



**Board of Trustees Meeting
Audit & Business Committee
June 24, 2021
Roaden University Center Room 282
MINUTES**

AGENDA ITEM 1—Call to Order

The Tennessee Tech Board of Trustees Audit & Business Committee met on June 24, 2021 in Roaden University Center Room 282. Chair Johnny Stites called the meeting to order at 9:43 a.m.

Chair Stites asked Mr. Lee Wray, Secretary, to call the roll. The following members were present:

- Johnny Stites
- Sally Pardue
- Thomas Lynn

Other board members were also in attendance. A quorum was physically present. Tennessee Tech faculty, staff and members of the public were also in attendance.

AGENDA ITEM 2—Approval of Minutes

Chair Stites asked for approval of the minutes of the March 11, 2021 Audit & Business Committee meeting. Chair Stites asked if there were questions or comments regarding the minutes. There being none, Mr. Lynn moved to recommend approval of the March 11, 2021 Audit & Business Committee minutes. Dr. Pardue seconded the motion. Mr. Wray called a roll call vote. The motion carried unanimously.

AGENDA ITEM 3— FY2020-21 Estimated & FY2021-22 Proposed Budgets

Dr. Stinson presented information on the reconciliation of changes in E & G revenues, reconciliation of change in expenses and reconciliation of change in natural expenses (Attachment A-F). Mr. Lynn asked if the four percent salary increase was from the state. Dr. Stinson advised the state gives us 55% and the university uses the formula outcomes to fund the other 45%.

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Dr. Pardue moved to send the FY2020-21 Estimated and FY2021-22 Proposed budgets to the Board for approval and to place it on the Board's regular agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 4—Disclosed Projects FY2021-22

Dr. Stinson stated disclosed projects are university funded. The state does not allow athletics facilities to be submitted for state funding. The Hooper Eblen Center Restroom upgrade with a project cost of \$500,000 will bring the restrooms up to present day codes, replace fixtures, finishes and equipment. The New Hall South HVAC upgrade has a project cost of \$880,000. The project will upgrade existing fan coil units so they can operate in dehumidification mode which will include controls and control valve upgrades with wireless DDC controls.

Mr. Lynn moved to send the FY2021-22 Disclosed Projects for the Hooper Eblen Center restroom upgrades and New Hall South HVAC upgrades to the Board for approval and to place it on the Board's regular agenda. Dr. Pardue seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 5—Capital Budget FY2022-23

Dr. Stinson advised the state would not be considering new construction projects this year for capital outlay but what they expected were renovation and demolitions. The Capital Outlay request is the complete renovation of Johnson Hall, demolition of Foster Hall with relocation and upgrade of associated utilities and underground infrastructure. The estimated project cost is \$20,000,000. The Capital Maintenance projects request for state funding is: Craft Center HVAC upgrades \$1,140,000, Craft Center generator and fire pump upgrades \$500,000, Foundation Hall upgrades \$6,000,000, Roaden University Center HVAC upgrades \$500,000, elevator upgrades \$750,000 and stormwater system repairs \$500,000.

Trustee Jones asked if the state could pick and choose the projects. Dr. Stinson advised we are asked to submit in order of priority. If the state does not fund the full requested amount we have flexibility and can alter our list.

Dr. Pardue moved to send the FY2022-23 Capital Budget to the Board for approval and to place it on the Board's regular agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 6—Maintenance & Mandatory Fees

Dr. Oldham stated we want to make our tuition as transparent as possible and this proposal is another step in that direction. Currently with course fees the cost can vary based on the courses taken and is hard to predict. We are wanting to collapse a portion of those fees to help with transparency and predictability. Mandatory fees are controlled by THEC and Non-Mandatory Fees are controlled by TTU Board of Trustees. THEC is allowing up to a two percent tuition increase this year. Dr. Oldham said the increase in tuition will offset the reduction in the course fees. Dr. Stinson reminded trustees that T.C.A 49-7-1603 requires the university to consider the mandatory factors: level of state support, total cost of attendance and efforts to mitigate the financial effect on students. Additional factors adopted by TTU

Board of Trustees is the THEC tuition range, comparison to peer institutions and other LGIs and the Higher Education Price Index.

The proposed fee increase is a 1.78% overall increase in maintenance and mandatory fees. The proposed maintenance fee (flat-rate) increase is 1.99% and the proposed mandatory fee increase is .31%. The proposed graduate maintenance fee increase is 1.95%, this is not controlled by THEC.

Dr. Stinson advised the proposed mandatory fee increase in the program service fee is to increase from \$639 per semester to \$641 per semester. The student mental health component proposed increase from \$3.00 a semester to \$5.00 a semester. The fee increase was proposed by the Student Government Association. The fee will be used to add psychiatric services as a part of counseling center services. Patricia Smith, Director of Counseling Center, spoke on the increase of students utilizing the counseling services and the benefit of having a psychiatric nurse practitioner available through campus.

Dr. Pardue moved to send the FY2021-22 Maintenance and Mandatory fees recommendation for approval and to place it on the Board's regular agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 7—Non-Mandatory Fees

Dr. Stinson advised the proposal was to modify the specialized academic course fees for Engineering, Business, Nursing and Education Ready-to-Teach and to collapse the Education (general), Agriculture and Human Ecology, Arts and Sciences and Fine Arts. The fee will be assessed each semester at a flat-rate per major rather than per course. The students will pay a smaller amount each semester rather than have a large increase in fees at their junior and senior years. The proposed per semester cost is shown in Attachment G.

Dr. Pardue moved to send the non-mandatory specialized academic course fee structure to the Board for approval and to place it on the Board's regular agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 8—Emeritus President Contract

Dr. Stinson stated that Dr. Robert Bell had a President Emeritus Contract with the university. The State of TN law required the contract to be reviewed annually by the Audit & Business Committee and the Board of Trustees. A report for Dr. Bell and what he accomplished the past year along with a copy of his agreement was provided in Diligent.

Mr. Lynn moved to send the 2021-22 President Emeritus contract to the Board for approval and to place it on the Board's consent agenda. Dr. Pardue seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 9—TTU Policy 131 (Preventing and Reporting Fraud, Waste or Abuse)

Deanna Metts stated every four years or earlier if necessary the policy is to be reviewed. There are three changes being proposed along with some formatting corrections. A tracked and clean version of the policy was provided in Diligent.

Dr. Pardue moved to send TTU Policy 131 (Preventing and Reporting Fraud, Waste, or Abuse) as presented to the Board for approval and to place it on the Board's consent agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 10 —Audit Committee Charter

Deanna Metts advised per the Audit Committee Charter, a review of the charter by the Audit & Business Committee is required every four years. There were no recommended changes therefore this was an informational item and no action was necessary.

AGENDA ITEM 11 —Faculty Promotions

Dr. Bruce stated the details of the faculty promotions were provided in Diligent. Twenty-six faculty members was awarded promotion by the President beginning August 2021. This accounts for approximately six percent of full-time faculty. The promotions included five from Lecturer to Senior Lecturer, 12 from Assistant to Associate Professor and nine from Associate to Professor.

This was an informational item therefore no action was required.

AGENDA ITEM 12— Tenure Recommendations

Dr. Bruce advised a list of candidates were available in Diligent. Eleven faculty members are being recommended for tenure beginning August 2021 by the President. If the recommendations are approved by the Board the percentage of tenured faculty members in Fall 2021 will be 59%.

Dr. Pardue moved to send the tenure recommendations to the Board for approval and to place it on the Board's consent agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion passed unanimously.

AGENDA ITEM 13 —Adjournment of Open Session & Call to Order of Non-Public Executive Session

There being no further business, the meeting adjourned at 11:27 a.m. After a short break, the Non-Public Executive Session began at 11:34 a.m. Trustees and Administration were present for the meeting.

AGENDA ITEM 14—Adjournment

There being no further business, the Non-Public Executive Session adjourned at 12:33 p.m.

Approved,



Lee Wray, Secretary

Attachment A

Reconciliation of Changes in E&G revenues

	October Revised Budget FY2020-21	Current Estimate FY2020-21	Difference	July Proposed Budget FY2021-22	Difference
Tuition & Fees	\$97,464,900	\$98,752,800	\$1,287,900	\$98,296,000	(\$456,800)
State Approp.	\$60,227,700	\$60,227,700	\$0	\$63,514,400	\$3,286,700
Other	\$10,743,400	\$11,355,100	\$611,700	\$11,758,700	\$403,600
Total E&G	\$168,436,000	\$170,335,600	\$1,899,600	\$173,569,100	\$3,233,500



Attachment B

E&G Revenues Reconciliation of Difference

Revised vs. Current Estimate	Current Estimate vs. Proposed						
<ul style="list-style-type: none"> • Tuition and Fees <ul style="list-style-type: none"> – Conservative estimate in enrollment driven maintenance and fees \$1,287,900 • Other <ul style="list-style-type: none"> – Increase in sales and services revenue \$611,700 <table border="0" style="margin-left: 20px; width: 80%;"> <tr> <td style="padding-right: 10px;">Child Development Lab</td> <td style="text-align: right;">\$233,377</td> </tr> <tr> <td>Athletics</td> <td style="text-align: right;">\$305,420</td> </tr> <tr> <td>Traffic Fines</td> <td style="text-align: right;">\$ 66,250</td> </tr> </table> 	Child Development Lab	\$233,377	Athletics	\$305,420	Traffic Fines	\$ 66,250	<ul style="list-style-type: none"> • Tuition and Fees <ul style="list-style-type: none"> – Reduction in E-Campus (\$495,500) – Out-of-state increase \$280,000 – SACF and mandatory fee decline (\$236,280) • State Appropriations <ul style="list-style-type: none"> – Outcomes adj. (\$430,900) – Share of new funding \$1,768,800 – Matching Cybersecurity Grant (\$500,000) – Insurance adjustment \$343,600 – Salary Pool \$2,105,200
Child Development Lab	\$233,377						
Athletics	\$305,420						
Traffic Fines	\$ 66,250						



Attachment C

Change in Expenses

	October Revised Budget FY2020-21	Current Estimate FY2020-21	Difference	July Proposed Budget FY2021-22	Difference
Instruction	\$85,825,800	\$83,072,400	(\$2,753,400)	\$77,398,100	(\$5,674,300)
Research	\$4,354,200	\$4,476,000	\$121,800	\$1,984,500	(\$2,491,500)
Public Service	\$2,285,600	\$2,437,200	\$151,600	\$2,014,100	(\$423,100)
Academic Support	\$14,093,200	\$14,463,900	\$370,700	\$13,049,300	(\$1,414,600)
Student Services	\$21,884,500	\$22,504,600	\$620,100	\$21,290,300	(\$1,214,300)
Institutional Support	\$17,974,000	\$18,440,100	\$466,100	\$18,218,200	(\$221,900)
Maint. & Oper.	\$16,154,100	\$16,389,500	\$235,400	\$15,514,700	(\$874,800)
Scholarship	\$15,698,400	\$15,697,100	(\$1,300)	\$16,194,300	\$497,200
Total E&G	\$178,269,800	\$177,480,800	(\$789,000)	\$165,663,500	(\$11,817,300)



Attachment D

Reconciliation of Change in Expenses

Revised vs. Current Estimate	Current Estimate vs. Proposed
<ul style="list-style-type: none"> • Instruction <ul style="list-style-type: none"> – Reallocate Multi-year Strategic Funds to Transfer account (\$3,000,000) – \$1,000 Spring Bonus \$585,000 • Research <ul style="list-style-type: none"> – \$1,000 Spring Bonus \$91,000 – Director of Research Position \$120,504 • Public Service <ul style="list-style-type: none"> – \$1,000 Spring Bonus \$12,000 – Child Development Lab \$100,108 • Academic Support <ul style="list-style-type: none"> – TAF increase due to conservative fall budget \$251,500 – \$1,000 Spring Bonus \$152,000 • Student Services <ul style="list-style-type: none"> – \$1,000 Spring Bonus \$ 201,000 – Athletics \$105,449 – CAD & RMS Software (Police) \$96,020 – Unfreeze VP of Student Affairs \$167,000 • Institutional Support/Maint. & Oper. <ul style="list-style-type: none"> – \$1,000 Spring Bonus \$215,000 – Fringe benefits & reclasses \$343,365 – Add fund for COVID expenses \$200,000 	<ul style="list-style-type: none"> • Faculty promotions \$150,346 • One-time carryforward removed <ul style="list-style-type: none"> – Instruction (\$9,711,228) – Research (\$1,772,206) – Academic Support (\$911,931) – Public Service (\$188,478) – Student Services (\$932,082) – Institutional Support (\$120,029) – Plant (\$1,096,203) • Institutional Support – increase health insurance \$343,600 • Student Services – Police \$14,000; Campus Logic \$104,960 • Research – CEROC (\$500,000) • Plant – increase utilities \$213,500; Project Design Manager \$109,329 • Unfreeze Positions \$323,176 • Salary increase 4% plus fringe benefits - \$3,699,500



Attachment E

Change in Natural Expenses

	October Revised Budget FY2020-21	Current Estimate FY2020-21	Difference	July Proposed Budget FY2021-22	Difference
Salary and Wages	\$78,360,800	\$81,195,200	\$2,834,400	\$81,849,100	\$653,900
Fringe Benefits	\$35,520,300	\$35,921,000	\$400,700	\$36,609,900	\$688,900
Travel	\$1,652,400	\$1,664,500	\$12,100	\$1,638,900	(\$25,600)
Operating & Utilities	\$45,806,800	\$41,372,800	(\$4,434,000)	\$29,039,800	(\$12,333,000)
Scholarships & Fellowships	\$15,698,400	\$15,697,100	(\$1,300)	\$16,194,300	\$497,200
Capital	\$1,231,100	\$1,630,200	\$399,100	\$331,500	(\$1,298,700)
Total E&G	\$178,269,800	\$177,480,800	(\$789,000)	\$165,663,500	(\$11,817,300)



Attachment F

Reconciliation of Change in Natural Expenses

Revised vs Current Estimate	Current Estimate vs Proposed
<ul style="list-style-type: none"> • Salary and Wages <ul style="list-style-type: none"> – Lapse Strategic Investment Pool - (\$1,041,590) – \$1,000 Spring Bonus \$1,256,000 – Units transferring operating dollars to salary <ul style="list-style-type: none"> • \$276,000 – Summer Pay • \$391,000 – Adjuncts • \$1,178,796 - GA's, and • \$335,000 -Temporary Labor • Benefits <ul style="list-style-type: none"> – Increase budget for benefits related to bonus \$376,000 • Operating & Utilities <ul style="list-style-type: none"> – Lapse invested back at College/VP level \$416,000 – Operating dollars transferred to Salary and Wages (\$2,180,000) – Strategic Investment Pool \$600,000 – Reallocate Multi-year Strategic Funds to Transfer account (\$3,000,000) 	<ul style="list-style-type: none"> • Salary and Wages <ul style="list-style-type: none"> – Faculty promotions \$150,346 – Salary increase 4% and Fringe Benefits \$2,807,000 – Re-establish lapse salaries \$1,041,590 – Remove temporary operating transfer to salary and wages (\$2,180,000) – Remove Temporary Spring \$1,000 bonus (\$1,256,000) • Fringe Benefits <ul style="list-style-type: none"> – TCRS and Health Insurance adjustment \$343,600 – Estimated FB for 2% salary increase \$982,000 – Remove temporary one-time bonus benefits (\$376,000) • Operating & Utilities <ul style="list-style-type: none"> – Remove temporary budgets for carryforwards (\$14.7M) – Add back operating temp transferred to salary & wages \$2,180,000 • Scholarships <ul style="list-style-type: none"> – Re-establish International Scholarships \$400,000



Attachment G Proposed Per Semester Specialized Academic Fee

Level	College	Full-Time Per Semester	Part-Time <12 Hours Per Credit Hour
Bachelors	Business	\$425	\$36
	Engineering	\$500	\$42
	Nursing	\$650	\$55
	Education	\$165	\$14
Masters and EdS	Business	\$425	\$43
	Engineering	\$650	\$65
	Nursing	\$650	\$65
	Education	\$165	\$17
Doctorate	Engineering (Bachelors to Doctorate)	\$650	\$65
	Engineering (Masters to Doctorate)	\$650	\$65

