



Board of Trustees Meeting Audit & Business Committee

December 11, 2017

Bell Hall 260

MINUTES

AGENDA ITEM 1—CALL TO ORDER

The Tennessee Tech Board of Trustees Audit & Business Committee met on December 11, 2017, in Bell Hall 260. Chair Teresa Vanhooser called the meeting to order at 08:36 a.m.

Chair Vanhooser asked Ms. Kae Carpenter, Secretary, to call the roll. The following members were present:

- Millard Oakley
- Purna Saggurti participated by phone and confirmed that he could simultaneously hear and speak to the Board members, that he was the only person present in the location from which he was calling, and that he received the Board materials in advance of the meeting.
- Teresa Vanhooser

Other board members and members of the public were also in attendance.

AGENDA ITEM 2—Approval of Minutes of August 17, 2017

Chair Vanhooser asked for approval of the minutes of the August 17, 2017 Audit & Business Committee meeting. Chair Vanhooser asked if there were questions or comments regarding the minutes. There being none, Mr. Oakley moved to recommend approval of the August 17, 2017 Audit & Business Committee minutes. Mr. Saggurti seconded the motion. Chair Vanhooser announced there would be a roll call vote due to Mr. Saggurti not being physically present. Ms. Carpenter took a roll call vote. The motion carried unanimously.

AGENDA ITEM 3—THEC Presentation of Funding Formula

Chair Vanhooser advised this item was an information only item and the presenters would be Mike Krause and Steven Gentile from THEC.

Mr. Gentile began with a quick review that they have been working with an outcomes based formula since 2011-12 which contain nine outcomes for universities. He also stated that Tennessee Tech did better than any other LGI this year in the formula. Mr. Gentile proceeded to review the presentation material that was provided in the Board materials. The outcomes are listed as follows: Progression metrics (students accumulating 30 hours, 60 hours and 90 hours), Drive to 55(Bachelor and Associate degrees), Masters/Ed specialist degrees, Doctoral/Law degrees, and Research service programs. The last two metrics are efficiency which included degrees per 100 FTE and six-year graduation rate.

Mr. Gentile indicated that the formula also recognized different universities have different missions and the weights are applied to each outcome that is aligned with priorities of each university. The weights are reviewed every five years.

Mr. Tom Jones asked if the university wins multiple years in a row due to weighting structure and weighting is only revisited every five years are you doomed when they readjust the weights next time. Mr. Gentile advised that when weights are changed they do it in a net neutral fashion so it doesn't hurt at the initial change. Mr. Krause added THEC does weights by sector but the university weights are under Tennessee Tech's control.

Mr. Stites asked if job placement after graduation should be considered as a metric. Mr. Gentile responded that there are a lot of options to consider. For example an undergraduate may proceed to get a masters and not enter the workforce immediately or a masters graduate may move on to obtain a doctorate. This factor is revisited each time and they are trying to find a way to reward without punishing the school if a student moves on to obtain another degree versus entering the work force. Mr. Stites added that the Drive to 55 was an effort to increase the available workforce and quality. He stated to not include this in the metrics would be a major miscalculation.

President Oldham stated that if you look at the metrics laid out in the flight plan a few years ago you will see a significant amount of overlap and these metrics align with our institutional mission. Where these align is where you get the real benefit

AGENDA ITEM 4—Approval of 2017-18 October Revised Budget/Organizational Chart

Chair Vanhooser asked Dr. Claire Stinson to the podium for the review and recommendation of the next agenda item 2017-18 October revised budget and organizational chart.

Dr. Stinson advised that the October budget incorporated fall 2017 enrollment. Dr. Stinson reviewed the presentation that had been provided in the Board materials. Dr. Stinson stated changes in the budget included investing in marketing. This October budget included one-time money close to \$700,000 for billboards, radio and television advertising. This item is a priority for future permanent funding. The second investment is a three year investment in faculty positions that are geared toward technology. The first year will be 2018-19 with two tenure track and one lecturer for Computer Science and one lecturer position in Decision Science. The second year 2018-19 advertising for 2019-20 positions include one lecturer for Decision Science, Computer Science one tenure track plus one lecturer and one tenure track for College of Education. The last year 2019-20 budget with 2020-21 implementation included one lecturer for Computer Science and one tenure track for Decision Science.

Chair Vanhooser-asked where this idea had been generated and how the need came about. Dr. Stinson indicated this was part of a discussion President Oldham had with department chairs and Deans on how to move forward with STEM and especially computer science programs. President Oldham added that jobs are being generated and there is a growing demand for IT professionals within the local area. Data about future job opportunities and economic outlook for the State of Tennessee identified IT as a major area of investment that was needed along with the Tennessee Tech mission as an institution in STEM related disciplines.

Dr. Geist asked if there were any kind of trigger if the students do not come and then there were extra faculty, if a trigger would cause it to not move forward. President Oldham indicated the investment would be measured over a four-year period and there would be an opportunity to gauge progress at any point. President Oldham further explained that the risk element is mitigated by already seeing a significant increase in enrollments in these disciplines. Dr. Stinson commented that part of the tenure and lecture choices were also risk mitigation if the enrollment didn't occur or if the students here transfer over into one of these programs, there is flexibility.

Dr. Geist asked if these positions, with the current budget formula units paying 33 percent of new positions under the same guideline as well as the new budget formula that new positions are expected to be supported by the student credit hours generated before they are awarded. Dr. Stinson advised that when the budget model was put together, an investment pool of 18% was included because it was known there would be a time when investments were needed before the program could start.

Dr. Stinson continued her presentation of the E & G Budget Summary that was provided in the Board materials. Dr. Stinson indicated that the October budget did include a non-mandatory transfer back into funding to support the one-time funding we have for marketing and one time funding for faculty positions and increased costs associated with retirement. The state appropriation increase of \$1,581,000 had two components with \$1,000,000 in recognition of

the cost increase of the TCRS legacy plan and \$500,000 received for Carnegie classification. Two major contracts were lost with TBR related to their marketing campaign for e-campus. Dr. Stinson also indicated some money was put forward to support the new strategic plan along with purchase of software within institutional support.

Mr. Saggurti asked for more information on why the contract was lost. Dr. Stinson explained that as a result of separation from TBR, TBR had decreased their marketing campaign and are trying to resize due to e-campus reduction. Mr. Saggurti then asked if any advance notice was given. Dr. Stinson stated per the terms of the contract, we received a 60-day notification. The costs association with this did not have the kind of impact on the budget that a drop in enrollment would have.

Dr. Stinson added that a transfer of over \$1 million was made in order to meet the 2-5% reserve.

Chair Vanhooser asked for a recommendation that this agenda item be presented to the Board. Mr. Saggurti motioned that this item be moved to the Board's agenda. Mr. Oakley seconded. At the request of Chair Vanhooser, Ms. Carpenter took a roll call vote. The motion carried unanimously.

AGENDA ITEM 5—Approval of Severance of Procurement/Capital Projects

Chair Vanhooser asked Dr. Stinson to come to the podium for the review and recommendation of the next agenda item regarding the severance of procurement and capital projects.

Dr. Stinson explained that as part of the FOCUS Act universities were allowed to propose to THEC to sever from TBR in three areas to be effective no earlier than 12/1/2017. At this time Tennessee Tech is proposing severance of procurement to be retroactive to 12/1/2017 and for capital project management to be effective 7/1/2018. Tennessee Tech is currently developing policies and procedures in accordance with State Building Commission, State Architect and THEC requirements.

Dr. Stinson reviewed the presentation that had been provided in the Board materials. Dr. Stinson stated that our changes to policy and procedures that were different than TBR's. TBR's is \$10,000 and under no bid required and Tennessee Tech is proposing no bid required for \$25,000 and under. In the \$10,000-50,000 range, TBR requires three informal bids and we proposed \$25,000-\$50,000 with three informal bids. Contracts over \$50,000 require bids to 15 vendors under TBR and Tennessee Tech proposed \$100,000 or more to have bids to 15 vendors.

Mr. Saggurti expressed concern about being independent but lowering the threshold of materiality and not exposing ourselves to random decisions. Dr. Stinson replied by stating

several conversations were held and internal control processes had been put in place. Dr. Stinson also advised that we had a system that allows Tennessee Tech to do audits on any purchases that are occurring and that Internal Audit also conducts surprise audits.

Chair Jones asked what percent of the budget is under \$10,000 and Dr. Stinson advised about 7% of dollars spent were under \$10,000.

Chair Vanhooser asked for a motion to send the severance of procurement and capital projects for approval and to be placed on the regular Board agenda. Mr. Saggurti made the motion. Mr. Oakley seconded the motion. At the request of Chair Vanhooser, Ms. Carpenter took a roll call vote and the motion passed unanimously.

AGENDA ITEM 6—Planning and Finance Policies

Dr. Stinson presented Policy 570-Contracts and Agreements. This policy establishes how Tennessee Tech does contracts and agreements and also establishes the board will get a report on a quarterly basis of any contracts that exceed \$250,000.

Dr. Stinson presented Policy 571-Methods and Processes of Procurement. This policy establishes methods and processes for procurement. This policy also establishes that employees of Tennessee Tech comply with the procurement manual and any purchasing that cannot be done without further approval by the Board of Trustees, THEC, Fiscal Review or State Architect for capital projects.

Dr. Stinson presented Policy 563.1- Expenditures on Tennessee Tech-owned Property-Walton House. This policy establishes operational guidelines for expenditures of Walton House and recognizes it is the home that Tennessee Tech provides for the President. This policy states what expenditures the university will pay and what expenditures are of personal nature for the living quarters of the President.

Mr. Oakley moved to recommend the approval of these policies and send this agenda item to the Board- consent agenda. Mr. Saggurti seconded the motion. At the request of Chair Vanhooser, Ms. Carpenter took a roll call vote. The motion carried unanimously.

AGENDA ITEM 7—Disclosed Food Services Project

Chair Vanhooser asked Dr. Stinson to return to the podium for the review and recommendation of the agenda item regarding Disclosed Food Services Project.

Dr. Stinson advised that Tennessee Tech recently bid and awarded a new food services contract to the same vendor as in the past. As part of the contract, the vendor will do some upgrading and renovations and add some food options for the students. As part of that process, Tennessee Tech must disclose renovation projects to THEC and to SBC.

Mr. Oakley moved that this agenda item be moved to the Board's regular agenda. Mr. Saggurti seconded the motion. At the request of Chair Vanhooser, Ms. Carpenter took a roll call vote. The motion carried unanimously.

AGENDA ITEM 8—Technology Access Fee (TAF) Proposed/Actual Spending Plan

Chair Vanhooser asked Dr. Stinson to present this agenda item.

Dr. Stinson advised this was for review and two reports were provided regarding how the funds had been spent last year and proposed spending going forward. Dr. Stinson stated TAF was a student fee that had already been approved that students pay.

Chair Jones asked why there was a part one and two and how it was broken out. Dr. Stinson stated part one was very early dollars that were approved in early 90's and had very few limitations on how it could be spent. Part 2 significantly increased the dollars that the students paid and it had more restrictive ways that the funds could be used. Dr. Stinson further explained that the funds were separated to ensure compliance of what the students were told the funds would be used for. Chair Jones asked if these fees were already previously approved. Dr. Stinson advised yes they were and had been in place and at same dollar level for about eight years.

Dr. Geist asked if part one fees were not subject to the same approvals on campus through the committee as part 2 or were all fees subject to that approval. Dr. Stinson confirmed all were subject to that approval and continued to explain that there is more flexibility and the types of things that could be approved for part one compared to part 2.

AGENDA ITEM 9—Adjournment of Open Session & Call to Order of Closed Session

There being no further business, the meeting adjourned at 10:03 a.m. After a short break, the Non-Public Executive Session began at 10:06 a.m. All Tennessee Tech Board Trustees were present with the exception of Mr. Purna Saggurti, who participated by phone.

The following were also present for the meeting:

- President Philip Oldham
- Ms. Kae Carpenter, Board Secretary
- Ms. Deanna Metts, Director of Internal Audit
- Dr. Claire Stinson, Vice President for Planning and Finance
- Ms. Janice Scarlett, Internal Audit Administrative Associate
- Darla Wilhite, Director of Auxiliaries
- Greg Holt, Compliance Officer

AGENDA ITEM 10—Adjournment

There being no further business, the Executive Closed Session adjourned at 10:50 a.m.

Approved,

Teresa Vanhooser, Chair



Agenda Item Summary

Date: March 22, 2018

Division: Planning and Finance

Agenda Item: Policy 580 – Capital Projects Management

Review **Action** **No action required**

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

The purpose of this policy is to establish a policy for Tennessee Tech capital projects management and facilities administration that ensures compliance with requirements, policies, and procedures of the Tennessee Higher Education Commission (THEC) and the State Building Commission of Tennessee (SBC).

Tennessee Technological University
Policy No. 580



Effective Date: July 1, 2018

Policy No: 580

Policy Name: Capital Projects Management

Policy Subject: Project Management and Facilities Administration

Date Revised:

I. Purpose

The purpose of this policy is to establish a policy for Tennessee Tech capital projects management and facilities administration that ensures compliance with requirements, policies, and procedures of the Tennessee Higher Education Commission (THEC) and the State Building Commission of Tennessee (SBC).

II. Review

This policy will be reviewed every three years or whenever circumstances require review, whichever is earlier, by the Director of Capital Projects in consultation with the Vice President for Planning and Finance, with recommendation for revision presented to the Administrative Council and University Assembly. Revisions related to the Board's authority must be approved by the Board of Trustees.

III. Scope

This policy and related procedures apply to all capital and real estate transactions and capital projects management. This policy does not apply to locally funded, in-house projects that are less than \$100,000 and exempt from SBC jurisdiction.

IV. Definitions

- A.** "Capital Grant" is an agreement whereby the State agrees to provide funds to Tennessee Tech in order to fulfill an appropriation set forth in an annual Appropriations Bill or Bond Bill passed by the Legislature for capital outlay or capital maintenance.
- B.** "Capital Improvement", regardless of Total Project Cost and funding source (public or private funds or both), is a project on Tennessee Tech property that involves:
 - 1.** The construction or erection of new buildings or Structures, including prefabricated and modular buildings and Structures that are or will be attached to a permanent foundation;
 - 2.** The demolition of a building or structure;
 - 3.** Renovation, which means, pursuant to T.C.A. § 4-15-107 the change in the functional use or operation of space in existing buildings or structures on

Tennessee Tech property such that its occupancy changes for building code, insurance, funding, or bond purposes; or

4. A project funded in an Appropriations Bill or Bond Bill passed by the Legislature with outlay dollars, or a project funded with residual funds.
- C. “Capital Maintenance” is:
1. Work meeting the definition of Major Maintenance, which means, pursuant to T.C.A. § 4-15-107, the repair or renovation of any building or Structure or any portion thereof on Tennessee Tech property that is being funded by direct appropriations for “major maintenance” or that is estimated to have a Total Project Cost in excess of \$100,000.
 2. Maintenance or construction in a single building or structure, within a six (6) month period or less, and having a Total Project Cost, taking into account all contracts pursuant to which the work was performed, in excess of \$100,000 funded by sources other than capital appropriations. Normal, routine, everyday maintenance is exempt from this requirement. Guidelines for definition of normal, routine, everyday maintenance are available on the Capital Projects Administration website, www.tntech.edu/capitalprojects.
 3. A project funded in an Appropriations Bill or Bond Bill passed by the Legislature with maintenance dollars, or a project funded with residual funds.
- D. “Capital Project” is any project that is a Capital Improvement or Capital Maintenance, whether overseen by Tennessee Tech or performed as a gift in place. Capital Project work will not be split into separate projects to avoid any thresholds.
- E. Disclosed project requests may be submitted to THEC as needed on a quarterly calendar except projects funded by TSSBA funds, which can only be disclosed during the annual process. Disclosed projects are Capital Projects as identified in IV.D. that are not funded by the State. Typical funding sources for disclosed projects are:
1. Tennessee State School Bond Authority (TSSBA) financing (bonds or commercial paper);
 2. Auxiliary plant funds from bookstore, food service, parking, health care, athletics, etc.
 3. Non-auxiliary plant funds from appropriations and tuition allotted for improvement projects;
 4. Land sale proceeds, applies only to work normally eligible for capital outlay funding;

5. Access fees from parking and technology;
 6. Student fees;
 7. Gifts, donations, bequests, and foundations;
 8. Local funds from city or county participation; and
 9. Federal funds from grants and matches
- F.** “Head of the Higher Education Institution” is the President of Tennessee Tech University.
- G.** “Head of the SPA” means, as to Tennessee Tech University (TTU), the TTU Vice President for Planning and Finance (VPPF).
- H.** “Higher Education Donated Property” means the fee, easement, remainder and reversionary interests in real property acquired by Tennessee Tech University by gift or devise.
- I.** “Higher Education Foundation” means the Tennessee Tech Foundation.
- J.** “Higher Education Institution” means Tennessee Technological University.
- K.** “Highway Project” means (i) a demolition of a building or structure acquired by the Department of Transportation for Highway Right-of Way; or (ii) design and/or construction of roads or bridges by the Department of Transportation in accordance with T.C.A. § 54-5-101 et seq.
- L.** “Highway Right-of-Way” means land acquired by the Department of Transportation for use in connection with roads and bridges constructed by the Department of Transportation in accordance with T.C.A. § 54-5-101 et seq.
- M.** “Interest” means an interest in real property such as a fee interest, leasehold interest (excluding work by a landlord pursuant to a lease approved by the SBC) or easement interest.
- N.** “Land Acquisition” means the acquisition of a fee, easement, or remainder interest in real property by Tennessee Tech University, except when the real property is in the Highway Right-of-Way.
- For clarification purposes, it is the express intent of the SBC that no Land Acquisition be split into separate transactions to avoid any thresholds.
- O.** “Land Disposal” means the disposal of an Interest in State Property, including an interest or right in minerals, coal, natural gas, oil, timber and any other energy related resources, by any agency, department, or institution of State government,

except for disposals by the Department of Transportation that do not need to be approved by the Commission pursuant to T.C.A. § 12-2-112(a) (8).

- P. “Land Transactions” means Land Acquisitions and Land Disposals.
- Q. “Major Maintenance” means, pursuant to T.C.A. § 4-15-107, the repair or renovation of any building or Structure or any portion thereof on State Property that is being funded by direct appropriations for “major maintenance” or that is estimated to have a Total Project Cost in excess of \$100,000.
- R. “On a Quarterly Basis” means no later than the twenty fifth (25th) day of each January, April, July, and October.
- S. “Renovation” means, pursuant to T.C.A. § 4-15-107 the change in the functional use or operation of space in existing buildings or structures on State Property such that its occupancy changes for building code, insurance, funding, or bond purposes.
- T. “State” means, the State of Tennessee and all of its agencies, departments, institutions or boards.
- U. “State Procurement Agency” or “SPA” means, as to Tennessee Tech University, Planning and Finance.
- V. “State Property” means property in which the State of Tennessee or any of its departments, institutions, or agencies has an Interest.
- W. “STREAM” means the State of Tennessee Real Estate Asset Management division of the Department of General Services.
- X. “Structure” means any monument or construction attached to State Property having health, safety, and welfare regulatory considerations; requiring State Fire Marshal approval; or designed to accommodate eight or more people.
- Y. “THEC” means the Tennessee Higher Education Commission.
- Z. “THC” means the Tennessee Historical Commission.
- AA. “Total Project Cost” means the total cost of a project including, construction cost, design cost, furniture and moveable equipment, contingency, and all other hard and soft costs associated with the completion of the project. The following are not included in the “Total Project Cost”: the costs of monthly utilities; recurring, every day and routine maintenance of existing buildings, systems and grounds; telephones/network installations and relocations, except those included in the Capital Project; custodial services; and personnel and operating costs associated with the aforementioned items.

V. Policy

- A. The goal of the capital projects program is to develop and maintain physical facilities to help Tennessee Tech fulfill its mission and, in accordance with the

Public Agenda for Higher Education, increase the number of Tennesseans with a postsecondary credential.

- B.** Capital budget request for state appropriations will be submitted by the Director of Capital Projects annually as directed by THEC. Submissions will be prepared as directed by THEC's Instructions for Preparation of Capital Outlay, Maintenance, and Disclosure Funding Requests.

C. Items Requiring Approval of the SBC

- 1.** Design and Construction Projects. The SBC has authority to approve and supervise in accordance with statutes and policies the following two categories:
 - a.** All capital projects and other matters prescribed below.
 - i.** The authority of the SBC with respect to Capital Projects includes authority:
 - a.** To proscribe standards and promulgate rules and regulations for the construction of Tennessee Tech buildings and the procedure to be followed with respect thereto;
 - b.** To approve designer, consultant, and contractor selections; delivery methods; project budget allocations; project funding; project descriptions; high performing building and sustainability criteria; and other standards;
 - c.** Over all advertisements and awards of contracts for (i) the construction, erection and demolition, and to furnish, install or provide goods or materials that are incidental to Capital Projects; and (ii) for professional design, surveying, or planning services. Specifically included herein are contracts for master planning and for consulting services provided by architects, engineers and other specialty consultants; and
 - d.** Pursuant to T.C.A § 4-15-102(c) (2), to waive any rule, regulation, specification or policy regarding the manufacturer of the material to be utilized in a Capital Project so long as Tennessee Tech receives an equivalent warranty or guarantee from the requesting manufacturer and evidence that such manufacturer is financially capable of performing such warranty or guarantee or for any other reason within the discretion of the SBC.
 - ii.** The SBC shall consider the comments of the Tennessee Historical Commission (THC) prior to approving or disapproving plans for Capital Projects on Tennessee Tech owned real property, buildings or structures that may be of historical, architectural or cultural significance in compliance with T.C.A § 4-11-111(e).
 - iii.** No contract for work associated with a Capital Project shall be awarded until the project has been submitted to and approved by the SBC.

2. Improvements to real property by the Tennessee Tech Foundation where it is the documented intent of the Foundation (as evidenced by meeting minutes or otherwise) to transfer the real property or the operation of the real property to Tennessee Tech and the cost is in excess of \$500,000. Furthermore, no contract for the improvement of TTU Property or the demolition of structures on TTU Property shall be awarded until the project has been submitted to and approved by the SBC.

D. Reporting Requirements for Items under SBC Authority

The TTU Director of Capital Projects shall submit a document indicating the status of all items approved by the SBC, including under the delegated authority of the SBC, in a form approved by the State Architect on a Quarterly Basis. The State Architect shall distribute submitted documents to the offices of the members of the SBC upon receipt and maintain copies in the State Architect's files. The SBC Executive Sub-Committee (ESC) shall acknowledge, in its meetings, the receipt of documents or the failure to provide the documents required to be submitted On a Quarterly Basis. Quarterly reports will include information on the following:

1. Capital Projects.
2. Land Transactions.
3. Acquisition Leases.
4. Disposal Leases.
5. All Real Property.
6. Donated Property.

Additional information for quarterly reports can be found in the SBC policy at <https://www.tn.gov/osa/general-information/policy---procedure.html>

E. SBC DELEGATION OF APPROVAL AUTHORITY

1. Initial Approvals of Capital Projects.
 - a. The authority of the SBC to approve Capital Improvements with a Total Project Cost of less than \$100,000 is delegated to the Head of the SPA so long as all of the following conditions are met:
 - i. If the determination of the THC is required by statute, the THC has determined that the Capital Improvement will not adversely impact a historic structure;
 - ii. The Capital Improvement will not be funded in any part by bond proceeds or residual proceeds from bond funding; and
 - iii. The Capital Improvement is not being provided by the Tennessee Tech Foundation.

If the Capital Improvement is the construction or erection of a new building or structure or for the demolition of a building or structure, the approval is not effective until the Capital Improvement has been reported to the SBC or ESC. No contracts may be fully executed and no work may commence prior to such reporting.

2. Approvals of Revisions to Existing Capital Projects.
 - a. The authority of the SBC to approve the use of a construction delivery method other than design/bid/build for Capital Projects is delegated jointly to the State Architect and the Head of the SPA.
 - b. The authority of the SBC to approve a guaranteed maximum price for a construction manager/general contractor construction contract is delegated jointly to the State Architect and the Head of the SPA so long as funds are available within the existing project funding to fund the guaranteed maximum price and other components of the Capital Project without the need for additional funds.
 - c. The authority of the SBC to approve a construction cost established by a bid that exceeds the previously approved maximum allowable construction cost is delegated jointly to the State Architect and the Head of the SPA so long as funds are available within the existing project funding to fund the bid established construction cost and other components of the Capital Project, including future subprojects, without the need for additional funds.
 - d. Tennessee Tech is responsible for its own emergency preparedness procedures for emergency repairs. Such emergency repairs shall be promptly reported to the SBC members thereafter in accordance with SBC policy.

F. STANDARD FORM OF AGREEMENT BETWEEN OWNER AND DESIGNER

The Standard Form of Agreement between Owner and Designer (SBC-6), Standard Terms and Conditions for Agreements between Owner and Designer (SBC-6a), and Standard Form of Supplement to an Agreement between Owner and Designer (SBC-6s) are available on file with the Office of the State Architect (OSA) and posted on the OSA website (www.tn.gov/osa).

The following sets forth the signature and other requirements for a binding designer agreement:

1. Higher Education Institution Designer Agreements. A designer (architect, engineer, or other licensed professional) agreement must be signed by the designer, the Head of the SPA and the State Architect. The Head of the SPA is signing to document compliance with statutes, policies and contracting procedures. Additionally, the following signatures are required:

- a. Head of the Higher Education Institution.
 - b. Head of the Financial Office of the Higher Education Institution for certification of funding.
 - c. Head of the Legal Office of the Higher Education Institution as to form and legality.
2. All supplements to designer agreements must be approved and executed by the same parties approving and executing the original agreement and any previous supplement(s).

G. CONSULTANT CONTRACTS

The following sets forth the signature and other requirements for a binding consultant agreement:

1. Higher Education Institution Consultant Agreements. An agreement for consulting services must be signed by the designer, the Head of the SPA, and the State Architect. The Head of the SPA is signing to document compliance with statutes, policies and contracting procedures. Additionally, the following signatures are required:
 - a. Head of the Higher Education Institution.
 - b. Head of the Financial Office of the Higher Education Institution for certification of funding.
 - c. Head of the Legal Office of the Higher Education Institution as to form and legality.
2. All amendments to consultant agreements must be approved and executed by the same parties approving and executing the original agreement and any previous amendment(s).

H. Contractor Agreements

The following sets forth the signature and other requirements for a binding contractor agreement:

1. The Head of the SPA reviews the agreement to verify compliance with statutes, policies and procedures, and will sign approval.
2. The Capital Projects Accountant will verify the funding.
3. TTU CPA will forward the agreement to the Contractor for review and signature. The contractor will return the agreement along with the bond forms and Certificate of Insurance.
4. Upon receipt from the contractor, the agreement will be forwarded for signatures of the following:
 - a. Head of the Higher Education Institution.

- b. Head of the Financial Office of the Higher Education Institution for certification of funding.
- c. Head of the Legal Office of the Higher Education Institution as to form and legality.

I. Change Order Requirements

Prior to execution of a change order, the availability of funds shall be certified by the Commissioner of Finance and Administration as required by T.C.A. § 9-4-5113 or, in the case of a Higher Education Institution, by the Head of the Financial Office of the Higher Education Institution.

- 1. The signatures required to execute a contract change order are as follows:
 - a. Contractor
 - b. Designer
 - c. State Architect who may further delegate this signature authority in writing to the Head of the SPA.

V. Interpretation

The Director of Capital Projects has the final authority to interpret the terms of this policy.

VI. Citation of Authority for Policy

State Building Commission of Tennessee (SBC) By-Laws, Policy and Procedures Items 2, 4, 6 and 4; Tennessee Code Annotated 49-8-203 (a) (3); 49-8-203 (c).

Approvals:

Administrative Council: February 21, 2018

University Assembly:

Board of Trustees:



Agenda Item Summary

Date: March 22, 2018

Division: Planning and Finance

Agenda Item: Policy 581 – In-House Construction/Maintenance Projects including Gift-In-Place Projects

Review **Action** **No action required**

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

The purpose of this policy is to ensure that in-house construction/maintenance and gift-in-place projects are in compliance with applicable codes, rules, and State Building Commission (SBC) policy.

**Tennessee Technological University
Policy No. 581**



Effective Date: July 1, 2018

Policy No.: 581

Policy Name: **In-House Construction / Maintenance Projects including Gift-In-Place Projects.**

I. Purpose

The purpose of this policy is to ensure that in-house construction/maintenance and gift-in-place projects are in compliance with applicable codes, rules, and State Building Commission (SBC) policy.

II. Review

This policy will be reviewed every three years or whenever circumstances require review, whichever is earlier, by the Director of Capital Projects in consultation with the Vice President for Planning and Finance, with recommendation for revision presented to the Administrative Council and University Assembly. Revisions related to the Board's authority can only be made by the Board.

III. Scope

The following policy and related procedures shall govern Tennessee Tech's locally-funded construction, renovation, and maintenance projects valued at less than \$100,000, threshold projects (\$100,000-500,000), and gift-in-place projects. Locally-funded, in-house projects that meet the requirements of an SBC project must comply with SBC policy. This policy does not include projects greater than \$500,000 or projects funded with state appropriations.

IV. Policy

- A. The purpose of this policy is to ensure all in-house projects comply with applicable codes. Project reviews are required prior to origination to determine what codes are applicable, the estimated cost of the project, required sealed (completed/stamped by architect or engineer) documents or plans, and what labor force is utilized. Prior to final payment and completion of the project, a review of the project for code compliance, completeness of defined work, workmanship, and expenditures of the total project will be required. The review team includes the user, project manager, contractor(s), and state inspectors as appropriate.

- B. Tennessee Tech has developed the Project Request Form for the initiation of in-house construction/maintenance projects. This form should be completed and submitted to the Capital Projects office when requesting renovation or construction activity. The form is on-line at the Capital Projects website: www.tntech.edu/capitalprojects

1. The initiating department shall complete the Project Request Form. The scope of the work and the desired final product shall be documented.
2. Signatures from the person desiring the work and the department chair shall be executed on the document, along with contact information. If a project cost is greater than \$5,000 the signature of the responsible department's Vice President is required.
3. The completed form shall then be sent to the Director of Capital Projects.
4. Upon receipt in Capital Projects, the initial review takes place for compliance with codes, ADA guidelines, policies, and procedures. If there are any issues with these requirements the request will be returned to the requestor for further review and discussion.
5. Upon completion of the initial review, Capital Projects will route the request to the Associate Vice President of Facilities Services for review and approval, and return the request to Capital Projects.
6. Capital Projects will conduct a final review of the request for appropriate action which may include:
 - a. Approve of the project request and forward to a project manager for initiation of the project estimate.
 - b. Route the request to the Director of Capital Projects for further action in developing the request into a capital project.
 - c. Reject the request for appropriate reasons and return to the originating department with an explanation.
7. A project request will be required for work involving the alteration of exits, fire prevention and sprinkler head changes, accessibility to and egress from building, or other applicable code encroachment.
8. A project request will be required for work involving, but not limited to, renovations and construction projects when total expenditures are less than \$100,000. Receipt of the completed Project Request Form in Capital Projects starts the process.
9. Review of the project request will be made by the Director of Capital Projects, Associate Vice President of Facilities and Business Services, Architect Coordinator, or project manager as appropriate.

10. Each request should have sufficient information describing the type and scope of work required. The appropriate person as listed in B.9 will contact the initiating department to arrange a meeting for on-site review, if necessary.
11. Receipt of the Project Request Form will initiate the detailed review. The review will first determine if the project requires a review by a contracted consultant or review by the State Fire Marshal's Office. Should the project not require these reviews, a Project Manager will be assigned to handle the job in-house.
12. The project estimate shall include the cost of materials, contract labor, any outside consultant costs, required permits, and a construction contingency. Construction contingencies will range from 0 – 15%, determined by the project manager. Construction contingencies for new construction are typically 5%, and renovations are typically 10%. Special circumstances are required for contingencies greater than 10%, and in no case will contingencies exceed 15%.
13. The project estimate will contain all the information in B.12. The project requestor is required to provide the index numbers funding the project. The total amount of the project estimate must be transferred to an account set up specifically for the project before commencement of any work. All signatures as required on the project estimate must be executed.

C. State of Tennessee Requirements for In-House Projects

1. The following State of Tennessee Rules and Regulations may impact the cost and timeliness or completion of any in-house project and will be noted on the project estimate.
 - a. Review and approval by the State Fire Marshal's Office (SFMO) is required for projects which involve a change of occupancy, an alteration of an exit arrangement, fire resistive assemblies, construction type (per code), and the installation of fire suppression or detection systems or fuel-fired equipment. There is no minimum value set for the SFMO required review. The SFMO requirements apply to both owned and leased facilities. Structural analysis may be required on existing buildings.
 - b. Documents sealed by the regional architect/engineer may be required for projects involving modifications or additions to any building system (structural, mechanical, electrical, plumbing, sprinkler, roof) or the project itself requires SFMO approval. Projects exceeding \$25,000 may require architect/engineer sealed drawings.

- c. A contract that is \$25,000 or more will require a licensed contractor. The licensing requirement applies to furniture that is connected to the building or the building's electrical system.
- d. A single project over \$100,000 is required to be submitted to the SBC (1) for approval of the project and (2) assignment of an architect or engineer.
- e. A combination of projects within a six (6) month period within a single building that exceeds \$100,000 will require SBC approval. This requirement does not apply to routine non-major maintenance repairs and replacements.
- f. A project that includes the installation of additional circuits to a building's electrical service will require an electrical permit and rough-in and final inspections of the State Electrical Inspector. The costs of the permit and inspections are part of the total project cost.

D. Coordination of Work

- 1. Tennessee Tech may perform as a general contractor without a contractor's license; however, subcontractors will need to be appropriately licensed.
- 2. For projects whose total cost is less than \$100,000, or where a combination of projects within a six month period within a single building does not exceed \$100,000, the University will serve as general contractor and coordinate the renovation/construction efforts of subcontractors performing work on the project.
- 3. All work performed on University projects shall be monitored by the appropriate University Project Manager.
- 4. In cases where existing but unseen conditions are revealed that would affect the overall project cost, the Project Manager shall prepare a change order to address the scope change and any additional costs required.
- 5. Any change order must have the approval of the initiating department in writing prior to continuing work that is impacted by the unforeseen conditions. The Project Manager shall submit the Change Order Form to the initiating department for approval.
- 6. Should additional work requests be made by the initiating department, a change order should be developed and processed, even if additional costs are not incurred.

7. Any additional work authorized by a change order executed by all parties shall bind the initiating department to immediate transfer of the additional funding necessary to Capital Projects prior to the work performed.

E. Contractor Invoices and Payments

1. Once a project has been approved and the Project Estimate Form fully executed, the subcontractors shall have the right and responsibility to obtain materials necessary for completing the project.
2. Subcontractors deemed necessary by the Project Manager shall bill Tennessee Tech for all identified costs to the project.
3. At the conclusion of the project, the user, subcontractors, and University Project Manager shall review the work for code compliance, workmanship, and any unfinished items. A punch list should be developed and agreed to by all parties to finish the job.
4. Once the project is completed, final invoicing must be submitted to Tennessee Tech within 30 calendar days of final work and completion of any punch list items.
 - a. To accompany the final invoice, a Project Completion Form shall be generated that all work is complete and acceptable. Representatives of the initiating department and the Project Manager shall all sign and date the document. This document shall then be retained by Capital Projects as part of the overall project documentation files.
 - b. If the total cost of the project is less than the estimate, any balance of funds, excluding those required for rounding, will be transferred back to the original account of the initiating department.

F. Capital Projects Valued \$100,000-\$500,000

1. The authority of the SBC to approve Capital Projects with a Total Project Cost of \$100,000 up to \$500,000 is delegated jointly to the State Architect (SA) and the Commissioner of Finance and Administration (F&A) so long as all of the following conditions are met:
 - a. If the determination of the Tennessee Historical Commission (THC) is required by statute, the THC has determined that the Capital Project will not adversely impact a historic structure;
 - b. The Capital Project will not be funded in any part by bond proceeds or residual proceeds from bond funding; and

- c. The designer and contractor for the Capital Project were procured through a process approved by the SBC for projects of this value; and
- d. The Capital Project is not being provided by the Tennessee Tech Foundation.

If the Capital Project is the construction or erection of a new building or structure or for the demolition of a building or structure, then the approval is not effective until the Capital Project has been reported to the SBC or ESC. No contracts may be fully executed and no work may commence prior to such reporting.

- 2. The Director of Capital Projects will determine if a project is eligible to be classified as a Capital Project as defined in F.1., the appropriate delivery method to be used, and if the project needs a designer. The standard design process will be used, but in some cases a regional designer may be able to help.
 - 3. The Director of Capital Projects will submit an SBC-1 form clearly stating the scope and source of funding to the OSA for each project greater than \$100,000 but less than or equal to \$500,000.
 - 4. Funding cannot be from bond proceeds or residual funds. It must be with cash sources within the current fiscal year.
 - 5. Any revisions which cause the original total project cost amount to exceed the \$500,000 threshold require SBC approval.
 - 6. Changes to the SBC-1 form that affect scope, budget, and sources of funds, but such that the total project cost still stays under the threshold, shall require additional reporting to the SBC and may be referred to the full SBC depending on the nature of the change.
 - 7. Once approved by the OSA and F&A, the project will be reported by the OSA at the next SBC meeting.
- F. Gift-In-Place Projects are projects that are to be executed on campus by a third party donor. All Gift-In-Place projects require SBC approval. In addition, all projects including the items enumerated below must be submitted to the SA and approved prior to construction. The Tennessee Tech Designers Manual incorporates various SBC requirements, and the Contracting Requirements and Specifications should be used when appropriate. The following items need to be completed for each Gift-In-Place project:
- 1. The Director of Capital Projects will complete a Gift in Place Justification Form and submit to the OSA/SBC.
 - 2. Final plans and specifications approved by the OSA in accordance with SBC Policy and Procedures relating to project reviews.

3. Approval letters from the State Fire Marshal's Office, local codes officials, and all other applicable authorities to show compliance with all applicable federal, state, and local laws and requirements.
 4. SBC standard contract bond form, property insurance, liability insurance, and Builders Risk insurance as defined in the Gift in Place Justification Form identified in F.1 above.
 5. Statement to the OSA for acknowledgement that full funding is in place before commencement of construction or installation.
- G. The Director of Capital Projects is responsible for the procedure determining which projects will require a code review, submittal to the State Fire Marshall as required by rule, seal of a licensed professional and a licensed contractor when required by state law, and a process to obtain a building permit and subsequent inspections as appropriate. Each project shall include a sign-off process for that project. Tennessee Tech may employ any combination of responsible parties as appropriate:
1. In-house code authority
 2. In-house architect or engineer
 3. Code consultant
 4. Architect or engineer consultant

V. Interpretation

The Director of Capital Projects or his/her designee has the final authority to interpret the terms of this policy.

VI. Citation of Authority for Policy

State Building Commission of Tennessee (SBC) By-Laws, Policy and Procedures Item 2

Approvals:

Administrative Council: February 21, 2018

University Assembly:

Board of Trustees:



Agenda Item Summary

Date: March 22, 2018

Division: Planning and Finance

Agenda Item: Policy 582 – Acquisition & Disposal of Real Property

Review **Action** **No action required**

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

The establishment of a policy in accordance with State Building Commission of Tennessee (SBC) By-Laws, Policy and Procedure (SBC Policy) Item 8 that allows for the acquisition and disposal of real property by Tennessee Tech.

Tennessee Technological University Policy No. 582



Effective Date: July 1, 2018

Policy No: 582

Policy Name: Acquisition and Disposal of Real Property

I. Purpose

The establishment of a policy in accordance with State Building Commission of Tennessee (SBC) By-Laws, Policy and Procedure (SBC Policy) Item 8 that allows for the acquisition and disposal of real property by Tennessee Tech.

II. Review

This policy will be reviewed every three years or whenever circumstances require review, whichever is earlier, by the Director of Capital Projects in consultation with the Vice President for Planning and Finance, with recommendation for revision presented to the Administrative Council, and University Assembly. Revisions related to the Board's authority can only be made by the Board.

III. Scope

Tennessee Tech has the authority to purchase and condemn real property, dispose of real property, and to receive donations of real property and be vested with title to property so acquired.

IV. Policy

All proposed acquisition or disposal of property shall be subject to the approval of the President and the Board of Trustees. The approval of land acquisition by purchase or condemnation shall be subject to the following:

- A. Tennessee Tech shall submit to the Board of Trustees, the Tennessee Higher Education Commission (THEC) and the SBC for consideration and approval a campus master plan or an amended master plan, which indicates land acquisition needs or an individual acquisition request. Property acquired by gift is exempt from this condition.
- B. Upon approval of the campus master plan or amended master plan, Tennessee Tech must request a land acquisition or disposal by submitting the proper documentation for each proposed acquisition or disposal to the SBC Executive Sub-Committee (ESC) prior to any commitment to complete a transaction. The State of Tennessee Department of General Services, through the Division of Real Estate Asset Management (STREAM), shall have the responsibility for ensuring that Tennessee Tech complies with this policy as follows:
 - 1. The President of Tennessee Tech shall present requests for land acquisition with supporting documentation to STREAM. This documentation shall include:

- a. The justification of the need for the property;
 - b. A description of and the location of the property;
 - c. The estimated amount of funds required for the acquisition and the source of funds;
 - d. A plat of the property;
 - e. The names of the present owners; and
 - f. A copy of the deed to the property.
2. STREAM shall analyze the information and request from Tennessee Tech additional information if needed for proper presentation to the ESC. Any contracted diligence services for a transaction procured prior to approval of the transaction by the ESC shall be reported in the transaction approval summary submitted to the ESC.
 3. Upon Tennessee Tech's behalf, STREAM may enter into an option to purchase property prior to ESC approval if all of the following are satisfied:
 - a. Tennessee Tech deems the acquisition to be time-sensitive in writing and STREAM agrees.
 - b. The target property meets one of the following conditions:
 - 1) Identified for future acquisition in Tennessee Tech's approved Master Plan;
 - 2) Included as part of an approved Tennessee Tech SBC project where land purchase is specified in the project scope; or
 - 3) Funding is available for the option consideration, if any will be paid, and for the acquisition. Availability of funds shall be verified with the Tennessee Tech Vice President for Planning and Finance.
 4. No acquisition or disposition shall be consummated until the ESC has approved the transaction.
 5. The execution of an option shall not bind Tennessee Tech to the acquisition of the property.

- C. After ESC approval, STREAM staff will obtain a title commitment, an appraisal, an environmental site assessment, and a survey and prepare an option to purchase the property.
- D. If an option to purchase the property is signed by the seller, it will be submitted to the President of Tennessee Tech for final approval of the proposed acquisition. If negotiations fail, Tennessee Tech may request that condemnation proceedings be commenced for acquisition of the property.
- E. If acquisition of the property by purchase is approved, STREAM will be responsible for recording the warranty deed and forwarding the deed and title insurance to Tennessee Tech.
- F. Real Property Disposal
 - 1. The President of Tennessee Tech shall present requests for disposal of real property to STREAM documenting the factors leading to and the determination justifying disposal of any surplus property and shall retain such documentation.
 - 2. STREAM will forward the request to the ESC for approval.
 - 3. Once approved by the ESC, STREAM will order a title search and property.
 - 4. Tennessee Tech will issue an Request for Proposal (RFP) to engage a realtor to market the property.
 - 5. Once an offer is made, the signed contract is sent to STREAM for review.
 - 6. Once the contract is approved, STREAM proceeds with the closing process.
- G. Prior to the final execution of an acquisition or disposal, the appropriate agreements, including documentation that all laws, rules, regulations, and other contract terms have been complied with, shall be submitted by STREAM to the Attorney General for approval.

V. Interpretation

The Director of Capital Projects has the final authority to interpret the terms of this policy.

VI. Citation for Authority of Policy

T.C.A. §§ 49-8-11; 49-8-203; SBC By-Laws, Policy and Procedure, Item 8

Approvals:

Administrative Council: February 21, 2018

University Assembly:

Board of Trustees:



Agenda Item Summary

Date: March 22, 2018

Division: Planning and Finance

Agenda Item: Policy 583 – Lease Procurement Policy & Procedures

Review **Action** **No action required**

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

The purpose of this policy is to establish a policy and procedure in accordance with State Building Commission of Tennessee By-laws, Policy and Procedure (“SBC Policy”) Item 7 that ensures equity, transparency and the maximum amount of competition in response to a Request for Proposal (“RFP”) procurement for leased space.

Tennessee Technological University Policy No. 583



Effective Date: July 1, 2018

Policy No: 583

Policy Name: Lease Procurement Policy & Procedures

Policy Subject: Lease of Real Property

Date Revised:

I. Purpose

The purpose of this policy is to establish a policy and procedure in accordance with State Building Commission of Tennessee By-laws, Policy and Procedure (“SBC Policy”) Item 7 that ensures equity, transparency and the maximum amount of competition in response to a Request for Proposal (“RFP”) procurement for leased space.

II. Review

This policy will be reviewed every three years or whenever circumstances require review, whichever is earlier, by the Director of Capital Projects in consultation with the Vice President for Planning and Finance, with recommendations for revision presented to the Administrative Council, and University Assembly. Revisions related to the Board’s authority can only be made by the Board.

III. Scope

These policies and procedures apply to all lease procurements, awards and amendments to such awarded lease when the solicitation and award are conducted by Tennessee Tech pursuant to SBC Policy.

IV. Procurement of Leases Where Tennessee Tech is Lessee

- A. **Approval of the State Building Commission (SBC).** These policies and procedures are intended to clarify the requirements of TCA §§ 12-2-114 and 12-2-115. All leases (i) where the rent due to the lessor under the lease is in excess of \$150,000 per year or (ii) where the term of the lease, including all renewal and extension options contemplated in the lease, is greater than 5 years, must be approved by the SBC prior to execution by Tennessee Tech. As used in (i) above, the term “rent” includes all sums paid to the landlord in accordance with the terms of the lease connected to Tennessee Tech’s occupancy of the space, such as utilities, janitorial expenses, operating or management expenses and the like, but does not include the cost of any tenant build-out or construction work in the space requested by Tennessee Tech.

- B. **General Requirements.** The lease procurement process shall be objective, impartial, transparent, and consistent in its application. All leases must be procured in compliance with the policies and procedures of the SBC, the Office of the State Architect (OSA), and Tennessee Tech. Any exception from the SBC requirements in Section IV. of this policy must be requested in writing by the President of Tennessee Tech and approved by the SBC.

1. Prior to engaging in any activities to lease space, Tennessee Tech's Director of Capital Projects, or his/her designee, shall prepare a general statement of Tennessee Tech's space needs.
 2. Lease procurement documents shall be drafted in such a manner as to maximize competition and allow Tennessee Tech to make better informed decisions on leasing matters.
 3. Tennessee Tech shall procure leases using a form of request for proposal (including pro forma lease) that has been previously approved by the SBC unless advertisement is not required (See Section IV.E).
 4. No individual, company, or other entity involved in the evaluation or negotiation of proposals should have a financial interest or have the appearance of a conflict of interest unless disclosed and addressed in accordance with SBC Policy. A written conflict of interest disclosure documenting the independence of each person involved must be completed and retained as part of the procurement file.
 5. All proposals to lease space to Tennessee Tech must contain the name(s) of any persons who are contemplated to become financially interested in the lease and shall be displayed in such manner as to make them readily available and accessible for public examination.
 6. Leases may be negotiated if negotiation is determined in writing by the President of Tennessee Tech to be (a) in the best interest of Tennessee Tech or (b) necessary to ensure consistent evaluation of lease proposals. All documents associated with a lease procurement shall be confidential from initiation of the lease process until a Notice of Intent to Award is issued to all proposers. At such time as a Notice of Intent to Award is issued, all proposals, analyses, and other records and documentation of the procurement shall become public information.
 7. A Notice of Intent to Award shall be issued and all proposals, analyses, and other records and documentation of the procurement shall become public information not less than ten (10) days prior to the meeting of the SBC or the ESC at which approval of the lease will be sought.
- C. **Approval of Tennessee Higher Education Commission (THEC).** All leases with annual rents in excess of \$150,000 or with terms greater than five (5) years procured by Tennessee Tech must be submitted to THEC for review, analysis, and approval, prior to the issuance of any advertisement of space needs. The review and analysis of the lease request by THEC may include, but shall not be limited to, the gathering of comments from various parties regarding the lease action request; the funding implications, and the appropriateness of the lease action request in lieu of a building construction request through the annual capital budget process.
- D. **Advertising Requirement.** Unless one of the exceptions set forth in Section E is satisfied, Tennessee Tech must advertise, at least two (2) weeks prior to the date the

proposals are opened, Tennessee Tech’s space needs prepared in accordance with Section IV. B: (i) on Tennessee Tech’s Capital Projects website www.tntech.edu/capitalprojects; (ii) in a newspaper of general circulation in the city(s) and/or county(s) where the space is needed on at least one (1) occasion and at least two (2) weeks before proposals are opened; and (iii) via at least one (1) of the following additional methods:

1. A public notice, conspicuously posted, in some part of the courthouse or central government building of that particular county;
2. A news release distributed to daily and weekly newspapers and broadcast stations in that particular county; or
3. An email blast or other written communication to (i) the members of the legislature, mayors, county executives of the county(s) in which space is sought and (ii) all persons currently leasing property to Tennessee Tech or who have expressed an interest in leasing property to Tennessee Tech the past twelve (12) months.

The advertisement shall describe the location, square footage, term of the lease, and other general information regarding the space needed by Tennessee Tech and shall include the name and contact information for the Tennessee Tech employee responsible for coordinating the lease procurement, together with the web address where a copy of the lease procurement documents and other pertinent information can be found.

E. **Exceptions to Advertising Requirement.** Advertisement shall not be required if one of the following exceptions is satisfied:

1. The annual rental will be less than fifty thousand dollars (\$50,000);
2. The property to be leased is owned or otherwise controlled by a state agency; city, county; or the federal government;
3. The space required by the entity has special and unique requirements as determined by the SBC;
4. The term of the lease will be one (1) year or less, although if SBC approval is needed the requirements of Section G must be satisfied.

F. **Special and Unique Space**

1. Space meeting the following needs has been determined by the SBC to be “special and unique”:
 - a. The space to be leased (i) has characteristics, such as location, size or quality, which can only be satisfied by one landowner, as determined by a reasonable survey of the real estate market, and (ii) will have an annual rent of less than \$50,000.
 - b. The space to be leased (i) will be let for less than 30 days; (ii) will have a total cost of \$50,000 or less; and (iii) is for an auditorium, hearing room, conference or related space.

2. If a lease is procured under this Section F, the file must include documentation of the special and unique nature of the need and space; the efforts of Tennessee Tech to obtain a fair rental rate for the space; that there is no State owned space that will meet the need; and the approval of this special and unique nature of the space and proposed procurement method by the Chief Financial Officer of Tennessee Tech.
3. The SBC may determine that other space needs have special and unique requirements on a case by case basis upon receipt of a written justification signed by the President of Tennessee Tech prior to the commencement of any discussions regarding a lease of space with the potential lessor. Said written justification will include documentation of the special and unique nature of the need and space; the efforts of Tennessee Tech to obtain a fair rental rate for the space; and any other matters requested by the SBC.

G. Leases with Terms of One (1) Year or Less. Leases requiring SBC approval that were not advertised because the term of the lease will be for one (1) year or less, will be approved by the SBC upon receipt of a written justification from the President of Tennessee Tech that such a short term lease is in the best interest of Tennessee Tech because:

1. Tennessee Tech only has need for space for one (1) year or less at which time Tennessee Tech's needs will either terminate or be fulfilled through State-owned space; or
2. An unforeseen situation has arisen making it impractical to advertise.

If a lease is procured under this subsection, the file must include documentation of the efforts of Tennessee Tech to obtain a fair rental rate for the space and to gain multiple proposals to lease space to Tennessee Tech.

H. Termination For Convenience of Tennessee Tech. All leases shall be terminable for convenience by Tennessee Tech on not more than 120 days written notice, unless approved by the SBC. Any request to deviate from the requirement of the preceding sentence shall be submitted in writing by the President of Tennessee Tech to the SBC together with a justification supporting such request for a deviation. For leases with terms of (i) less than 1 year, including renewal and extension options, or (ii) 5 years or less with a total annual rental amount of less than \$150,000, the authority to approve such a request for a deviation from the 120 day requirement is delegated to the President of Tennessee Tech.

I. Lease Evaluation. In evaluating lease proposals, Tennessee Tech may take into account not only the rent offered but the type of space, the location, its suitability for the purpose, services offered by the lessor, moving costs, and all other relevant factors. In the event

that Tennessee Tech, in the evaluation of a lease proposal, intends to utilize (i) a “net present value” approach or (ii) standard cost estimates, the discount rate or standard cost estimates used by Tennessee Tech shall be those posted on the website of the OSA at the time the proposal is evaluated. Tennessee Tech may use other estimated cost factors in evaluating a lease proposal so long the lease procurement documents reflect that estimated cost factors may be used and how such estimated cost factors will be established. Tennessee Tech shall propose to enter into a lease with the proposed offering the proposal with the lowest total cost unless a statement of justification from the President of Tennessee Tech supporting award to a different proposer has been submitted to and approved by the SBC prior to entering into the lease. For leases with terms of (i) less than 1 year, including renewal and extension options, or (ii) 5 years or less with a total annual rental amount of less than \$150,000, the authority to approve such a proposal is delegated to the President of Tennessee Tech.

- J. **Signatures Required.** Leases shall be executed on behalf of Tennessee Tech as follows:
 - 1. By the Attorney General and Reporter if the lease has a term, including all renewal and extension options, of more than 5 years or a rental amount due to the lessor of more than \$150,000 per year, in compliance with TCA § 12-2-115.
 - 2. By the President of Tennessee Tech

V. LEASE AMENDMENTS WHERE TENNESSEE TECH IS LESSEE

- A. **Approval by SBC.** Amendments to leases originally submitted to and recommended by the SBC shall receive SBC approval prior to execution of such amendments. Further, any amendment to a lease which was not submitted and approved by the SBC because the term was less than five years or the annual rent due to the lessor was less than \$150,000, but due to the amendment or the aggregate effect of amendments now exceed those limits, shall be submitted to the SBC for approval prior to the execution of the lease amendment.
- B. **Advertising Requirement.** Advertising meeting the requirements of Section IV.D above shall be required for all lease amendments unless one of the requirements set forth below is satisfied:
 - 1. The amendment is for the sole purpose of exercising a lease renewal or extension pursuant to the terms of the lease.
 - 2. The amendment is for the sole purpose of extending the term of the lease by one (1) year or less beyond the expiration date of the lease so as to allow for additional time needed for the procurement of a new lease to meet the space need; to allow Tennessee Tech time to transfer the occupants or purpose to an alternative location; or to allow Tennessee Tech to wind up its operations for which the space was leased.
 - 3. Advertisement has been waived by the SBC.

VI. CERTIFICATION OF FUNDS WHERE TENNESSEE TECH IS LESSEE

- A. Pursuant to TCA § 12-2-115(d), certification of funds under TCA § 9-4-5113 shall not be required for leases of space, so long as funds are certified in accordance with the process set forth below.
1. **Higher Education Requirements.** The requirements below shall be followed to satisfy the requirement for a certification of funds for leases that will replace expiring leases and for new leases, as applicable.
 - a. **Expiring Leases.** In August of each year, a list of existing leases which will expire during the next fiscal year for needs requiring the procurement of new leases shall be provided to Tennessee Tech's Vice President of Planning and Finance with sufficient information for them to identify the current rental cost, allotment code, and cost center of each expiring lease, as well as the requesting party's estimate of the rental cost of a new lease to meet the continuing need. The Vice President of Planning and Finance will return the list to requesting party with a certification that funds will be available for new leases to meet the needs of the expiring leases, with any exceptions on the list clearly noted. New lease may then be procured to meet the space needs satisfied by the expiring leases in accordance with this policy. If, however, the new lease requires rental payments in excess of those estimated by the requesting party, the Vice President of Planning and Finance must certify the availability of funds prior to execution of the lease.
 - b. **New Leases.** For leases that will satisfy new space needs, the leasing party must obtain a certification of funds from the Vice President for Planning & Finance for the estimated rental amount prior to advertisement or negotiation of a lease. If the new lease requires rental payments in excess of those estimated by the leasing party, the Vice President for Planning & Finance must certify the availability of funds prior to execution of the lease.

VII. REPORTING OF LEASES WHERE TENNESSEE TECH IS LESSEE

On a quarterly basis, Tennessee Tech must provide the information required by TCA § 12-2-115 and any other information requested by the SBC for all leases entered into by Tennessee Tech, so that information on all leases to which Tennessee Tech is a party are posted on the website of the OSA whether approved by the SBC or not. The Director of Capital Projects, or his/her designee, will prepare and submit the quarterly report.

VIII. Interpretation

The Director of Capital Projects has the final authority to interpret the terms of this policy.

IX. Citation of Authority for Policy

T.C.A. §§ 12-2-114-115; SBC By-laws, Policy and Procedures, Item 7; T.C.A. § 49-8-203(a)(1)(C)

Approved By:

Administrative Council: February 21, 2018

University Assembly:

Board of Trustees:



Agenda Item Summary

Date: March 22, 2018

Division: Planning and Finance

Agenda Item: Non-Mandatory Fees-FY 2018-2019

Review

Action

No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

The proposed 2018-2019 fee changes are for select non-mandatory fees: Parking Permits and Housing Fees.

Tennessee Tech University



Non-Mandatory Fee Proposal 2018-2019

Tennessee Tech University
Fee Proposal Summary
FY2018-2019

NON-MANDATORY FEES:

Parking Permits (Optional, Staff and Students)	\$ 75,000
Housing:	
Residence Halls	\$ 300,000
Tech Village	\$ 60,000
Total Housing	<u>\$ 360,000</u>
Total Increase Per Fee Proposals	<u><u>\$ 435,000</u></u>

TENNESSEE TECH UNIVERSITY
PROPOSED FEE CHANGES
2018-19

Description	Rates			Annual Revenue Impact of Fee Change	Prior Fee Increases	Justification
	Current	Proposed	Increase			
NON-MANDATORY CHARGES:						
Parking Permits-						
				\$75,000	2017-18 Current rate 2016-17 \$77.50-\$205/yr	* 3rd year of 10-year parking plan
Zone 1-Inner Campus	\$220/year	\$235/year	\$15/year			
Zone 2-Resident	\$220/year	\$235/year	\$15/year			
Zone 3-TV Apt-Inner Access (optional second permit)	\$85/year	\$92.50/year	\$7.50/year			
Zone 4-Outer Campus	\$152/year	\$161/year	\$9/year			
HOUSING:						
Residence Halls:						
Traditional Double	\$2460/sem	\$2530/sem	\$ 70/sem	\$300,000	2017-18 Current rate 2016-17 \$2365	* Offset increased operating costs * Provide funding for new and ongoing renewal and replacement projects
Traditional Double as Single	\$3150/sem	\$3245/sem	\$ 95/sem		2017-18 Current rate 2016-17 \$3030	
Traditional Single	\$2525/sem	\$2600/sem	\$ 75/sem		2017-18 Current rate 2016-17 \$2430	
Traditional Double-Summer	\$1570/sem	\$1616/sem	\$ 46/sem		2017-18 Current rate 2016-17 \$1500	
Trad Double as Single-Summer	\$1910/sem	\$1970/sem	\$ 60/sem		2017-18 Current rate 2016-17 \$1820	
Traditional Single-Summer	\$1640/sem	\$1690/sem	\$ 50/sem		2017-18 Current rate 2016-17 \$1570/sem	
Engineering Village-Renov-Dble	\$2840/sem	\$2922/sem	\$ 82/sem		2017-18 Current rate 2015-16 \$2395/sem	<i>Off-line during FY2016-2017</i>
Engr Village-Renov-Dble as Single	\$3560/sem	\$3665/sem	\$105/sem		2017-18 Current rate 2015-16 \$3040/sem	<i>Off-line during FY2016-2017</i>
Engr Village-Renov-Single	\$2930/sem	\$3015/sem	\$ 85/sem		2017-18 Current rate 2015-16 \$2460/sem	<i>Off-line during FY2016-2017</i>
Renovated Dorm-Double	\$2740/sem	\$2822/sem	\$ 82/sem		2017-18 Current rate 2016-17 \$2610	
Renovated-Double as Single	\$3460/sem	\$3565/sem	\$105/sem		2017-18 Current rate 2016-17 \$3295	

TENNESSEE TECH UNIVERSITY
PROPOSED FEE CHANGES
2018-19

Description	Rates			Annual Revenue Impact of Fee Change	Prior Fee Increases	Justification
	Current	Proposed	Increase			
Renovated Dorm-Single	\$2830/sem	\$2915/sem	\$ 85/sem		2017-18 Current rate 2016-17 \$2695	
Murphy Hall Super Single	\$3160/sem	\$3255/sem	\$ 95/sem		2017-18 Current rate 2016-17 \$3010	
New Hall South - Double	\$3875/sem	\$3990/sem	\$115/sem		2017-18 Current rate 2016-17 \$3725	
New Hall South-Double as Single	\$4795/sem	\$4940/sem	\$145/sem		2017-18 Current rate 2016-17 \$4610	
New Hall North - Double	\$3875/sem	\$3990/sem	\$115/sem		2017-18 Current rate 2016-17 \$3725	
New Hall North-Double as Single	\$4795/sem	\$4940/sem	\$145/sem		2017-18 Current rate 2016-17 \$4610	
New Hall North - Single	\$4300/sem	\$4430/sem	\$130/sem		2017-18 Current rate 2016-17 \$4170	
Tech Village Apartments:				\$60,000		
Renovation Phase 1-One Bdrm Summer Semester	\$3995/sem \$1595/session	\$4115/sem \$1643/session	\$120/sem \$48/session		2017-18 Current rate 2016-17 \$3805/sem \$1522/session	* Offset increased operating costs * Provide funding for new and ongoing renewal and replacement projects
Renovation Phase 1-Two Bdrm Summer Semester	\$4350/sem \$1740/session	\$4480/sem \$1792/session	\$130/sem \$52/session		2017-18 Current rate 2016-17 \$4145/sem \$1658/session	
Renov Phase 1-Two bdrm-4 person Summer Semester	\$5480/sem \$2190/session	\$5645/sem \$2256/session	\$165/sem \$ 66/session		2017-18 Current rate 2016-17 \$5220/sem \$2088/session	
Renovation Phase 2&3-One Bdrm Summer Semester	\$3855/sem \$1540/session	\$3970/sem \$1586/session	\$115/sem \$46/session		2017-18 Current rate 2016-17 \$3675/sem \$1470/session	
Renovation Phase 2&3-Two Bdrm Summer Semester	\$4630/sem \$1850/session	\$4770/sem \$1906/session	\$140/sem \$56/session		2017-18 Current rate 2016-17 \$4410/sem \$1764/session	

**Tennessee Technological University
Zoned Parking Permit Rate Proposal
Annual Rate Progression FY17 through FY26**

Zone	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Inner Campus (a) GOLD	\$ 205.00	\$ 220.00	\$ 235.00	\$ 250.00	\$ 265.00	\$ 280.00	\$ 295.00	\$ 310.00	\$ 310.00	\$ 310.00
Resident (b) RED/GREEN	\$ 205.00	\$ 220.00	\$ 235.00	\$ 250.00	\$ 265.00	\$ 280.00	\$ 295.00	\$ 310.00	\$ 310.00	\$ 310.00
Tech Village-Inner Campus Access (optional 2nd permit for TV residents)	\$ 77.50	\$ 85.00	\$ 92.50	\$ 100.00	\$ 107.50	\$ 115.00	\$ 122.50	\$ 130.00	\$ 130.00	\$ 130.00
Outer Campus (a) (b) (c) PURPLE/BLUE	\$ 143.00	\$ 152.00	\$ 161.00	\$ 170.00	\$ 179.00	\$ 188.00	\$ 197.00	\$ 206.00	\$ 206.00	\$ 206.00

- (a) Clerical and support staff rates are discounted \$30 in order to maintain the rate differential which was in effect prior to implementing the zoned parking concept.
Staff members with an annual salary of less than \$30,000 may choose a Purple area permit and receive a salary supplement thus reducing out-of-pocket cost to only \$20.*
- (b) A \$50 campus access fee is assessed as a component of Maintenance fees; therefore, applied student parking permit rates will be \$50 less than amounts shown above.
Students may also spread their permit cost over two semesters.*
- (c) Individuals displaying an official disabled parking placard will pay the lowest outer campus rate but will be permitted to park in any valid space in any zone.*



Agenda Item Summary

Date: March 22, 2018

Division: Planning and Finance

Agenda Item: Mandatory Fees-FY 2018-2019

Review

Action

No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

The anticipated 2018-2019 fee changes for mandatory fees.

Informational Item Only

Tennessee Tech University



Mandatory Fees 2018-2019

Tennessee Tech University
Fee Proposal Summary
FY2018-2019

MANDATORY FEES:

Counseling Center:	
Student Mental Health Wellness Fee	\$ 58,000
SOLO Fee	
(Student Organization Life Opportunity Fund)	<u>\$ 210,000</u>
Total Increase Per Fee Proposals	<u><u>\$ 268,000</u></u>

TENNESSEE TECH UNIVERSITY
PROPOSED FEE CHANGES
2018-19

Description	Rates			Annual Revenue Impact of Fee Change	Prior Fee Increases	Justification
	Current	Proposed	Increase			
MANDATORY FEES:						
Student Mental Health Wellness Fee <i>(To be included as a component of the General Access Fee, charged hourly and reaching a maximum at 7 hours)</i>	None	\$3 maximum/semester		\$58,000	New fee	*Continue Suicide Prevention Hotline after current NIH grant funding ends 9/30/18. The Hotline, which is available after hours, on holidays, and on weekends, is answered by licensed mental health professionals. *Enable Counseling Center to continue offering optional online mental health screening questionnaires designed to identify potential problems and offer appropriate referrals. *Provide funding for a portion of the Counseling Center Director's salary currently funded from Health Services.
SOLO Fee	\$20/sem full-time students only	\$30 maximum/semester \$3/hr part-time enrollment		\$210,000	Fee established in 2010-11 at current rate	*Enable scheduling of top-tier concert artists during both Fall and Spring semesters. *Support an administrative level position to plan and execute each concert; work directly with SGA; oversee Homecoming, Tech Activities Board, and student organizations.

Tennessee Tech University

Anticipated Maintenance Fee Increase Analysis

For FTE Hours and Per Credit Hour

Fee Description	For FTE				Per Credit Hour			
	Fall 2017	Fall 2018	\$ Increase	% Increase	Fall 2017	Fall 2018	\$ Increase	% Increase
Maintenance								
In-State Tuition (Undergraduate)	3,828.00	3,930.00	102.00	2.7%	304.00	312.00	8.00	2.6%
In-State Tuition Over Base (Undergraduate)					60.00	62.00	2.00	3.3%
In-State Tuition (Graduate)	5,072.00	5,218.00	146.00	2.9%	488.00	502.00	14.00	2.9%
In-State Tuition Over Base (Graduate)					96.00	99.00	3.00	3.1%
TN eCampus Fees**								
TN eCampus Tuition (Undergraduate)					304.00	312.00	8.00	2.6%
TN eCampus Course Fee (Undergraduate)					122.00	125.00	3.00	2.5%
TN eCampus Tuition (Graduate)					488.00	502.00	14.00	2.9%
TN eCampus Course Fee (Graduate)					122.00	125.00	3.00	2.5%
Out-of-State Tuition***								
Out-of-State Tuition (Undergraduate)	9,915.00	9,915.00	-	0.0%	661.00	661.00	-	0.0%
Out-of-State Tuition (Graduate)	8,712.00	8,712.00	-	0.0%	726.00	726.00	-	0.0%
E-Rate****								
Undergraduate					152.00	156.00	4.00	2.6%
Graduate					244.00	251.00	7.00	2.9%

* Base hours for undergraduate is 12 hours and graduate is 10 hours. FTE for Undergraduate is 15 Hours and 12 Hours for Graduate.

** Charges are by credit hour with no maximum.

*** Charged in addition to In-State Tuition for out-of-state residents.

**** Charged in lieu of Out-of-State Tuition for exclusively online schedules.

2018-03-22 Audit & Business Committee Materials - 2018-19 Student Fees

2018-19 Binding Tuition Ranges
2018-19 Maintenance and Mandatory Fee Increase Scenario and Comparison - 3.00% Limit

Institutions	2017-18			2018-19 Maximums			Combined Increase	Combined % Increase	2018-19 Binding Ranges				Expected Maintenance	Compliant?	Expected Maint. & Mand.	Compliant?
	Maintenance Fee	Mandatory Fee	Combined	Maintenance Fee	Mandatory Fee	Combined			Maintenance Fee Minimum	Maintenance Fee Maximum	Maintenance + Mandatory Fees Minimum	Maintenance + Mandatory Fees Maximum				
Austin Peay	\$ 6,696	\$ 1,529	\$ 8,225	\$ 6,897	\$ 1,575	\$ 8,472	\$ 247	3.00%	\$0 or Less	\$ 201	\$0 or Less	\$ 247		Compliant		Compliant
East Tennessee	\$ 7,224	\$ 1,791	\$ 9,015	\$ 7,441	\$ 1,845	\$ 9,285	\$ 270	3.00%	\$0 or Less	\$ 217	\$0 or Less	\$ 270		Compliant		Compliant
Middle Tennessee	\$ 7,176	\$ 1,772	\$ 8,948	\$ 7,391	\$ 1,825	\$ 9,216	\$ 268	3.00%	\$0 or Less	\$ 215	\$0 or Less	\$ 268		Compliant		Compliant
Tennessee State	\$ 6,726	\$ 1,050	\$ 7,776	\$ 6,928	\$ 1,082	\$ 8,009	\$ 233	3.00%	\$0 or Less	\$ 202	\$0 or Less	\$ 233		Compliant		Compliant
Tennessee Tech	\$ 7,656	\$ 1,217	\$ 8,873	\$ 7,886	\$ 1,254	\$ 9,139	\$ 266	3.00%	\$0 or Less	\$ 230	\$0 or Less	\$ 266	\$ 7,860	Compliant	\$ 9,103	Compliant
University of Memphis	\$ 8,064	\$ 1,637	\$ 9,701	\$ 8,306	\$ 1,686	\$ 9,992	\$ 291	3.00%	\$0 or Less	\$ 242	\$0 or Less	\$ 291		Compliant		Compliant
Chattanooga	\$ 4,032	\$ 319	\$ 4,351	\$ 4,153	\$ 329	\$ 4,482	\$ 131	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 131		Compliant		Compliant
Cleveland	\$ 4,032	\$ 299	\$ 4,331	\$ 4,153	\$ 308	\$ 4,461	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130		Compliant		Compliant
Columbia	\$ 4,032	\$ 315	\$ 4,347	\$ 4,153	\$ 324	\$ 4,477	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130		Compliant		Compliant
Dyersburg	\$ 4,032	\$ 299	\$ 4,331	\$ 4,153	\$ 308	\$ 4,461	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130		Compliant		Compliant
Jackson	\$ 4,032	\$ 285	\$ 4,317	\$ 4,153	\$ 294	\$ 4,447	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130		Compliant		Compliant
Motlow	\$ 4,032	\$ 307	\$ 4,339	\$ 4,153	\$ 316	\$ 4,469	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130		Compliant		Compliant
Nashville	\$ 4,032	\$ 225	\$ 4,257	\$ 4,153	\$ 232	\$ 4,385	\$ 128	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 128		Compliant		Compliant
Northeast	\$ 4,032	\$ 311	\$ 4,343	\$ 4,153	\$ 320	\$ 4,473	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130		Compliant		Compliant
Pellissippi	\$ 4,032	\$ 339	\$ 4,371	\$ 4,153	\$ 349	\$ 4,502	\$ 131	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 131		Compliant		Compliant
Roane	\$ 4,032	\$ 303	\$ 4,335	\$ 4,153	\$ 312	\$ 4,465	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130		Compliant		Compliant
Southwest	\$ 4,032	\$ 315	\$ 4,347	\$ 4,153	\$ 324	\$ 4,477	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130		Compliant		Compliant
Volunteer	\$ 4,032	\$ 293	\$ 4,325	\$ 4,153	\$ 302	\$ 4,455	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130		Compliant		Compliant
Walters	\$ 4,032	\$ 288	\$ 4,320	\$ 4,153	\$ 297	\$ 4,450	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130		Compliant		Compliant
UT Chattanooga	\$ 6,888	\$ 1,776	\$ 8,664	\$ 7,095	\$ 1,829	\$ 8,924	\$ 260	3.00%	\$0 or Less	\$ 207	\$0 or Less	\$ 260		Compliant		Compliant
UT Knoxville (admitted after 2013-14)	\$ 11,110	\$ 1,860	\$ 12,970	\$ 11,443	\$ 1,916	\$ 13,359	\$ 389	3.00%	\$0 or Less	\$ 333	\$0 or Less	\$ 389		Compliant		Compliant
UT Martin (Part-Time & Full-Time w/ 60+ SCH) ¹	\$ 7,200	\$ 1,418	\$ 8,618	\$ 7,416	\$ 1,461	\$ 8,877	\$ 259	3.00%	\$0 or Less	\$ 216	\$0 or Less	\$ 259		Compliant		Compliant
UT Martin (Full-Time w/ less than 60 SCH) ¹	\$ 7,818	\$ 1,418	\$ 9,236	\$ 8,053	\$ 1,461	\$ 9,513	\$ 277	3.00%	\$0 or Less	\$ 235	\$0 or Less	\$ 277		Compliant		Compliant
TN Colleges of Applied Tech	\$ 3,507	\$ 230	\$ 3,737	\$ 3,612	\$ 237	\$ 3,849	\$ 112	3.00%	\$0 or Less	\$ 105	\$0 or Less	\$ 112		Compliant		Compliant
University Avg	\$ 7,656	\$ 1,547	\$ 9,203	\$ 7,886	\$ 1,593	\$ 9,479	\$ 276	3.00%	\$0 or Less	\$ 230	\$0 or Less	\$ 276				
Community College Avg	\$ 4,032	\$ 300	\$ 4,332	\$ 4,153	\$ 309	\$ 4,462	\$ 130	3.00%	\$0 or Less	\$ 121	\$0 or Less	\$ 130				

¹ - The 2017-18 tuition rate for full-time students who have completed fewer than 60 credit hours is a flat rate for 12 hours a semester regardless of how many hours the student is enrolled in. Full-time students who have completed more than 60 credit hours are also charged a flat rate for 12 hours regardless of how many hours the student is enrolled in. Part-time students are charged on a per credit hour basis at the 60+ credit hour rate.

**2018-19 Binding Tuition Ranges
Maintenance and Mandatory Fee Increase Dynamic Template**

Institution	2017-18		2017-18			2018-19			2018-19 Percent Increases			2018-19 Total Fees			Are these fees compliant with the THEC tuition and tuition and mandatory fee ranges?
	Maintenance Fee per SCH (1-12)	Maintenance Fee per SCH (12+)	Maintenance Fee	Mandatory Fee	Combined	Maintenance Fee per SCH (1-12)	Maintenance Fee per SCH (12+)	Mandatory Fee *	Maintenance Fee	Mandatory Fee	Combined	Maintenance Fee	Mandatory Fee	Combined	
Tennessee Tech	\$ 304	\$ 60	\$ 7,656	\$ 1,217	\$ 8,873	\$ 312	\$ 62	\$ 1,243	2.66%	2.14%	2.59%	\$ 7,860	\$ 1,243	\$ 9,103	Compliant

* Proposed Annual Increase:
 SOLO \$20 increase
 Student Mental Health Wellness Fee \$ 6 increase

Tennessee Tech University

Impact of Anticipated Increase on Maintenance

Analysis - Fall 2017 vs. Fall 2018

Estimated Total Registration Fees by Major	Fall 2017	Fall 2018	Maintenance \$ Increase	% Increase
Freshman:				
Agriculture (15 hrs)	\$ 3,828.00	\$ 3,930.00	\$ 102.00	2.7%
Arts & Sciences:				
Non-science concentration (15 hrs)	\$ 3,828.00	\$ 3,930.00	\$ 102.00	2.7%
Science concentration (17 hrs)	\$ 3,948.00	\$ 4,054.00	\$ 106.00	2.7%
Business Administration (15 hrs)	\$ 3,828.00	\$ 3,930.00	\$ 102.00	2.7%
Education:				
Arts (16 hrs)	\$ 3,888.00	\$ 3,992.00	\$ 104.00	2.7%
Music (16 hrs)	\$ 3,888.00	\$ 3,992.00	\$ 104.00	2.7%
Teaching Licensure (15 hrs)	\$ 3,828.00	\$ 3,930.00	\$ 102.00	2.7%
Non-Licensure (15 hrs)	\$ 3,828.00	\$ 3,930.00	\$ 102.00	2.7%
Engineering (16 hrs)	\$ 3,888.00	\$ 3,992.00	\$ 104.00	2.7%
Human Ecology (17 hrs)	\$ 3,948.00	\$ 4,054.00	\$ 106.00	2.7%
Nursing (16 hrs)	\$ 3,888.00	\$ 3,992.00	\$ 104.00	2.7%
Upperclassman: (Junior)				
Agriculture (15 hrs)	\$ 3,828.00	\$ 3,930.00	\$ 102.00	2.7%
Arts & Sciences:				
Non-science concentration (15 hrs)	\$ 3,828.00	\$ 3,930.00	\$ 102.00	2.7%
Science concentration (14 hrs)	\$ 3,768.00	\$ 3,868.00	\$ 100.00	2.7%
Business Administration (15 hrs)	\$ 3,828.00	\$ 3,930.00	\$ 102.00	2.7%
Education:				
Arts (15 hrs)	\$ 3,828.00	\$ 3,930.00	\$ 102.00	2.7%
Music (18 hrs)	\$ 4,008.00	\$ 4,116.00	\$ 108.00	2.7%
Teaching Licensure (18 hrs)	\$ 4,008.00	\$ 4,116.00	\$ 108.00	2.7%
Non-Licensure (15 hrs)	\$ 3,828.00	\$ 3,930.00	\$ 102.00	2.7%
Engineering (16 hrs)	\$ 3,888.00	\$ 3,992.00	\$ 104.00	2.7%
Human Ecology (14 hrs)	\$ 3,768.00	\$ 3,868.00	\$ 100.00	2.7%
Nursing (14 hrs)	\$ 3,768.00	\$ 3,868.00	\$ 100.00	2.7%

An anticipated 2.66% increase in undergraduate maintenance fees will result in a per hour rate of \$312 and an over base rate of \$62.

Tennessee Tech University

Impact of Anticipated Increase on Maintenance & Mandatory Fees

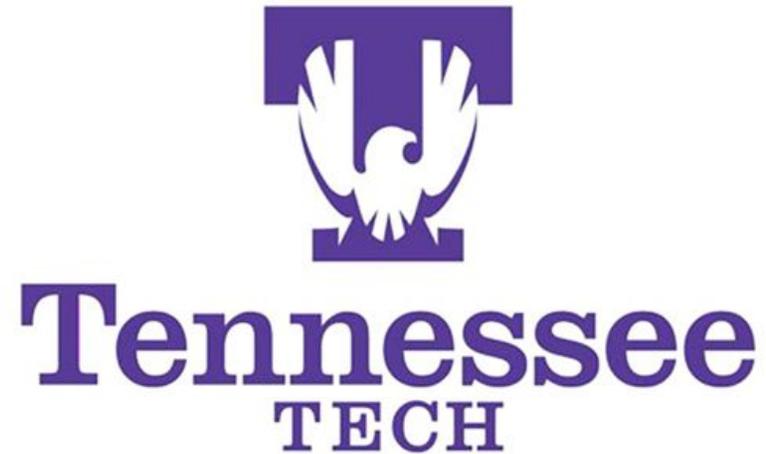
Analysis - Fall 2017 vs. Fall 2018

Estimated Total Registration Fees by Major	Fall 2017	Fall 2018	\$ Increase	% Increase
Freshman:				
Agriculture (15 hrs)	\$ 4,696.50	\$ 4,826.50	\$ 130.00	2.8%
Arts & Sciences:				
Non-science concentration (15 hrs)	\$ 4,436.50	\$ 4,551.50	\$ 115.00	2.6%
Science concentration (17 hrs)	\$ 4,819.50	\$ 4,938.50	\$ 119.00	2.5%
Business Administration (15 hrs)	\$ 4,626.50	\$ 4,756.50	\$ 130.00	2.8%
Education:				
Arts (16 hrs)	\$ 4,646.50	\$ 4,763.50	\$ 117.00	2.5%
Music (16 hrs)	\$ 4,701.50	\$ 4,818.50	\$ 117.00	2.5%
Teaching Licensure (15 hrs)	\$ 4,571.50	\$ 4,686.50	\$ 115.00	2.5%
Non-Licensure (15 hrs)	\$ 4,661.50	\$ 4,776.50	\$ 115.00	2.5%
Engineering (16 hrs)	\$ 4,726.50	\$ 4,843.50	\$ 117.00	2.5%
Human Ecology (17 hrs)	\$ 4,846.50	\$ 4,965.50	\$ 119.00	2.5%
Nursing (16 hrs)	\$ 4,679.50	\$ 4,796.50	\$ 117.00	2.5%
Upperclassman: (Junior)				
Agriculture (15 hrs)	\$ 4,676.50	\$ 4,806.50	\$ 130.00	2.8%
Arts & Sciences:				
Non-science concentration (15 hrs)	\$ 4,436.50	\$ 4,551.50	\$ 115.00	2.6%
Science concentration (14 hrs)	\$ 4,651.50	\$ 4,764.50	\$ 113.00	2.4%
Business Administration (15 hrs)	\$ 4,886.50	\$ 5,076.50	\$ 190.00	3.9%
Education:				
Arts (15 hrs)	\$ 4,706.50	\$ 4,836.50	\$ 130.00	2.8%
Music (18 hrs)	\$ 4,891.50	\$ 5,012.50	\$ 121.00	2.5%
Teaching Licensure (18 hrs)	\$ 5,054.50	\$ 5,175.50	\$ 121.00	2.4%
Non-Licensure (15 hrs)	\$ 4,701.50	\$ 4,831.50	\$ 130.00	2.8%
Engineering (16 hrs)	\$ 5,279.50	\$ 5,396.50	\$ 117.00	2.2%
Human Ecology (14 hrs)	\$ 4,679.00	\$ 4,792.00	\$ 113.00	2.4%
Nursing (14 hrs)	\$ 5,119.50	\$ 5,232.50	\$ 113.00	2.2%

An anticipated 2.66% increase in undergraduate maintenance fees will result in a per hour rate of \$312 and an over base rate of \$62.

Mandatory registration fees include an anticipated \$10 SOLO Fee increase and \$3 General Access Fee (Mental Health Wellness Component) increase.

Business SACF increased by \$5 dollars based on a previously approved phased increase.



Discussion of Fees for FY2018-2019

Presentation to Audit & Business Committee
Board of Trustees

March 22, 2018



Non-Mandatory Fee Proposal 2018-2019

- Parking
 - Third year of 10-year plan

Zone 1 & 2 (inner campus and residence halls)	\$15/year increase
Zone 3 (Tech Village, inner campus access)	\$7.50/year increase
Zone 4 (outer campus)	\$9/year increase

- Housing
 - 3% increase for residence halls and Tech Village apartments



MAINTENANCE AND MANDATORY FEES DISCUSSION

THEC Recommendation 2018-2019 Annual Rates

2018-19 Anticipated Binding Rates			
Maintenance Fee		Maintenance + Mandatory Fees	
Minimum	Maximum	Minimum	Maximum
\$0 or less	\$230	\$0 or less	\$266



THEC Recommendation 2018-2019 Annual Rates

2018-19 Maintenance and Mandatory Fee Increase Scenario and Comparison – 3% Limit							
2017-18			2018-19			Combined Increase	Combined % Increase
Maintenance Fee	Mandatory Fee	Maintenance + Mandatory	Maintenance Fee	Mandatory Fee	Maintenance + Mandatory		
\$7,656	\$1,217	\$8,873	\$7,886	\$1,254	\$9,139	\$266	3%



Per Semester In-state Maintenance Fee History

	Fall 2014	Fall 2015*	Fall 2016	Fall 2017	Fall 2018**
Undergraduate Maintenance	\$3,237	\$3,591	\$3,690	\$3,828	\$3,930
Dollar increase over prior year	\$189	\$354	\$99	\$138	\$102
Percentage increase	6.2%	10.9%	2.8%	3.74%	2.66%
*Collapsed existing mandatory and non-mandatory fees equivalent to \$18 per UG hour in Maintenance fees					
**Anticipated maintenance fee to be effective with fall 2018					
Rate per credit hour	\$257	\$285	\$293	\$304	\$312
Dollar increase	\$15	\$28*	\$8	\$11	\$8



Per Semester Mandatory Fees

	2017-18	2018-19	Dollar Increase	Percentage Increase
Athletic Fee	\$248	\$248	Zero	Zero
Campus Recreation	\$48	\$48	Zero	Zero
Technology Access Fee	\$112.50	\$112.50	Zero	Zero
Facilities Development Fee	\$51	\$51	Zero	Zero
Debt Service	\$129	\$129	Zero	Zero
SGA/SOLO	\$20	\$30	\$10	50%
Student Mental Health Wellness	New Fee	\$3	\$3	100%
Combined Total All Mandatory Fees	\$608.50	\$621.50	\$13	2.14%



Fees not subject to THEC binding rates

- Graduate maintenance fee
- Out-of-state tuition
- Non-mandatory fees (request approval at this meeting)



Anticipated graduate maintenance fees

Graduate In-State Tuition				
	Fall 2017	Fall 2018	Dollar Increase	Percentage Increase
For Base 10 Hours	\$4,880	\$5,020	\$140	2.9%
Hourly rate over base hours	\$96	\$99	\$3	3.1%



Out-of-state tuition

- Out-of-state students pay same maintenance and other fees as in-state students, plus an out-of-state tuition rate
- 2017-2018 out-of-state tuition rate
 - Base (12 credit hours) \$7,932
 - Hourly rate over base \$132
- No increase in out-of-state tuition is anticipated



New resources and uses 2018-2019

Governor's budget dedicated to 2.5% salary improvements	\$1,281,500
Governor's budget dedicated to formula outcomes	\$1,327,400
Outcomes formula adjustment	\$463,400
Total anticipated increase in state appropriations	\$3,072,300
Revenue generated per 2.66% maintenance fee increase	\$1,982,700
Resources anticipated to address needs	\$5,055,000

Cost of 2.5% salary improvements with fringe benefits	\$2,216,354
Dedicate funds to re-establish operating fund balance	\$2,000,000
Cost increases other than salaries and fringe benefits (2017 HEPI 3.7%)	\$1,802,000
Total anticipated needs for FY2018-19	\$6,018,354

Difference between resources and needs	\$(963,354)
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DISCUSSION