

**MIDDLE TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES**

**FINANCE AND PERSONNEL COMMITTEE  
MINUTES**

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

**Call to Order**

Committee Chair Joey Jacobs called the meeting to order at 11:19 a.m. and requested Board Secretary James Floyd to call the roll.

**Roll Call**

The following Committee members were in attendance: J.B. Baker, Tom Boyd, Rick Cottle, Pete DeLay, Darrell Freeman, Joey Jacobs, Steve Smith, Chris Karbowski Vanek, Pam Wright, and Gabriela Jaimés. 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; Brenda Burkhart, Chief Audit Executive; James Floyd, University Counsel and Board Secretary; and, Kim Edgar, Assistant to the President and Chief of Staff.

**Approval of Minutes - Action**

The first agenda item was the approval of the minutes from the November 9, 2021, Finance and Personnel Committee meeting. Trustee DeLay moved to approve the minutes from the November 9, 2021, meeting, and Trustee Baker seconded the motion. A voice vote was taken, and the motion to approve the minutes from the November 9, 2021, Finance and Personnel Committee meeting passed unanimously.

## **Permanent Appointment of Assistant to the President for Community Engagement**

### **And Inclusion – Action**

The second agenda item concerned the approval of the recommendation by Dr. McPhee for the permanent appointment of Dr. Monica Smith as the Assistant to the President for Community Engagement and Inclusion. Committee members were directed to the meeting materials for a copy of Dr. Smith's resume and a recommended salary. Trustee Wright made a motion to approve the permanent appointment, and recommended salary, of Dr. Monica Smith as the Assistant to the President for Community Engagement and Inclusion, and Trustee Freeman seconded the motion. A voice vote was taken, and the motion to approve the permanent appointment of Assistant to the President for Community Engagement and Inclusion passed unanimously.

### **Approval of Policy Revision – Action**

The next agenda item was a recommendation for approval of revisions to University Policy 611 Financial Performance Review. Mr. Thomas explained that the modifications were necessary to reflect a previous recommendation approved by the Board to no longer present the Composite Financial Index (CFI) and related ratios as an annual information item. Instead, individual ratios and the overall CFI score will be compared with other LGIs and used by the University to assess whether revisions to the budget are needed. The CFI information will also be submitted to external agencies as requested or required. The Committee requested an additional modification to state that individual metrics requiring budget revisions will be presented with the related budget recommendations. Trustee Boyd moved to approve Policy 611 Financial Performance Review revisions, as amended. Chairman Smith seconded the motion. A voice vote was taken, and the motion to approve the revisions to Policy 611 Financial Performance Review, as amended, passed unanimously.

### **Governor's Budget and Legislative Budget Hearings Update – Information**

The next agenda item was an update concerning the 2022-23 Governor's Budget. Mr. Thomas directed the Committee to the meeting materials containing THEC's analysis of the Governor's

Budget related to higher education and an email to the campus and Board members summarizing the impact on the University. He informed the Committee that Dr. McPhee and other University leadership attended and presented at budget hearings with the House Finance, Ways and Means Committee on Monday, February 7 and the Senate Education Committee on Wednesday, February 23. Dr. McPhee stated that he received positive feedback and support from both committees during the hearings, and MTSU's budget was successfully moved forward for the following year. Dr. McPhee also informed the Committee that he had the opportunity to speak with key legislators during the 2022 Day on the Hill event about the challenges of attracting and retaining University employees with below-market salary levels. He noted that \$120 million was allocated in this year's budget for state agencies to bring employee salaries to the market level. Dr. McPhee stated a similar appropriation is needed in next year's budget for higher education to bring University employee salaries up to the current market level. He encouraged the Committee members to prioritize this issue in their meetings with state legislators over the next year.

Trustee Karbowski Vanek asked why there has been a lack of movement on the higher education salary issue by the state legislature. Dr. McPhee responded that legislators believe universities can address the partially funded salary recommendation and market adjustments from tuition revenue. However, higher education institutions have been limited by THEC on raising tuition by only 1-2%, with the anticipated increase for the upcoming year being 0%.

Trustee Freeman asked about projections for enrollment growth and what impact that could have on creating revenue for hiring and salary increases. Dr. McPhee responded that the enrollment goals and projections for FY 22-23 had been sent to the Board. Discussion ensued concerning the factors that impact revenue from enrollment growth and other possible opportunities for generating revenue for the University.

### **HEERF Funding Update - Information**

Next, Mr. Thomas provided a brief update on funding provided through the Higher Education Emergency Relief Fund (HEERF). He reported that the University has been awarded approximately \$103 million, with the majority of the funding being either expended or encumbered. Mr. Thomas explained that these numbers are only estimates and could change based on future enrollment and the ability to complete project orders given the supply chain issues the University is currently experiencing. He also informed the Committee that the U.S. Department of Education plans to provide a no-cost extension on the program to June 30, 2023. The original end date was May 15, 2022.

### **Capital Disclosures – Action**

Bill Waits, Assistant Vice President for Campus Planning, presented information concerning an amendment to the FY 2021-22 Capital Disclosures. He reminded the Committee that 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 but does not obligate the University to carry out the work identified. On February 9, MTSU amended the MTSU FY 21/22 Capital Disclosure list via the quarterly disclosure process with a new disclosure for the Phillips Bookstore Improvements project. This gift-in-place project is provided by Barnes and Noble College and includes a new retail layout and seating area for the bookstore. The work will take place during the summer of 2022.

The meeting materials contained a summary of the Q4 Disclosure amendment, the original FY 21/22 Capital Budget Disclosure list, and the full MTSU disclosed project list as it will appear on April 1, 2022.

Chairman Smith made a motion to approve the amendment to the FY21/22 Capital Disclosure list to include the Phillips Bookstore Improvements project. Trustee DeLay seconded the motion. A voice vote was taken, and the motion to approve the amendment to the FY21/22 Capital Disclosure list to include the Phillips Bookstore Improvements project passed unanimously.

### **Faculty Senate Presentation – Information**

The final agenda item was a presentation by Mr. Robert Gordon, Associate Professor, Media Arts, and Faculty Senate President, and Dr. Anne Anderson, Professor and Weatherford Chair of Finance, concerning below-market salary levels at the University and their impact on the ability to attract and retain quality faculty. The presentation included a detailed analysis of MTSU faculty salary growth from AY 14-15 to AY 20-21, CUPA peer school comparisons, and AY 20-21 salary comparisons to other Tennessee universities. Dr. Anderson emphasized that MTSU salaries cannot move closer to the market level when recommended raises are not fully funded by the State. She concluded the presentation with a request that the University develop a clear plan to close the market gap to the 2020-21 market level rather than the 2014-15 level.

Mr. Gordon thanked the Committee for allowing time for the Faculty Senate's concerns to be brought before the members at this meeting. He stated that it is helpful for faculty members to know that the administration and Board members are working together to address these issues. Dr. McPhee informed the Committee that he and the Provost meet regularly with the President's Liaison Committee, a representative group of the Faculty Senate, to communicate efforts made in many areas of the University. He also stated that employee salaries remains his top priority for the University and will continue to be at the forefront of his discussions with THEC, the Governor, and General Assembly.

### **Closing Comments**

Chairman Jacobs thanked Mr. Gordon and Dr. Anderson for their presentation. He also thanked Mr. Thomas and his staff for the work they do for the University.

### **Adjournment**

The meeting adjourned at 12:15 p.m.

Respectfully submitted,

Finance and Personnel Committee