

MIDDLE TENNESSEE STATE UNIVERSITY

BOARD OF TRUSTEES

MINUTES

The Middle Tennessee State University Board of Trustees met on March 31, 2020, via teleconference.

Call to Order and Pledge of Allegiance

Board Chair Steve Smith called the meeting to order at 1:04 p.m. Lt. Gen. Keith Huber led the Pledge of Allegiance.

Welcome and Opening Remarks

Chairman Smith welcomed those on the call to the meeting of the Board of Trustees and expressed his admiration and appreciation for all the faculty, staff, and administration who are going above and beyond the call to help students during this trying time. Dr. McPhee thanked the members of the Board for making necessary adjustments to have this meeting via conference call. He stated that the university continues to operate, albeit on a limited scale, but that the business of the university goes on. He reiterated his appreciation for the support and dedication of the Board for allowing the meeting to go on as scheduled.

Roll Call and Statement of Necessity

Chairman Smith asked Board Secretary Heidi Zimmerman to call the roll. Ms. Zimmerman stated that because members of the Board were participating in the meeting electronically, in accordance with Tennessee Code Annotated Section 8-44-108(c)(3), there were two questions that needed to be answered by the trustees for the record. First, could the trustee clearly hear those participating on the call in order to participate in the meeting. Second, were other individuals present in the room; if so, they would need to be identified.

Trustees participating electronically were J.B. Baker, Thomas Boyd, Pete DeLay, Samantha Eisenberg, Darrell Freeman, Joey Jacobs, Chris Karbowski, Mary Martin, Stephen Smith, and Pam Wright. The trustees indicated they were able to hear others on the call. No trustee indicated that there were others present at their locations. Trustee Karbowski stated she would have to leave the meeting at 2:00 p.m.

Ms. Zimmerman stated that a quorum was not physically present but that one would exist with inclusion of trustees participating by electronic means. In accordance with T.C.A. § 8-44-108(b)(2), in order to proceed without a physical quorum, the Board was required to determine whether a necessity for the meeting existed. Ms. Zimmerman provided the following circumstances for the Board's consideration to establish the necessity for holding the meeting: The Board's agenda items included consideration of recommendations from the four (4) Board of Trustees Committees: Academic Affairs, Student Life, and Athletics Committee, Audit and Compliance Committee, Executive and Governance Committee, and Finance and Personnel Committee. These committees met on March 17, 2020, and have made recommendations for the Board's consideration. Additionally, reports from the committee meetings and the President would be provided. As regards its governance responsibility for the University, it is necessary for the Board to meet in order to consider these matters and recommendations, and vote on them. Due to concerns related to exposure to the coronavirus, it was determined that the Board meeting should be held electronically and, thus, there was not a physical quorum without electronic participation of the trustees. In order for a quorum of the Board to participate by electronic means of communication and for the meeting to continue, a determination needed to be made on the necessity of holding the meeting.

Chairman Smith requested a motion be made and a roll call vote taken for a determination on the necessity of holding the meeting. Motion was made by Trustee DeLay and seconded by Trustee Wright. A roll call vote was taken. There were nine (9) ayes; the motion carried. Necessity for the meeting was established and the meeting proceeded.

Ms. Zimmerman indicated others were on the line participating in the meeting: President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, University Provost; Joe Bales, Vice President for University Advancement; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Success; General Keith Huber; Brenda Burkhart, Chief Audit Executive; Chris Massaro, Athletic Director; Pat Thomas, Administrative Assistant; and, Kim Edgar, Executive Assistant to the President and Chief of Staff.

Approval of Minutes – Action

The first agenda item was approval of the minutes from the December 10, 2019 Board meeting. Trustee Karbowiak made the motion to approve the minutes from the December 10, 2019 meeting, and Trustee Martin seconded the motion. A roll call vote was taken and the motion to approve the minutes from the December 10, 2019 meeting of the Board passed with nine (9) ayes.

Chairman Smith asked how many are on the call. It was reported that there were 14 Board and staff members, and an additional 18 individuals on the call including the trustees.

Committee Report: Academic Affairs, Student Life, and Athletics

Committee Chair Pamela Wright gave the report from the March 17, 2020 meeting of the Academic Affairs, Student Life, and Athletics Committee. The meeting began with approval of the minutes from the November 12, 2019 meeting. The Committee report contained five (5) action items to be considered and voted on by the Board, and three (3) information items. Materials outlining these actions were made available for review prior to the Board meeting and were contained in the Board notebooks.

Revisions to Policy 301 Admissions – Action

Revisions were made to Policy 301 Admissions. A definition for “audit” was added to Section II. Revisions to Section V.E. provided that the registration procedure for auditing courses is the same

as that when registering for credit courses. Other revisions were made for clarity and reflect the requirements of T.C.A. § 49-7-113. This statute allows specified individuals to take courses, on either an audit or for-credit basis at reduced rates. Reference was added to Policy 643 Educational Assistance: Veterans' Dependents, State Retirees, Disabled, and Elderly Persons Programs, which provides more detail concerning eligibility criteria and applicable fees.

Revision to Admissions Requirements for Dual Enrollment – Action

Three (3) proposed changes in test or pre-requisite requirements for admission of Dual Enrollment were presented along with the rationale for each.

Approval of Revisions to Undergraduate Degree Requirements – Action

Five (5) proposed changes to current policy on undergraduate degree requirements, along with rationale and application for each, were presented. Policy 251 Approval of Academic Programs, Units, and Modifications states all academic actions that require review and approval by THEC must be approved by the Board of Trustees.

Proposal for New Academic Program: B.A. in Music – Action

Adding a new degree designation of Bachelor of Arts (B.A.) in Music to existing Bachelor of Music (B.M.) effective May 2020.

Proposal for New Academic Program: B.S. in Horse Science – Action

Elevation of the existing concentration in Horse Science within the Bachelor of Science (B.S.) in Animal Science to a free-standing Bachelor of Science (B.S.) degree with a major in Horse Science effective May 2020.

New Winter Session - Information

Beginning in December 2020, MTSU will offer a winter session during the period between the end of fall semester and the start of spring semester. Offering a winter session will allow students to make up, catch up, and get ahead. Completing an additional course between terms is a student

success strategy that has been proven effective at other institutions. Only online and study abroad courses will be offered at this time.

Annual Report of Academic Program Actions - Information

This report reflects a summary of all program-level curriculum changes from January 1, 2019 – December 31, 2019.

Performance Metrics Dashboard Update - Information

A list of metrics that will be included on the revised Performance Metrics Dashboard on the Board of Trustees website was shared with the Committee. Minor modifications were suggested and will be taken under consideration.

All action items were approved unanimously by the Committee.

Motion

Trustee Martin made the motion to approve the action items recommended by the Committee and Trustee Delay seconded the motion. A roll call vote was taken and the motion to approve the action items passed unanimously.

Committee Report: Audit and Compliance Committee

Trustee DeLay reported that the Audit and Compliance Committee met on March 17, 2020. The agenda for the meeting did not include any action items for the Board's consideration but did include six (6) information items. The Committee approved the minutes from its November 12, 2019 meeting.

Report of Conflict of Interest Disclosures in 2019 – Information

In the Audit and Compliance Committee Charter, the Committee is to ensure that all potential conflicts of interest are adequately resolved and documented. Assistant Vice President Gene' Stephens confirmed that the 2019 report of the conflict of interest was complete.

President's Disclosure of Interests – Information

Chief Audit Executive Brenda Burkhart reported that MTSU Policy 12 Conflict of Interest states, "The President's disclosure shall be evaluated by the Board of Trustees or a duly appointed committee thereof." The Audit and Compliance Committee is charged with assisting the Board in exercising oversight of standards of conduct and ensuring compliance with legal and regulatory requirements. Dr. McPhee's 2020 Disclosure of Interests form was presented for the Committee's review.

Public Records – Information

Ms. Zimmerman reported to the Committee regarding Policy 120 Public Records, Section III.B.3., which requires the Public Records Coordinator to annually report to the Board concerning the institution's compliance with the Tennessee Public Records Act and make recommendations, if any, for revisions to this policy. A summary of the number of records requests received in 2019 was provided for the Committee's review. No revisions to policy were recommended.

External Reviews – Information

Ms. Burkhart presented the results from Tennessee Comptroller of the Treasury regarding reporting requirements for Athletic programs. Statements were revised to reflect the changes in the reporting requirements. Second, a report from the Tennessee Department of Transportation regarding contractual compliance concluded with no findings of non-compliance.

Internal Audits – Information

MTSU Policy 70 Internal Audit Section IX.F requires significant results of internal audit reports be presented to the Audit and Compliance Committee quarterly. Ms. Burkhart reported that since the last meeting of the Audit and Compliance Committee, three audit projects have been completed. (1) Audit of the Office of the President for Fiscal Year 2019 is an annual audit required by state law and there were no reportable issues. (2) Audit of Football Ticket Sales and Paid Attendance for Fall 2019 concluded compliance with NCAA criteria. The football average paid

attendance of 15,493 exceeded the requirement of 15,000. (3) Review of the Use of the MTSU Owned Aircraft for the period July 1, 2017 – November 30, 2018 which was requested by the Committee. The report included the following two recommendations: written procedures were needed for the university plane; and improvement was needed with flight log documentation. Management is implementing the two (2) recommendations.

Prior Discussion of Audits Follow-up – Information

Ms. Burkhart reported two (2) follow-up items from prior discussions of audits. First, regarding Corrective Actions – Comptroller’s Audit of Athletics, for better management of the vendor-provided sports apparel allotments, the Athletic Department has developed written procedures addressing the required approvals, the allocation process, and the documentation requirement for reporting an employee’s extra compensation. Second, regarding the Office of the President, two (2) requests for information were made: a quarterly report of the year-to-date expenses of the accounts for the operations of the Office of the President; and, an example of the form used to document the guests of the President traveling with Athletic teams. Documentation for both requests were included in the materials.

Committee Report: Executive and Governance Committee

Vice Chair Freeman reported that the Executive and Governance Committee met on March 17, 2020. The Committee approved the minutes from its September 18, 2019 meeting. The agenda contained three (3) action items for the Board’s consideration. Materials outlining these actions were made available for review prior to this meeting and were contained in the Board notebooks.

Institutional Mission Statement and Mission Profile – Action

Dr. Mary Hoffschwelle presented the Institutional Mission Statement and Mission Profile. T.C.A. § 49-8-101(d) requires the institution to annually submit its institutional mission statement to THEC for review and approval. The MTSU mission statement and mission profile was recently reviewed by the University Planning Committee and approved by President McPhee. The Committee approved the mission statement as presented. Following review and approval by the

Board, the mission statement and mission profile will be provided to THEC to fulfill the statutory requirement.

President's Evaluation and Compensation – Action

Chairman Smith stated that based on the Committee's assessment and agreement that the institution has had a good year and that the CEO has performed well, the Committee recommends a salary increase at the same percentage amount as that provided in the most recent across-the-board salary increase, to be effective retroactively to July 1, 2019.

Trustee Emeritus Policy – Action

Heidi Zimmerman presented the Board of Trustee policy on Trustee Emeritus regarding an honorary status for Board trustees who have provided the University with outstanding service and commitment. The policy specifies requirements and criteria, along with the process of nomination for this status. The policy, with revision, was approved by the Committee.

The Committee unanimously approved all actions items

Motion

A motion was made by Chairman Smith and seconded by Trustee DeLay. Chairman Smith then clarified, with regard to the Committee recommendation on the President's compensation, that it would be an across-the-board increase effective retroactively to July 1, 2019 which is what the Committee recommended, with the addition of a market adjustment calculated based on the consultant's report; that it will be funded at the same level as the rest of the campus, and will be applied retroactively to January 1, 2020. Trustee Martin asked if that means it would be subject to the same cap levels that were applied to faculty and staff salaries. Alan Thomas replied that cap levels would apply, using the AGB report process, and the funding would be at the same percent as was done for the rest of the campus. Trustee Boyd asked for clarification on the retroactive date. Mr. Thomas replied that the 1% across-the-board increase was given on July 1, 2019, and the market adjustments were given January 1, 2020, so the two adjustments would be

made to the appropriate retroactive date. Trustee Martin asked which years were used in the AGB report for executive salaries. Mr. Thomas replied that it was the 2016-2017 CUPA data. Chairman Smith asked that we send the AGB report to Trustees Martin and Boyd since they were not on the Board at the time of the study.

A roll-call vote was taken and the motion to approve the action items passed with nine (9) aye votes.

Committee Report: Finance and Personnel Committee

Trustee Jacobs reported that the Finance and Personnel Committee met on March 17, 2020. The Committee approved the minutes from its November 12, 2019 meeting. There are two (2) action items for the Board's consideration and five (5) information items. Materials outlining these actions were made available for review prior to the meeting and were included in the Board notebooks.

Compensation Update – Information

A compensation update was presented by Kathy Musselman, Assistant Vice President for Human Resources. 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 data. Funding was provided to implement 43% of the recommended market adjustments of \$2.6 million, which included benefits. 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 million for classified employee salaries.

University Property Acquisitions – Information

Bill Waits, Assistant Vice President for Campus Planning, presented information on University Property Acquisitions. MTSU 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 (46) properties ranging in size from smaller residential properties to larger institutional properties, including the former Middle Tennessee Medical Center site and Bell Street Center. Updated documents shared with the Committee included an MTSU Acquisition Area Map, a list of MTSU Properties Acquired from 2009-2019 and a list of MTSU Approved Acquisition Area Property Not Owned by MTSU.

Capital Project Disclosures – Action

Mr. Waits also presented the Capital Project Disclosures for the Committee's consideration. 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. Those projects were submitted under THEC's and the State's deadlines for submitting additional projects. The Committee approved amending MTSU's lists of disclosed projects.

Airport Master Plan – Action

Next, Mr. Waits presented the Airport Master Plan. The University is seeking approval from the Board for the new MTSU Airport Master Plan. Upon Board approval, the MTSU Airport Master Plan will be submitted to THEC 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 THEC 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. 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. The MTSU Airport Master Plan was approved by the Committee.

Governor Lee's 2020-21 Budget – Information

Mr. Thomas gave a brief summary of Gov. Lee's 2020-21 budget that was presented in the State of the State address on February 3. Details were included in the materials.

Composite Financial Index – Information

The Composite Financial Index 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. Mr. Thomas explained that 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. Mr. Thomas assured the Committee that based on its CFI, the University is financially sound.

Federal Funds Report – Information

Mr. Thomas presented the Federal Funds Report. In accordance with T.C.A. § 9-1-111, each State agency must 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 submits the report to the Department of Finance and Administration on or before November 1 of each year indicated above.

The two (2) action items before the Committee were approved unanimously.

Chairman Smith asked Mr. Thomas about the two capital project disclosures and whether they were included in a previously distributed list of disclosed projects. Mr. Thomas stated that these were included in that list. Mr. Thomas stated that he believed there were about ten (10) projects on the list over the past two (2) fiscal years.

Motion

Trustee Freeman made a motion, seconded by Trustee DeLay, to approve the action items recommended by the Finance and Personnel Committee. A roll call vote was taken and the motion to approve the action items passed with nine (9) aye votes.

Trustee Karbowski gave comments of appreciation before leaving the meeting at 1:52 p.m.

Report of the President

Governor Lee's Administrative Amendment to the Budget

Dr. McPhee recalled that Mr. Thomas provided a report at the March 17 committee meetings concerning the Governor's budget as proposed in his "State of the State" address in early February. Subsequent to these meetings two weeks ago, the General Assembly met in order to uphold their constitutional requirement and passed a FY 2020-21 limited budget. Higher education was very fortunate with the Governor's proposal, his administrative amendment, to the legislature, including full funding for productivity at higher education institutions, with a 1.5% salary pool increase. This is a reduction from the original proposed budget, which had a 2.5% salary pool increase. The amendment also maintains \$7.1 million for MTSU capital maintenance

projects. The \$1.2 million in partial funding for MTSU's partnership with Meharry Medical College was also retained in the administrative amendment and approved by the legislature.

Although the above items remained in the budget, there were several items removed that will affect our sister institutions, as well as, higher education in general and overall. One of the primary deletions from the budget was the entire capital funding for new construction for higher education. Dr. McPhee stated that he anticipates this will continue to be considered by the governor and legislature as they reconvene. He expressed his thanks to THEC and its Director, Mike Krause, for their diligent work in advocating with the Administration and to the Governor and the General Assembly, for keeping intact operational funding through the funding formula, as well as, needed capital maintenance funding. He stated that we are very fortunate, with all of the cuts, to have the Meharry budget retained. It is the goal of the General Assembly to reconvene on June 1, when they will take up any unfinished bills and review any supplements to the budget. Dr. McPhee stated that, given the circumstances and when higher education is typically the first area to face budget cuts, this is good news.

Coronavirus Update

Dr. McPhee stated that he has kept the Board informed of actions taken related to the coronavirus, by sending them copies of communications sent to the campus. The unprecedented transition of all courses from on-ground to remote learning went quite well. Over the course of a week, the faculty converted 3,350 courses from on-ground to remote delivery – truly a remarkable achievement. Most students have adapted well and learning is continuing. However, it needed to be acknowledged that some students nationwide, not just MTSU, including those who prefer the structure of a classroom setting, are struggling with the change. For that reason, the Provost and deans are working on a plan to help students with this transition to allow students the option to receive a pass-fail grade rather than a letter grade in each class. Institutions around the nation are doing the same, in an effort to be as student-friendly as possible. Dr. McPhee stated that the faculty has been very supportive of students during the transition.

He complimented the Student Affairs staff and Dr. Sells who have been fielding many questions from students and parents with regard to all these transitions. He stated that the vast majority of the feedback received has been positive. Dr. McPhee shared a few comments from the university's Facebook pages:

"I have a freshman starting Fall 2020 and seeing how MTSU and staff have responded to this crisis makes me feel good about sending my daughter 3 1/2 hours away from home."

"I just want to say a big thank you to MTSU and staff. My son is still on campus because there is no service where we live. He is staying in and grateful to be able to finish this year! He is in his third year, and because of the awesomeness of the school I will have two more starting in August, and Lord willing two more the following year! I appreciate all the hard work to keep us informed and our kids safe! Also, those still working hard to help the ones entering because we have had to make several calls! Again, thank you MTSU!"

Dr. McPhee stated that students have been thankful for helping them adjust to the technology. He complimented ITD's assistance during this transition. Vice President Bruce Petryshak reported that ITD has issued, combined, over 1,000 Chromebooks, laptops, and hot spots. Dr. McPhee indicated that MTSU is in much better shape than other public institutions in Tennessee in making the transition to online teaching and with several critical issues. MTSU is very fortunate that it was able to develop a partnership with a major wireless company several months ago that allowed addressing access issues. He indicated that many employees have been working overtime during this transition to ensure that students' needs are met and that disruption to their educational pursuits is minimized. He again thanked the Board for their support and stated that they will continue to be updated.

Trustee Freeman asked for clarification about the assistance provided by ITD. Mr. Petryshak stated it was a combination of 1,000 Chromebooks, laptops, and hotspots that are on loan and will be returned to the university. They determined that T-Mobile, the firm MTSU partnered with,

is one of the better companies as concerns helping students who live in rural areas. Dr. McPhee stated that it is timely that the institution had been having these discussions with T-Mobile and had developed that relationship prior to this crisis to address the needs of our students.

Trustee Eisenberg asked if each faculty member would have the option to pass/fail students or if it would be a University-wide decision. Provost Byrnes responded they are still working on the details but that it has been determined that it will be the student's option, by individual course, whether they want to opt for pass/fail. Faculty will not make the choice for them, and it will not be a blanket decision for the university. Students can keep their letter grade if they are doing well; students who perhaps aren't doing as well can opt for pass/fail. Trustee Eisenberg asked how this could impact a student's GPA. The Provost stated that a "pass" grade has no effect on GPA. It was still under discussion if the other grade would be an actual "fail" or would be a no-credit. He stated that there are a lot of issues involved with that decision. A fail or a grade of F will have a negative effect on the student's GPA, unlike a no-credit. Financial aid implications are the main concern in these discussions and the desire is to maximize students' ability to utilize financial aid.

Trustee Martin asked how many students are remaining in dorms. Dr. McPhee replied that one of the positive across-the-board comments from people in the community is that the university has shown compassion to those who are not able to get home; that students were not just thrown out on the streets. Dr. Sells stated that there are about 1,200 students who moved home; 750-800 stated an intent to remain on campus the rest of the semester; and the remaining 700 students are still making their decision. A little less than half the residential students were checked out of the dorms at that point.

Trustee Boyd said he saw Dr. Jerry Falwell interviewed stating how well Liberty University was doing with the coronavirus. When he heard that, he realized everything they are doing, MTSU was doing all that and even more, so if Liberty is doing a good job, MTSU is going above and

beyond the call. Dr. McPhee replied that he would pass that thanks to our faculty and staff who have been great soldiers.

Concluding Remarks

Chairman Smith again thanked the faculty, administration, and staff, and stated are they pulling off a miracle in a short amount of time.

Adjournment

Chairman Smith adjourned the meeting at 2:14 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Heidi Zimmerman". The signature is written in black ink and is positioned above the printed name.

Heidi Zimmerman

Board Secretary