0	(149,000)
Health Services	4,146,900	4,065,700	(81,200)
TN Miller Coliseum	614,600	614,614	14
Student LD Service	10,000	10,000	-
TOTAL	<u>\$ 33,815,800</u>	<u>\$ 33,502,245</u>	<u>\$ (313,555)</u>

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

Revenues	2018-19 July Budget	2018-19 October Budget	Difference
Tuition and Fees	\$ 1,500,000	\$ 1,600,000	\$ 100,000
Federal Grants and Contracts	42,750,000	43,750,000	1,000,000
State Appropriations: Centers of Excellence	382,600	383,200	600
State Appropriations: Special Allocations	489,500	489,500	-
State Grants & Contracts	38,000,000	38,500,000	500,000
Local Grants & Contracts	60,000	50,000	(10,000)
Private Grants & Contracts	850,000	900,000	50,000
Private Gifts	2,400,000	2,400,000	-
Endowment Income	750,000	750,000	-
Other Income	1,500,000	1,500,000	-
Total Revenues	<u>\$ 88,682,100</u>	<u>\$ 90,322,700</u>	<u>\$ 1,640,600</u>
Expenses			
Instruction	\$ 3,100,000	\$ 3,000,000	\$ (100,000)
Research	4,000,000	3,500,000	(500,000)
Public Service	5,200,000	5,200,000	-
Academic Support	600,000	600,000	-
Student Services	3,600,000	3,200,000	(400,000)
Institutional Support	60,000	60,000	-
Operation and Maintenance	2,000	1,500	(500)
Scholarships and Fellowships	71,900,000	74,500,000	2,600,000
Total Expenses	<u>\$ 88,462,000</u>	<u>\$ 90,061,500</u>	<u>\$ 1,599,500</u>

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

<u>Fund Group</u>	<u>2018-19 July Budget</u>	<u>2018-19 October Budget</u>	<u>Difference</u>
Unrestricted Education & General	\$ 318,799,500	\$ 319,121,000	\$ 321,500
Auxiliary	33,815,800	33,502,245	(313,555)
Restricted	88,682,100	90,322,700	1,640,600
TOTAL	<u><u>\$ 441,297,400</u></u>	<u><u>\$ 442,945,945</u></u>	<u><u>\$ 1,648,545</u></u>



**Middle Tennessee State University
Finance and Personnel Committee**

Tuesday, November 13, 2018

Tab 5

Compensation Update



**Middle Tennessee State University
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [Compensation Update](#)

DATE: November 13, 2018

PRESENTER: Kathy Musselman

ACTION REQUIRED: None

BACKGROUND INFORMATION:

On May 30, 2018 the Board of Trustees approved the recommended salary pool allocation of \$6.1 million. This approval granted Cost of Living Allowances (COLA) of 1.5% or \$500, whichever is greater, for regular employees, both full and part-time, on the payroll as of June 30, 2018, effective July 1, 2018. A total of 2,119 employees received the increase at a cost of \$1.9 million plus benefits.

The additional funding, after implementing the COLA adjustments, was used to fund market adjustments and related benefits based on the University's compensation plan for employees on the payroll as of June 30, 2018, effective October 1, 2018.

Faculty increases were funded at 37% of the predicted salary based on 2014-15 CUPA data by academic discipline. There were 704 faculty members eligible for consideration of market increases based on the pay plan. Of these faculty members, 587 received an increase ranging from .02% to 13.51%.

Salary ranges for Classified and Administrative employees were increased by 14.01% based on 2014-15 CUPA data. With the increase of the salary ranges, 99 classified employees and 89 administrative employees were below the new established salary minimums. The salaries of these individuals were increased to the new minimum prior

to implementation of the salary plan. The total cost of increasing these employees to the minimum of the salary ranges was \$287,143 plus benefits.

Administrative increases were funded at 37% of the predicted salary based on MTSU years of experience. Of 680 administrative employees, 367 received an increase ranging from .09% to 11.94%.

Classified increases were funded at 37% of the predicted salary based on MTSU years of experience. Of 526 classified employees, 417 received an increase ranging from .01% to 9.89%.

The attached summarizes the market adjustments that were awarded in October 2018 and the progress that has been made with the allocation. Although progress was made with the COLA salary increases and the market adjustments, the majority of MTSU employees are still compensated below their predicted salary based on 2014-15 CUPA data. It would cost an additional \$4.8 million plus benefits to fully implement the plan.

The University is in the process of comparing the adjusted salaries to updated CUPA data for 2017-18 for presentation at the next Committee meeting. The Committee will also be updated at this meeting on any proposed salary increases, and related funding, included in the Governor's Budget if released by the meeting date.

Cost to Implement

After 1.5% or \$500 Increase

- **Faculty**
 - Based on three factors: (1) High Degree, (2) Years of Experience and (3) Years in Rank - \$4,835,562 plus benefits
- **Administrative**
 - Based on MTSU Years of Experience to Predicted Salary - \$1,693,295 plus benefits
- **Classified**
 - Based on MTSU Years of Experience to Predicted Salary – \$1,063,123 plus benefits

Implementation of Market

After 1.5% or \$500 Increase

	Amount Needed for Full Market Implementation	October 1, 2018 Market Increases	Net Remaining Need for Market
Faculty	\$4,835,562	\$1,789,158	\$3,046,404
Administrative	1,693,295	626,520	1,066,775
Classified	1,063,123	393,356	669,767
Total Salary	\$7,591,980	\$2,809,034	\$4,782,946
Benefits at 25%	1,897,995	702,259	1,195,737
Total Including Benefits	\$9,489,975	\$3,511,293	\$5,978,683



**Middle Tennessee State University
Finance and Personnel Committee**

Tuesday, November 13, 2018

Tab 6

Regional Scholars Program



**Middle Tennessee State University
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: [Regional Scholars Program](#)

DATE: November 13, 2018

PRESENTER: Alan Thomas

ACTION REQUIRED: Voice Vote

STAFF RECOMMENDATION: Approval

BACKGROUND INFORMATION:

The University implemented a Regional Scholars Program for both undergraduate and graduate students in Fall 2016, in an effort to increase enrollments of those students with the highest academic credentials. The program allows out of state students to attend the university at approximately half of the full out of state rate if they meet certain conditions. The tuition rate is calculated by taking the in-state tuition rate and adding the state subsidy, which represents the state appropriations received by the University per FTE. The current conditions for the program are as follows:

- Graduated from a high school located in a county within 250 mile radius of MTSU (undergrad) or have a permanent address within a 250 mile radius (graduate)
- Have an ACT composite of 25 (SAT 1130) or above (undergraduate)
- Maintain full time enrollment (12 hours undergraduate / 10 hours graduate)
- Remain in good academic standing

The following undergraduate scenarios are presented in these materials for consideration of expanding the program to include the entirety of all Border States:

- Maintain the current academic requirement of a minimum 25 ACT
- Revise the academic requirement to a minimum ACT of 23
- Remove the ACT academic requirement altogether

The University is recommending the Committee's approval of expanding the program to include the entirety of Border States for both graduates and undergraduates and maintaining the 25 ACT requirement for undergraduates. As shown in the materials, the undergraduate student enrollment from this area would need to increase from 9 students to 25 students over the next four years to stay revenue neutral. For the graduate program, the increase would be from 6 students to 11 students. However, the University believes with the reduced tuition rate, coupled with the higher scholarships, the enrollment from this area will exceed these numbers.

Regional Scholars Program - Undergraduate Program Effects of Expansion

	2018-19	2019-20	2020-21	2021-22	2022-23
Expansion to Include All Border States (Current Academic Requirement):					
Current Students	9	7	5	3	-
New Students (Cumulative)	-	18	20	22	25
Annual Revenue	227,448	310,200	310,200	310,200	310,200
Annual Scholarships	27,000	112,500	112,500	112,500	112,500
Annual Potential Budget Impact (Flat Enrollment)		(129,276)	(129,276)	(129,276)	(129,276)
Cumulative Potential Budget Impact (Flat Enrollment)		(129,276)	(258,552)	(387,828)	(517,104)

Expansion to Include All Border States (Revise Academic Requirement to Minimum 23 ACT):

Current Students	22	17	12	7	-
New Students (Cumulative)	-	34	39	44	51
Annual Revenue	555,984	632,808	632,808	632,808	632,808
Annual Scholarships	27,000	112,500	112,500	112,500	112,500
Annual Potential Budget Impact (Flat Enrollment)		(296,508)	(296,508)	(296,508)	(296,508)
Cumulative Potential Budget Impact (Flat Enrollment)		(296,508)	(593,016)	(889,524)	(1,186,032)

Expansion to Include All Border States (No Academic Requirement):

Current Students	111	83	55	27	-
New Students (Cumulative)	-	230	258	286	313
Annual Revenue	2,805,192	3,883,704	3,883,704	3,883,704	3,883,704
Annual Scholarships	333,000	1,408,500	1,408,500	1,408,500	1,408,500
Annual Potential Budget Impact (Flat Enrollment)		(1,594,404)	(1,594,404)	(1,594,404)	(1,594,404)
Cumulative Potential Budget Impact (Flat Enrollment)		(1,594,404)	(3,188,808)	(4,783,212)	(6,377,616)

Criteria Used in Calculations:

One fourth of current students graduate annually over next four years

Average Current Scholarship Received 3,000

Average New Scholarship Received 4,500

2018-19 Tuition rates used (12 hours):

Out of State 25,272

Regional Scholars 12,408

Discounted 12,864

Regional Scholars Program - Graduate Program Effects of Expansion

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Expansion to Include All Border States:					
Current Students	6	5	4	3	-
New Students (Cumulative)	-	6	7	8	11
Annual Revenue	156,720	163,020	163,020	163,020	163,020
Annual Potential Budget Impact (Flat Enrollment)		(67,800)	(67,800)	(67,800)	(67,800)
Cumulative Potential Budget Impact (Flat Enrollment)		(67,800)	(135,600)	(203,400)	(271,200)

Criteria Used in Calculations:

One fourth of current students graduate annually over next four years

2018-19 Tuition rates used (12 hours):

Out of State	26,120
Regional Scholars	<u>14,820</u>
Discounted	11,300



**Middle Tennessee State University
Finance and Personnel Committee**

Tuesday, November 13, 2018

Tab 7

Tuition Transparency Act

**Factors Considered When Developing
Recommendations to Increase
Tuition and Mandatory Fees**



**Middle Tennessee State University
Board of Trustees**

MEETING: Finance and Personnel Committee

SUBJECT: Tuition Transparency Act: Factors
Considered When Developing
Recommendations to Increase Tuition
and Mandatory Fees

DATE: November 13, 2018

PRESENTER: Alan Thomas

ACTION REQUIRED: Voice Vote

STAFF RECOMMENDATION: Approval

BACKGROUND INFORMATION:

Tennessee Code Annotated § 49-7-1601 et seq. was amended in 2018 and includes the following requirement for the University of Tennessee system and state university boards when considering increases in tuition and mandatory fees:

49-7-1603(b)

- (1) By January 1, 2019, each board shall develop a list of factors that shall be considered when developing recommendations to increase tuition and mandatory fees. The factors shall include, at a minimum, the level of state support; total cost of attendance; and efforts to mitigate the financial effect on students.
- (2) Each state university and each campus in the University of Tennessee system shall post on its website a summary of the recommendations pursuant to subdivision (b)(1).

In accordance with this new legislation, the University is proposing for your approval the following list of factors to be considered when developing recommendations for increases in tuition and mandatory fees:

- 1) Tennessee Higher Education Commission (THEC) binding tuition and mandatory fee increase ranges;
- 2) Level of state support;
- 3) Total cost of attendance (which includes tuition cost, mandatory fees, room and board, books, and other educational expenses);
- 4) Efforts to mitigate the financial effect on students; and
- 5) Other factors deemed appropriate by the University such as enrollment goals, market factors, new facility costs, new program costs, and costs related to general campus operations.

Once a set of factors are approved by the Board of Trustees, they will be used in recommending increases in tuition and mandatory fees beginning with the 2019-20 rates.



State of Tennessee

PUBLIC CHAPTER NO. 614

SENATE BILL NO. 1665

By Dickerson, Gresham, Yarbro

Substituted for: House Bill No. 1684

By Smith, Ragan, Daniel, Moody, Hardaway, Terry, Towns

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 11; Title 49, Chapter 7; Title 49, Chapter 8 and Title 49, Chapter 9, relative to higher education.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 7, is amended by adding the following language as a new part:

49-7-1601.

This part shall be known and may be cited as the "Tuition Transparency and Accountability Act."

49-7-1602.

As used in this part:

(1) "Board" means the trustees of the University of Tennessee or a state university board, as applicable;

(2) "Cost of attendance" means the combined cost of tuition, mandatory fees, room and board, books, and other educational expenses as determined by the financial aid office of the postsecondary institution;

(3) "Predictive cost estimate" means a non-binding estimated cost of attending an undergraduate program at the postsecondary institution based on a student's chosen field of study over a four-year period. A predictive cost estimate may include, but is not limited to, potential tuition and mandatory fee increases, projected increases in tuition based on a student's chosen field of study, and historical trend data; and

(4) "Tuition and mandatory fees" means the charges imposed to attend the relevant institution of higher education as an in-state undergraduate student and all fees required as a condition of enrollment as determined by the board. "Tuition and mandatory fees" does not include fees charged to out-of-state students by institutions of higher education, room and board, or other non-mandatory fees and charges.

49-7-1603.

(a) At least fifteen (15) days prior to holding a meeting to adopt an increase in tuition and mandatory fees, a board shall give public notice of the proposed tuition and mandatory fee increase as an action item on the board's meeting agenda. Individuals shall be permitted to provide comments during the fifteen-day period. The public notice of the proposed tuition and mandatory fee increase shall, at a minimum, include:

(1) An explanation for the proposed tuition and mandatory fee increase;

(2) A statement specifying the purposes for which revenue derived from the tuition and mandatory fee increase will be used; and

(3) A description of the efforts to mitigate the effect of the tuition and mandatory fee increase on students.

(b)(1) By January 1, 2019, each board shall develop a list of factors that shall be considered when developing recommendations to increase tuition and mandatory fees. The factors shall include, at a minimum, the level of state support; total cost of attendance; and efforts to mitigate the financial effect on students.

(2) Each state university and each campus in the University of Tennessee system shall post on its website a summary of the recommendations pursuant to subdivision (b)(1).

49-7-1604.

By February 1 of each year, each governing board shall provide a report to the office of legislative budget analysis, for distribution to the general assembly, with information regarding expenditures of revenues derived from any tuition and fees increase in the previous full academic year. The report shall include how revenues were used, the effect on student financial aid, and the effect on the average total cost of attendance per student.

49-7-1605.

Beginning August 1, 2019, each state university and each campus in the University of Tennessee system shall provide, with a student's letter of acceptance, a predictive cost estimate for students applying for undergraduate degree programs for the 2020-2021 academic year and for academic years thereafter.

SECTION 2. This act shall take effect July 1, 2018, the public welfare requiring it.

SENATE BILL NO. 1665

PASSED: March 19, 2018


RANDY McNALLY
SPEAKER OF THE SENATE


BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 2nd day of April 2018


BILL HASLAM, GOVERNOR