

**MIDDLE TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES**

**FINANCE AND PERSONNEL COMMITTEE  
MINUTES**

The Finance and Personnel Committee met on Tuesday, August 18, 2020, in the Miller Education Center Meeting Room at Middle Tennessee State University.

**Call to Order and Opening Remarks**

Committee Chair Joey Jacobs called the meeting to order at 2:30 p.m. and requested Board Secretary Heidi Zimmerman to call the roll.

**Roll Call**

The following Committee members were in attendance: J.B. Baker, Tom Boyd, Pete DeLay, Darrell Freeman, Joey Jacobs, Mary Martin, Steve Smith, and Delanie McDonald. A quorum was declared. 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; 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; Brenda Burkhart, Chief Audit Executive; Heidi Zimmerman, University Counsel and Board Secretary; and, Kim Edgar, Assistant to the President and Chief of Staff were also in attendance.

**Approval of Minutes - Action**

The first agenda item was approval of the minutes from the June 2, 2020 Finance and Personnel Committee meeting. Board Chair Smith moved to approve the minutes from the June 2, 2020 meeting, and Trustee Freeman seconded the motion. A voice vote was taken, and the motion to approve the minutes from the June 2, 2020 meeting of the Finance and Personnel Committee carried.

### **Fiscal Year 2019-20 Update - Information**

For the next agenda item, Mr. Thomas provided the following updates concerning Fiscal Year 2019-20 operations:

- Higher education was held harmless from any impoundments by the state;
- Pandemic related costs did not cause a significant increase in overall University expenses due to resource reallocation;
- Initial CARES Act funding was used to cover housing refunds, meal plan refunds, student wages, and technology purchases;
- Reduction of services in March should result in one-time carryover funding that will be held in reserve to help mitigate potential long-term impacts from the pandemic; however, final operating numbers will not be known until the accounting records are closed out for FY 2019-20.

### **Coronavirus Aid, Relief, and Economic Security (CARES) Act - Information**

Next, Mr. Thomas provided the Committee with an update on the use of the CARES Act funding and its impact on the budget. He directed the Committee to the meeting materials for a description of each funding source and their spending requirements. He noted that the University had been awarded \$19.7 million to date through the CARES Act Funding, which included funding from the Governor's Emergency Education Relief Fund (GEERF). As of July 27, the University had spent \$10.8 million with most in the area of emergency student aid, as the intent of the funding was to get money into the hands of the students very quickly. He stated that technology purchases to provide faculty with equipment needed to teach online and in-classroom courses are currently in process. Mr. Thomas then informed the Committee that the University was closely following Congress's progress on the next round of expected funding and would keep the Board informed with any updates. Chairman Jacobs asked for a clarification regarding the conditions for the state to receive the GEER funds. Mr. Thomas explained that by accepting these funds, the state could not cut appropriations to elementary, secondary, and higher education below support levels in the three preceding years.

### **Fiscal Year 2020-21 Budget Update - Information**

The next agenda item was an update on the FY 2020-21 Budget. Mr. Thomas referred the Committee to the July 1 email sent by the President informing the University Community and Board of Trustees of the funding received or retained in the budget and the items that were removed. All new funding for higher education, which included salary increase funding, was removed; however, the University did retain \$4.6 million in capital maintenance funding and \$1.2 million in one-time funding for the Meharry Medical Education Program. Mr. Thomas informed the Committee that the University had approximately \$6.6 million in fixed cost increases, including the cost of appropriations lost in the outcomes formula. He explained that these costs would typically be covered with new appropriations or new tuition dollars. Since neither of those sources will be an option for FY 2020-21, existing funding must be reallocated to cover the costs increases, which will result in a 3.3% reallocation in the existing base budget. The Provost and Vice Presidents have been working to determine the impact this reduction could have on their respective areas. Dr. McPhee stated that this would not be an across-the-board budget cut, but rather a strategic look at giving priority to programs that have the potential for growth over those that are struggling.

Dr. McPhee then provided the Committee with a brief update on enrollment numbers. He informed the Committee that after the first purge, enrollment was still up 2.67% over last year. Trustee DeLay reminded the Committee of the Trustees Fund established two years ago to assist students that need a small amount of financial assistance to stay in school. He noted that the replenishment of the fund would make an enormous difference for those students this year.

### **Classified Employee Grievance Annual Report - Information**

Kathy Musselman, Assistant Vice President for Human Resources, presented the Classified Employee Grievance Annual Report as the final agenda item. Ms. Musselman informed the Committee that TCA §49-8-117 requires each State University Board to provide an annual report to the education committees of the Senate and the House of Representatives that shows the

number of grievances filed by classified individuals who have been demoted, suspended, or terminated. The report included in the meeting materials contained two grievances for fiscal year July 1, 2019 - June 30, 2020; one termination with the decision upheld and the other still in progress. Chairman Jacobs asked for the number of employees at the University. Ms. Musselman responded that there are 2,200 full-time employees and approximately 700 of them are classified staff.

**Adjournment**

The meeting adjourned at 2:59 p.m.

Respectfully submitted,

Finance and Personnel Committee