

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION
SEPTEMBER 2019 MEETING

9:45 – 11:15 am EDT
Friday
September 20, 2019

The Millennium Center
2001 Millennium Pl
Johnson City, TN

AGENDA

- I. Call to Order
- II. Roll Call
- III. [Approval of the Committee Minutes from April 26, 2019](#)
- IV. [Approval of the Committee Minutes from May 29, 2019](#)
- V. [Quillen College of Medicine Out-of-State Tuition Revision](#)
- VI. [Quarterly Reports on Agreements \\$250,000 or greater](#)
- VII. [Capital Projects and Facilities Update](#)
- VIII. [Profile and Trends in Human Resources](#)
- IX. [Foundation Overview](#)
- X. Other Business
- XI. Adjournment

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 20, 2019

ITEM: Approval of the Minutes of April 26, 2019

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Nathan Dugger, Associate Secretary

The minutes of the April 26, 2019 meeting of the Finance and Administration Committee 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 April 26, 2019 meeting of the Finance and Administration Committee 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
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

April 26, 2019
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, April 26, 2019, at the Millennium Center on State of Franklin Road in Johnson City, Tennessee.

I. Call to Order

Finance and Administration Committee Chairman Steve DeCarlo called the meeting to order at 10:15 a.m.

II. Roll call

Board secretary Dr. David Linville called the roll and informed Chairman DeCarlo that a quorum was present. Trustees in attendance were:

Steve DeCarlo
Dorothy Grisham
Jim Powell
Ron Ramsey
Keyana Miller (non-voting student member).

III. Approval of the Finance and Administration Committee Minutes of February 22, 2019

The Finance and Administration Committee Minutes of February 22, 2019, were approved as submitted, with Trustee Powell making the motion to approve and Trustee Grisham seconding. The motion passed unanimously.

IV. Tuition for the Colleges of Medicine and Pharmacy FY20

Dr. King presented a recommendation to approve a proposed 2% tuition increase for the College of Medicine and College of Pharmacy for 2019-2020, contingent on the

approval of the Governor's budget. Trustee Ramsey made a motion to approve, with Trustee Powell seconding the motion. The motion passed unanimously.

V. **Salary Increase for FY20**

Dr. King presented a request for an across-the-board 2% salary increase with a \$500 minimum for all campus units for fiscal year 2019-2020. She explained that no specific recommendation was made for salary for the formula units in higher education, while a 2% salary pool was included in appropriations for all higher education non-formula units including the College of Medicine and Family Medicine. The Governor's budget stated appropriation increases for formula units could be used for salaries and/or operational expenditures. Based on the salary increase for Medicine and Family Medicine and in order to be equitable across the campus, management recommended the across-the-board 2% increase.

Trustee Ramsey made a motion to approve the proposed salary increase as presented contingent on approval of the Governor's budget and the approval of the THEC binding fee limit in May. Trustee Grisham seconded the motion. It passed unanimously.

VI. **Discussion of Proposed Non-Mandatory Fees**

Dr. King presented recommendations for Non-Mandatory Fees for courses, rental of student housing, and food service meal plans.

Three colleges proposed fee increases for FY20: the **College of Arts and Sciences**, **College of Business and Technology**, and **Clemmer College**. These proposals are part of a fee simplification process that will make it easier for students to understand the fee structure and easier for the university to assess the fees.

- **The College of Arts and Sciences** is moving from a fee presentation of 26 fees to a three-tier assessment – Arts, Humanities and Social Sciences Course Fee; Science, Lab, Clinical and Art Studio Course Fee; and BLUE and MUSC Lessons Course Fee.
- **The College of Business and Technology** proposed combining 13 fees into a three-tier structure – Business Course Fee; Computer/Engineering/Technology Course Fee; and Digital Media Specialized Academic Course Fee.
- **Clemmer College** proposed combining 16 fees into one comprehensive fee applicable to the entire college curriculum, applying to all subjects of the college.

In addition, Dr. King's report included a Graduate Nursing Course Fee that was approved by the board on April 27, 2018.

Dr. King also included recommendations for fee increases for auxiliaries, which included a slight increase.

Trustee Grisham made a motion to approve the Proposed Non-Mandatory Fees/Fee Simplification for College Course Fees for FY20 as presented by Dr. King. Trustee Powell seconded the motion, and it was approved unanimously by the Committee.

VII. Discussion of Comparative Mandatory Fees

Dr. King thanked the Committee for the discussion about Mandatory Tuition and Fees at the February 22, 2019 Committee meeting, where the ideas of possible “15 in 4” and block plans were explored. She told the committee that after discussions with the SGA, they have opted not to move forward with either plan at this time.

While the Tennessee Higher Education Committee (THEC) will not vote on the topic of Mandatory Fees until its May 17 meeting, when Dr. King spoke with THEC, they indicated that they were likely going to recommend a 0-2.5% tuition and mandatory fee increase.

Therefore, Dr. King presented the Committee with an information item: a comparative table of estimated Tuition and Mandatory Fees using a 2.5% increase to show the Committee where ETSU might fare in comparison with other schools. She emphasized that the other colleges had not yet released their increases, so she said this was an estimate using the 2.5%. Using this amount, ETSU was very competitive in pricing.

Dr. King indicated that Mandatory Tuition & Fees item would come before the Committee at special meeting in May for a vote.

VIII. Quarterly Reports of Agreements \$250,000 or Greater

As an information item, Dr. King provided the committee with a list of contracts and purchase orders that exceed \$250,000, covering the time period of January-March 2019.

IX. Other Business

Dr. King noted to the Committee that she wanted to thank the ETSU personnel who were in the room and contributed to ETSU’s clean audit report that was discussed in an earlier Audit Committee meeting. Dr. Noland echoed his congratulations and lauded this achievement, as well.

X. Adjournment

Chairman DeCarlo adjourned the meeting at 11:04 a.m.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 20, 2019

ITEM: Approval of the Minutes of May 29, 2019

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Nathan Dugger, Associate Secretary

The minutes of the May 29, 2019 meeting of the Finance and Administration Committee 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 May 29, 2019 meeting of the Finance and Administration Committee 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
FINANCE AND ADMINISTRATION COMMITTEE
MAY 2019 SPECIAL CALLED MEETING

MINUTES

May 29, 2019
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Finance and Administration Committee met at 9:30 a.m. on Wednesday, May 29, 2019 in the President's Conference Room in Burgin E. Dossett Hall on main campus in Johnson City, Tennessee. Participation by electronic or other means of communication was necessary due to the prompt scheduling of the meeting.

I. Call to Order

Trustee Steven DeCarlo, chair of the Finance and Administration Committee, called the meeting to order at 9:35 a.m.

II. Roll Call

Deputy Secretary Mr. Nathan Dugger read the special instructions for telephonic meetings and called the roll.

Committee members in attendance were:

Steven DeCarlo, chair (via web conference)
Dorothy Grisham (via web conference)
Ron Ramsey

Deputy Secretary Dugger informed Chair DeCarlo he did not detect a physical quorum present but noted that a quorum did exist by the inclusion of those members participating by electronic means. In accordance with Tennessee Code 8-44-108 section (b) (2), Dugger offered to the committee the following circumstances that necessitated holding the meeting:

- To review and approve tuition and fees on the agenda, review the estimated and proposed budgets, and approve the 2020-21 capital budget prior to the full Board of Trustees meeting in June.
- The prompt necessity of this committee's meeting did not provide adequate time for this committee's membership to make necessary arrangements to be physically present for a quorum.

- For these reasons, Deputy Secretary Dugger contended that participation by a quorum of the committee for members by electronic or other means of communication is necessary.

Mr. Dugger asked Chair DeCarlo that a motion be made and a roll call vote be taken for a determination on the necessity of holding the meeting. Trustee Grisham made a motion that a necessity did exist for the meeting to proceed. It was seconded by Trustee Ramsey and received unanimous approval by a roll call vote.

III. Tuition and Mandatory Fees for 2019-20

Previously, the Board of Trustees established criteria it must consider when reviewing an increase in tuition and mandatory fees. Dr. BJ King outlined the current year assessment beginning with state support. She said the Higher Education Price Index (HEPI) indicates an inflation factor of 2.26% for higher education institutions in the southeast region, therefore ETSU's inflation would be \$6 million. Governor Lee's budget provided \$3.4 million, leaving a \$2.6 million gap to keep pace with inflation, King explained. The university would require a 2.6% tuition and fee increase to generate funding to keep up with inflation, she said, but the Tennessee Higher Education Commission (THEC) set a 2.5% binding limit on tuition and fee increases.

Dr. King discussed the total cost of attendance and referred to tables on pages 4-5 of the meeting materials comparing tuition and fees at other public institutions. ETSU is below average and in range with Tennessee schools, in particular, the Locally Governed Institutions (LGIs), she added.

The university is taking a methodical approach to reviewing the costs associating with attending ETSU, King noted. The university has invested in systems to assist in analyzing and finding efficiencies within colleges and units; and is also looking at cost reduction in administrative areas in order to use resources more effectively.

THEC approved the 2.5% tuition and mandatory fee on May 17 and ETSU is proposing a 2.3% tuition and mandatory fee increase, King said. She also noted that the university's enrollment has remained relatively flat over the last couple of years, therefore tuition and fees must remain competitive. Dr. King highlighted the declining number of high school graduates in the region and increased competition. The recommended increase will not apply to the additional out-of-state tuition and fees in order to remain competitive. The university will begin an assessment of out-of-state tuition and fees this summer.

In April, the Board of Trustees approved a 2% salary increase for the entire university. Historically, the state has funded 60% of the salary increase and the rest was funded from tuition, approximately a 1% increase, but no specific funding for a salary increase was included in the governor's budget, King noted.

Dr. King said facility costs have increased with the addition of the Millennium Center and D.P. Culp Center renovations and the forthcoming Martin Center for the Arts and will be addressed as the 2020 budget is developed.

As noted on page 5 of the meeting materials, the proposed 2.02% increase in undergraduate tuition and 2.13% increase in graduate tuition will generate \$2 million in revenue, which will go toward:

- Across the board salary increase
- Salary increase for graduate assistants
- Faculty tenure and promotion funding
- Inflationary costs for facilities and operations

Mandatory fee requests per semester are outlined on page 6 of the committee meeting materials:

- SGA Fee - Year one of a two year request to improve the quality and availability of spring and fall concerts
- Student Activity Fee for ID Bucs to improve facility access
- Technology Access Fee – Year three of five requested
- Parking/Student Campus Access to purchase Millennium Center parking garage and includes increase in faculty/staff parking decals

Dr. King said the table on the bottom of page 6 summarizes the fee request per academic year of \$150 in tuition for undergraduates at 15 credit hours and \$64 in mandatory fees for a total of \$214.

When asked about ETSU's proposed tuition and fee increase in comparison to other LGI's, Dr. King said she was unsure which institutions had made their proposed increases public, but foresees increases to range from 1.8-2.3%. She said the University of Tennessee at Chattanooga is implementing a 15 in4 model so their increase for incoming new students will be larger than the binding limit. Trustee Grisham said the tuition and fee increase equates to about \$17 a month and is not a large annual cost. Trustee Ramsey reminded the committee that a decade ago tuition and fee increases were in the double-digits and much higher than the 2.3% requested.

Trustee Ramsey motioned to recommend the adoption of tuition and mandatory fees for 2019-20. It was seconded by Trustee Grisham and unanimously approved by a roll call vote.

IV. Estimated 2018-19/Proposed 2019-20 Operating Budgets

The university has three budget cycles, Dr. King explained, and each spring an estimated budget is prepared to close out the fiscal year and a proposed budget is prepared for the next fiscal year. These budgets are being presented for approval and the third budget with October revisions will be presented for approval later this year.

Dr. King provided an overview of the estimated budget on pages 8-11 of the meeting materials and noted \$195,700 revenue increase and \$276,800 expenditures and transfers increase for the main campus. There were no changes in revenue for the College of Medicine and a \$700 decrease in expenditures. Family Medicine and the College of Pharmacy decreased revenue and expenditures in their estimated budgets. These are nominal changes, King said, and the actuals will be included in financial statements that will be reviewed at a future meeting in the fall.

In terms of the proposed budget, the main campus, College of Medicine and Family Medicine had a total appropriation increase from the governor's budget of almost \$4.7 compared to \$5.6 million last year, King noted. College of Medicine and Family Medicine each received an appropriation for its salary pool, whereas main campus did not. The proposed budget includes the salary increase for main campus because it will be applied across the board and equates to \$1 million or a 1% tuition increase. Over \$11 million of capital maintenance was requested by THEC for ETSU and \$5.6 was funded in the amended budget. The proposed capital outlay project to construct a new Humanities building was not funded, but could move higher on the list next year and be included in the governor's budget for fiscal year 2020-21, she said.

Dr. King reminded the committee that increases in tuition for Colleges of Medicine and Pharmacy were approved by the Board of Trustees earlier this year because those programs start before the new fiscal year begins. The proposed main campus budget is based on the projection that fall enrollment will be down 100 students. King said the budget is balanced and within available resources and the undergraduate tuition increase is trending the lowest in 20 years.

Dr. King guided the committee through the proposed budget for main campus with a \$3.3 million appropriation increase and a \$2 million maintenance fee increase. The required scholarship increase and projected enrollment are deducted, as well as investments in the salary pool, the GA base pay increase, faculty promotion and

tenure pool and facilities and operational inflation, she said. The total increase in revenue is \$8 million as shown on page 12 of the meeting materials. She reminded committee members that the decreases shown between the estimated and proposed budget in the expenditure categories account for the carry forward funds.

Maintenance and required fees is the number one driver of revenue, King said, with state appropriations second (26%). The following revenue categories are primarily driven by:

- Maintenance and required fees (52%) – regular maintenance
- Non-mandatory fees (5%) – course and material fees
- Sales and services (4%) – athletics
- Grants and contracts (2%) – local; related to contract to operate University School
- Auxiliaries (10%) – housing and food service
- Other services (1%)

Next, Dr. King reviewed the allocation of net new funding on main campus and how the salary pool, operations and scholarships will be divided among the functioning units of the university. Instruction has the largest impact on expenditures (41%). She also mentioned that main campus is requesting 15 new positions, most are support for growth in the College of Nursing.

The proposed budget for the Quillen College of Medicine is on page 13 of the meeting materials and has a \$3 million increase in revenue with several negative expenditures accounting for the carry forward funds in the October budget, King stated. The Medical Education Assistance Corp (MEAC) is the number one driver of revenue, she said, followed by state appropriations (32%) and tuition and fees (9%). King reiterated that revenue from MEAC does not run through the university's books or financial statements, but are shown separately in the financial report provided to the committee annually. Instruction is the largest expenditure (68%) and the college is requesting nine new positions, primarily faculty.

The proposed budget for Family Medicine is on page 14 of the meeting materials and has a \$500,000 increase in revenue and \$100,000 total increase in expenditures. State appropriations is the number one driver of revenue (45%), King said, followed by clinical revenue (29%) and resident participation (21%). Instruction is the largest expenditure (65%) and the department is repurposing unfilled support positions to faculty and not requesting any new positions.

The proposed budget for Gatton College of Pharmacy is on page 15 of the meeting materials and has a \$50,000 increase in revenue, none from state appropriations, and a \$737,000 decrease in expenditures to account for carry forward funds in the October budget revisions, King explained. Tuition and fees account for almost 100% of revenue for the college and instruction is the largest expenditure (61%). There are no new position requests.

Trustee Ramsey motioned to approve the estimated 2018-19 and proposed 2019-20 operating budgets. Trustee Grisham seconded and the resolution was unanimously approved by a roll call vote.

V. Capital Project Approval

Deputy Secretary Dugger presented the action item on behalf of Mr. Jeremy Ross. Annually, the university recommends funding of projects in two programs: capital outlay and capital maintenance, for submission to THEC. On page 17 of the meeting materials is a list of the proposed projects for both categories. The Humanities building will be re-submitted as a proposed capital outlay project because it was not funded this year, Dugger stated.

Trustee Grisham asked what needed to be done to re-submit the Humanities building for consideration. Dr. Noland said THEC reviews and scores proposed projects each year based on their alignment with the commission's strategic plan, therefore the Humanities building will be reviewed again this year. The State of Tennessee paid cash to fund three higher education capital outlay projects, Trustee Ramsey said.

Trustee Ramsey made a motion to approve the submission of the capital outlay, capital maintenance, and disclosed projects as presented in committee to the Tennessee Higher Education Commission. Trustee Grisham seconded and a roll call vote resulted in unanimous approval of the resolution.

VI. Other business

No other business was brought before the committee.

VII. Adjournment

Trustee Ramsey made a motion to adjourn the meeting at 10:50 a.m.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 20, 2019

ITEM: Quillen College of Medicine Out-of-State Tuition Revision Policy

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

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

The Quillen College of Medicine is requesting approval for a reduction in out-of-state tuition beginning Fall 2020. Currently out-of-state students pay in-state tuition of \$32,834 and an additional out-of-state tuition of \$34,087 for a total tuition cost of \$66,921. The out of state tuition is an additional cost of 104% of the in-state tuition.

The College proposes lowering the out-of-state component to 30% of in-state. If this had been implemented for Fall 2019, out of state students would pay an out-of-state fee of \$9,850. The total cost of out-of-state would be \$42,684 at the current fee rate. The College would retain the 30% additional fee for out-of-state moving forward. Should fees increase for Fall 2020, an out-of-state student would pay the in-state tuition plus out-of-state tuition calculated at 30% of the in-state rate.

MOTION: I move that the Board of Trustees adopt the following resolution approving the revision to the Quillen College of Medicine's Out-of-State Tuition.

RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees approves the revision to the Quillen College of Medicine's Out-of-State Tuition as outlined in the meeting materials.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 20, 2019

ITEM: Quarterly Reports on Agreements \$250,000 or greater

COMMITTEE: Finance and Administration Committee

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

Included in the meeting materials are a list of agreements, both expense and revenue, with amounts totaling \$250,000 or greater for the period of April 2019 - June 2019.

April – June 2019

Contracts / Purchase Orders over \$250,000

<u>Contract/ PO Date</u>	<u>Start</u>	<u>End</u>	<u>Contractor</u>	<u>Description of Services/Products</u>	<u>Contract / PO Amount</u>	<u>Competitive</u>	<u>Fiscal Review Approval</u>
5/17/19			Data Blue LLC	Purchase Order - IT Equipment	\$255,279	Yes	N/A
6/5/19			Contract Furniture Alliance CFA	Purchase Order – Furniture for Culp Center renovation project	\$367,090	Yes	N/A
4/10/19	4/9/19	4/8/24	Nor-Well Companies Inc	SBC approved project for HVAC upgrades phase 1	\$1,427,410	Yes	N/A
5/10/19	5/8/19	4/30/20	Nor-Well Companies Inc	SBC approved project for Clinical Ed Bldg HVAC	\$1,278,000	Yes	N/A
5/24/19	5/21/19	4/30/24	SB White Co	SBC approved project for Nave Center HVAC upgrade	\$675,500	Yes	N/A
5/3/19	5/1/19	4/30/24	Preston Construction	SBC approved project for Buc Ridge P&Q HVAC	\$392,700	Yes	N/A
6/24/19	7/1/19	6/30/24	Williams and Fudge	Past due accounts receivable collections	\$1,125,000 over 5 years	Yes	N/A
6/24/19	7/1/19	6/30/24	Coast Professional	Past due accounts receivable collections	\$1,125,000 over 5 years	Yes	N/A
6/25/16	6/18/19	6/30/21	Summers Taylor Inc	SBC approved project for campus- wide paving	\$254,618	Yes	N/A

Since 6/30/2019, no other noteworthy RFPs have been awarded, are in process or upcoming at this time.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 20, 2019

ITEM: Capital Projects and Facilities Update

PRESENTED BY: Mr. Jeremy Ross
Chief Operating Officer

The presentation provides an update on select administrative projects including capital construction, planning, and campus safety.

CAPITAL OUTLAY REQUEST
FY 2020-21 thru 2024-25

							A	B	C = B / A	D = A - B	
FY	Priority	SPA	Project Name	Project Description**	Project Type	New Square Footage	Reno. Or Replaced SF	Project Cost	Committed External Funds	Percent Match	State Funds Request
2020-21	1	ETSU	Humanities Building	ETSU will construct a new Humanities Building in the campus core adjacent to the Quad and the renovated Culp Student Center, and selectively renovate areas in Rogers-Stout and Burleson Halls. The existing Campus Center Building will be demolished and the ETSU will construct a new Humanities Building in the campus core adjacent to the Quad and the renovated Culp Student Center, and selectively renovate areas in Rogers-Stout and Burleson Halls. The existing Campus Center Building (CCB) will be demolished and the Humanities Building constructed on the same site. The new Humanities Building will provide space for flexible classrooms, instructional labs, offices, and other spaces as outlined in the Academic Facilities Master Plan. Rogers-Stout Hall will be renovated to provide modern instructional and research space for the social sciences. The renovated Burleson Hall will consist primarily of office spaces to accommodate those moving from CCB. The work will be phased with demolition and new construction completed prior to the backfill renovations.	New Construction	110,000	95,000	\$71,800,000	\$9,513,500	13%	\$62,286,500

** Provide a duplicate of the Project Description from the DB70 sheet. Additional brief summary comments may be added for support justification.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 20, 2019

ITEM: Profiles and Trends in Human Resources

PRESENTED BY: Lori Erickson
Assistant Vice President for Human Resources

Assistant Vice President for Human Resources, Lori Erickson, will present information about the office of Human Resources and trends and profiles of the university's employment data. The presentation will present current staffing level by budget profile, employee category, years of services and also include a breakdown of demographic characteristics. Additional data will be presented that includes information about the deployment of the university's workforce and will conclude with a summary of strategic priorities for the Division of Human Resources in the 2019-2020 academic year.

ETSU HR Trends and Profile

Lori Erickson
Assistant Vice President
Human Resources
September 2019



Overview

- Trend size and type of Workforce
- Salary information
- Employee Satisfaction
 - Years of Service
 - Turnover Rate
 - Great Colleges Survey
- Next Steps



Employees by Category

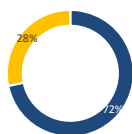
ETSU Workforce Full-Time Employees

EEO Category	2015	2016	2017	2018	2019	1Yr % Change	5Yr % Change
Total	2,250	2,281	2,291	2,304	2,382	3.4%	5.9%
Clerical and Secretarial	368	374	378	380	380	0.0%	3.3%
Executive/Admin & Managerial	52	53	52	51	50	-2.0%	-3.8%
Faculty	819	828	819	834	875	4.9%	6.8%
Professional Staff	689	709	736	719	752	4.6%	9.1%
Service/Maintenance	197	195	192	187	194	3.7%	-1.5%
Skilled Crafts	54	52	52	55	53	-3.6%	-1.9%
Technical and Paraprofessional	71	70	82	78	78	0.0%	9.9%



Instructional Faculty

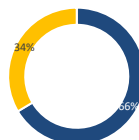
Percent of Tenured/Tenure-Track Faculty 2015



■ Tenured/Tenure-Track ■ Not on Tenure-Track

ETSU is maintaining a robust Tenured/Tenure-track Faculty because it is better for students

Percent of Tenured/Tenure-Track Faculty 2019



■ Tenured/Tenure-Track ■ Not on Tenure-Track

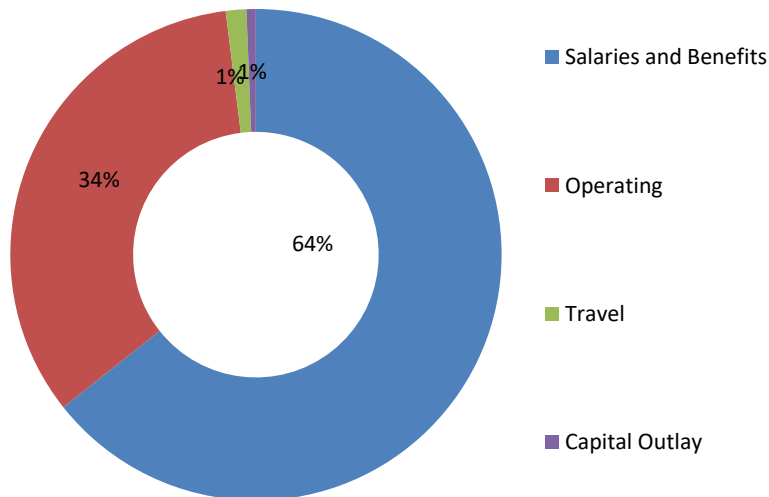


Overview

- ETSU Full-Time Faculty provide
 - 66% of all instructional hours
 - 61% of all lower division instructional hours
 - Average at LGI institutions (58.5%)
 - Average at TBR institutions (57.8%)
- ETSU sometimes relies on adjuncts because of our diversity of academic programs
 - Experience in the field is an important component of education and the more programmatic diversity present within an institution the higher the number of adjuncts required to deliver that component of instruction



Expenditure by Budget Category



Peer Faculty Salary Comps

Institution	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	% Change
University of North Carolina at Charlotte	77,058	75,033	76,410	78,939	82,641	86,998	12.9%
Oakland University	75,384	76,338	79,281	80,667	81,309	82,981	10.1%
Wright State University-Main Campus	94,932	75,492	76,932	79,074	80,620	82,774	-12.8%
Florida Atlantic University	70,425	71,658	76,005	76,014	82,710	81,628	15.9%
Central Michigan University	73,728	77,427	75,951	76,158	78,943	81,505	10.5%
University of Missouri-Kansas City	73,476	74,745	76,329	77,409	80,268	80,523	9.6%
East Carolina University	70,308	71,775	71,685	72,072	77,246	78,705	11.9%
University of North Carolina at Greensboro	71,649	71,334	72,522	73,350	76,029	77,287	7.9%
Old Dominion University	70,677	78,561	77,004	80,667	80,137	75,201	6.4%
Texas Woman's University	66,348	67,599	72,765	73,872	73,826	74,987	13.0%
University of Northern Colorado	64,890	67,383	68,310	68,616	70,555	69,993	7.9%
Southern Illinois University-Edwardsville	69,174	70,731	70,794	70,236	68,941	69,671	0.7%
University of Arkansas at Little Rock	65,565	67,320	70,929	67,599	69,714	68,211	4.0%
Sam Houston State University	62,163	65,844	66,042	66,690	68,646	68,197	9.7%
Ball State University	64,350	65,745	67,086	67,770	65,991	67,652	5.1%
Indiana State University	62,334	63,639	63,513	63,774	64,907	67,426	8.2%
University of South Alabama	63,189	64,908	64,755	64,611	65,565	65,168	3.1%
East Tennessee State University	58,977	60,399	60,084	61,515	62,288	64,595	9.5%
Marshall University	61,146	61,803	64,053	63,108	64,314	64,482	5.5%
Georgia Southern University	55,566	55,953	57,618	58,941	60,505	61,948	11.5%
Peer Average	69,072	69,647	70,947	71,556	73,309	73,965	7.4%
Peer Median	69,174	70,731	71,685	72,072	73,826	74,987	8.2%



Peer Staff Salary Comps

Institution	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	% Change
Oakland University	54,560	55,483	56,750	58,327	62,326	63,312	13.8%
Florida Atlantic University	54,910	57,502	57,974	59,565	61,674	62,459	12.1%
Wright State University-Main Campus	51,313	56,378	58,803	60,125	61,080	59,431	13.7%
University of North Carolina at Charlotte	51,756	51,882	53,229	55,027	58,160	59,367	12.8%
University of North Carolina at Greensboro	52,054	52,461	53,197	53,516	55,605	57,457	9.4%
Old Dominion University	50,995	53,400	53,177	54,584	55,591	57,164	10.8%
Central Michigan University	49,258	52,655	50,242	51,182	55,317	55,188	10.7%
University of Missouri-Kansas City	49,051	51,201	51,357	52,604	53,760	54,151	9.4%
East Carolina University	48,102	48,718	49,889	50,812	52,909	54,118	11.1%
Sam Houston State University	48,217	49,327	50,427	51,880	53,520	53,877	10.5%
University of Northern Colorado	45,718	47,994	49,499	51,161	52,193	53,629	14.8%
Ball State University	49,596	49,967	50,834	51,034	51,367	52,629	5.8%
Texas Woman's University	43,324	43,909	46,821	48,266	49,112	50,949	15.0%
University of South Alabama	43,699	45,270	45,436	46,781	49,088	50,474	13.4%
Southern Illinois University-Edwardsville	46,232	47,308	47,484	48,440	48,272	49,154	5.9%
Indiana State University	43,800	44,897	46,205	47,458	48,411	48,884	10.4%
Marshall University	44,341	44,267	46,172	45,909	46,170	47,117	5.9%
University of Arkansas at Little Rock	44,106	45,823	46,352	45,921	45,085	46,366	4.9%
Georgia Southern University	40,919	42,169	43,027	44,279	45,444	45,702	10.5%
East Tennessee State University	38,647	39,947	39,947	41,121	42,833	44,245	12.7%
Peer Average	47,997	49,506	50,362	51,414	52,899	53,759	10.7%
Peer Median	48,217	49,327	50,242	51,161	52,909	53,877	10.5%



Turnover Rate

- Historically Turnover Rate - 7.6%
- Current Year

Employee Type	Rate	Retirement
Faculty	7.7%	1.6%
Admin	13.3%	2.9%
Exempt	10.3%	2.7%
Non-Exempt	13.8%	3.7%
Overall	11.3%	



Longevity

EEO Category	Average Years of Service
Clerical and Secretarial	10.28
Executive/Admin and Managerial	16.01
Faculty	10.95
Other Professionals	9.89
Service/Maintenance	9.01
Skilled Crafts	16.33
Technical and Paraprofessional	9.06
Overall	10.52



Institutional Climate

GCTWF Results 2014 to 2019							
Question Category	2014	2015	2016	2017	2018	2019	Delta
Job Satisfaction/Support	62	68	68	72	76	72	10
Teaching Environment	59	62	60	64	68	67	8
Professional Development	64	67	71	75	75	69	5
Comp,Benefit & Work/Life	59	65	65	70	69	68	9
Facilities	74	65	72	70	71	70	-4
Policies, Resources & Efficiency	51	57	59	62	63	61	10
Shared Governance	47	56	54	61	63	60	13
Pride	63	68	68	75	76	73	10
Supervisors/Department Chairs	64	73	73	73	74	76	12
Senior Leadership	48	52	50	61	60	57	9
Fac, Admin & Staff Relations	50	54	52	62	60	59	9
Communication	47	58	53	63	61	58	11
Collaboration	49	57	56	62	65	61	12
Fairness	51	57	60	63	64	65	14
Respect and Appreciation	58	57	58	64	64	65	7
Overall Average	56	61	61	66	67	65	9
Carnegie Benchmark	68	69	68	68	67	68	0

Overall positive change and percent of total



HR Next Steps

- Human Resources Strategic Plan
 - Providing better service from hiring to benefits
 - Professional Development/Training
- Compensation Consultant
- Implementation of Business Partner Model
 - Recruitment



EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 20, 2019

ITEM: Foundation Overview

COMMITTEE: Finance and Administration Committee

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

The presentation provides an overview of the ETSU Foundation including changes in investment managers, investment performance, expenditures and transfers to the University, and the recently launched comprehensive campaign.



ETSU Foundation Overview

ETSUBT Finance Committee
September 2019

Foundation Investment Committee

- Changed investment managers Fall 2017
 - RFP process
 - Changed to active management by investment firm
 - Choose two firms and split investments between the two
- Spring 2019 - Transitioned to one company based on investment returns and investment expenses
- Investment Committee meeting with Financial Managers quarterly
- Latest meeting - 7/31/19



Investment Pool Asset Class Ranges

Asset Class	Minimum	Maximum
Investment Grade Fixed Income	10.00%	30.00%
Other Fixed Income	2.50%	15.00%
US Equity	25.00%	55.00%
Non-US Equity	10.00%	30.00%
Hedge Fund	0.00%	12.50%
Tactical Tilts	0.00%	10.00%

Source: Investment Policy Statement June 2019



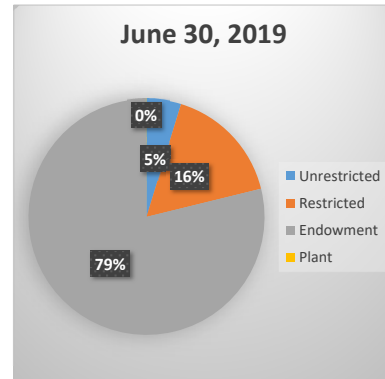
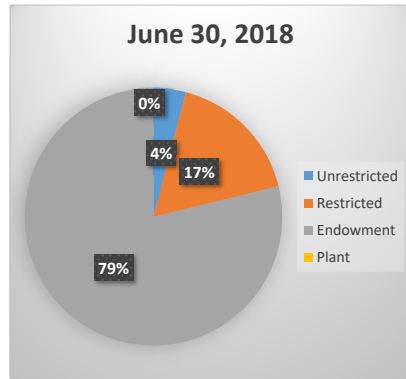
Portfolio Held by Goldman Sachs at 6/30/19

Asset Class	Value	Percent	QTD Perf	6 Mo Perf
Deposits and Money Market	\$ 520,754	0.5%	0.58%	1.17%
Investment Grade Fixed Income	25,014,421	26.1%	2.61%	5.18%
Other Fixed Income	8,615,606	9.0%	2.34%	9.71%
US Equity	34,141,131	35.6%	4.79%	18.62%
Non-US Equity	19,068,598	19.9%	3.08%	14.12%
Hedge Funds	5,742,412	6.0%	2.41%	5.87%
Asset Allocation Investments	2,822,098	2.9%	0.41%	5.37%
Total Invested	\$95,925,020	100.0%	3.23%	11.74%
Benchmark Performance -				
MACI All Country World ex US TR Index			3.22%	13.99%
S&P 500 TR Index			4.30%	18.54%
Barclays Capital US Inter Gov/Credit TR			2.59%	4.97%

Source: Goldman Sachs 2nd Quarter Portfolio Review



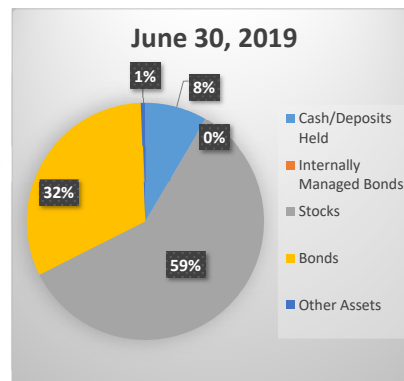
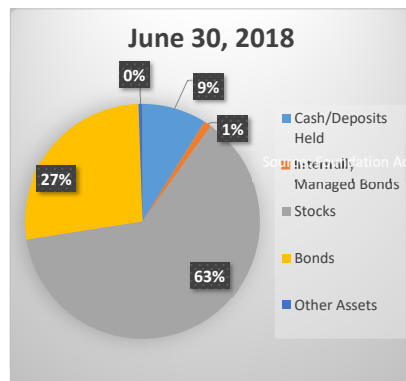
Total Assets by Fund Type



Source: Foundation Accounting



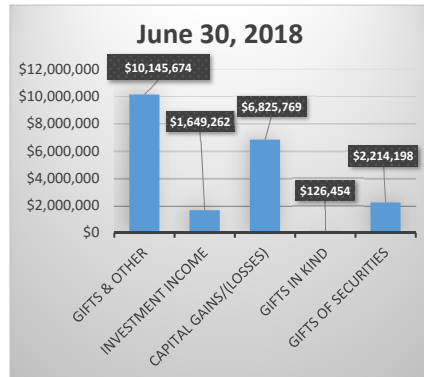
Asset by Classification



Source: Foundation Accounting



FY Income Comparison



Source: Foundation Accounting



Earnings Required for Distribution

- Foundation Board approved a 2/3/4 earnings distribution for FY19 and FY20
- Each Endowment operating fund receives a % of average fair value for 3 previous calendar years based on each fund reserve balance (available years for funds less than 3 years old)
- In first year, all earnings go to the fund reserve, no expenditures

Reserve Balance as % of Avg Fair Value	Spending Rate
6.0% and above	4%
3.0% - 5.99%	3%
0.0% - 2.99%	2%

Source: Investment Policy Statement June 2019



Earnings Required for Distribution

- Per policy, requires investment income and realized gains for distribution
- If the market does not allow for required investment income and realized gains to fund the distribution, each endowment reserve is used to the amount available.
- FY19 required distribution was \$2.8M to the Endowment and \$876,000 to the Unrestricted fund, total \$3.7M
- FY20 distribution will be \$2.9M to the Endowment and \$900,000 for the Unrestricted fund, total \$3.8M

Source: Investment Policy Statement June 2019/Foundation Accounting



FY19 Transfers to and Payments on Behalf of ETSU

- Transfers for capital included –
 - \$604k for Football Capital
 - \$87k for Arts Initiative Capital
 - \$200K for Lamb Hall renovation
- Funds in excess of \$3M distributed for scholarship awards
- Funds in excess of \$6M spent for departmental needs

Source: Foundation Accounting



Foundation Comprehensive Campaign

- Goal – \$120M
- Pledged or received to date - \$53.6M
- Input from all colleges and administrative units.
- Focused on
 - Student opportunities for research, study abroad, scholarships and internships
 - Faculty development for instruction and research
 - Facilities improvements for classrooms and labs
- Timeline – 5 year campaign with 3 years remaining. First 18 months were silent.

Source: University Advancement

