

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

May 23, 2025
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, May 23, 2025, at 10:30 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Committee Chair Steve DeCarlo called the meeting to order at 10:30 a.m.

II. Roll Call

Board Secretary Dr. Adam Green conducted the roll call. The following committee members were physically present:

Chair Steve DeCarlo
Trustee Charles Allen
Trustee Dorothy Grisham
Trustee Dr. Linda Latimer
Trustee Trent White

Other Trustees present were Janet Ayers, Melissa Steagall-Jones, and Tony Treadway.

III. Approval of the Committee Minutes from February 21, 2025, and April 11, 2025

The minutes from the February 21, 2025, meeting of the Finance and Administration Committee, as well as the minutes from the committee's called meeting that took place on April 11, 2025, were approved as submitted. Trustee Charles Allen made the motion to approve, and Trustee Dorothy Grisham seconded the motion. It passed unanimously.

IV. Action Item: Approval of Spring Estimated and July Proposed Budgets

Ms. Christy Graham, Chief Financial Officer, noted that budget hearings across campus focused on efficiencies and how the campus can reallocate resources to most effectively meet the needs and the expectations of our students. She indicated that the tuition and mandatory fee range confirmed in March by the Tennessee Higher Education Commission established the binding range for tuition increases for undergraduate education at 0 percent to 6.5 percent.

Ms. Graham reported that the main campus budget shows revenue increasing from last July to this July by 3.8 percent or \$12 million. This includes tuition revenue increasing by \$5.6 million, mandatory fee revenue increasing by \$1 million, state appropriations increasing by more than \$2 million, and auxiliary revenues increasing by \$2 million. Expenses are budgeted to increase by 3.3 percent, excluding auxiliaries. Of the \$9 million increase in expenses, \$5 million is for salaries and benefits. Full-time employee headcount has been reduced by nine positions through vacancy management.

For the Quillen College of Medicine, Ms. Graham said that the budget projection includes a \$7 million increase in revenue, primarily due to increased state appropriations and an increase in private grants and contracts. Employee headcount is increasing by two positions. Family Medicine revenue is increasing by \$600,000, and employee headcount is increasing by one position. For the College of Pharmacy, revenue is projected to increase due to an increase in tuition and state appropriations.

Trustee Grisham made a motion to accept the budgets as presented, and Trustee Allen seconded the motion. It passed unanimously.

V. Action Item: Approval of Non-Mandatory Fee for Quillen College of Medicine FY26

Ms. Graham said the College of Medicine is requesting that its current \$125 per semester microscope fee be reduced to \$25 per semester and that the fee be reclassified as a microscope lab fee.

Trustee Grisham moved that the request be approved as presented, and Trustee Allen seconded the motion. It passed unanimously.

VI. Action Item: Approval of FY26 Capital Budget Submittals and Disclosures

Ms. Laura Bailey, Associate Vice President of Capital Planning and Facilities Services, announced that, in the capital outlay category, Phase II of Brown Hall renovation has been funded by the state in the amount of \$53,440,000. With Phase I, she said, the total project comes to more than \$101 million, covering 160,000 square feet of science space. She added that Phase I will begin in June. Another capital outlay project that has been submitted to the state is for Main Campus Utility Infrastructure, in the amount of \$16.9 million—a project that is very important given the age of several campus systems.

Ms. Bailey described various capital maintenance projects totaling \$23,490,000. She reported that the university's number-one project in this category, Safety Steam Line Repairs and Replacement, has been funded by the state at \$3.5 million. Other projects submitted to the state for consideration are HVAC and Plumbing Repairs, Elevator Repairs and Replacement, Roof

Replacements, Electrical Infrastructure, Campus Water Lines, and Exterior and Structural Repairs and Replacement.

Trustee Allen made a motion that the list of capital budget submittals and disclosures be approved, and Trustee Grisham seconded the motion. It passed unanimously.

VII. Quarterly Financial Update

Ms. Graham compared revenue and expenditure information from March 31, 2024, to March 31, 2025. She reported that unrestricted education and general revenue increased year over year by 3.79 percent or \$12 million, across all appropriation units, primarily due to increases in tuition and fees and state appropriations. Unrestricted education and general expenditures have increased by 9.41 percent, which includes an increase to salaries and benefits of 8.57 percent and an increase in operating expenses of 11.54 percent. Ms. Graham said revenues and expenditures, including restricted and auxiliary operations, present a similar story. Revenues increased by 5.27 percent, with a large increase to auxiliaries, due to increased rates for housing, increased capacity, and a record number of students on meal plans. Expenditures, including auxiliary and restricted funds, increased by 10.89 percent. Salaries and benefits increased by 7.69 percent while operating increased by 12.53 percent.

Ms. Graham reported that ETSU's statement of net position indicates that we are in a strong cash position.

VIII. Presentation of FY24 Composite Financial Index

Ms. Graham told the committee that the Composite Financial Index, measuring financial health, was created primarily for private institutions but was modified in 2002 for public institutions. It includes four different ratios. For fiscal year 2024, Ms. Graham reported, ETSU's total CFI was 4.58, with the standard being 3.0. ETSU scored above the standard in all four of the index's ratios. President Noland said the figures indicate that ETSU is in the strongest position it has ever been in since the data have been collected. He said the CFI is the highest it has been since we have been reporting this information to the board.

IX. Quarterly Report of Agreements \$250,000 or Greater

Dr. Katie Zink, Director of Procurement and Contract Services, reported the following:

- An RFP for athletics apparel to BSN Sports (Nike), with a contract amount of \$2 million
- An RFQ for professional cleaning services to YS Janitorial Services, with a contract amount of \$1.9 million
- An RFP for enrollment consulting services to Carnegie Dartlet, with a contract amount of \$840,442

- A contract with Elsevier for online journal articles for the College of Medicine, in the amount of \$587,341
- A purchase order with Workspace Interiors to update furniture in Nicks Hall, with a contract amount of \$615,134
- An RFP out now for a library subscription agent for Sherrod Library, at an estimated \$4 million over five years
- An RFP in process for Nursing SIM equipment, estimated to be up to \$2 million for a one-time purchase

President Noland added a clarification on janitorial services, noting that the RFQ does not mean that the university is outsourcing custodial services. He said the university will enter into a swing contract with the company to fill employment gaps with contract labor when needed. He described it as a “labor stopgap.”

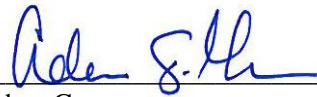
X. Other Business

There was no other business to come before the committee.

XI. Adjournment

The meeting was adjourned at 11:10 a.m.

Respectfully submitted,



Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its September 12, 2025 meeting.