

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**FINANCE AND PERSONNEL COMMITTEE
MINUTES**

The Finance and Personnel Committee met on Tuesday, November 15, 2022, in the Miller Education Center Meeting Room at Middle Tennessee State University.

Call to Order

Chairman Smith called the meeting to order at 10:48 a.m. and requested Board Secretary James Floyd to call the roll.

Roll Call

The following Committee members were in attendance: J.B. Baker, Rick Cottle, Pete DeLay, Steve Smith, Pam Wright, and Drew Carpenter. A quorum was declared. Also present were President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, Provost; Joe Bales, Vice President for University Advancement; Andrew Oppmann, Vice President for Marketing and Communications; Yvette Clark, Interim Vice President for Information Technology and Chief Information Officer; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services; Diane Snodgrass, Interim Chief Audit Executive; James Floyd, University Counsel and Board Secretary; and Kim Edgar, Assistant to the President and Chief of Staff. Committee Chair Joey Jacobs, Trustee Tom Boyd, and Trustee Chris Karbowiak Vanek could not attend.

Approval of Minutes – Action

The first agenda item was the approval of the minutes from the August 16, 2022, Finance and Personnel Committee meeting. Trustee Delay moved to approve the minutes from the August 16, 2022, meeting, and Trustee Wright seconded the motion. A voice vote was taken, and the motion to approve the minutes from the August 16, 2022, Finance and Personnel Committee meeting passed unanimously.

2022-23 October Revised Budget – Action

The next agenda item was a recommendation for the 2022-23 October Revised Operating Budget approval. Mr. Thomas directed the Committee to the budget information provided in the meeting materials and briefly discussed the adjustments made to the October budget after the close of the 2021-22 fiscal year. He noted that the overall change in the fund balance was approximately \$40,000.

Next, Mr. Thomas directed the Committee to the summary of disclosed Bond Finance projects included in the meeting materials. He explained that the projects on the list are disclosed projects that have not received full approval by the State Building Commission (SBC) or the Tennessee State School Bond Authority (TSSBA).

Chairman Smith asked why the budget for instruction increased when enrollment numbers remained flat. Mr. Thomas explained that balances from student fees, encumbrances, and other categories are re-budgeted annually in order to submit a balanced budget to the state.

Trustee DeLay moved to approve the 2022-23 October Revised Budget, and Trustee Baker seconded the motion. A voice vote was taken, and the motion to approve the 2022-23 October Revised Budget passed unanimously.

THEC 2023-24 Operating Recommendations – Information

Mr. Thomas presented a report on the recommendations made by THEC at its fall meeting concerning operating appropriations and a guiding range for tuition increases. He informed the Committee that the 2023-24 operating appropriations recommendation for MTSU was \$138.9 million, representing a \$12.3 million or 9.8% increase over the 2022-23 appropriations. The net increase resulted from a combined decrease of \$1.1 million in the outcomes formula adjustments and a 13.4 million increase in proposed new funding for higher education. The recommendation did not include a salary component.

The guiding tuition range set by THEC for all public universities, community colleges and Tennessee Colleges of Applied Technology (TCATs) was zero to three percent. This was also the combined range adopted for tuition and mandatory fees. Mr. Thomas explained that 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.

The meeting materials included a schedule of THEC's 2023-24 state appropriations distribution recommendations and three possible funding scenarios for higher education.

THEC 2023-24 Capital Outlay/Maintenance – Information

The final agenda item was an information update from Mr. Thomas concerning the University's FY 2023-24 capital outlay and capital maintenance funding requests. He informed the Committee that THEC recommended funding for a total of eleven (11) capital outlay projects in 2023-24, which included additional funding for MTSU's Applied Engineering project and APSU's Health Profession Building to cover increased construction costs due to abnormally high inflation. Both of these projects were previously evaluated and funded in FY 2021-22. The total capital outlay funding request for all higher education was \$551.3 million.

Next, Mr. Thomas informed the Committee that THEC recommended all capital maintenance projects for funding in 2023-24, totaling \$238.4 million for higher education, which includes MTSU's submittal of seven (7) capital maintenance projects totaling \$15.8 million. In addition, THEC requested additional funding for two special initiatives – Americans with Disabilities Act (ADA) and Safety and Security – in the amount of \$131.5 million. If funded, MTSU would receive \$7.7 million for the ADA initiative and \$2.1 million for the Safety and Security initiative.

The meeting materials contained a list of the individual capital maintenance projects and their associated budgets for all institutions.

Adjournment

Chairman Smith adjourned the meeting at 11:13 a.m.

Respectfully submitted,

Finance and Personnel Committee