

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
NOVEMBER 2017 MEETING

1:15-3:30pm EST  
Friday  
November 10, 2017

East Tennessee Room  
D.P. Culp University Center  
412 J.L. Seehorn Road  
Johnson City, TN

ORDER OF BUSINESS

- I. Call to Order
- II. Roll Call
- III. [Approval of the Minutes of September 8, 2017](#) .....Tab 1
- IV. [Consent Agenda \(5 minutes\)](#) .....Tab 2
  - A. [Minutes from the September 8, 2017 Finance and Administration Committee](#)
  - B. [Minutes from the September 8, 2017 Academic and Student Affairs Committee](#)
  - C. [Minutes from the September 8, 2017 Audit Committee](#)
  - D. [Finance and Administration Policies from the Finance and Administration Committee](#)
  - E. [Medical Student Center Debt Service and Activity Fee](#)
  - F. [Academic Calendars for 2018-19 and 2019-20](#)
  - G. [Proposal to Pilot Alternative Out-of-State Tuition Models](#)
- V. Report from the Finance and Administration Committee (5 minutes)
- VI. Report from the Academic and Student Affairs Committee (5 minutes)
- VII. Report from the Audit Committee (5 minutes)
- VIII. [October Budget Revision \(10 minutes\)](#).....Tab 3
- IX. [Wellmont Memorandum of Understanding \(10 minutes\)](#).....Tab 4
- X. [Legislative Agenda \(10 minutes\)](#).....Tab 5
- XI. [Markov Chain: Background and Enrollment Projections \(20 minutes\)](#).....Tab 6
- XII. President’s Report (30 minutes)
- XIII. Other Business

- XIV. Executive Session
  - A. Discuss pending legal action (if necessary)
  
- XV. Adjournment

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 9, 2017  
ITEM: Approval of Minutes of September 8, 2017 Meeting  
RECOMMENDED ACTION: Approval  
PRESENTED BY: David Linville, Secretary

The minutes of the September 8, 2017 meeting of the Board of Trustees are included in the meeting materials.

**MOTION: I move that the Board of Trustees adopt the resolution, approving the minutes as outlined in the meeting materials.**

**RESOLVED: The reading of the minutes of the September 8, 2017 meeting of the Board of Trustees is omitted, and the minutes are approved as presented in the meeting materials, provided that the Secretary is authorized to make any necessary edits to correct spelling errors, grammatical errors, format errors, or other technical errors subsequently identified.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

MINUTES

September 8, 2017  
Johnson City, Tennessee

The quarterly meeting of the East Tennessee State University Board of Trustees was held at 1 p.m. on Friday, September 8, 2017, in the East Tennessee Room of the D.P. Culp University Center on ETSU's main campus in Johnson City, Tennessee. The meeting was also livestreamed for those who could not be in attendance.

**I. Call to Order**

Chair Scott Niswonger called the meeting to order.

In his opening remarks, Chair Niswonger commented on the happenings at the university, including data that indicates at least flat enrollment for the new fall semester, significant construction all over the ETSU campus, and the recent opening of the new stadium as well as the groundbreaking of the arts center set to take place later that afternoon. Chair Niswonger also noted that the trustees remain focused with their role of continuing to build on the success of the university through shared governance and an open, transparent and inclusive environment. He thanked Mr. Bill Greene and Trustee Linda Latimer for their significant contribution to the football stadium and also thanked Eastman Credit Union for its \$250,000 contribution to the engineering program for needed equipment. Chair Niswonger acknowledged the three 2017 Distinguished Faculty Award winners and mentioned the Veterans Reconnect grant that will help the institution further its efforts to help the approximately 500 veterans/dependents who are enrolled at ETSU.

**II. Roll Call**

Secretary David Linville called the roll, and all Trustees were in attendance:

Fred Alsop  
Janet Ayers  
Steven DeCarlo  
Nathan Farnor  
David Golden  
Dorothy Grisham  
Linda Latimer  
Scott Niswonger  
Jim Powell  
Ron Ramsey

**III. Approval of the Minutes of June 9, 2017**

Trustee Alsop made a motion to accept the minutes of the June 9, 2017, Board of Trustees meeting. It was seconded by Trustee Golden and unanimously approved.

#### **IV. Consent Agenda**

Items included on the consent agenda are:

- A. Minutes from the June 9, 2017, Finance and Administration Committee
- B. Minutes from the June 9, 2017, Academic and Student Affairs Committee
- C. Minutes from the June 9, 2017, Audit Committee
- D. Tenure appointment of Dean Aloia
- E. Advancement policies from the Finance and Administration Committee

Chair Niswonger asked if there were any items that any trustee wanted to pull for separate consideration. There were none. Trustee Ayers made a motion for the adoption of the consent agenda. It was seconded by Trustee Grisham and unanimously approved.

#### **V. Report from the Finance and Administration Committee**

Committee Chair DeCarlo said the meeting included discussion of capital projects, advancement policies and the naming of the arts center. Mr. Jeremy Ross, acting chief operating officer for ETSU, then addressed the full Board to give a brief summary of the capital projects discussion. He explained that he provided the committee members with a five-year snapshot presentation and addressed how the university moves requests for new projects and funding through the system now. Mr. Ross said ETSU had a “first look” during a meeting with THEC in which all universities presented the projects for which they are requesting funding. Mr. Ross said he presented a new humanities building. He said requests must be based on the following criteria:

- (1) Our institution’s mission;
- (2) State goals (Drive to 55); and
- (3) Our need.

Mr. Ross shared images from the three buildings in which the humanities are currently taught on campus – the Campus Center Building, Burluson Hall, and Rogers-Stout Hall. While other buildings on campus are nice, that is not necessarily the case where humanities are being taught, he said. The Campus Center Building is scientifically ranked 48 out of 100. Most buildings, if they are a 60 (or lower), need to be demolished, according to the state. In the liberal arts, in general education where all first-year students are touched, we have little to no spaces for faculty and students to meet together. Approximately 40 adjunct faculty don’t have offices where they can meet with students. One-fifth of credit hours at ETSU are taught in these areas. Not having appropriate space is limiting the university’s ability to retain more freshmen. Mr. Ross shared comparison photos of classroom space at Northeast State Community College and noted that, without question, students that come from these

high schools (Science Hill, for example) and community colleges are taking a step backward when they come to ETSU. In the proposed project, the current Campus Center Building would come down and a five-story, 100,000-square-foot building would go up. It is a \$76 million project.

In terms of capital maintenance, Mr. Ross said there is a new approach as well. THEC is using formulas to come up with an allocation and letting the institution decide how it should be spent for maintenance. The formula shows 8 percent, or \$9.54 million, for ETSU. In the past, characteristically, about half that amount is actually funded. The list of maintenance needs at ETSU includes HVAC upgrades and repairs, water line repairs and replacement, roof replacements and work on Memorial Center codes deficiencies. There is also a five-year maintenance plan for the institution.

Mr. Ross also addressed capital severance, noting that there are five things THEC is asking for in order for ETSU to sever at the end of the year. One of those things is an organizational structure at ETSU, which shows who at ETSU is now doing the work that had been being done by TBR. Mr. Ross said his folks have been making six trips a month to Nashville for job shadowing with the TBR. He said he has received feedback that his staff is highly qualified and on track to sever.

There were no additional questions from the Board of Trustees. Chair Niswonger noted that when a recommendation has been received from a standing committee, as is the case in this situation, a motion is not needed and only a voice vote was required. A unanimous voice vote passed the recommendation of the Finance and Administration Committee to approve the university's submission of the capital outlay, capital maintenance and disclosed projects to THEC.

#### **VI. Report from the Academic and Student Affairs Committee**

Committee Chair Latimer reported that the committee voted to recommend to the full board that tenure be granted to Clemmer College of Education Dean Greg Aloia. She said that the group also looked at a comprehensive annual calendar, heard an annual report on chairs of excellence and learned of academic actions taken by the university. No other actions were taken that were not covered in the full Board's consent agenda, Latimer reported.

#### **VII. Report from the Audit Committee**

Committee Chair Golden reported that the Audit Committee met that morning and reviewed tweaks to the Audit Committee charter so that it reflects membership. The committee also had an overview of its responsibilities with Ms. Becky Lewis, of Internal Audit, providing a matrix that outlines the committee's duties and when those duties need to be done. The committee approved tweaks to the Audit Plan in

relation to the departure of an individual on campus and a subsequent audit request and also received the recommendation log for ongoing audits as well as an annual report on Audit Committee function. The group reviewed salaries and also reviewed the Office of Internal Audit's operating expenses.

Through a unanimous voice vote, the full Board of Trustees approved the three items needing approval from the committee:

- (1) Tweaks to the Audit Committee charter;
- (2) Tweaks to the Audit Plan; and
- (3) Salaries for Internal Audit.

### **VIII. Gatton College of Pharmacy Overview and Scholarship Proposal**

Gatton College of Pharmacy Dean Dr. Debbie Byrd introduced herself to the Board of Trustees and explained to the group that one of the things drawing her to the deanship at ETSU a year ago was the institution's commitment to first-generation students.

Dr. Byrd's presentation began with an overview of the pharmacy school at ETSU, which was founded in 2005 because of a shortage of pharmacists in the area. She explained that a collaboration with the University of Tennessee was attempted first but did not work, because of the requirement of UT for all students to spend a year in Memphis. That resulted in permission for ETSU to create the Gatton College of Pharmacy. The community raised \$5 million in 58 days after being given 90 days to do so (by the governor) in order to get the pharmacy school approved. Private tuition was set at 50<sup>th</sup> percentile of peer private institutions.

Dr. Byrd explained that the pharmacy school has stayed true to its unique financial model (As a private pharmacy school within a public university, no state funding is used to operate the Gatton College of Pharmacy.) The model has been a tremendous success. She said the pharmacy school has graduated 600 pharmacists, addressing the shortage. The Gatton College of Pharmacy has an impact of approximately \$35 million annually across the state (\$29 million regionally). Gatton is consistently above national averages in licensure pass rates, residency match rates and post-graduate employment. The school's students and faculty have won national awards, including the Generation Rx chapter being No. 1 or 2 in the nation for the past four years as well as two-time champions of the American College of Clinical Pharmacy (ACCP)'s Clinical Pharmacy Challenge.

Forty-nine percent of the student body are first-generation students, with 31 percent of students enrolled at Gatton hailing from rural zip codes. Fifty-six percent of graduates reside and practice in Tennessee. They bring a high percentage of bachelor's and master's degrees. Gatton College of Pharmacy has been recognized by the *U.S. News & World Report* as a Top 3 college of pharmacy in the country. The pharmacy school is part of the ETSU Academic Health Sciences Center. It offers a PharmD degree as the primary degree. Students can also get a BS in Pharmacy Studies or get dual degrees (MBA or MPH). There are 310 students enrolled and 55

faculty/staff work at the pharmacy school. Forty percent of the student body are Tennesseans.

Tuition is middle of the road when compared to private schools. The average annual increase is 3.6 percent. Two-thirds of the budget supports personnel and one-third is for operations. The college's status as a self-supporting entity creates financial and geographic disparity for Tennessee residents. Tuition is significantly higher than the state-funded college of pharmacy. To take advantage of that state rate, students must relocate to Memphis for at least a year and relocate a second time to Nashville or Knoxville. For an adult student with a family in East Tennessee, this is not an accessible option. Additionally, the state-funded college of pharmacy began offering a 75 percent tuition discount to all out-of-state students residing within a 200-mile radius of any of its three sites (Memphis, Nashville, Knoxville). We don't oppose this, but it does shine a light on the existing disparity and widens that disparity further. Non-Tennesseans can take advantage of state-funded resources for less than Tennessee residents can attend the Gatton College of Pharmacy. Dr. Byrd shared a slide showing that in-state students attend UT for \$21,520 while they attend Gatton for \$36,090; out-of-state students within that 200-mile radius attend UT for \$26,415 compared to a tuition cost of \$36,090 to attend ETSU. That, she noted, is a \$10,000 disparity for Tennesseans.

To close the tuition gap and level the playing field for Tennessee taxpayers, no matter their zip code, Dr. Byrd presented a proposal that calls for an investment of \$2.5 million annually (from the state) to go directly to Tennessee students enrolled at Gatton College of Pharmacy. It would not increase the revenue for the pharmacy school nor the class sizes. Dr. Byrd expressed gratitude to the *Johnson City Press* for its recent editorial titled "ETSU pharmacy school deserves new deal," but respectfully suggested a different headline, noting that the ETSU pharmacy school doesn't need a new deal, but Tennessee students certainly do deserve a new deal.

Dr. Byrd asked Chair Niswonger and members of the Board of Trustees for their support to further explore the proposal to close the tuition gap for Tennessee students, noting that there are many avenues to achieve equity for all Tennessee students. Chair Niswonger thanked Dr. Byrd for her presentation and told her it was an excellent job. He said he believed everyone in the room "gets this." And asked for a motion to authorize the president to explore opportunities related to this presentation. Trustee Latimer made the motion, which was seconded by Trustee Ayers and unanimously passed.

Following the motion, Dr. Brian Noland thanked Dr. Byrd for the presentation and offered some context around the presentation. He noted that the student aspect is where the Board really needs to focus. He said the proposal was not coming before them due to any financial challenges within the college or as an attempt to generate revenue for the college. In fact, it is revenue neutral for the college. The onus is a focus on the students. It is the university's intent to work closely with THEC to move through the appropriate policies and have a policy conversation. Dr. Noland said he

does not view this as a political conversation but rather a policy conversation. The policy dynamics of the state have changed and the disparity of more than \$10,000 from what a Tennessee taxpayer pays to attend a state public institution versus what an Alabama taxpayer pays to attend a Tennessee public institution is what brought leaders to bring this before the Board of Trustees. Dr. Noland said he would bring an update to the trustees in November.

## **IX. Overview of Health Science Center Clinical Operations**

Dr. Wilsie Bishop presented on the clinical operation of the Academic Health Sciences Center at ETSU, noting that we are a large and complex entity within the health care delivery systems of this region. For reference, Dr. Bishop noted that the AHSC has an enrollment of 4,192, including 260 medical residents and graduates about 1,000 students per year. In addition to providing care, the AHSC focuses its education offerings on interprofessional education, or team-based care. She said they teach students to provide care that looks at the whole patient, their family and their community.

In terms of clinical operations, Dr. Bishop said the offerings go beyond clinics within the College of Medicine. AHSC clinical services record more than 350,000 patient encounters per year and provide more than \$3.6 million in uncompensated care. There are 16 clinics/clinical service areas within the College of Clinical and Rehabilitative Health Sciences; 40 within Quillen College of Medicine; 7 within the College of Nursing and another 7 within the College of Pharmacy. There are more than 300 clinicians and greater than 550 non-clinician staff employed at the clinics.

The College of Clinical and Rehabilitative Health Sciences, just started an ALS clinic, the only one in the region. Other clinical services provided through this college include audiology, dental hygiene, a cochlear implant program, a new physical therapy residency program in partnership with the VA, a high-risk neonatal clinic and a new concussion management program with athletics. In all, the college clinical services see 5,884 patient encounters and provide nearly \$315,000 in uncompensated care. In the future, there are plans related to sports and neurosciences residencies.

The Quillen College of Medicine reported 290,571 patient encounters in fiscal year 2016-2017, with an average of 702 clinic sessions per week and over \$2 million in uncompensated care provided. Quillen clinics employ 181 clinicians and 476 non-clinician staff (426 MEAC and 50 Family Medicine). QCOM clinical services are provided through University Physicians & Associates (MEAC) as well as Family Medicine clinics. MEAC physicians are paid through a state base and a MEAC incentive based on the amount of care they provide whereas Family Medicine physicians are primarily salaried through ETSU. QCOM has been a leader in developing patient-center medical homes, a way of value-based care. Clinical services provided through QCOM include internal medicine, cardiology, dermatology, endocrinology, hematology, infectious diseases, medical oncology, ob/gyn,

pathology, psychiatry, pediatrics and surgery. Contract services are provided in a variety of areas, assisting the two health care systems with the care provided to the region. Also contracted are the forensic services provided by QCOM for all eight counties in upper northeast Tennessee, which results in more than 650 autopsies per year. QCOM has 252 residents and fellows in various locations across the region.

The College of Nursing provides 41,006 primary care visits and nearly \$1.2 million in uncompensated care. Clinical services are located at the Johnson City Community Health Center, Hancock County elementary and high schools, ETSU Student Health Services and Mountain City Extended Hours Health Center. The College of Nursing has seven clinics from Sneedville to Mountain City and employs 81 clinicians in a wide array of fields, including 28 nurse practitioners who provide the primary care. There are 71 non-clinician staff employed.

The Bill Gatton College of Pharmacy reports a patient encounter number of 16,710 per year and has contracts with clinical practices to provide team-based care. There are a total of 14 clinical sites where pharmacy faculty are involved. Services provided include diabetes management, behavioral health, primary care, oncology, pediatrics and more. The work the clinical pharmacists do in ambulatory care clinics has received significant recognition and also resulted in a trip to Ireland and Scotland to help educate health care providers there on team-based training. The college has an ambulatory care residency as well as an internal medicine residency.

The College of Public Health does not yet have a clinic, but does place students in mid-level management and a significant number of internships. This fall, the College of Public Health will partner with Mountain States Health Alliance to open the Overmountain Recovery Center, an evidence-based treatment center for opioid addiction.

In conclusion, Dr. Bishop said the AHSC at ETSU is more complex than anyone ever dreamed it would be and noted that it is interwoven in the clinical fabric of the region. She said among the 130 academic health sciences centers across the country, ETSU's offers more complexity than most. She also said that the ETSU AHSC is one of only two in the nation doing an alignment of institutional mission project with the Association of Academic Health Sciences Centers.

Dr. Noland noted that there are a number of presentations in today's meeting that take deep dives into different areas of the university. He said clinic visits can be set up for trustees to see more. He also emphasized the number of connections with Mountain States and Wellmont, saying that the future of the AHSC colleges at ETSU is intertwined in the merger conversations.

Trustee Alsop asked if there is a strategic plan for integrating all of the clinical operations. Dr. Bishop said that will hopefully happen as a result of the alignment of institutional mission project with the Association of Academic Health Sciences Centers. She said they'll be addressing whether all clinics should be united under one umbrella and the analysis and feedback received through the national project will serve as the basis for strategic planning moving forward.

**X. Naming of the Arts Center**

Mr. Joe Smith, University Relations, noted that the recommendation for the naming for the arts center was brought to the finance committee earlier in the day. The name proposed and approved at the committee meeting is the James C. and Mary B. Martin Center for the Arts, paying tribute to the generosity of the Martin family. He noted Mr. Martin's contribution of \$1 million in 2008 (in memory of his late wife) for the creation of the Mary B. Martin School of the Arts at ETSU. He also noted Mr. Martin's lead gift of \$3 million in 2013 for the creation of the performing arts center. The Martins' daughter, Sonia King, also contributed \$1.2 million and additional money has come in from the family since Mr. Martin's death. In total, Mr. Martin's giving to ETSU is \$7 million. Through a unanimous voice vote, the Board approved the naming of the arts center as the James C. and Mary B. Martin Center for the Arts.

**XI. Footprints Marketing Campaign**

Ms. Jennifer Clements, marketing director, discussed a new university-wide campaign to market the university to external audiences. The idea is to share what is happening at the institution and get people excited about what our students, faculty, staff and alumni are all doing. Starting last spring the University Relations office worked together with others across campus to come up with a campaign that helped to focus on this. First, the group determined the university's brand promise, that thing that makes us stand out, which was determined to be the mission to improve the lives of the people of Central Appalachia. Goals of the campaign include increasing enrollment, cultivating donor relations and enhancing a sense of pride among the campus community and beyond. To do that, the campaign aims to tell the stories of the institution through the impact individuals (students, faculty, staff and alums) are making throughout the region and beyond. The stories that are a part of this campaign demonstrate commitment and economic development; highlight creativity, academic excellence and diversity; emphasize collaboration; and highlight civic engagement and volunteerism.

The campaign launched on Aug. 21 with a 30-second commercial, which Ms. Clements shared with the trustees. The campaign coincided with a redesign of the ETSU homepage to tell the stories of students through featured videos. Analytics show that the videos are doing better than the static images (300 percent increase). Recruitment materials are also incorporating the "footprints" theme, asking prospective students, "Where will your footprints lead?" and showing them how current students are leaving their marks. The stories are also being told through social

media as well as through print materials and in annual reports. A microsite is housing all of the Footprints stories and includes buttons for “Apply,” “Visit” and “Give.” Trustee Ramsey noted that it is amazing how far the university has come in the last four to five years since Dr. Noland arrived and the new branding initiative began.

## **XII. Student Affairs Overview: Promoting Student Success**

Dr. Joe Sherlin thanked the board for the opportunity to talk about ETSU students and the efforts of the university related to student success. He noted that hundreds of cars arrived on campus a couple of weeks ago as thousands of new students arrived for move-in day and hundreds of upperclassmen helped them move into their dorms. Later that day, families left their students and Welcome Week launched a full week of activities to connect the students to campus and give them a sense of belonging. Dr. Sherlin said the institution’s efforts in student success are on the right track but work remains as Dr. Noland has set goals that include an 85 percent first-year retention rate by 2026 and a 60 percent graduation rate by 2026. The leading indicators for graduation are first-year retention (which is increasing) and credit load (also increasing). The first year is the most significant when it comes to retention and graduation, and the first six weeks of that first year are critical. Things that help student success include comprehensive support and services that assist students in navigating academic, social, career, personal and financial challenges; as well as engaging experiences in and out of the classroom that connect students to faculty, peers and the university. That builds commitment.

Dr. Sherlin touched on the importance of academic support in student success, noting that ETSU created and hired 14 new academic advisor positions in 2014 to enhance truly developmental advising. He also pointed out that there were 15,000 student visits to the degree planning tool, “Degree Works,” in 2016 and the “Fifteen to Finish” initiative has increased student credit load. Advisors have conducted 64 outreach campaigns in Fall 2017 to keep students on track to a degree. Additionally, embedded learning support is helping to end the “Bermuda Triangle Effect” of developmental education with “just in time support” in general education gateway courses. In 2010, prior to the embedded learning support, Math 1530 pass rate was 23 percent. The same course, in 2016 following the initiative being introduced in 2013, saw a pass rate of 76 percent. Similarly English 1010 went from a pass rate of 54 percent in 2010 to 72.4 percent in 2016. He pointed out that one in four of ETSU students requires developmental education.

Next, Dr. Sherlin addressed student engagement in terms of student success, again sharing that the first six weeks are critical. During those first six weeks, several efforts are made by the institution to promote student success. They include Preview, QUEST for Success and first-year experience courses. Events held on campus during weekends have increased, with weekend events hosted by Student Affairs alone tripling since 2013. Student participation at athletic events is up 10 percent over the

last two years and the opening football game on Sept. 2 at the new stadium saw a student football attendance record of 2,304. Dr. Sherlin said the students are also active and civically engaged. ETSU is designated a voter friendly campus (only institution in state with the designation and one of only 83 in the nation). Student organizations average 35,000 service hours to the community and \$200,000 in charitable donations annually over the past five years. Many students also take part in alternative spring break service programs across the country.

In terms of health, life and wellness support, ETSU has seen a 14 percent increase over a three-year period of students using the Counseling Center support services. Over 2,700 sessions were recorded in 2016-17. Students of concern referred through the CARE team system increased by 33 percent over the last four years. The institution also implemented a 24-hour/365 days a week counseling support hotline called Bucs Press 2. A trend being seen is more students coming to the university with fewer supports and more challenges. Student Affairs has also initiated partnerships with the Master in Social Work program to provide “life happens support” for students navigating unexpected personal and life challenges. Additionally, Bucky’s Food Pantry has served more than 2,000 students and family members in the last five years. The university also provides sexual violence prevention and response support. In addition to training provided at orientation, 3,000 new students enrolled in Haven Online training in 2016-17 (1,000 more than any other state public college or university). ETSU also has the only Sexual Assault Nurse Examiner program, offered through Student Health Services. The university also sends Safety Notices related to issues of sexual violence to the campus to further support the belief that “knowledge is power” and to encourage reporting as well as increase awareness.

Next, Dr. Sherlin addressed student leadership as it relates to student success. He said ETSU has some of the strongest student leaders, including members of the Student Government Association. He called the SGA a partner with the university in efforts to transform the campus. Initiatives they have been involved in include the expansion of library services, the renovation and expansion of the Culp Center, the return of football and also honor and expand campus traditions such as Homecoming, a new student convocation and a civility event series. The Roan Scholars Leadership Program is a premier leadership experience. It is a highly competitive selection process to take part in an intensive four-year leadership development experience. The motto is “leadership excellence.” Roan scholars participate in training off campus and contribute a great deal of service to the region. ETSU also works with emerging leaders through the Brenda White Wright Emerging Leaders Academy.

Additional elements of student services touched on by Dr. Sherlin included the university’s designation as an Adult Friendly campus as well as a Veteran Friendly campus. Dr. Sherlin also spoke on the challenges in the Office of Financial Aid such

as a difficulty moving students through the process in a timely fashion. An after-action review meeting following last year's long lines at Financial Aid resulted in a year-long review process and the development of a plan to fix the issues. That resulted in no lines this year thanks to the vision, plan, leadership, team and accountability. Dr. Sherlin noted that additional improvements in the process still need to be made.

Dr. Sherlin concluded his presentation with a video showcasing students sharing their thoughts about ETSU and their experiences at the university.

### **XIII. President's Report**

Dr. Noland told trustees that while the last meeting was full of substance, today's meeting was intentionally focused on learning and engagement. He said he wanted the trustees to have a full understanding of the clinic operations of the university because it is a significant part of the institution's impact on the region. He felt it was important for them to hear about student success because so much of the meeting in Nashville the previous month was focused on Drive to 55 and outcomes. To move a retention rate from 71 percent to 77 percent takes a lot of behind-the-scenes work, as does enrollment growth.

Next, Dr. Noland provided highlights from his 2016-17 annual report, including a quick data overview that shared such data points as the number of students enrolled, number of colleges and schools, number of academic programs and the operating budget. The slide also shared ETSU Foundation numbers. Dr. Noland's next slide focused on data points related to student success – scholarship funding, student-athlete success, internships, study abroad and more. Dr. Noland also shared a slide with respect to rankings and academic programs and then a slide related to faculty and staff. He focused on the 16:1 student faculty ratio as well as the \$45 million in research/sponsored programs funding. His next two slides shared data related to community engagement, including the number of community service hours contributed by student organizations and the amount of uncompensated care provided by ETSU health care clinics.

Dr. Noland next turned to prospective state policy issues that could have an impact on ETSU. Those issues include the ability for the university to continue to receive support for the outcomes formula and salary enhancements and a new selection process for capital and deferred maintenance projects. Dr. Noland talked about the humanities building proposed earlier in the meeting and noted that just because it is brought to the state as the priority today does not mean it will pop up out of the ground tomorrow. In fact the arts center that will have its groundbreaking later in the afternoon first went on the list in 1986, when Dr. Noland was a senior in high school. Campus safety will be an issue that emerges at both the state and national level as well as out-of-state tuition and DACA students. Dr. Noland said the most

significant bullet on his slide at this time is the one about the MSHA-Wellmont merger. To say that the future of this institution is entwined with the outcome of that decision is an understatement, he said, citing impacts in the area of residency slots and research growth. Policies on the federal level that could have an impact on the institution include research support and conversations around reductions of NSF and NIH support; financial aid; DACA students; for-profit institutions; and regulation and oversight.

In terms of this fall, Dr. Noland provided a preliminary enrollment update. The freshman class is at 2,071, which is close to the goal of 2,100. The increase in number of students did not impact the average GPA and ACT scores of the freshmen, meaning compromises were not made in the actual quality of the class. Transfer students increased over the year prior, but if you take it back to 2014, 2013, those numbers are relatively constant despite the creation of Tennessee Promise. In fact, over a five-year time period, the percentage of transfer students has decreased by 6 percent. Dr. Noland said this further proves that the success of the institution in terms of growth is predicated more on increasing the size of the freshman class than on an increase in transfer students. He also shared data on graduate enrollment, noting that it is the largest class of graduate students in the history of the university. The bulk of ETSU students are from Tennessee (79 percent), but we are beginning to see a shift with an increase of out-of-state students coming to ETSU. This is intentional with recruitment efforts and ETSU becoming a destination campus.

This year's budget was built based on a predicted 250-student decline. As of today, enrollment is flat from last year and Dr. Noland said he hopes to close slightly above flat as of the close date on Sunday, Sept. 10. However, even flat enrollment is 250 more students than what the budget was built upon, he noted. At the next meeting, the Board of Trustees will be presented with some elements related to budget revisions, with the first priority being to build the institution's reserves. Dr. Noland said leaders will propose taking the additional revenue and investing it in reserves and then strategically reward those college and departments that helped to drive the enrollment up in the fall.

Dr. Noland shared additional information related to the start of the new semester, including noting that residence halls are beyond capacity and some students were put up at the Carnegie Hotel for a couple of weeks. Meal plan purchases are up more than 500 over last year. All but one parking lot is full during peak times, however spaces remain in Lot 22 and there is ample parking on campus – and not a need to build an additional parking garage on campus at this time, Dr. Noland said. Dr. Noland thanked Dr. Sherlin and Dr. BJ King and the folks in the financial aid and registrar's offices for fixing issues from previous years, noting that the university changed processes in nine months that consultants said would take three years. He also noted that the fall-to-fall retention rate is going to be at an all-time high but also emphasized that enrollment remains fluid because the final payment day is Sunday, Sept. 10. There are still in excess of 400 students working through the payment structure.

Dr. Noland closed by thanking Trustees Powell and Ramsey for their support of the university, specifically noting Trustee Powell's support of the arts center and Trustee Ramsey's support for the football stadium. He also thanked Dr. Susan Epps for her service as well as Ms. Stefanie Murphy and Ms. Keyana Miller. He introduced Dr. Tony Norman, ACE fellow, who is doing the fellowship at ETSU this fall. Dr. Noland congratulated Trustee Ayers on the article in the *Nashville Daily* magazine.

Dr. Noland ceded the remainder of his time to Ms. Ritter, vice president of Advancement, to allow her to walk through the changes that have occurred with the ETSU Foundation. Ms. Ritter shared a little about Advancement, noting that it includes three areas: (1) Development and fundraising; (2) the Alumni Association; and (3) the ETSU Foundation. Ms. Ritter said she has been focused on restructuring all three areas with growth in mind.

In terms of fundraising, Ms. Ritter said it is all about relationships and noted that her staff needed to meet ETSU alumni and friends. She said the directors of development are working with deans on their needs and then meeting with alumni of the colleges to find out how they can help ETSU succeed. Each director of development has annual goals and metrics. The overall goal in the strategic plan is to increase production of gifts and pledges to \$25 million per year by 2026. Total giving for 2016-17 was the largest ever to the university at \$17.2 million. Thus far in the first two months of the 2017-18 year, gifts and pledges are 24 percent higher than they were this time last year. There are also several large gifts that occurred in September that are not on the books yet. To support these efforts, it was necessary to build an infrastructure that include: the strengthening of data reliability and the addition of a prospect research team to identify alumni. Ms. Ritter said there is a strong annual fund effort in which alumni are contacted through mailings, a phone-a-thon and social media. In addition, Ms. Ritter said crowd funding is being explored. All of these efforts assist in reaching the second Advancement goal noted in the university's strategic plan: to increase alumni participation to 10 percent by 2026. The average national is 8 percent, Ms. Ritter noted. The 2016-17 alumni participation rate was up 9.3 percent over the previous year.

In terms of the Alumni Association, Ms. Ritter said new alumni clubs were added in five cities and a membership program was started to identify alumni who want to become more involved. That program already has 332 dues-paying members.

In terms of the ETSU Foundation, Ms. Ritter said the Foundation board of directors participated in a strategic planning process to identify the mission, vision and update the bylaws. The purpose of the Foundation is to encourage contributions and oversee investments. The result of the strategic plan was to restructure the board of directors, streamlining it from over 40 members to 21. The board members at-large were renamed to the President's Circle. In the past, membership to the Foundation at-large was by invitation only. Foundation members thought it would be much more inclusive if more members were allowed into the organization. So, the membership of the ETSU Foundation President's Circle now includes alumni and friends who

contribute \$500 or more annually to ETSU. There is a President's Circle Tailgate event prior to each home football game, with over 140 guests attending the first one in the pouring rain. On Oct. 27, 2017, the Academy will be introduced, an event in which alumni and friends will come back to campus and participate in classes designed with their interests in mind. Ms. Ritter said they are also in the early stages of exploring a comprehensive campaign which will likely add opportunities to renovate the Culp center, an addition to Lamb Hall and support the new engineering initiative among other programs.

Following her presentation, Ms. Ritter welcomed questions from the trustees. Chair Niswonger asked where the endowment stands, to which Ms. Ritter said it is currently at a little over \$94 million and noted two firms would be managing the money now. Dr. Noland addressed the Board of Trustees, noting that Ms. Ritter had built a model similar to the model at Purdue University. He also said he expects a capital campaign to come before the Board of Trustees within the next 18 months or so and noted the university has not had a capital campaign for the better part of a decade.

**XIV. Resolution of Appreciation for Ms. Mary Jordan**

Dr. Noland presented a resolution of appreciation for Ms. Mary Jordan, noting that Ms. Jordan was unable to attend the meeting due to a scheduling conflict. Dr. Noland reflected on his memories and time with Ms. Jordan at ETSU, specifically mentioning her leadership and impact on students and calling her a "legend" at ETSU. Trustee Grisham also shared stories and memories of working side by side with Ms. Jordan, beginning 25 years ago when Trustee Grisham came onto campus for Homecoming and Ms. Jordan was trying to figure out ways to get kids to stay at ETSU. That conversation resulted in alumni returning to campus to share their experiences. Trustee Grisham said Ms. Jordan's legacy is that she truly cared and really tried to get students to stay here. Ms. Jordan was profound in trying to help students, Trustee Grisham said. Ms. Stefanie Murphy, president of Staff Senate, accepted the proclamation on Ms. Jordan's behalf and credited Ms. Jordan with doing many great things on the ETSU campus. Trustee Ayers made a motion to adopt the resolution extending heartfelt appreciation to Ms. Jordan. It was seconded by Trustee Grisham and unanimously passed.

**XV. Resolution of Appreciation for Dr. Richard Sander**

Dr. Noland presented a resolution of appreciation for Dr. Richard Sander. To say that Dr. Sander has transformed this institution is an understatement, Dr. Noland said. Renovations to Freedom Hall occurred because of his vision as did the new football program and stadium, Dr. Noland said. Dr. Noland also noted that Dr. Sander is probably the only athletic director in the country who sat up at night writing program proposals and curriculum proposals and, right now, in addition to being athletic director is teaching two doctoral courses. Dr. Noland called Dr. Sander an outstanding administrator and faculty member and said that, upon his retirement from the athletic director role, Dr. Sander will move into an executive in residence position

for the Global Sports Leadership program at ETSU. Dr. Noland said he believes the university will forever be indebted to Dr. Sander's leadership. Trustee Powell made a motion to adopt the resolution extending heartfelt appreciation to Dr. Sander. It was seconded by Trustee Alsop and unanimously passed. Dr. Sander said he was honored and humbled to have been given the opportunity at ETSU and noted that the athletic department has created a culture of excellence that he hopes will last a long time.

**XVI. Other Business**

None

**XVII. Executive Session (if necessary)**

An executive session was not necessary.

**XVIII. Adjournment**

Chair Niswonger adjourned the third quarterly meeting of the ETSU Board of Trustees, noting that it is an honor for him to chair such an accomplished and caring group of trustees and human beings. He also noted that the Board of Trustees was fortunate to serve this faculty and staff as well as the ultimate customer: the student.

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David Linville  
Secretary of the Board of Trustees

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

CONSENT AGENDA ITEMS

DATE: November 10, 2017  
ITEM: Consent Agenda  
RECOMMENDED ACTION: Approval  
PRESENTED BY: David Linville, Secretary

The Consent Agenda items presented to the Board of Trustees are routine in nature, noncontroversial, or have been approved by a board committee unanimously. The Board votes on all items by a single motion.

Full information about each item on the consent agenda is provided in the meeting materials.

As stipulated in the Bylaws, any Trustee may remove an item from the consent agenda by notifying the Secretary prior to the meeting. Before calling for a motion to approve the consent agenda, the Chair or Vice Chair (or the applicable senior Trustee in their absence) shall announce any items that have been removed from the consent agenda and ask if there are other items to be removed.

Requests for clarification or other questions about an item on the consent agenda must be presented to the Secretary before the meeting. An item will not be removed from the consent agenda solely for clarification or other questions.

**Motion: I move for the adoption of the Consent Agenda.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

September 8, 2017  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Finance and Administration Committee held a meeting at 10:15 a.m. on Friday, September 8, 2017, in Meeting Room 3 of the D.P. Culp University Center on ETSU's main campus in Johnson City, Tennessee.

**I. Call to Order**

Mr. Steven DeCarlo, chair of the Finance and Administration Committee, called the meeting to order.

**II. Roll Call**

Secretary Dr. David Linville called the roll. Committee members in attendance were:

Steven DeCarlo, chair  
Dorothy Grisham  
Ron Ramsey  
Jim Powell

Secretary Linville told Chair DeCarlo he had a quorum.

Others in attendance included: ETSU President Brian Noland, Board of Trustees Chair Scott Niswonger, Acting Chief Operating Officer Jeremy Ross, Acting Chief Financial Officer B.J. King, Joe Smith (University Relations), Dr. Lauren Collier from THEC, Vice President of Advancement Pam Ritter and Kristen Swing (taking minutes).

**III. Approval of the Finance and Administration Committee Minutes of June 9, 2017**

Trustee Ramsey made a motion to approve the minutes of the June 9, 2017, Finance and Administration Committee minutes. It was seconded by Trustee Grisham and unanimously approved.

**IV. Capital Project Approval**

Mr. Jeremy Ross presented on ongoing and future capital projects at the university, noting that the master plan incorporates a specific architecture style the university is trying to have on campus. The plan includes a lot of greenery. Mr. Ross discussed how some other universities are using "out-of-the-box" thinking to incorporate risk-reward pieces. For example, bringing in commercial businesses that students want

onto campus property. This would have to be done through the Foundation. He cited examples in which universities run hotels and other residential spaces.

Mr. Ross said one of the significant reasons students choose ETSU is because the campus is beautiful. He touched on the creation of the quad in the middle of campus and said the goal is to build on that even more. He said what happens between the buildings is just as important as what happens in them. Addressing the “spine” between the Culp Center and the football stadium, Mr. Ross said the university is considering a “la rambla”-type layout that includes a tree-lined center with bocce courts, bike paths, artwork, wi-fi access and more that could tremendously change the area. He said the University of Tennessee is doing this and Europe has done it for years.

Touching on completed projects and projects currently underway, Mr. Ross mentioned the Multicultural Center in the Culp (completed), the Johnson City Day Center (underway), the Data Center (completed) and the interprofessional building on the VA campus (underway).

He also discussed, in depth, renovations about to take place at the Culp Center. Mr. Ross said there would be an interior “street” in the building with a glass curtain wall facing the amphitheatre. The multi-story renovation will be considered “modern architecture” but not “brutalism,” he said. The second floor will include the Tennessee Room, the SORC, the SGA and other offices. The interior street will serve as an area for students to move through as they pass from one side of campus to the other, he noted.

Mr. Ross said the football stadium project worked well, being completed within budget and on time. He called it a “nice throwback stadium” and showed a photo from the first game. Chair DeCarlo said the photo should be used as a recruiting photo.

Mr. Ross also mentioned the renovations that were done to Freedom Hall in partnership with the city for men’s basketball to play there. In addition, he brought up the Fine Arts building for which the groundbreaking was to take place later the same day. He said the arts building will be seven feet below State of Franklin Road due to topography, but having a two-level facility will make that less noticeable. Mr. Ross said the capacity of the arts building will be 1,200 and the facility will feature 190,000 square feet of useable space. Chair DeCarlo asked if there had been any dissent locally for the project. ETSU President Brian Noland said the partnership element with the City of Johnson City is complex and included a need to move through a hotel/motel tax bill for the city to meet its requirements. Dr. Noland said the city was interested in the partnership all along but needed to make sure it was handled in a way that benefitted taxpayers. In all, Dr. Noland estimated the city had put in \$11 million toward the project, which includes \$8 million in construction costs, the donation of the land and a stop light that will be put up at the nearby intersection. In a five-year timeframe, Dr. Noland estimated the city has put in some \$25 million in

joint projects between the city and the university. Mr. Ross said there are approximately 500 donors to the performing arts center, including the Economic Development Council and the Johnson City Power Board. Board of Trustees Chairman Scott Niswonger said that when the referendum was turned down 15 years ago in Johnson City, that was the catalyst to build the Niswonger Performing Arts Center in Greeneville. He estimated that the hotel/motel tax in Greeneville brings in over \$400,000 per year.

Next, Mr. Ross briefly discussed the Lamb Hall renovation project that was approved in the state budget. The state will provide \$17.3 million of the \$25 million needed for the project, which is essentially a new building.

Mr. Ross said the university has an agreement with the city to explore the acquisition of the Millennium Centre. Dr. David Collins is working on a business plan related to this potential acquisition. A study is underway. Board Chair Niswonger encouraged Mr. Ross to reach out to Vicky Hudson. Another possible benefit to acquiring the Millennium Centre is the access to another parking garage. Mr. Ross said the cost to build a parking garage is approximately \$30,000 per car.

In all, there are an estimated \$275 million in projects between 2014 and 2019.

Mr. Ross also discussed adjacent properties. He said that while a lot of students come to ETSU because of the beautiful campus, there is a segment of students not coming here – those who want an urban setting. The revamping of the stretch of West Walnut street from ETSU to downtown, however, is changing that, he said. The renovation of the mill in that area will be transforming for both downtown Johnson City and ETSU. Mr. Ross shared two schemes of potential ways that stretch could look, with mixed-use development that includes parks, a hotel, shops and pubs. He said that bluegrass could be our niche. Multiple people currently own the properties along the half-mile West Walnut Street stretch and ETSU has taken an active role in determining what it will look like in the future, even serving on the city task force. Dr. Noland noted that the university put an offer on the Neebo facility and the adjacent property (former club) but the owner wanted \$500,000 more than the appraised value for the property. In response to a question from Chair DeCarlo, Dr. Noland said that once the first domino falls in terms of properties selling, it is likely market value will go up on the other properties in that stretch.

Next, Mr. Ross addressed the possibility of a new humanities building. With the performing arts center and Lamb Hall both now off of the state list, ETSU has to decide what should be put on the list in terms of capital projects. Mr. Ross asked that the committee approve the submission to THEC of a new humanities building for the state list. He said he has made a case for the project during a “first look” meeting with THEC. He noted that the humanities are currently spread throughout three buildings on campus – the Campus Center Building, Burleson Hall and Rogers Stout Hall. There is a deficiency of about 85,000 square feet. Arts and Sciences equals about 20 percent of all degree production on campus. Mr. Ross said students coming from

places like Science Hill High School and Northeast State Community College are going backwards as far as quality and condition of the learning environment for the humanities. He said the university's mission, the Drive to 55 initiative and the blighted building status are good reasons for it to be considered. The new humanities building would be a \$76 million building. It would be five stories and 100,000 square feet. The current Campus Center Building would come down and the new humanities building would be built in its place. Trustee Ramsey asked about the timeline. Mr. Ross said that, once approved by the Board of Trustees, the next step is to take the project to THEC. Dr. Noland pointed out that this is the first year in which THEC is working through its new process in terms of a needs list. The new process calls for a new list every year. The goal is to make the humanities building ETSU's new project on the list as the capital project priority for our campus.

In terms of capital maintenance, Mr. Ross said there is also a new approach from THEC whereby a certain amount of funding is allocated to a university and the institution is then charged with deciding how to use it. Currently, THEC is estimating that amount for ETSU to be \$9.54 in allocations, however what will actually be funded is determined by the governor in his budget and will likely be less than that. Some of the ways in which the allocation may be used at ETSU include improvements to the Mini-Dome in order to increase capacity from 9,600 closer to 14,200. Board Chair Niswonger said his company uses a formula in which 1 percent of cost for a project goes to future maintenance. On mature buildings, it is a pretty big number the university needs to be thinking about, he noted.

Mr. Ross provided a capital severance update, noting that THEC has asked the university to do five things to sever, one of which is an organizational structure chart that shows who at ETSU is now doing the work that had been being done by TBR. Mr. Ross said his folks have been making six trips a month to Nashville for job shadowing with the TBR. Among the other four things asked of the university are a single source of information; items to be on the website; access to architects, engineers and specialty consultants; and data management software. Chair DeCarlo asked if there was an addition of any staff since the work is being moved from TBR to ETSU. Mr. Ross said not yet, but that is needed. He credited the staff with being well trained and capable. Chair DeCarlo asked if the state had contemplated staffing issues and Mr. Ross said that the issue is ETSU's to address.

Mr. Ross also provided a list of disclosed projects, explaining that if there is any possibility of the project, then it is disclosed to THEC. One example is an outdoor track that alumni have been discussing coming together to fund. Mr. Ross explained that it has been disclosed because of the possibility of the project, but that the project has not moved any further at this point.

Following the conversation, Trustee Jim Powell made a motion to recommend to the full Board of Trustees the approval of the submission of the capital outlay, capital maintenance and disclosed projects to the Tennessee Higher Education Commission. It was seconded by Trustee Grisham and unanimously passed.

## V. **Advancement Policies**

Ms. Pam Ritter gave a brief overview of the Advancement policies being addressed.

- A. **Responsibility and Ethics Policy** – This is a new policy that has been reviewed at several levels already.
- B. **Confidentiality and Data Control** – Ms. Ritter said her group tries very hard to make sure donors wishes are confidential.
- C. **Naming** – There is a committee for naming and final approval always goes to the president of the university. Typically, a gift must be completed within five years for naming rights but the president is allowed to make an exception. Mr. DeCarlo asked if there is a policy for removing a name, to which Ms. Ritter affirmed there is such a policy. Ms. Ritter also noted that a will commitment or other revocable gift does not allow for the naming of a facility. She provided standard donation amounts for naming, including \$10 million to name a college and \$5-10 million to name a department or school. She said these are national standards. Trustee Powell emphasized the need to be very careful in how namings are discussed and who is involved because it can be very sensitive if there is more than one entity wanting naming rights to something.
- D. **Planned Giving Policy** – This is a revised policy. It serves as a guideline to assist with information regarding solicitation and acceptance of planned gifts. In the past, charitable remainder trusts were not able to be done due to infrastructure, but they can be done now.
- E. **Endowment Amounts Policy** – This is now \$25,000.
- F. **Gift In Kind Policy** – This is a revised policy.
- G. **Gift Receipts and Acknowledgment Policy**
- H. **Soft Credit Policy**
- I. **Pledges Policy**
- J. **Acceptance of Gifts of Real Estate Policy**
- K. **Distinguished President’s Trust – Cumulative Giving Recognition Societies**

Trustee Ramsey made a motion to approve the Advancement policies as presented in the meeting materials. It was seconded by Trustee Powell and unanimously approved.

## VI. **Naming of the Arts Center**

Mr. Joe Smith presented a proposal recommending the new fine arts building be named the James C. and Mary B. Martin Center for the Arts. He noted Mr. Martin’s contribution of \$1 million in 2008 (in memory of his late wife) for the creation of the Mary B. Martin School of the Arts at ETSU. He also noted Mr. Martin’s lead gift of \$3 million in 2013 for the creation of the performing arts center. The Martins’ daughter, Sonia King, also contributed \$1.2 million and additional money has come in from the family since Mr. Martin’s death. In total, Mr. Martin’s giving to ETSU is \$7 million. Dr. Noland added that this proposed name was brought to the TBR three years ago, however the TBR did not want to name the facility before construction began on it. While the official name would be the James C. and Mary B. Martin Center for the Arts, Dr. Noland said it will be referred to as the Martin Center.

Trustee Grisham made a motion to approve the naming and recommend the name to the full Board of Trustees. It was seconded by Trustee Ramsey and unanimously passed.

## **VII. Quarterly Report of Agreements \$250,000 or greater**

Prior to a report by Ms. King, Dr. Noland spoke about the budget approved by the Board of Trustees in the spring based on a decline of 250 students. He said enrollment would be above those projections (at least flat from last year) and, at the next meeting, a revised budget would be presented based on an additional 300 students. He said Ms. King tightened a lot of things up to serve the students better. Ms. King said that better installment plans were offered this year and fewer paid with credit card due to the 2.75 percent convenience fee. The first priority with the additional funds will be building the university's reserves, with a goal of \$2 million in reserves. Chair DeCarlo emphasized the need to build metrics this year, since things are new, to compare with how things go next year.

Regarding agreements over \$250,000, Ms. King said she is required to go over such contracts with this committee. They are:

- Education Advisory Board – Ms. King explained that we are one university in Tennessee that is in a larger EAB contract with several universities. She said the contract, which is a multimillion-dollar contract statewide, has been scrutinized at the state level.
- Adobe Systems Incorporated – A digital marketing cloud partnership
- EMD Millipore Corporation – This is for a flow cytometer in Internal Medicine.
- McKesson Drug Co. – We buy pharmaceuticals product from them that we then get reimbursed for on a grant.

Ms. King noted that all of these contracts have been vetted at the state level as well. Chair DeCarlo asked about process when it comes to non-budgeted, non-state reviewed contracts over a certain amount of money. He wondered if those items come to this committee or the full Board. Ms. King said that money is set back in plant funds for “what if” something goes wrong. Renewal and replacement funds exist for the university itself as well as for each auxiliary unit. The R&R fund is built on available cash. Auxiliary units are required to put at least 5 percent of revenue into their R&R funds. There is a five-year maintenance plan for auxiliary units. There is a plan to spend \$700,000 in R&R funds in housing units this year.

## **VIII. Other Business**

None.

## **IX. Adjournment**

Trustee Ramsey made a motion to adjourn. It was seconded by Trustee Grisham and unanimously approved.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
ACADEMIC AND STUDENT AFFAIRS COMMITTEE

MINUTES

September 8, 2017  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Academic and Student Affairs Committee met at 10:15 a.m. on Friday, September 8, 2017, in Meeting Room 3 of the D.P. Culp University Center on ETSU's main campus in Johnson City, Tennessee.

I. Call to Order

Dr. Linda Latimer, chair of the Academic and Student Affairs Committee, called the meeting to order.

II. Roll Call

Deputy Secretary Mr. Nathan Dugger called the roll and declared that a quorum was present. Committee members in attendance were:

Dr. Linda Latimer, chair  
Dr. Fred Alsop  
Janet Ayers  
David Golden

Guests in attendance included: Dr. Bert Bach, Provost and Vice President for Academic Affairs; Dr. Wilsie Bishop, Vice President for Health Affairs; Dr. Cheri Clavier, Director of Institutional Effectiveness and Accreditation Liaison; Dr. Mike Hoff, Associate Vice President of Planning and Decision Support and Chief Planning Officer; Dr. Karen King, CIO and Vice Provost for Information Technology Services; Dr. Laura Lee Lewis, Assistant Director of Assessment and Teaching; Amanda Marsh, Communications Specialist, University Relations; Dr. Tony Norman, ACE Fellow; Dr. Joe Sherlin, Vice President for Student Affairs; and Jennifer Hill of University Relations (taking minutes).

III. Approval of the Committee Minutes from June 9, 2017

Trustee Golden made a motion to accept the minutes from the June 9, 2017, meeting of the Academic and Student Affairs Committee. Trustee Alsop seconded the motion and the minutes were unanimously approved.

IV. Tenure Appointment in the Department of Educational Leadership and Policy Analysis

Dr. Bert Bach recommended tenure upon appointment for Dr. Gregory Aloia, Dean of the Claudius G. Clemmer College of Education and Professor of Educational Leadership and Policy Analysis. Dr. Bach noted that the university attempts to handle all tenure requests as part of the annual faculty tenure and promotion recommendations, which were approved by the Board of Trustees on June 9, 2017. He said that out-of-cycle tenure reviews are rare, but are occasionally used as part of the negotiation process with certain prospective employees, such as those who have held tenure and senior status at other institutions. Dr. Bach reviewed Dr. Aloia's qualifications, which include holding full professorships and tenure at five institutions; serving as a president, dean and department head at various institutions; and a solid publication record.

Trustee Golden moved that the Academic and Student Affairs Committee approve the recommendation of tenure for Dr. Gregory Aloia upon appointment to the rank of professor in the Department of Educational Leadership and Policy Analysis, effective July 1, 2017. The motion was seconded by Trustee Alsop and approved unanimously.

V. Calendar of Activities 2017-2018: Strategic Planning, Operational Planning, Institutional Effectiveness and Evaluation, and Alignment of Planning with Budget

Before giving an overview of the university planning calendar, Dr. Mike Hoff stressed that the university's current process of transitioning to a new budget model that decentralizes some authority and makes it possible for staff to play for more than one year. The calendar was created to ensure that planning drives budgeting and allows the Board of Trustees to know what is to be done when.

In breaking down the calendar, Dr. Hoff discussed the individuals, university units, actions and timeframes involved. Key points given pertaining to these are:

- **Board of Trustees** – The Board approved the strategic plan in March, and in September 2018 members will receive documents that will allow them to assess progress on initiatives set forth in the plan.
- **President** – President Brian Noland will affirm the university's direction and priorities in the State of the University address in October. A budget call will be issued to vice presidents and department heads in December, followed in January and February of 2018 with a prioritization of these budget requests according to the strategic plan. The budget will be presented to the Executive Team in March, when there will be a review of budget requests, additional funds, and changes in enrollment projections. The budget will be presented to the University Council in April, and following the approval process, the resulting budget will be proposed to the Board of Trustees.

- **Executive Team** – From July through September of 2017, the Executive Team will issue preliminary authorization of faculty recruitment “pending availability of funds” for positions in strategic areas, as contacts made at conferences during this time frame often yield the best candidates. The team will assess the success of goals for 2016-17 and submit goals for 2017-18. A review of activities and progress toward outcomes and recommendations for improvements will take place in the spring of 2018.
- **University Council** – The council will receive and endorse the university budget in April 2018. Dr. Hoff noted that the calendar makes it look like the University Council is essentially inactive in this process, but its members are also leaders in other categories who are responsible formulating budgets for their units.
- **Office of Planning and Decision Support** – In September 2017, this office will begin preparing a set of key performance indicators that may be used at the college and department levels to measure outcomes, and follow that up in the spring of 2018 with a review of activities and progress toward outcomes recommendations for improvements.
- **College Deans and Administrative Support Unit Heads** – These individuals will be developing long-term plans with their departments to submit unit-level strategic plans in March 2018. In November-December 2017, they will submit 12-month operational goals and funding requests.

Dr. Hoff noted that the calendar reiterates the six focus areas of the 2016-2026 Strategic plan:

- **Supporting a strategic growth agenda that maximizes the student experience both inside and outside the classroom.** Dr. Hoff said ETSU is striving to become a destination campus, leveraging the beauty of the campus and region to become something unique.
- **Ensuring the diversity and inclusion of people and ideas.** Dr. Hoff pointed out that there is much talk at the state, national and global levels about the way colleges can lead in discussion about social and political issues and other items, and ETSU needs to be a place that can do that.
- **Empowering employees to make ETSU a great place to learn, work and grow.**
- **Supporting excellence in teaching.** Dr. Hoff said it is important to focus on what the university is providing in the classroom, and to not lose sight of the fact that 70 percent of the money the university spends comes from tuition.
- **Expanding the foundation for scholarly (research and creative activity) excellence and innovation in all disciplines.**
- **Leading the region forward through community engagement and service.**

Trustee Alsop noted that research trickles down to graduate and undergraduate students, which provides critically important professional development for them, as it does not just develop concepts, but also skills and experiences.

Trustee Golden asked what risks might get in the way of this, and Dr. Hoff replied that those are competition from other schools and price. He pointed to Carolina Promise as one factor in these risks. He noted that ETSU is starting to “hit the sweet spot” with scholarships. He added that changes at the federal level to student loans can also come into play, as a significant portion of tuition dollars come from student loans. Trustee Golden also asked Dr. Hoff what keeps him awake at night, and Dr. Hoff said that while growth itself is an easy metric to follow, it is harder to follow the work that goes into making growth happen; he noted that ETSU has been changing its processes to benefit the students, and that he has been concerned while waiting to see if projections will work out. He said that comprehensive numbers from across the state will make ETSU look unique among the four-year universities and show that the university has been able to handle the adjustments required by Tennessee Promise.

Trustee Latimer asked how ETSU competes in faculty salaries compared to other universities in the region to keep the best faculty from leaving. Dr. Hoff stated that ETSU is doing what it should be doing initially, and that one of the things he has discussed with Provost Dr. Bert Bach and Vice President for Health Affairs Dr. Wilsie Bishop is working with the deans to prioritize how they deal with equity gaps.

Dr. Bach referred back to the comment on Carolina Promise, noting that both he and Dr. Bishop serve on accreditation teams and have chaired committees in North Carolina. He said they had noticed an anomaly: “If you’re a provost in Tennessee, you’re chasing salaries in North Carolina; if you’re a provost in North Carolina, you’re chasing a benefits package in Tennessee.”

## VI. Overview of Program Accreditation, Review, and Current Status

In introducing this information item, Dr. Bert Bach gave some background on accreditation, stating that accreditation is a distinct feature that sets American higher education apart from that of other nations, whereby programs rely on the evaluation and approval of peers rather than that of a minister of education to determine program quality and compliance with established standards. He referred to his presentation in March 2017 on regional accreditation and ETSU’s accreditation by the Southern Association of Colleges and Schools Commission on Colleges. He stated there are five expectations that underscore the accreditation process: 1) it is carried out according to a fixed calendar; 2) the institution prepares a self-study and a compliance certification; 3) a committee of peers visits the institution, reviews the self-study and develops its own evaluation of compliance or non-compliance with standards; 4) the committee communicates its findings to the campus and the accrediting agency; and 5) the institution will respond to that report within a certain period of time and take actions as necessary to provide a basis for the agency to determine whether accreditation is warranted or not. Dr. Bach turned the presentation over to Dr. Mike Hoff to speak on five types of accreditations and peer reviews that take place.

Dr. Hoff described those five types:

- ETSU has a requirement to seek and obtain discipline-specific accreditation where a U.S. Department of Education- or Council of Higher Accreditation-recognized accreditor exists; that requirement is part of the Tennessee Quality Assurance Funding (QAF). The university, he said, is held to account for either holding or seeking accreditation of accreditable programs to earn points toward QAF.
- External peer evaluation programs provide review of both undergraduate and graduate programs by external experts. Hoff noted that many institutional effectiveness outcomes result from this process.
- Academic audited programs undergo a similar, but less involved, process.
- Medical residency programs are accredited by the Accreditation Council for Graduate Medical Education.
- Review and oversight of services is conducted by federal and non-federal or state agencies. Some of the areas falling into this category are:
  - Responsible conduct in research, overseen by the Office of Research Integrity in the National Science Foundation;
  - Animal care, which is accredited by the non-federal Association for Assessment of Accreditation of Laboratory Animal Care International and overseen by the federal Office of Laboratory Animal Welfare;
  - Biological, radiation, occupational and other areas of safety involve the oversight of such agencies as the federal Occupational Safety and Health Administration, Tennessee Safety and Health Administration and the Tennessee Department of Environment and Conservation; and
  - Public Safety – ETSU’s Department of Public Safety became the first campus police department to earn accreditation from the Tennessee Association of Chiefs of Police in 2013 and earned reaccreditation in 2016.

Dr. Hoff stated that all ETSU programs are either accredited or seeking accreditation, and referred committee members to a Program Evaluation Schedule chart that is available online at

<http://www.etsu.edu/academicaffairs/pds/ie/funding/accreditations.php>. He stated that ETSU is adhering to federal regulations and maintaining the quality of the academic environment by using both internal and external processes and protocols. Dr. Bach later clarified that it would be incorrect to infer from the information provided that no programs had lost accreditation, pointing out that the former Mass Communication program had been accredited but did not meet the standards of the Accrediting Council on Education in Journalism and Mass Communication following significant program changes; the current Media and Communication program is seeking accreditation.

Trustee Alsop later added that not all departments have accrediting agencies, but those that do not generally adhere to a five-year internal review process in which they evaluate themselves before bringing in outside reviewers.

In discussion, Chair Latimer referred back to the mention of Public Safety in asking why universities have campus police departments as opposed to using the services of municipal police departments.

Dr. Joe Sherlin replied that ETSU's Department of Public Safety is a fully accredited force and offers a unique set of skills. Its staff members are familiar with the university's facilities, student population and challenges and can respond quickly to calls. ETSU's highly trained investigators work closely with Johnson City Police. Chair Latimer asked when investigations of such crimes as assaults are turned over to other agencies. Dr. Sherlin stated that with some exceptions, investigations of most crimes committed on the ETSU campus fall under the jurisdiction of the campus police, who can access support from the Johnson City Police Department (JCPD) as needed; crimes occurring off-campus fall under the jurisdiction of the JCPD. Dr. Bishop added that by state law, death investigations must be turned over to the JCPD. She stressed the cooperative relationships ETSU's Public Safety maintains with the JCPD, the police force of the Quillen Veterans Affairs Medical Center (VA), and the Washington County Sheriff's Department, as well as with area fire departments. Dr. Sherlin also pointed out that part of ETSU's Public Safety accreditation process is making sure staff receive appropriate training in investigations, including sexual assault investigations. He added that ETSU is the only public institution in Tennessee with an on-campus Sexual Assault Nurse Examiner (SANE) Program. Trustee Golden asked about the relationship between the ETSU Department of Public Safety and the District Attorney. Dr. Sherlin stated that they communicate closely in the process of investigations and collaborate on charges that may move forward. Trustee Alsop pointed out that ETSU Public Safety helps to support and police numerous campus policies dealing with drugs, tobacco and alcohol on campus. Dr. Sherlin added that a community relations officer within the department does a significant amount of education and relationship-building with the student body. Dr. Alsop said that the Faculty Senate has requested in recent years that officers engage more with students by spending more time walking around campus as opposed to patrolling inside vehicles, and Dr. Bishop noted that dedicating one officer to such a purpose has come up in budget talks. Dr. Hoff added that the Public Safety website provides more information, including the annual Security and Fire Safety Report.

## VII. Academic Action Notifications for the Period of May 1, 2017-July 31, 2017

Dr. Bach reminded committee members that three times a year, the university provides the Board of Trustees reports on two kinds of actions: those which must go to the Tennessee Higher Education Commission (THEC) for documentation but do not require Board approval, and academic actions that have been approved by the University and its President but do not require Board approval.

Dr. Bach presented a report of such actions that took place between May 1-July 31, 2017. Six are academic actions that will be taken to THEC not for approval but as a notification so that body may update its inventory; Dr. Bach explained that the state maintains an inventory of academic programs and concentrations, and that it is important that this remain accurate. These six actions submitted to THEC for this academic program inventory update are A) termination of a graduate certificate in Advanced Nursing Practice; B) termination of the Behavioral Neuroscience and Cognitive Science concentrations in the B.A./B.S. in Psychology; C) establishment of a graduate certificate less than 24 SCH in Film Production; D) establishment of a new Health Professions concentration in the B.A./B.S. in Psychology; E) establishment of a graduate certificate in Geographic Information Systems; and F) establishment of a new Psychiatric Mental Health Nurse Practitioner concentration within the existing D.N.P. Program.

In addition, two academic actions that have been approved but do not require approval by THEC are A) establishment of the new Center for Teaching Excellence and B) substantive curriculum revision of the existing Engineering Technology concentration within the M.S. in Technology.

## VIII. Annual Reporting to THEC (ETSU Chairs of Excellence 2016-17)

Dr. Bach presented the report to the Committee that is annually required by THEC on the accomplishments of the University's Chairs of Excellence. In providing background, he noted that the Chairs of Excellence program and its companion Centers of Excellence program were created by the Tennessee General Assembly in the mid-1980s in conjunction with then-Gov. Lamar Alexander's education agenda. Dr. Bach said these were approved by the legislature with a dollar-for-dollar match to encourage private philanthropy; endowments for these Chairs were to be no less than \$1 million, and institutions had the flexibility to endow Chairs above that amount. He noted that at the time, it was expected that the endowments would support the salary and benefits packages of the recipients, and other expenses associated with the Chairs' activities would be addressed by the institutions, but in reality, it has been difficult for the Chairs to be fully supported by endowment revenue, and therefore, all of the state's institutions are supporting the Chairs, in part, with institutional funds. When the program was established, it was mandated that THEC would submit an annual report on the Chairs of Excellence to the Legislative Oversight Committee on Education. The report for each Chair is to include the status and impact of the Chair and recommendations to enhance its effectiveness.

ETSU's 2016-17 report includes:

- The **AFG Industries Chair of Excellence in Business and Technology** has been held by Dr. Andy Czuchry since 1992. During the reporting year,

significant progress was made in exploring opportunities to advance and expand ETSU's entrepreneurship program. Dr. Czuchry was lead author on three engineering education conference papers. It is recommended that the Chair explore opportunities to implement an undergraduate engineering entrepreneurship class.

- The **Allen and Ruth Harris Chair of Excellence in Business** is held by former ETSU College of Business Dean Dr. Allan D. Spritzer, who provided active leadership on several volunteer community board and committees in 2016-17. Dr. Spritzer was honored for completion of 16 years of leadership of the AACSB International three-day annual New Deans Seminar and continued his volunteer service as AACSB Pre-Accreditation Mentor for the University of Macau (China) business School. It is recommended that the Chair continue to make progress on his goal to increase scholarly contributions.
- The **Carroll H. Long Chair of Excellence for Surgical Research** has been held since 1992 by Dr. Race Kao, who, in 2016-17, published review and research papers on his National Institutes of Health- and American Heart Association-funded research on an innovative procedure called cellular cardiomyoplasty. Among other writings, he also published on the therapy he developed, also supported by NIH and AHA grants, on trauma-hemorrhage therapy. He submitted one NIH grant in 2016-17. Dr. Kao has retired, and recommendations will be determined by the new chair holder, Dr. David Williams.
- The **Cecile Cox Quillen Chair of Excellence in Geriatrics and Gerontology** is held by Dr. Ronald C. Hamdy, who maintained and enhanced the national and international reputation and visibility of the Chair in 2016-17. He is changing the format of the Geriatric Medicine Grand Rounds with the goal of developing a repository of recorded Grand Rounds on a variety of relevant issues. He is also active in research and published papers, research papers and editorials in peer-reviewed medical journals. Recommendations include continuing/expanding work on biodegradation of vitamin D; expanding programs on geriatric medicine, osteoporosis, and dementia; and maintaining and enhancing the national and international profile of the Chair.
- The **James H. Quillen Chair of Excellence in Education** is held by Dr. Aimee Govett with a focus on STEM (science, technology, engineering, and mathematics) education. She hosted a regional conference for science educators in September 2016 and has been awarded \$4,283,101 in grant funding during her tenure. The Chair has supported local after-school and summer STEM projects and completed other service activities related to STEM education. Recommendations include continued submission of funding proposals for STEM-related projects, hosting graduate students for attendance and research proposal submission at STEM conferences, and teaching and serving the Clemmer College of Education's Department of

Curriculum and Instruction as program coordinator and advisor for the Teacher Academy for the M.A.T. degree.

- The **LeeAnne Brown Chair of Clinical Excellence**, held by medical geneticist Dr. M.J. Hajianpour, who plans to establish a comprehensive genetic program in East Tennessee and neighboring areas of Virginia and Kentucky. In addition to clinical services, the program will provide fellowship training in clinical genetics and molecular genetics/cytogenetics. Among the recommendations are adding specialized medical and nursing staff as services expand, participating in clinical research, seeking additional state funding for genetic services, and starting a Regional Genetic Conditions Database.
- The **Paul Dishner Chair of Excellence in Medicine** has been held since 2006 by Dr. Koyamangalath Krishnan, who has been involved with laboratory and patient-centered research and mentoring trainees. The main focus of his research has been the mechanisms of cancer preventive drugs. A state-of-the-art image analyzer acquired through endowed funds was opened to the research community. Among the recommendations are building a University-wide cancer research group with particular emphasis on cancer prevention efforts; providing scholarship and research opportunities to students, residents and fellows in the Quillen College of Medicine; and continuing research on promising cancer preventive drugs.
- The **Wayne G. Basler Chair of Excellence for the Integration of the Arts, Rhetoric, and Science** is held on a rotating basis by internationally acclaimed scholars in a variety of disciplines. Chair holders typically teach two courses in their discipline, present four public lectures or performances, and participate in instructional and research activities across the College of Arts and Sciences. The Chair was held in spring 2017 by Dr. Karl Hasenstein, Endowed Professor and Regents Professor of Sciences in the Department of Biology at the University of Louisiana at Lafayette, a world-renowned plant biologist with wide-ranging interests in the sciences and arts. Recommendations include continuing to bring scholars from many field to campus, considering both semester-long and shorter-term appointments, as it is often difficult to attract outstanding scholars for a full semester.

There being no further business, the meeting was adjourned at 11:11 a.m.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
AUDIT COMMITTEE

MINUTES

September 8, 2017  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Audit Committee held a meeting at 9 a.m. on Friday, September 8, 2017, in Meeting Room 3 of the D.P. Culp University Center on ETSU's main campus in Johnson City, Tennessee.

**I. Call to Order**

Trustee David Golden, chair of the Audit Committee, called the meeting to order.

**II. Roll Call**

Secretary Dr. David Linville called the roll. Committee members in attendance were:

David Golden, chair  
Ron Ramsey  
Dorothy Grisham

Secretary Linville told Chair Golden he had a quorum.

Others in attendance included: ETSU President Brian Noland; Dr. Tony Norman, ACE fellow; Tyler Troutman, graduate assistant in the Internal Audit office; Rebecca Lewis, director of Internal Audit; Martha Stirling, assistant director of Internal Audit; Angie Finney, internal auditor; Secretary of the Board David Linville; Dr. Lauren Collier from THEC; Amanda Marsh, University Relations; and Kristen Swing, University Relations (taking minutes).

**III. Approval of the Minutes of June 9, 2017**

Trustee Grisham made a motion to approve the minutes of the June 9, 2017, Audit Committee meeting. It was seconded by Trustee Ramsey and unanimously approved.

**IV. Audit Committee Charter**

Chair Golden explained that the Audit Committee Charter item on the agenda as well as the next one on Audit Committee Responsibilities are normal in establishing the new procedures with the shift from the TBR. He said a couple of tweaks had been recommended by the Comptroller and Treasury Office in relation to the Audit Committee charter. Ms. Lewis said that the charter must be approved by the Comptroller and Treasury Office of the state and that office has requested a membership section be added to the charter. The membership was already listed in

the bylaws, but needed to be added to the charter. Section 5 of the charter was added since its last approval.

Trustee Grisham made a motion to approve the revised version of the Audit Committee charter. It was seconded by Trustee Ramsey and unanimously approved.

**V. Audit Committee Responsibilities**

Ms. Lewis noted that the committee's responsibilities can be found in various sources and she took the opportunity to consolidate those responsibilities into a spreadsheet (provided in meeting materials) as a quick reference guide regarding responsibilities.

Ms. Lewis also addressed responsibilities related to fraud, waste and abuse, telling committee members there is an established process for confidentiality for reporting. She said there are several ways people can report confidentially, including a link on the website, an email address and the state hotline number. Trustee Ramsey asked how often these methods are used. Ms. Lewis said most reporting was coming through TBR (about 50-60 percent). She said her office sees about 20 percent come through the hotline and another 20 percent coming through a call or email directly to the Internal Audit Office. They are required to look at every one that comes in to determine if there is any evidence of impropriety. If there is, Internal Audit issues a report. Trustee Grisham asked whether there is a time limit. Ms. Lewis said no but that her office aims to get them issued within six months and not longer than a year.

Trustee Golden said he liked Ms. Lewis' spreadsheet that maps out the roles and responsibilities. Ms. Lewis also called attention to the Office of the President audit. She said that, with the FOCUS Act, it is required that the president's office be audited annually. Since Internal Audit reports directly to the Audit Committee, that office can conduct the audit. In the past, outside folks handled it. If ever there was a conflict, the committee can decide for someone else to conduct the audit.

**VI. Audit Plan Revisions**

Ms. Lewis reported that there has been a request for one additional audit to be added to the Audit Plan, it being the Office of Equity and Diversity due to the department head retiring. Trustee Ramsey asked whether it was normal to conduct such an audit when someone retires. Ms. Lewis said it can be and that her office is planning on doing more of it as it becomes more of a trend. She said the audit will provide benchmarking on where the department needs to be and if restructuring should be considered.

Trustee Ramsey made a motion to approve the revision to the Audit Plan. It was seconded by Trustee Grisham and unanimously approved.

**VII. Audits and Investigations Performed**

Ms. Lewis noted that her office has issued three reports between June and August 31, 2017. They are:

- (1.) Men's Tennis Expenditures – Discussed at a previous Audit Committee meeting
- (2.) Bursar's Office – No issues
- (3.) Baseball Expenditures – This audit was conducted in conjunction with the departure of the head coach. It was discovered that the coach was compensating a volunteer coach and student worker for laundry services through the travel claims process. They were performing the work, but should have been paid through payroll where appropriate. Also, volunteers should not receive compensation in any way. Additionally, they had a student worker being paid based on the maximum contract amount instead of hours worked. Ms. Lewis said there will be a follow-up to ensure recommendations are being implemented.

Trustee Golden said he appreciated the heat map that was provided (included in meeting materials) showing the severity of each audit based on color coding.

#### **VIII. Recommendation Log**

Ms. Lewis said the log is an effort to show a visual of the work being done, how recommendations are tracked and follow-up audits. Blue indicates a follow-up was completed in the past quarter and satisfactory progress has been made. Green means it is in progress. Yellow means it is slightly overdue. Red (of which there were none) means significantly overdue.

Trustee Golden said the log draws the committee's attention to items it needs to focus on. He noted that the group does not even want to see yellow again on the log.

#### **IX. Annual Report on Audit Function**

Ms. Lewis noted that her office is required by law to provide a report annually on its accomplishments. In reviewing the pie charts provided in the meeting materials, Ms. Lewis pointed out that she had anticipated spending 5 percent of effort on investigations but ended up actual spending 48 percent of effort on them. Additionally, she had anticipated spending 59 percent of effort on risk-based audits but ended up only able to do 20 percent. Ms. Lewis also provided a list of audits performed last year or in progress as of June 30, 2017.

Trustee Golden noted that the report shows that, in spite of a plan, the office ends up doing what it needs to do. He said he hopes there will not be another tennis situation, but added that if one did occur, it would be important to find a way to expand the Internal Audit Office's services and not necessarily disrupt the office's risk-based audits. Ms. Lewis said that, due to the increased amount of investigations, many of the risk-based audits had to be removed from the plan last year.

**X. Internal Audit Salaries**

Ms. Lewis explained that the Audit Committee approves the salaries of those working in the Internal Audit Office. She provided a listing of the salaries for the five audit professionals (which includes a new graduate assistant). Chair Golden said he understood there to be a cost-of-living adjustment built into the salary but noted that a market map should be utilized next time. Dr. Noland shared that the across-the-board increase previously approved by the Board of Trustees includes a 1 percent market equity adjustment.

Trustee Grisham made a motion to approve the salaries of the Internal Audit staff as presented in the meeting materials. It was seconded by Trustee Ramsey and unanimously approved.

**XI. Internal Audit Operating Expenses**

Ms. Lewis provided the Internal Audit operating expenses, noting that it is a part of the Audit Committee's responsibilities to ensure the office has adequate resources. Ms. Lewis said a lot of the focus is related to continuing professional education. It is required that each of the three CPAs receive 40 hours of training annually. Policies also require continuing education. Trustee Golden said the operating expenditures are "incredibly reasonable, one might argue, low."

**XII. Other Business**

None.

**XIII. Executive Session to Discuss Active Audits**

Trustee Golden moved that the Audit Committee go into executive session to discuss active audits and adjourned the public portion of the meeting.

**XIV. Adjournment**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 10, 2017

ITEM: Finance and Administration Policies

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: B.J. King, Acting Chief Financial Officer

The following administrative policies for Finance and Administration have been revised to reflect current operations of the university and foundation with the establishment of an institutional board of trustees.

- Delegation of Authority/Signature Authorization
- Disposal of Surplus Personal Property
- Equipment/Movable Property Inventory Control
- Memberships and Subscriptions
- Alcohol Policy

**MOTION: I move that the Board of Trustees adopt the Finance and Administration Policies as outlined in the meeting materials**

**RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees adopts the Finance and Administration Policies as outlined in the meeting materials.**

**Policy Title:** Delegation of Authority/Signature Authorization

**Policy Type:** Finance/Administration

**New/revised:** Revised

**Old Policy #:** 1:03:02:20, FP-37

**Approval level:**  Board of Trustees  
 President  
 Vice President  
 Other (specify here)

**Purpose:** The purpose of this policy is the establishment of procedures for delegation of authority/signature authorization.

**Policy:**

I. Scope

- A. This policy applies whenever a signature (including an electronic signature) is made on behalf of the University through a delegation of authority for any transaction with an external party that could create a financial liability or financial obligation; or obligate the University to provide resources, services, or goods; or for use of University properties.
- B. Examples include, but are not limited to, contracts, grants, purchase orders, and memorandums of understanding/agreement. No signature which is covered by this policy may be made without written delegation of authority as provided in Section I below. Any individual who signs in violation of this policy, without a written delegation, is subject to discipline and may be personally liable for the obligation created by his/her signature.
- C. Signatures required for internal University operations are not subject to this policy and are governed by other University policies/procedures. Examples of the exercise of authority outside the scope of this policy, which are subject to other University policies/procedures, include, but are not limited to, travel authorizations, grant applications, employment contracts, course overloads, student advising, and reductions in student course loads. For those internal operations that require a delegation of signature, the Request for Authorization of Signature should be used. This form can be found under Miscellaneous Forms on the Business and Finance [Forms](#) page.

II. General Provisions

- A. Delegations/authorizations must be in writing, with the level of authority, any restrictions on authority and the period of authority, if any, clearly noted.
- B. Forms for delegation/authorization shall be in the format shown in Attachment 1 and must be signed by the president of the University in order to be in compliance with this policy.
- C. Delegations shall run from the official holding authority to act, directly to the person exercising that authority. The principle is that the person holding authority should have direct knowledge of who within the University is exercising that authority on his/her behalf.

- D. Personnel with delegated authority should be qualified to do so by training and experience. The person making delegation is responsible for ensuring that the person to whom authority is delegated is qualified and understands the application of the authority delegated.
- E. The ramifications of exceeding or misapplying one's delegated authority, as stated in the first paragraph of Scope section above, should be clearly understood and uniformly enforced.
- F. Periodic training should be provided to ensure persons with delegated authority have a clear, current understanding of their authority and its limitations.

ATTACHMENT I – [Delegation of Authority/Signature Authorization](#)

**Policy Title:** Disposal of Surplus Personal Property

**Policy Type:** Finance/Administration

**New/revised:** Revised

**Old Policy #:** 4:02:20:00, FP-11

**Approval level:**  Board of Trustees  
 President  
 Vice President  
 Other (specify here)

**Purpose:** This policy is intended to describe the general rules, general disposal procedures, trade-in on replacement, transfer to State higher education institutions, transfer to other State agencies, and sale of surplus property to governmental entities, at public auctions and under sealed bids. This policy also addresses the disposal of waste products. Disposal of such property must be in accordance with this policy.

**Definitions:**

- Surplus property: personal property owned by the University that has been determined obsolete, outmoded, unusable or no longer usable by the University or for which future needs do not justify the cost of maintenance and/or storage.
- Cannibalization: University property in which serviceable parts are removed for use in the repair of other equipment.
- Hazardous Materials: A substance or material, which has been determined by the Secretary of Transportation to be capable of posing an unreasonable risk to health, safety, and property when transported in commerce, and which has been so designated.
- Salvage: University property that is no longer useful as a unit in its present condition but may have some value as scrap, usually because parts from it may be recovered and reused.
- Surplus Personal Property: Personal property which has been determined to be obsolete, outmoded, unusable or no longer usable by the University, or property for which future needs do not justify the cost of maintenance and/or storage. Such property must be declared "surplus personal property" by the President or designee of the University; provided however, property need not be declared surplus when disposition is through the trade-in method.
- Zero Value: University property that has reached its useful life and frequently has limited value.
- Central Receiving Supervisor: The designated administrator for disposal of University surplus property. The Central Receiving Supervisor is responsible for the storage of surplus personal property. The Facilities Management Department is responsible for the pick-up and delivery of surplus personal property to the designated surplus personal property storage area.

**Policy:**

- I. General Rules
  - A. Surplus personal property is either usable property, which shall be transferred or sold, or unusable property, which may be destroyed, as hereinafter provided:
    1. Surplus personal property which is perishable food may be destroyed without delay or notification.
    2. Surplus mattresses may be destroyed.

3. Surplus personal property which is determined to be not usable by the University and of little or no salvage or other economic value may be destroyed by an appropriate method.
  4. The University shall follow the procedures described in Section II.C of this policy, prior to disposal of all other surplus personal property.
- B. Surplus personal property in which the Federal Government or other entity has a legal interest should be transferred to such entity when no longer needed.
  - C. It is unlawful for any state official or employee, including University employees, to purchase from the state except by bid at public auction any surplus property during the tenure of his office or employment, or for six (6) months thereafter. A purchaser who violates this provision is guilty of a misdemeanor under T.C.A. § 12-2-412.
  - D. For all sales to individuals except at public auctions including internet auction, the University shall obtain from the purchaser a signed disclaimer certifying the purchaser is not a state employee and that the purchaser is not buying the property for or on behalf of any state employee.
  - E. All employees of the University and their immediate families shall be ineligible to bid for or purchase surplus personal property except by bid at public auction.
  - F. Possession of surplus personal property sold to the general public under any method prescribed under Section II.C of this policy shall not pass until payment is made by cash, credit card, or if payment is made by cashier's check or certified check, possession shall not pass until the check is honored by the drawee bank.
  - G. Possession shall pass to state higher education institutions, political subdivisions of the state, and other governmental entities upon receipt, by the University, of purchase vouchers of such institutions, political subdivisions, or other governmental entities. Title to motor vehicles sold as surplus property to political subdivisions and other governmental entities shall be closed as to transferee when title is passed.

## II. General Disposal Procedures

- A. The President or designee shall declare personal property to be surplus personal property prior to disposition as such; provided however, property need not be declared surplus when disposition is through use of the trade-in method.
- B. The President delegates the Central Receiving Supervisor as the designated administrator (hereinafter referred to as "responsible authority") for disposal of University surplus personal property. The Facilities Management Department is responsible for the pick-up and delivery of surplus personal property to the designated surplus personal property storage area. The department chair shall declare usable University personal property surplus to their needs by utilizing the trade-in method or the [Equipment Inventory Change/Deletion Request](#). Both methods shall be consistent with this guideline and University policy "Equipment Inventory".
- C. The Central Receiving Supervisor is responsible for the disposal of surplus personal property utilizing one of the following methods in accordance with this policy:
  1. Trade-in, when such is permitted due to the nature of the property or equipment and subject to the provisions of T.C.A. § 12-2-403 and the rules of this policy;
  2. Transfer to other state higher education institutions
  3. Transfer to other state agencies;
  4. Sale to eligible political subdivisions of the state and other governmental entities;
  5. Public auction, publicly advertised and held;

6. Sale under sealed bids, publicly advertised, opened and recorded;
  7. Negotiated contract for sale, at arm's length; but only in those instances in which the availability of the property is recurring or repetitive in character, such as marketable waste products;
  8. Disposition through the Department of General Services as provided in the Department Rules and Regulations;
  9. Donations to a State of Tennessee public school or public school system;
  10. Sale by Internet auction.
- D. If the President, responsible authority or designee declares the property to be surplus personal property, the method of disposal shall be determined by the responsible authority from the alternatives set forth in Section II.C of this policy. Written documentation for the selection of method of disposal shall be maintained by the responsible authority.
  - E. The trade-in method, when property is of the nature appropriate for trade-in, and transfer to other state higher education institutions shall be the first and second priority methods, respectively, for disposal of surplus personal property, except for waste products which shall be disposed of as further provided in this policy.
  - F. In the selection of other methods of disposal, the following criteria shall be considered:
    1. The character, utility and functionality of the property;
    2. The economics of disposal in light of all relevant circumstances attendant the proposed disposal, including the condition and climate of the potential market and present estimated market value of the property, transportation costs, and other cost factors associated with disposal; and
    3. Sound fiscal and budgetary policy and practices.
  - G. The method of disposal selected in the preceding section shall be implemented pursuant to the specific procedures set forth in this policy for such disposition.
  - H. The responsible authority at the University shall be responsible for the maintenance of accountability documentation on all items of surplus personal property, and shall ensure that adequate audit and inventory trails on all items of surplus personal property are maintained.
  - I. Such authority shall make the final determination of the fair market value of surplus personal property for purposes of calculating reimbursements to the transferring institution and to determine whether property may be destroyed pursuant to Section I.A.3.
  - J. Nothing shall prohibit University from simultaneously providing notice of an intended disposition of surplus personal property to all state higher education institutions and all state agencies as specified in Section IV.A and V.A below.
  - K. In such event, if no state institution has requested the property within seven (7) days of the initial notice, the first state agency which had requested the property within such time shall be entitled to receive the property upon reimbursement as provided in Section V. below.
- III. Trade-In on Replacement
- A. Items that must be replaced may, subject to the requirements of this section, be traded in on replacement property.
  - B. The responsible authority of the University shall perform the following functions in connection with the trade-in method of disposal:

1. Issue invitations to bid asking for bids with trade-in and without trade-in and receive and review bids;
  2. An evaluation of the condition and fair market value of the property to be disposed of; through comparisons of bids and the evaluation prepared, make a determination whether it is in the best interests of the University to dispose of the property by trade-in or by one of the other methods of disposal.
- IV. Transfer to State Higher Education Institutions
- A. Except when the trade-in method is utilized or when the property is to be disposed of as a waste product, the responsible authority at the University shall provide to the President, or his/her designee, or appropriate departments and/or individuals at all other state higher education institutions, a notice of intended disposition which shall include;
    1. The name of the individual to contact for additional information;
    2. The location of the property for inspection;
    3. A description of the property;
    4. The condition of the property; and
    5. The original cost and fair market value of the property as determined by the responsible authority.
  - B. The initial notice of available surplus personal property may be made at periodic intervals for the purpose of consolidating notices on numerous items of such property for convenience.
  - C. The first institution which makes a written request for the available surplus personal property shall be entitled to receive such property.
  - D. In the event that no institution requests transfer of available surplus personal property within seven (7) days of the date of the initial notice, the property may be disposed by means of another appropriate method of disposal.
- V. Transfer to Other State Agencies
- A. When transfer to other state agencies is the method of disposal selected; the responsible authority of the University shall provide notice of the intended disposition to the commissioner or chief executive officer of all state agencies which shall include all information specified in the notice required by Section IV.A.
  - B. The first state agency which makes a written request for the available surplus personal property shall be entitled to receive such property.
  - C. In the event that no state agency requests transfer of available surplus personal property within seven (7) days of the date of the initial notice, the property may be disposed by means of another appropriate method of disposal.
- VI. Sale of Surplus Property to Governmental Entities
- A. Political subdivisions of the state and other eligible governmental entities may purchase surplus personal property by submission of sealed bids for such property to the responsible authority of the University no later than two (2) days prior to a public auction held for disposal of such property.
    1. Such bids shall be opened two (2) days prior to such public auction and the highest bid shall be selected unless the responsible authority decides that the highest bid does not represent the fair market value.
    2. The responsible authority may reject such bids and may negotiate with the political subdivisions of the state and other entities which have submitted bids

in order to obtain a fair market value. In the event negotiation does not result in a fair market value, such property shall be disposed of by public auction.

- B. Political subdivisions of the state and other governmental entities shall retain possession of surplus property purchased from the University for at least one (1) year unless disposal is approved by the Board of Standards. Any profit realized from the resale of such property shall revert to the state or the University as their interests may appear.
- C. Any sale of automobiles by the University to a county, municipality or other political subdivision or governmental entity shall become null and void and such property shall revert to the state, or the University as their interests may appear, in the event that such political subdivision or governmental entity does not transfer the registration of title to such automobile to its name within seven (7) days after the sale.

VII. Public Auctions and Sales Under Sealed Bids

- A. Public auctions and sales under sealed bids, as provided in this policy, shall be publicly advertised and publicly held.
  - 1. Notice of intended disposal by public auction or sale under sealed bid shall be entered by the responsible authority of the University in at least one (1) newspaper of general circulation in the county or counties in which the disposal is to be made reasonably describing the property and specifying the date, time, place, manner, and conditions of the disposal.
  - 2. The advertisement shall be entered in the public notice or equivalent section of the newspaper and shall run not less than one (1) day.
  - 3. The disposal shall not be held sooner than seven (7) days after the last day of publication nor later than fifteen (15) days after the last day of publication of the required notice, excluding Saturdays, Sundays and holidays.
  - 4. Prominent notice shall also be conspicuously posted for ten (10) days prior to the date of disposal, excluding Saturdays, Sundays and holidays, in at least two (2) public places in the county or counties where the disposal is to be made.
  - 5. Furthermore, notice shall be sent to the county court clerks of the county in which the sale is to be made, and all contiguous counties in Tennessee, except when the fair market value of all the property to be sold is determined in writing by the President or his or her designee to be less than \$500.00.
- B. A mailing list shall be developed for mailing to eligible governmental entities and potential buyers of surplus items.
- C. No person, firm or corporation shall be notified of any public auction or sale except as provided by this policy.
- D. University should attempt to include as many items in each sale as is practical and feasible.
- E. All notices of sales of such property shall provide that the property is to be sold "as is" with transportation costs assumed by the purchaser. The notice shall state that the only warranty provided, expressed or implied, is the seller's right, title and interest in the property sold.
- F. All sales by bid or auction shall be with reserve, and when bids received are unreasonably below the fair market value as determined by the responsible authority of the University, all bids shall be rejected and the property shall be thereafter disposed of pursuant to other acceptable methods of disposal.

VIII. Disposal of Waste Products

- A. Marketable waste products such as paper and paper products, used lumber, bottles and glass, rags, and similar materials of nominal value classified as scrap may be sold directly to dealers at the going market rate without soliciting bids. University shall keep a record of the volume and unit price of such materials sold on the scrap market.
  - B. Waste products which are subject to storage and are normally accumulated until such quantities are available to make a sale economically feasible shall be sold under sealed bids as follows:
    - 1. Invitations to bid shall be mailed to known buyers of the particular item;
    - 2. Three firm bids shall be secured when possible;
    - 3. Sealed bids shall be publicly opened and recorded ten (10) days, excluding Saturdays, Sundays, and holidays, after the invitations to bid are mailed;
    - 4. The highest bidder shall be awarded the contract and shall be notified of the date for removal of the property and the method of payment which will be acceptable;
    - 5. A file shall be maintained for each disposal for the purpose documenting the sale and should include all documents and information pertinent to the disposal.
  - C. Anything to the contrary notwithstanding, surplus personal property which is determined to be unusable and of little or no salvage or other economic value may be destroyed by the University as provided in Section I.A.3.
- IX. Sale by Internet
- A. Notice of intended disposal by Internet auction shall be posted on the Internet. Such notice shall specify and reasonably describe the property to be disposed of, the date, time, manner and conditions of disposal, all as previously determined by the responsible authority.
- X. Exceptions
- A. Exceptions to this policy which are consistent with state law may be granted by the President and Chair of Board of Trustees or his or her designees upon request by the president or director of the transferring institution, or their designees.
  - B. The President or his or her designee may not approve a method of disposal which is not specified in Sections I.A. or II.C. of this policy.

**Forms:** [Equipment Inventory Change/Deletion Request](#)

**Policy Title:** Equipment/Movable Property Inventory Control

**Policy Type:** Finance/Administration

**New/revised:** Revised

**Old Policy #:** 4:02:20:00, B-110, FP-11

**Approval level:**  Board of Trustees  
 President  
 Vice President  
 Other (specify)

**Purpose:** The University will maintain an accurate record of all University equipment to ensure proper accountability. This policy outlines consistent controls and procedures for equipment and movable property inventory acquired by East Tennessee State University (“ETSU” or “University”). This policy applies to movable equipment and not to supplies, fixed equipment, or library books, nor does it apply to items such as built-in furniture, lights, and plumbing fixtures, which are considered fixtures as a part of the building.

**Definitions:**

- Equipment – Items of a movable nature, having a minimum unit cost of five thousand dollars (\$5,000.00) and having an estimated life expectancy of at least one (1) year.
- Movable Property – Follows the definition of equipment, with no minimum cost figure associated.
- Sensitive Minor Equipment – Items of a movable nature, which are particularly vulnerable to theft, and have a cost or fair value (for donated items only) between one thousand five hundred dollars (\$1,500.00) and four thousand nine hundred ninety-nine dollars and ninety-nine cents (\$4,999.99), regardless of the funding source.
- Surplus Property – Equipment no longer usable/useful to the department that has possession.

**Policy:**

- I. Responsibilities:
  - A. Ownership of property acquired by the University rests with the State of Tennessee, whether acquired by departmental funds, grants, or by gifts. The Central Receiving Supervisor will maintain inventory records and administer additions, permanent interdepartmental transfers of equipment, and deletions to equipment inventory records.
  - B. Inventory Process: The Central Receiving Supervisor will maintain an inventory of all equipment and sensitive items purchased by or donated to the University, regardless of the source of funds; received via gift; and on loan to the University. The equipment inventory items will be inventoried annually. Sensitive minor equipment will be verified using a random sampling method. Each department will locate each item in their inventory and assure that all ETSU property is accounted for and in the identified location. Any item not in the identified location will be located by the responsible party and the correct location is to be communicated to the Central Receiving Supervisor.

Items not located during the inventory process will be reported as unaccounted for to internal audit, and public safety. If the item cannot be located the responsible party is to report it as missing using the Missing Equipment form.

- C. Department Heads: Department heads have custodial responsibility for the equipment assigned to their department and are to exercise due care and diligence in safeguarding the items. Department heads are to notify the Central Receiving Supervisor in writing, using the Equipment Inventory Change/Deletion Request form anytime equipment is moved from one room to another within the department. Equipment that is taken off campus is the responsibility of the department. Each department is to maintain written records, according to their own internal processes, for University property taken off campus.

II. Procedure:

- A. Equipment purchased will be added to inventory. A fixed asset tag will be placed on equipment when it is added to inventory. The fixed asset capitalization report is generated through Banner.
- B. Items owned by the federal government and other contracting agencies will be inventoried and identified in the inventory system. This method of accounting will also be followed for all other equipment in possession of, but not owned by, the University. Items on loan to the University should be reported to the Central Receiving Supervisor, in writing, when entering or leaving the campus of the University. The University will not be responsible in any way for the personal property of others used or kept on University property.
- C. Recordkeeping and Inventorying of Capitalized Assets – Procedures should ensure proper recording, movement, eventual disposal of assets, and the periodic inventory of these assets. The Central Receiving Supervisor is responsible for insuring all equipment is inventoried annually.
- D. Inventory Deletions – Deletions to the equipment inventory records are necessary when items are traded, sold, lost, stolen, destroyed, permanently transferred, or become surplus to the needs of the University. Deletion requests are submitted via the Equipment Inventory Change/Deletion Request form.
- E. Transfers: Equipment may be transferred between departments by completing the Equipment Inventory Change/Deletion Request form with the Central Receiving Supervisor. Transfer of equipment requires only the approval of the two department heads and does not involve a transfer of funds. Upon receipt of the approved Equipment Inventory Change/Deletion Request the Central Receiving Supervisor will delete the equipment from the inventory of the transferring department and add it to the inventory of the receiving department.
- F. Lost, Stolen, or Missing Equipment: Lost, stolen or missing equipment is to be reported immediately upon discovery to the Central Receiving Supervisor by completing a Missing Equipment form. The Central Receiving Supervisor will distribute copies of the form to Public Safety and Internal Audit.
- G. Random Check of Inventory: Unannounced random checks of departmental inventories may be performed at any time.

- H. Repairs to Equipment: All requests for repairs to University equipment are to be submitted to the Purchasing Department on a departmental requisition. The requisition is to include; 1) the make, model, ETSU property control number, and if applicable, the serial number; 2) Symptoms and/or apparent problem, and 3) estimated repair cost. Unless the requesting department has already obtained a firm repair price from a reliable source, a purchase order will be issued to a vendor for estimate of repair. If the estimate is reasonable the purchase order will be amended authorizing the vendor to proceed with necessary repairs. If the repair expense is not justified the purchase order will be cancelled. Equipment which requires repairs be made off campus must be processed through Central Receiving where complete records of all outgoing and return shipments are to be maintained. The Central Receiving Supervisor should be notified, in advance, if the nature of the property requires special crating or shipping precautions. All shipping costs are normally the responsibility of the requesting department.

Forms: [Equipment Inventory Change / Deletion Request Form](#)  
[Missing Equipment Form](#)

**Policy Title:** Memberships and Subscriptions

**Policy Type:** Finance/Administration

**Old Policy #:** G-080

**Approval level:**  Board of Trustees [Select box for appropriate level of anticipated final approval]  
 President  
 Vice President  
 Other (specify here)

**Purpose:** The purpose of this policy is to establish a process for approval of memberships and subscriptions.

**Definitions:**

- **Membership Dues or Subscriptions:** Any expenditure made by the university which entitle subscription of material or membership, associate membership, or participation in activities of an organization.
- **Organization:** A group (public or private), association, or society whose purpose is to promote common interests and share information.
- **Publication Directly Related to the Mission:** A publication without which the mission of the institution would be impossible or difficult to perform.

**Policy:**

- I. The University may be a member of an organization or maintain subscriptions if the membership or subscription is directly related to the goals and mission of the university.
- II. The University may not pay the membership dues or subscription of an individual. An exception may be granted in instances where an organization does not permit institutional membership or where an individual membership (in the name of institutional representative) is less expensive than an institutional membership. However, memberships necessary to maintain or enhance an employee's professional status (e.g. American Institute of Certified Public Accountants or Bar membership dues) should be considered the responsibility of the employee and the association dues considered a personal expense.
- III. Where membership dues are included as a part or all of the expense of an organization meeting for which the institution pays the expense of an employee to attend, the appropriate expense shall be considered membership dues under these guidelines and should be subject to the established membership approval process.
- IV. University funds may not be used to pay for memberships in civic organizations or social clubs.
- V. The University may not subscribe to political publications for other than instructional purposes.
- VI. The University may subscribe to newspapers within its service area for public information and instructional-related purposes only. The only exceptions to the above are that the athletic department may subscribe to newspapers outside the institution's service area, and that subscriptions to newspapers with national distribution may be held for instructional purposes. Newspaper clipping services may be used, but require approval of the President or the President's designee.

- VII. This policy covers all membership dues and subscriptions paid for from State Funds. Memberships and subscriptions purchased with restricted gift or grant funds are not subject to these guidelines. They are covered within the terms of the gift or grant. Campus libraries are exempt from this policy in their entirety.
- VIII. Exceptions may be approved by the President.

**Policy Title:** Alcohol Policy

**Policy Type:** Finance/Administration

**New/revised:** Revised

**Approval level:**  Board of Trustees [Select box for appropriate level of anticipated final approval]

President

Vice President

Other (specify here)

**Purpose:** To provide guidance to the ETSU campus on the possession, use, and purchase of alcohol on campus and the purchase of alcohol off campus.

### **General Policy**

East Tennessee State University, in compliance with federal, state and local law, allows lawful, responsible alcohol consumption at University functions, as long as the use occurs at a University activity and at a campus location where alcohol is allowed.

### **Students**

The University's policy on student possession and consumption of alcohol is contained in the University Catalog. The current edition affirms that the use and/or possession of alcoholic beverages is prohibited "on institution owned or controlled property. This offense includes the violation of any local ordinance, state, or federal law concerning alcoholic beverages, on or off institution owned or controlled property, including but not limited to where an affiliated group or organization has alcoholic beverages present and available for consumption."

Student organizations hosting off-campus events must comply with ETSU student organization policies and procedures for registering events with alcohol and all risk management assurance guidelines. ETSU student organizations associated with a local, state, regional or inter/national organization will be held responsible for compliance with risk management policies and procedures required for that affiliation. The policy and procedures are administered by the Student Organization Resource Center (SORC).

### **Approved Campus Locations**

The serving or consumption of alcoholic beverages is prohibited in all academic buildings and student facilities.

The University also recognizes at select university functions the serving of alcohol is appropriate as alumni, donors, and other special guests are entertained. However, these functions are to be held in only approved locations and are subject to the following restrictions.

The approved locations are:

- Skyboxes at the football stadium
- The Alumni House (908 W. Maple St.)
- The CPA enclosed courtyard
- The Performing Arts Center Lobby
- The Reece Museum
- Shelbridge, ETSU's Presidential Residence
- Select areas of Thomas Stadium

- The Outdoor lobby of Brown Hall
- Select areas of the Mountain States Health Alliance Athletics Center (Mini-Dome):
  - Gordon Ball Practice Court
  - Lobby

### **Procedures**

Alcoholic beverages may only be served by vendors who are properly licensed and possess all the appropriate state and local permits. Any individual serving alcoholic beverages must possess the appropriate license and credentials.

Underage persons may not be served or be in possession of alcoholic beverages at any University controlled event on or off campus.

The serving or consumption of alcoholic beverages is prohibited in all academic buildings (unless the building is noted above as an approved location).

Due to the number of approved locations, only under extenuating circumstances shall exceptions be granted. The President or his designee has the authority to grant these exceptions, which will be in writing.

### **Stadium and Arena Suites**

Alcohol may be stored and served inside the suites stadiums. Alcohol must be stored and consumed within the defined suite area. The delivery of alcohol to the individual suites must conform to the stipulations issued by the Department of Athletics. Furthermore, University employees may not transport or store the alcohol products, and all movement of such products must be initiated by the suite-holders or their designee.

### **Approved Purchasing Processes**

The University does not have a license to sell alcohol.

The University has an obligation to manage its funds in a manner consistent with the best interests of the citizens of Tennessee. Purchasing certain items may cause the public to believe the institution is not exercising its responsibility in an appropriate manner. Alcohol is one such item that comes under great scrutiny.

State funds may not be used for the purchase of alcohol. Some ETSU Foundation funds may allow for the purchase of alcohol. University funds may be used to pay for the services of the licensed server.

Purchasing and entertainment policies must be followed.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 10, 2017

ITEM: Medical Student Center Debt Service and Activity Fee

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Greg Wilgocki  
Executive Associate Vice President for Health Affairs  
Associate Dean for Finance and Administration, College of  
Medicine

The College of Medicine Student Center Fee was approved by the Tennessee Board of Regents (TBR) to provide funding for a building constructed behind the main College of Medicine Building, Stanton-Gerber Hall on the VA campus. The purpose of this building has been to provide medical students with dedicated study space and lounge space, meeting the needs of our students and satisfying requirements set forth by the accrediting body.

The TBR approved a fee initially for \$650 to cover the debt service on the building. Subsequently, the TBR allowed modification of that fee to include operational expenses for the building where currently, \$480 is allocated to debt service and \$170 is allocated to operations.

The operating expenses are now exceeding the revenue generated by the operations portion of the fee. The proposal is to first reduce the overall fee from \$650 to \$550 and change the allocation between operations and debt service to \$210 and \$340 respectively. The current debt service charges amount to approximately \$300 per student. The debt service portion of the fee would allow some of the fees to be retained in a reserve account to cover unexpected maintenance expenses. The \$100.00 reduction in fee for the students would be effective July 1, 2018 which is the next registration.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 10, 2017

ITEM: Academic Calendars for 2018-19 and 2019-20

COMMITTEE: Academic and Student Affairs Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Bert C. Bach  
Provost and Vice President for Academic Affairs

In July, Dr. Noland charged a campus committee to review the university's academic calendar. The committee, led by University Registrar Sheryl Burnette, has completed an in-depth examination of our academic calendar. Proposed changes to the calendar are a direct result of our transition in governance structure from the Tennessee Board of Regents to the ETSU Board of Trustees, which provides the ability to make such changes based on the needs of our university.

After reviewing the work of Ms. Burnette and her team, the proposed changes to the calendar beginning in the 2018-19 academic year are as follows:

- The fall semester will always start on the fourth Monday in August.
- Fall Break now will occur the week of Halloween. If Halloween falls on a Sunday, Monday or Tuesday, Fall Break will be observed that Monday and Tuesday. Should Halloween occur on Wednesday, Thursday, Friday or Saturday, Fall Break will take place that Thursday and Friday.
- The first of three new administrative holidays starting during the 2018-19 year will be Veterans Day. Should Veterans Day occur on a weekend, the holiday will be observed the previous Friday. Otherwise, it will be observed on November 11.
- Also beginning during the 2018-19 year, ETSU faculty and staff will receive the Wednesday before Thanksgiving as an administrative holiday.
- The fall semester will come to a close on the third Saturday in December at commencement.
- The spring semester will begin the Tuesday after Martin Luther King Jr. Day.
- Starting in 2019, Spring Break will occur the week of St. Patrick's Day.
- The third and final new administrative holiday will be given on the Friday prior to Easter. This too will become effective during the 2018-19 year.

The academic year will end with commencement ceremonies early May. The adjustments to our academic calendar bring structure and stability to the academic year as well as an opportunity, through three new administrative holidays, to say thank you to the faculty and staff for all that they do to support the mission of this institution. Included in the meeting materials are copies of the 2018-19 and 2019-20 academic calendars along with the new calendar structure rules.

**MOTION: I move that the Board of Trustees adopt the resolution, approving the university's academic calendars for 2018-19 and 2019-20.**

**RESOLVED: Upon recommendation of the Academic and Student Affairs Committee, the Board of Trustees approves the university's academic calendars for 2018-19 and 2019-20.**

**Revised Calendar Rules Effective for Calendar 2018-2019**

<b>Event to Calendar</b>	<b>Rule</b>
Fall Semester Starts	4 <sup>th</sup> Monday in August
Fall Break week of Halloween	Two Day Fall Break: MT if Halloween Day falls on SU/M/T RF if Halloween Day falls on W/R/F/S
Added Calendar Holiday (faculty, staff and students – Administrative Offices Closed)	If Veterans Day falls on weekend, holiday will be held the previous Friday; otherwise, it will be observed on Nov 11
Thanksgiving Holiday (Previously approved for students only – add faculty and staff – Administrative Offices Closed)	Wednesday the week of Thanksgiving
Commencement Fall	3 <sup>rd</sup> Saturday in December
Spring Break including St. Patrick’s Day	If St. Patrick’s Day falls on weekend, spring break will be held the prior week If St. Patrick’s Day falls on a weekday, same week
Added Calendar Holiday – Good Friday (faculty, staff and students – Administrative Offices Closed)	Administrative Closing



# ACADEMIC CALENDAR 2018-2019

SCHEDULED EVENT	STARTING	ENDING	SCHEDULED EVENT	STARTING	ENDING
FALL SEMESTER	Aug 27, 2018	Dec 7, 2018	SPRING SEMESTER	Jan 14, 2019	Apr 26, 2019
LABOR DAY HOLIDAY	Sep 3, 2018	Sep 3, 2018	MLK DAY HOLIDAY	Jan 21, 2019	Jan 21, 2019
STUDENT'S FALL BREAK	Nov 1, 2018	Nov 4, 2018	STUDENT'S SPRING BREAK	Mar 11, 2019	Mar 17, 2019
VETERANS DAY HOLIDAY	Nov 9, 2018	Nov 11, 2018	ADMINISTRATIVE HOLIDAY	Apr 19, 2019	Apr 19, 2019
THANKSGIVING HOLIDAY	Nov 21, 2018	Nov 25, 2018	SPRING COMMENCEMENT	May 4, 2019	May 4, 2019
FALL COMMENCEMENT	Dec 15, 2018	Dec 15, 2018	MEMORIAL DAY HOLIDAY	May 27, 2019	May 27, 2019
WINTER BREAK HOLIDAY	Dec 24, 2018	Jan 1, 2019	INDEPENDENCE DAY HOLIDAY	Jul 4, 2019	Jul 4, 2019

⇒ NOTE: All "Holidays" – ETSU Campus Closed for Students, Staff and Faculty

AUGUST 2018							SEPTEMBER 2018							OCTOBER 2018							NOVEMBER 2018							DECEMBER 2018							JANUARY 2019						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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FEBRUARY 2019							MARCH 2019							APRIL 2019							MAY 2019							JUNE 2019							JULY 2019						
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							31																			30															



# ACADEMIC CALENDAR 2019-2020

SCHEDULED EVENT	STARTING	ENDING	SCHEDULED EVENT	STARTING	ENDING
FALL SEMESTER	Aug 26, 2019	Dec 6, 2019	MLK DAY HOLIDAY	Jan 20, 2020	Jan 20, 2020
LABOR DAY HOLIDAY	Sep 2, 2019	Sep 2, 2019	SPRING SEMESTER	Jan 21, 2020	May 1, 2020
STUDENT'S FALL BREAK	Oct 31, 2019	Nov 3, 2019	STUDENT'S SPRING BREAK	Mar 16, 2020	Mar 22, 2020
VETERANS DAY HOLIDAY	Nov 11, 2019	Nov 11, 2019	ADMINISTRATIVE HOLIDAY	Apr 10, 2020	Apr 10, 2020
THANKSGIVING HOLIDAY	Nov 27, 2019	Dec 1, 2019	SPRING COMMENCEMENT	May 9, 2020	May 9, 2020
FALL COMMENCEMENT	Dec 14, 2019	Dec 14, 2019	MEMORIAL DAY HOLIDAY	May 25, 2020	May 25, 2020
WINTER BREAK HOLIDAY	Dec 23, 2019	Jan 1, 2020	INDEPENDENCE DAY HOLIDAY	Jul 3, 2020	Jul 3, 2020

⇒ NOTE: All "Holidays" – ETSU Campus Closed for Students, Staff and Faculty

AUGUST 2019							SEPTEMBER 2019							OCTOBER 2019							NOVEMBER 2019							DECEMBER 2019							JANUARY 2020								
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S		
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FEBRUARY 2020							MARCH 2020							APRIL 2020							MAY 2020							JUNE 2020							JULY 2020								
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EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 10, 2017

ITEM: Proposal to Pilot Alternative Out-of-State Tuition Models

COMMITTEE: Academic and Student Affairs Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Bert C. Bach  
Provost and Vice President for Academic Affairs

The University's pursuit of a strategic growth agenda has required it to pursue strategies that mitigate geographical constraints associated with its geographical location. Two of those strategies that have been pursued successfully involve, first, discounting out-of-state tuition in defined areas and, second, developing scholarships aimed at attracting prospective students from defined areas. In recent months staff has been engaged in due diligence aimed at assessing the financial viability of expanding use of the first of those strategies—and it has focused attention on discrete fifty-mile increments up to 250 miles from ETSU.

This agenda item describes the status to date of the University's assessment of risk associated with the strategy of significantly expanding the geographical radius in which the University would discount out-of-state tuition. Its conclusion will be that staff is requesting authorization to initiate pilot models that would have the effect of discounting out-of-state tuition in no more than two additional out-of-state counties within 100 miles of ETSU. The criteria for selection of out-of-state counties and assessment of success of the pilots will be presented—along with preliminary details that are associated to date with one of the pilots.

**MOTION: I move that the Board of Trustees adopt the resolution, approving the pilot for tuition models.**

**RESOLVED: Upon recommendation of the Academic and Student Affairs Committee, the Board of Trustees approves the pilot proposal for offering out-of-state tuition model for up to two counties within 100 miles of the university.**

## **ETSU's Pursuit of the Growth Agenda through Expansion of Our Geographical Footprint**

### **Background**

Since ETSU sits near the border of the state and is in close geographical and regional proximity to counties in North Carolina and Virginia, it has a primary recruitment area that is comprised of both in-state and out-of-state tuition populations. This presents a unique challenge for the University since research shows that most students attend college within 150 miles of home. In order to mitigate the competitive pricing disadvantage the University experienced as a result of out-of-state tuition rates applying to many prospective students living in its primary service area, ETSU has responded - as one of its strategies - by offering reduced tuition equivalent to "in-state rates" in North Carolina and Virginia counties that immediately border Tennessee. In addition to that strategy, ETSU has also recently restructured its out-of-state scholarship portfolio (that is, the Carter and Gilbreath Scholarships), and - more recently - it has offered "program specific discounted tuition" to designated out-of-state locations in order to provide access to programs that are particularly desirable because they have a perceived and significant positive community impact that would not otherwise be readily obtainable in those areas (e.g., Social Work programming). Determining whether to use the strategy of altering tuition rates or to increase scholarships that make out-of-state tuition more affordable to students is a strategic decision - one made in light of the THEC funding formula and in light of marketing analysis. Parenthetically, the funding formula has recently changed to allow for full funding of outcomes realized by out-of-state students in border counties.

As a result of the success ETSU has had in employing student recruitment strategies that mitigate negative impact of its geographical location, and as a result of funding formula changes, the University this year is stepping back and affording due diligence in considering the best approach to employ in pursuing its growth agenda. That due diligence had led us to assess carefully the potential populations for student recruitment and to focus attention on discrete fifty-mile increments up to 250 miles from ETSU. While our analysis is currently incomplete, it has to date created (1) questions about our ability to impact behavior of prospects in those increments, (2) questions about the cost of recruitment in areas more distant from our historical recruitment areas, and (3) questions about the potential revenue impact of discounting out-of-state tuition on a large scale. In tandem with our analysis and in light of these questions, the staff believes the most prudent approach is to pilot tuition models in a way that will allow us to understand more fully the risks of a large scale adjustment and, if warranted, to identify methods to mitigate those risks.

### **Proposal**

ETSU is requesting authorization to initiate pilot models that would have the effect of discounting out-of-state tuition in no more than two additional out-of-state counties within 100 miles of ETSU. As indicated above, ETSU currently serves a significant population residing beyond the border of Tennessee, and that reality is particularly documented by the large enrollment within the counties that immediately border Tennessee and in which the University currently discounts tuition. By contrast, those out-of-state students living beyond the border

counties are often in a choice desert that doesn't allow them to attend an institution like ETSU without incurring expense they sometimes view as prohibitive and/or without sacrificing program choices because they do not otherwise have access to certain programs in ETSU's inventory. We believe that there are counties within 100 miles of ETSU that contain students who would enroll at ETSU because of the attractiveness of specific programs if the price could be adjusted to reflect their economic reality, and we believe the pilot alternative for which we seek approval could permit our addressing this opportunity in a cost effective manner.

We are asking to pilot up to two such programs based on the following criteria:

### **Criteria for County Selection of Pilots**

1. Admission application trend from the county
  - a. Yield from applications
  - b. Enrollment
2. Size of the 18-24 population current and future
3. Competitor pricing within 100 miles of the pilot county
4. Qualitative review from admission's counselors who have previously visited the counties
5. Consideration will also be given to the counties where we currently have agreements or programs to maximize the potential for success.

**NOTE:** Enrollment services will be responsible for leading the identification of counties and planning for the implementation of the alternative tuition model.

### **Assessment of Success**

We will consider the pilot a success if the change in enrollment per change in tuition is such that the reasonable investment will yield enrollment within one to four years that can be projected to be revenue positive to the institution.

### **Calendar**

At a future meeting of the Board of Trustees, we would propose to report the assessment of the pilot and, on that basis, recommend the continuation and/or expansion of the program.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 10, 2017

ITEM: October Budget Revision

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: B.J. King, Acting Chief Financial Officer

At its June 6, 2017 meeting, the Board of Trustees adopted the 2017-18 budget for the university. Part of the standard budgeting procedure is to revise the university budget in October which includes figures from the actual enrollment for the fall semester.

The October revision is a continuation of the university's new budging process for 2017-18 with the implementation of a new strategic plan for the institution. The purpose of the budged process is to:

- Align budget and resources with the University's strategic plan, mission, vision, and goals
- Provide a multi-year plan that is reviewed and updated regularly
- Reflect differences and varying needs across diverse units
- Promote fiscal responsibility
- Engage and involve the entire ETSU community, thereby enhancing communication
- Promote collaboration among academic and administrative units
- Allow for the public presentation of budget priorities
- Assure transparency in decision making
- Follow an annual calendar and timeline
- Provide a venue to evaluate and prioritize budget proposals from across the University for which there are limited resources

### Main Campus October Revised Budget

	Original 2017-18	October Revised	Increase (Decrease)
Revenue	\$ 245,890,900	\$ 253,266,700	\$ 7,375,800
<u>Expenditures and Transfers</u>			
Instruction	\$ 100,868,100	\$ 110,530,200	\$ 9,662,100
Research	2,611,500	2,482,200	(129,300)
Public Service	2,423,200	2,455,100	31,900
Academic Support	21,314,900	22,438,600	1,123,700
Student Services	28,522,600	25,385,300	(3,137,300)
Institutional Support	15,867,100	17,018,700	1,151,600
Facilities	17,783,600	18,355,700	572,100
Scholarships	23,896,500	30,139,400	6,242,900
Total before transfers	213,287,500	228,805,200	15,517,700
Debt Service	3,078,000	3,369,100	291,100
Non-Mandatory Transfers	4,405,600	5,528,500	1,122,900
Auxiliaries Exp & Tnfrs	24,859,600	26,324,000	1,464,400
Total	\$ 245,630,700	\$ 264,026,800	\$ 18,396,100

### College of Medicine October Revised Budget

	Original 2017-18	October Revised	Increase (Decrease)
Revenue	\$ 58,778,700	\$ 58,856,500	\$ 77,800
<u>Expenditures and Transfers</u>			
Instruction	\$ 44,172,000	\$ 43,300,000	\$ (872,000)
Research	4,607,100	5,090,900	483,800
Academic Support	6,287,800	6,328,900	41,100
Student Services	1,549,100	1,559,800	10,700
Institutional Support	2,806,500	2,796,200	(10,300)
Facilities	6,508,100	6,646,100	138,000
Scholarships	260,000	260,00	-
Total before transfers	66,190,600	65,981,900	(208,700)
Debt Service	88,300	88,300	-
Non-Mandatory Transfers	(7,479,600)	(5,426,500)	2,053,100
Total	\$ 58,799,300	\$ 60,643,700	\$ 1,844,400

### Family Medicine October Revised Budget

	Original 2017-18	October Revised	Increase (Decrease)
Revenue	\$ 16,258,300	\$ 16,776,800	\$ 518,500
<u>Expenditures and Transfers</u>			
Instruction	\$ 10,763,100	\$ 11,189,000	\$ 425,900
Research	310,100	342,000	31,900
Academic Support	3,005,400	3,325,200	319,800
Institutional Support	1,618,300	1,588,600	(29,700)
Facilities	282,000	349,000	67,000
Debt Service	262,900	262,900	-
Non Mandatory Transfers	-	(200,000)	(200,000)
Total	\$ 16,241,800	\$ 16,856,700	\$ 614,900

**College of Pharmacy October Revised Budget**

	Original 2017-18	October Revised	Increase (Decrease)
Revenue	\$ 11,459,000	\$ 11,280,800	\$ (178,200)
<u>Expenditures and Transfers</u>			
Instruction	\$ 6,825,000	\$ 6,850,000	\$ 25,000
Research	473,100	472,800	(300)
Academic Support	1,451,800	1,530,400	78,600
Student Services	659,900	677,900	18,000
Institutional Support	639,500	792,400	152,900
Facilities	530,100	527,400	(2,700)
Scholarships	332,000	410,000	78,000
Total before transfers	10,911,400	11,260,900	349,500
Debt Service	661,000	661,000	-
Nonmandatory Trfs	(114,100)	359,100	473,200
Total	\$ 11,458,300	\$ 12,281,000	\$ 822,700

**MOTION: No motion is required as this appears on the Board’s agenda upon the recommendation of the Finance and Administration Committee**

**RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees approves the university’s October revisions to the 2017-18 university budget.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 10, 2017

ITEM: Memorandum of Understanding with Wellmont Health System

COMMITTEE: Academic and Student Affairs Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Wilsie S. Bishop  
Vice President for Health Affairs

ETSU and its health professions programs offered through the Academic Health Sciences Center (AHSC) have been affiliated with the hospitals within Wellmont Health System for over sixty years. In recent years as the system has become more complex and with the current focus on the merger of this system with the Mountain States Health Alliance (MSHA), also a clinical affiliate of our health professions programs, it was determined that all existing affiliation agreements and contracts should be brought together under the umbrella of one Memorandum of Understanding (MOU). The AHSC has begun this process with Wellmont and upon successful completion of the system merger between Wellmont and MSHA, AHSC leadership will begin the process of creating an umbrella MOU with the newly formed Ballad Health System.

With the completion of the MSHA MOU, discussions commenced with Wellmont leadership and the ETSU/AHSC deans, President Noland and Vice President Bishop to begin the MOU development. Over the past few months, a small writing group with representatives from both Wellmont and ETSU have completed the initial development of the MOU that outlines infrastructure, standing rules, and opportunities for collaboration going forward.

Specifically, the MOU

- Affirms mutual commitment to providing medical and health professional education, conducting research and improving the health and welfare of the people of our region.
- Affirms commitment of the two institutions to develop a strategic relationship governed at a senior level which will benefit the respective goals of Wellmont and ETSU.
- Identifies a joint purpose and common objectives including:
  - Educating and training current and future healthcare providers
  - Improving the health of the region by addressing the leading health determinants and challenges of the region

- Providing high quality, affordable, and accessible healthcare across the clinical spectrum and lifespan
- Advancing the understanding of health and disease through research
- Working toward interoperability of information, health records, clinical, and research platforms to support achievement of mutual goals.
- Provide an infrastructure for strategic initiatives as well as implementation of joint and mutually beneficial endeavors to include a Coordinating Council (with a representative from the ETSU Board of Trustees) and Research Council

**MOTION: I move that the Academic and Student Affairs Committee recommend adoption of the following Resolution by the Board of Trustees:**

**RESOLVED: The Board of Trustees authorizes the President of the University to execute the Memorandum of Understanding with Wellmont Health System as outlined in the meeting materials.**

**OPERATING MEMORANDUM OF UNDERSTANDING**  
**between**  
**EAST TENNESSEE STATE UNIVERSITY**  
**and**  
**WELLMONT**

**PREAMBLE**

The parties hereto intend this Operating Memorandum Of Understanding (“MOU”) for the purpose of formally recognizing the cooperative efforts of East Tennessee State University, a Tennessee state institution of higher education (“ETSU”) and Wellmont Health System, a Tennessee not-for-profit corporation (“Wellmont”), and to delineate the general responsibilities of each in a mutually beneficial agreement in order to improve health care for citizens of this region and the State of Tennessee.

**RECITALS**

WHEREAS, ETSU, through the five colleges of its ETSU Academic Health Sciences Center (each a “College” and, collectively, “Colleges”), shares with Wellmont a long-standing and highly effective commitment to improving the health and welfare of the people of northeast Tennessee and southwest Virginia;

WHEREAS, through their health professional education, inter-professional delivery of health care, focused research, community service, and their long-standing contributions to the region, the Colleges are uniquely qualified to expand their existing collaborations with Wellmont to more effectively and efficiently improve the lives of people living in the region;

WHEREAS, Wellmont operates health care facilities and programs for the benefit of the citizens of northeast Tennessee, southwest Virginia and beyond, which provide a unique and necessary outlet for the training and education of health professionals from the Colleges;

WHEREAS, Wellmont and the Colleges have indicated an interest in jointly working to improve the health and welfare of the people in the region;

WHEREAS, the Medical Education Assistance Corporation (“MEAC”) is a private non-profit corporation established to support ETSU’s medical education-related objectives, and the parties intend Wellmont’s contractual relationship with MEAC to be subject to this MOU in the same manner as ETSU;

WHEREAS, Wellmont and ETSU believe that a strategic relationship between the two organizations governed at the senior level will benefit the respective goals of Wellmont, ETSU and its Colleges; and

WHEREAS, this MOU does not alter the responsibilities and authority of the governing bodies of the participating organizations.

THEREFORE, the parties agree as follows:

I. JOINT PURPOSE AND COMMON OBJECTIVES

Each party thereby commits to cooperative effort for the benefit of the region and the States of Tennessee and Virginia by improving healthcare through the following common objectives:

1. Educating and training current and future healthcare providers and related professionals in the region to possess the knowledge, skills, and abilities necessary to improve the health of the people living in the Wellmont service area;
2. Improving the health of the region by addressing the leading health determinants and challenges of the region through an integrated and collaborative program of inter-professional education, research, clinical care, and community-based activities;
3. Working together to provide, within the region, high quality, affordable, and accessible healthcare across the clinical spectrum and individual lifespan;
4. Advancing the understanding of health and disease through research and translating these advances into improved healthcare delivery and effective community health improvement programs.
5. Wellmont and ETSU will work toward development of inter-operability of information, health records, clinical, and research platforms that effect goals set forth in this MOU.

## II. ORGANIZATION AND GOVERNANCE

The parties recognize that Wellmont and its medical staff have sole responsibility for control of hospital activities and that ETSU and its faculty have sole responsibility for the conduct of the educational activities of the Colleges. Each party agrees to respect these rights and ensure that the philosophy of this MOU is implemented.

## III. COORDINATING COUNCIL

1. Mission and Responsibilities. ETSU and Wellmont agree to build on their existing relationships to create a robust collaboration by creating a senior level committee (“Coordinating Council”) that will meet regularly to ensure close and on-going collaboration, explore and address current and future trends in healthcare and community health, evaluate the changing health status of the region, share best practices, and bridge the historical divide between “academia” and the “work-place.”
2. Composition. The membership of the Coordinating Council will be comprised of the following:
  - a. one currently serving board member of Wellmont;
  - b. one currently serving board member of ETSU;
  - c. the current President of Wellmont;
  - d. the current President of ETSU;
  - e. the current Vice President for Health Affairs of ETSU;
  - f. a senior administrator of Wellmont with responsibilities for education mission;
  - g. the deans of the five colleges in the ETSU Academic Health Sciences Center (Clinical & Rehabilitative Health Sciences, Medicine, Nursing, Pharmacy, and Public Health); the Executive Director of the Medical Education Assistance Corporation (MEAC); and the Associate Dean for Graduate Medical Education; and
  - h. the following officers from Bristol Regional Medical Center and Holston Valley Medical Center: the Chief Executive Officers, Chief Medical officers, and Chief Nursing Officers, and any officers with specified duties for educational functions.
3. Duties and Responsibilities. The Coordinating Council will provide a forum for discussion and consensus for ETSU and Wellmont leadership regarding strategic, policy, and financial recommendations on educational programs, clinical care performed

pursuant to this MOU or other agreement of the parties, clinical training, research relationships, and conflict resolutions. The Coordinating Council will also have responsibilities for oversight of strategic initiatives, responsibility to help achieve the successful development of an academic health center, and advocacy for the common goals of the two organizations set forth in this MOU and its Exhibits. The Coordinating Council will annually establish a strategic plan for their collaborative goals and an operating budget for same. The Coordinating Council will also approve the coordinating and operational arrangements of the committees tasked with fulfilling the goals set forth in this MOU, which will be attached as Exhibits, hereto, and as subsequently drafted and submitted to the Council in the future. The Coordinating Council will have the authority to review proposals and initiatives proposed by such committees, and will develop guidelines for review of same.

4. Meetings. The Coordinating Council will generally meet bi-monthly, but with a goal of meeting no fewer than six times each year. The Council will establish appropriate rules of order for its meetings and may organize sub-committees with participation of non-members of the Coordinating Council from each institution as required to perform the business of the Council outlined in this section.

#### IV. APPOINTMENTS AND JOINT EMPLOYMENT

1. Appointment. As set out more fully in the attached Exhibits, Wellmont will appoint appropriate professional personnel of ETSU (identified by the President of ETSU) as voting members of Wellmont's relevant board and professional committees and organizations including, but not limited to, (list of committees to be identified including QCOB, Safety and Educational committees). Likewise, ETSU will appoint appropriate professional personnel of Wellmont (identified by the President of Wellmont) to appropriate positions on advisory and/or administrative committees at ETSU, including, but not limited to, ETSU's professional admissions and inter-professional committees, as well as administrative councils within ETSU, its Academic Health Sciences Center ("AHSC") and its colleges [list to be identified]. ETSU may grant Administrative and clinical personnel at Wellmont adjunct or other faculty positions, as appropriate. Participation by each party on the other's respective operations committees and various ad hoc committees will be addressed, as appropriate, by the respective committees. All

such members may, as appropriate, serve in leadership positions on such committees and organizations.

2. Joint Employment. As set out more fully in the attached Exhibits, future hires of Wellmont and ETSU may hold joint positions between Wellmont and ETSU, with collaboration on employee performance assessments and evaluations, as appropriate.
3. Employee Recruitment. In accord with the strategic initiatives of both parties, efforts will be made to coordinate recruitment of professional employees to their respective organizations where appropriate and as identified by the Coordinating Council.

#### V. EDUCATION AND TRAINING

1. ETSU and Wellmont will create a joint education council, with representation from the leadership of both parties, to pursue superior educational environments for the benefit of students and trainees from ETSU, ensure that such educational environments contribute to patient care and efficiency at Wellmont facilities, and ensure that the educational needs of Wellmont employees are adequately addressed.
2. ETSU and Wellmont will work to develop, implement and evaluate new models of collaborative care and inter-professional education.
3. The Council will receive input, advice, and suggestions, on ensuring the quality and relevance of training programs for meeting the health needs of the region, and to explore the need for new degrees, certificates, or other training opportunities to address regional health needs.
4. Wellmont and ETSU will collaborate to ensure that opportunities for workforce development including developing new academic programs and formal academic training are made available to Wellmont employees.
5. In developing an academic health center model, ETSU and Wellmont recognize the other as a primary partner for their respective areas of expertise. Specifically, ETSU training programs, including graduate medical education, will continue to have priority for learning and training opportunities in Wellmont facilities located in Tennessee. Furthermore, to ensure sustainability for current ETSU programs (including student and resident enrollment and placement of ETSU students) and an opportunity to develop new programs to further the objectives set out in this MOU, Wellmont shall provide a reasonable opportunity to ETSU to participate (or decline to participate) in amending

existing programs or creating new programs proposed to be located in Tennessee. This relationship will not prevent students at other educational institutions from receiving training at Wellmont sites nor prevent ETSU from engaging with other training sites.

6. The parties commit to providing a learning and clinical environment fully compliant with the criteria of the relevant accreditation and regulatory bodies for all training and related issues under the control of the respective party.

## VI. CLINICAL AND COMMUNITY-BASED CARE AND INNOVATION

1. The delivery of clinical care within each Wellmont, ETSU and MEAC facility and program is governed by the respective medical staff bylaws and operating procedures of each organization. There are a number of areas where, for the purposes of furthering the goals and objectives of this MOU and its Exhibits, it is desirable for the clinical enterprises to meet collaboratively with multi-disciplinary clinical and administrative representation from the leadership of both parties for the purposes of ensuring communication and coordination of all clinical activities that are jointly delivered in a high quality and efficient manner, working groups will be established as needed for the purpose of:
  - a. facilitating and simplifying transition of care, communications, and referrals between Wellmont and ETSU clinics and facilities;
  - b. working together to deliver evidence-based care across the clinical spectrum, and to develop patient care protocols across the disciplines which support the delivery of value based care;
  - c. Working together to model innovative approaches to inter-professional care.
2. ETSU and Wellmont will work to continue support for, and expansion of, the existing network of “safety net” clinics and related services provided by ETSU.
3. As identified by the workforce needs assessment process of the Coordinating Council, Wellmont will work with ETSU to identify and recruit health care professionals to provide care not adequately available for the citizens of the region and to provide training in those fields as appropriate.

4. Wellmont and ETSU will work together with relevant governmental and nongovernmental organizations to explore how best to provide community-based healthcare services in locations where such care is currently unavailable or insufficient.

## VII. RESEARCH

1. ETSU and Wellmont will create a joint research council that will meet regularly to explore potential opportunities to collaborate on the conduct of clinical and community-based research, grant writing, data analysis, and other areas of collaboration.
2. ETSU will use its unique position to assist in the integration of the research-infrastructure of Wellmont and ETSU, in relation to both research in specific areas (e.g. translational biomedical research, nursing research, outcomes research, and population health research) and specific research functions (e.g., evaluation, trial design, data analysis, grant administration, and compliance).
3. ETSU and Wellmont will work together to take advantage of the unique opportunities that a large data-set of clinical information offers for efforts to study, understand, and improve health outcomes in the region.
4. ETSU and Wellmont will work together to identify and sponsor high-priority research areas where new knowledge and program interventions can significantly address the identified health challenges of the region, such as prescription drug abuse, obesity, cardiovascular disease, stroke, diabetes and other chronic conditions, and social determinants of health.

## VIII. WELLMONT RELATION WITH EACH COLLEGE

The parties recognize the unique relationship Wellmont has with each College and their respective attributes and core services. The particular exchange of training and services for each College are further described in the attached Exhibits, which are fully incorporated hereby. Given the expected growth and development in the relationship of each College and Wellmont, the Exhibits may be updated and amended from time to time. The parties further acknowledge that the commitments contained herein are non-exclusive, unless otherwise identified within this MOU, and that each party may and shall pursue its strategic plans as that party deems

appropriate, including through relationships with other third party providers and educational institutions.

IX. PURPOSE

This MOU shall serve as the master governing document for the relationship between the parties, provided however that each independent agreement that currently exist between the parties shall be construed according to its terms unless and until such agreements may be amended.

## X. EXHIBITS

The Exhibits, to be entered into and subsequently incorporated into this MOU, will establish the coordinating and operational arrangements between the parties as negotiated by the applicable working groups, colleges, or divisions of the parties. Currently, such relationships are often reflected in affiliation agreements and program letters of agreement between the parties. These Exhibits, outlining the broad working relationship of the parties, will be reviewed and approved by the Coordinating Council, as set forth in this MOU. Each Exhibit should, at a minimum, detail specific goals of the joint effort to be pursued, operating procedures for the joint governing structure responsible for the oversight of the joint goals and efforts outlined in each Exhibit, standard progress measures and reporting requirements related to the joint goals and efforts, including mutual conditions of payment and compliance required of each particular agreement between the parties overseen by the Exhibit. Other detailed and particular agreements between the parties, such as joint employment and/or recruiting agreements, professional agreements, marketing and communications agreements, and joint ventures, are subject to this MOU, but will be reviewed and approved by appropriate internal processes of the parties, and will not be submitted directly to the Coordinating Council, except on special request or to resolve a dispute between the parties.

## XI. MISCELLANEOUS

1. Any and all claims against the university for personal injury and/or property damage resulting from the negligence of the university in performing any responsibility specifically required under the terms of this MOU shall be submitted to the Board of Claims or the Claims Commission for the State of Tennessee. Damages recoverable against the university shall be expressly limited to claims paid by the Board of Claims or Claims Commission pursuant to T.C.A. Section 9.8.301 et seq.
2. This document may be modified and revised by mutual consent. It shall be reviewed at least annually by the Coordinating Council and the respective parties. Further, it is understood and agreed that this Operating MOU will be implemented by subsequent supplemental agreements, as necessary, between Wellmont and each College regarding specific programs and responsibilities contemplated hereunder (which shall be attached as the Exhibits).

3. This Memorandum of Understanding shall be for a term of five (5) years, but may be terminated by either party upon one (1) year's written notice.
4. In the event any part of this MOU is declared illegal or unenforceable for any reason, then, in that event, that part of the MOU shall be deleted and the balance of the MOU shall remain in full force in issue; provided, however, either party shall have the right to renegotiate the portion declared illegal or unenforceable.
5. The parties acknowledges that they must comply with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and Section 504 of the Rehabilitation Act of 1973, Executive Order 11, 246 and the related regulations to each. Each party ensures that it will not discriminate against any individual including, but not limited to employees of ETSU or applicants for employment with ETSU and/or students, because of race, religion, creed, color, sex, age, handicap or national origin.
6. The parties acknowledge that they must to take affirmative action to ensure that applicants are employed and that employees are treated during the employment without regard to their race, religion, creed, color, sex, handicap or national origin. Such action shall include, but not be limited by the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection available to employees and applicants for employment. The parties acknowledge that Wellmont is currently undertaking the implementation of an affirmative action program.
7. Each party shall maintain documentation for all charges to the other party under the MOU. The books, records, and documents of the parties, insofar as they relate to work performed or money received under this MOU, shall be maintained for a period of three full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon notice, by the institutions or their duly appointed representatives.
8. Each party represents that it will not knowingly utilize the services of illegal immigrants in the performance of this MOU and will not knowingly utilize the services of any

subcontractor, if permitted under this MOU, who will utilize the services of illegal immigrants in the performance of this MOU.

9. Each party represents that it will not utilize the services of any individual required to register as a sex offender under Title 40, Chapter 39 of the Tennessee Code Annotated or any similar law.
10. This MOU shall be governed by the laws of the State of Tennessee.
11. The University will comply with the Tennessee Open Records Law in performing its duties under this MOU.

**THE UNDERSIGNED** do hereby agree to the provisions of this Operating Memorandum of Understanding by and between East Tennessee State University and Wellmont Health System.

EAST TENNESSEE STATE UNIVERSITY

WELLMONT HEALTH SYSTEM

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Print Name: Dr. Brian Noland

Print Name: \_\_\_\_\_

Title: President

Title: President & CEO

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 10, 2017

ITEM: Legislative Agenda

PRESENTED BY: Bridget Baird  
Associate Vice President for Community & Government  
Relations

Ms. Baird provides an overview of key legislative events and outcomes from the previous session of the Tennessee General Assembly and topics related to the upcoming legislative session.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 10, 2017

ITEM: Markov Chain: Background and Enrollment Projections

PRESENTED BY: Dr. Michael Hoff  
Associate Vice President, Planning & Decision Support and  
Chief Planning Officer

In 2014 the university sought to understand better the potential enrollment outlook for each fall. We adopted a Markov Chain model that has demonstrated accuracy on an annual basis and that provides confidence in how we approach each annual enrollment cycle. This information item will provide background on the model, projections, and how we use those projections to drive strategic enrollment action throughout the campus.