



Audit & Business Committee Meeting

March 12, 2020

Roaden University Center, Room 282

8:30 A.M.

AGENDA

- I. Call to Order**
- II. Approval of Minutes**
- III. Land Disposal by Easement**
- IV. Sale of W. Clyde Hyder Farm Lot**
- V. Generic Naming of Buildings and Roadway**
- VI. Update on Governor's Budget**
- VII. Report on Flat-Rate Tuition Model and Tech Promise Scholarship Recommendation**
- VIII. Notice of Responsibilities for Preventing, Detecting, and Reporting Fraud, Waste, and Abuse**
- IX. Adjournment of Open Session and Call to Order of Executive Closed Session to Discuss Audits, Investigations, Litigation, and Matters Deemed Not Subject to Public Inspection Pursuant to T.C.A. § 4-35-108(b)(1)-(3)**
- X. Adjournment**



**Board of Trustees Meeting
Audit & Business Committee
March 6, 2020
President's Conference Room 210**

MINUTES

AGENDA ITEM 1—CALL TO ORDER

The Tennessee Tech Board of Trustees Audit & Business Committee met on March 6, 2020, in Derryberry Hall Room 210. Chair Johnny Stites called the meeting to order at 1:30 p.m.

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

- Johnny Stites
- Sally Pardue

Other board members 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 December 5, 2019 Audit & Business Committee meeting. Chair Stites asked if there were questions or comments regarding the minutes. There being none, Dr. Sally Pardue moved to recommend approval of the December 5, 2019 Audit & Business Committee minutes. Chair Stites seconded the motion. Ms. Carpenter took a roll call vote. The motion carried unanimously.

AGENDA ITEM 3- Flat-rate Tuition Model and Tech Promise Scholarship

Dr. Oldham opened the presentation stating the Flat-rate tuition model and Tech Promise Scholarship students would be encouraged to graduate faster, enter the workforce to earn salaries quicker and be served no matter what their income levels were. The national standard for graduation rate was a six year rate. The university's current four-year graduation rate of entering freshmen from 2015-2019 was 37.2 percent. The goal to reach by 2025 is 50 percent for four-year graduation rate. The tuition model is to incentivize and encourage students to take an appropriate load of courses that would allow them to graduate in eight semesters. Dr. Oldham included in his presentation an estimate of how much money a student would save by going to the flat-rate model and total benefit by getting into the workforce sooner. The university average by graduating in four years as opposed to five years approximately would be \$11,000 cost savings and the average lost salary of \$55,000. The costs and lost salary increases with each additional year in school. Dr. Oldham included information in his presentation that was loaded in Diligent, it provided the same information just broken down by college.

Dr. Bruce presented information on the relationship between student academic loads and student academic success. Dr. Bruce stated there was extensive research on tuition models that encouraged 15 credit hour enrollment versus 12 credit hours. Students who take 15 credit hours on average tend to have a slightly higher GPA, a higher chances of continuing toward graduation and significantly higher chance of graduating in six years. Students tend to do better when they have a slightly higher course load. Dr. Bruce provided information of a longitudinal study of 8,230 undergraduates with varying backgrounds and from a variety of two-year and four-year institutions. These students were followed for six years to see what their six-year graduation rate was. The students were surveyed so they could normalize for race, age, gender, household income, academic preparedness, parental education levels, independence from parents, existence of dependents and work hours per week. The study compared the students that were enrolled for 12 credits per semester their freshman year versus 15 credits. Overall the student's six-year graduation rate increased by 5.5 percent. Researchers have found that students that have more academic success with increased academic momentum included increased integration into campus life, increased sense of accomplishment and commitment to degree completion, crowded out distractors from degree completion, and decreased window for unforeseen life events.

Chair Stites wanted to know if advisors would be made aware of these factors so they could lead the students correctly. Ms. Harper added that there should be an effort through the student success center to train staff on what a 15 hour model entails. Dr. Oldham added that were moving to a more holistic approach of advising on campus, not just about creating a schedule but incorporating career ambitions, expectations etc.

Dr. Pardue asked Dr. Bruce what the GPA impact was when taking more credit hours. Dr. Bruce stated in studies she read the GPA was slightly increased when students take 15 hours versus 12 hours.

Dr. Bruce advised each year we use NSSE survey to collect a variety of information about our freshman and seniors, including work habits. She provided information in her presentation slides that included hours worked per week, the Tennessee Tech average and the national average for freshmen and seniors.

Dr. Stinson advised the proposed tuition model would be a flat-rate for full-time students of \$10,338 annually that included tuition and mandatory fees. Students would be advised to take 15 credit hours to graduate in eight semesters. This would apply to incoming students fall 2020 and beyond, new freshman and new transfers only. The continuing students would remain on the current tuition model of \$9,318 annually including tuition and mandatory fees. The proposal included no increase in per credit hour cost for current students and no increase in mandatory and non-mandatory fees for FY20-21. The implementation would be no change for continuing students, no tuition increase for continuing students in FY20-21, no increase in mandatory or non-mandatory fees for FY20-21 and implement the Tech Promise Scholarship. Chair Stites asked if the Tech Promise would include current students or just new students. Dr. Oldham advised it was just for incoming freshmen and new transfers.

Dr. Stinson advised student success initiatives included: centralized advising focused on freshmen and undecided students, student success centers in each college, advising software, Degree Works, tutoring resources, revise the current scholarship allocations to allow more awards to students in the mid-20 ACT category, and create a Tech Promise scholarship to assist low-income and high-achieving students.

The Tech Promise Scholarship criteria included: family adjusted gross income of \$40,000 or less, students must receive the Hope scholarship and Pell grant, tuition and mandatory fee last dollar scholarship, four-year scholarship and must be a full-time undergraduate student. Ms. Harper asked if we would look at the AGI each year or rely on Pell. Dr. Stinson advised we would primarily rely on the Pell. Dr. Johnson added there would be some leniency built in to allow for slightly adjusted AGI due to a small fluctuation in income, the margin could come from other institutional funds.

Dr. Stinson included information in the presentation of the projected cost for 2020-21 of \$74,638 and by 2023-24 costs of \$276,896 which included 1,800 students to receive the scholarship. Dr. Oldham added this gave us a way to ensure an education at Tennessee Tech was affordable and available to any student that was academically qualified. There should not be an economic reason to prohibit them from attending.

Dr. Stinson showed a comparison of total annual tuition and mandatory fees for FY19-20 for the LGI universities. Tennessee Tech was the third lowest at \$9,318. The presentation also included a projected tuition increase of two percent for each LGI. Tennessee Tech with the two percent increase would be \$9,505 and the flat-rate of \$10,338. Dr. Stinson advised this model and scholarship was shared with various campus groups, such as Faculty Senate, College Deans, Department Chairs, Student Government Association and Cabinet. Mr. Hilliard added he had conversations with some students regarding the model and received positive feedback. The students said the model would help with being able to budget easier, motivate students to come and stay as the process would be easier financially, allow the students to take additional electives

or obtain a minor without having to pay for additional courses. Captain Wilmore wanted to know if any conversations were held with parents. Dr. Oldham stated that while out visiting a high school recently they had a discussion with a teacher that had a college age student. As a parent, the teacher preferred a flat rate for the ease of budgeting and predictability.

Dr. Stinson stated that only one public comment was received regarding the tuition transparency notice and it was from a staff member. The public comment was provided in Diligent Tab 3.2. In summary the concern was for pre-engineering students quickly running out of general education courses before they were ready for their major courses, which would leave them in a bind of not having enough courses to be full time for a couple of semesters. There was concern also expressed that not all students can take 15 hours and should not be penalized. The opinion that more students are underprepared and forcing students to take 15 hours would have the opposite effect on retention than what was sought. Dr. Bruce stated her interpretation of the comment was that the concern was for students that were not ready to go into Engineering because they did not meet pre-requisites for the major courses. If the student takes 15 hours in the first few semesters they will use up all of the general education courses and later in the program they would have gaps in their schedule. There are sequences of courses in Engineering and later in the program gaps would typically be filled in with general education courses. Dr. Bruce stated this was an example of how the model can help students by allowing them opportunities to take additional courses and obtain a minor while taking the sequence of courses needed for their major.

Dr. Stinson added the additional factors to be considered by the Board related to the Tuition Transparency Act included comparison to peer institutions and competitor institutions along with the Higher Education Price Index. Dr. Stinson provided a slide in the presentation that provided a comparison to those institutions. Tennessee Tech falls in about the middle of the bar graph. The 2019 HEPI is 2.5 percent.

Ms. Vanhooser stated she understood there would be no tuition increase for fall 2020. She asked if the future years had an increase would it be based on the overall including the current tuition rate and the new flat-rate. Dr. Stinson gave the example of a two percent tuition increase on the flat-rate and two percent increase on the current rate. Until the current rate students graduate out we will have two different rates and two different sets of potential tuition increases.

Chair Stites asked for a motion to send the following to the Board for approval on their regular agenda: Approve a Flat-rate Tuition of \$4,530 per semester for students taking 12 or more credit hours and \$319 per credit hour for students taking 11 or less credit hours, and to apply these rates to all incoming new undergraduate students effective fall 2020. Additionally, approve a Tech Promise Scholarship to pay the last dollar of tuition and mandatory fees for up to eight semesters. Students receiving the Tech Promise Scholarship must meet all of the following criteria: 1) full-time undergraduate students assessed tuition under the flat-rate tuition, 2) students with a family Adjusted Gross Income of less than or equal to \$40,000, and 3) students receiving both Hope Scholarship and Pell grants. Dr. Pardue moved to recommend. Chair Stites seconded the motion. Ms. Carpenter took a roll call vote. The motion carried unanimously.

AGENDA ITEM 4—Adjournment

There being no further business, the meeting adjourned at 3:09 p.m.

Approved,

Kae Carpenter, Secretary



Agenda Item Summary

Date: March 12, 2020

Division: Planning and Finance

Agenda Item: Land Disposal by Easement

Review

Action

No action required

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

PURPOSE & KEY POINTS:

The approval of the disposal of land for temporary construction easement and permanent sewer collection located on North Franklin Avenue.



STATE OF TENNESSEE
Department of General Services
State of Tennessee Real Estate Asset Management
WRS Tennessee Tower, 24th Floor
312 Rosa L. Parks Ave.,
Nashville, TN 37243
Telephone: (615) 741-2315

STREAM USE ONLY	
Date Received:	
Received by:	
Transaction #:	

Real Estate Transaction Request Form RPM-1D (2/2019)

Disposal

Section I - Agency Information			
Agency			
Contact			
Phone			
E-mail Address		Date Request Needed*	

*Not less than 180 days from date of received

Section II - Property Information			
Property Address		Description of Building(s), if applicable	
City / County		Type of Building(s)	
Assessor Map and Parcel		Number of Buildings	
Owner's Deed Book & Page		Description of Bldgs. - Attach list if more than two buildings	Size
Size of Land (Acres)			Year Built

Section III - Action Requested		
- Disposal Fee Simple Leasehold Easement / ROW Gift	- Special Service Appraisal Survey Title Service Other - Specify:	
Inter-Agency Agreement Transfer of Jurisdiction Boundary Lines		
Comment for Lead Sheet - Please explain, in detail, the reason for the action:		

Section IV - Funding		
Who is paying the Real Estate Management ("REM") fee and other costs?		- Buyer
If Agency is paying REM fee, please complete the following information:		- Other
A	Allotment Code:	Estimated Sales Price
B	Fund:	
C	Cost Center:	
Where are the funds going if not to the General Fund (include statute):		

Section V - Third Party Information			
Buyer / Tenant			
Name		Phone Number	
Mailing Address		E-Mail Address	
City / State / Zip			

Section VI - Required Information			
A	Original cost to the State:		
	Date State Obtained:		
	Grantor unto State:		
B	Please state the department's current use for the property.		
C	Have any other parties expressed any need or interest in this property? If yes, please explain	<input type="checkbox"/> YES <input type="checkbox"/> NO	
D	Will this disposal hinder the department's future use of remaining property?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
E	Would this disposal adversely affect the remaining property values in the future?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
F	Are there any special requirements or issues that need to be addressed with STREAM?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
G	Will there need to be a review by the Tennessee Historical Commission?	<input type="checkbox"/> YES <input type="checkbox"/> NO	

Back-up Documents	
<input type="checkbox"/>	Photo of Building, if applicable
<input type="checkbox"/>	Map - Showing other State properties in relation to subject
<input type="checkbox"/>	Aerial Photo
<input type="checkbox"/>	Site Plan, if applicable
<input type="checkbox"/>	Master Plan, if applicable

Must be signed and dated by the requesting Agency Fiscal Officer	
Signed:	
Printed:	Date:

Must be signed and dated by the requesting Agency Head	
Signed:	
Printed:	Date:

Prepared By: City of Cookeville
Cookeville, TN 38501

DEED FOR UTILITY EASEMENT

This Easement Deed, is made by and between the **STATE OF TENNESSEE**, hereinafter referred to as the **GRANTOR**, and the **CITY OF COOKEVILLE, TENNESSEE**, a municipal corporation organized and existing under the laws of the State of Tennessee, hereinafter referred to as the **CITY**.

WITNESSETH:

WHEREAS, the **GRANTORS** owns a certain lot, parcel, or tract of land lying and being in the **SEVENTH** Civil District of Putnam County, Tennessee, being the same property conveyed to them by a deed of record in Book 57, Page 314, in the Register’s Office of Putnam County, Tennessee; and

WHEREAS, the **CITY** operates and maintains a sewer collection system and disposal system and desires to acquire from the **GRANTORS** the easement or easements hereinafter described over and through the portion of said lot, parcel, or tract as is hereinafter more specifically described.

NOW, THEREFORE, said **GRANTORS**, for and in consideration the sum of **ONE AND 00/100 DOLLAR (\$1.00)**, in hand paid and receipt of which is hereby acknowledged, and other good and valuable consideration, does hereby give, grant and convey unto the **CITY** the easements (s) hereinafter described and which, unless otherwise hereinafter expressly limited or restricted, shall be a perpetual right and easement(s) to construct and maintain across, upon and through the property hereinafter specifically described, a sewer line with the right to go upon said lands whenever the same is reasonably necessary for inspecting, maintaining, repairing, replacing, renovating, and constructing said sewer facilities and **GRANTOR**, their heirs and assigns, shall not construct and make any permanent improvements or erect any buildings upon said easements which shall interfere with the access of the **CITY** to the same; provided, however the **CITY** shall remove all surplus earth, make level the surface of the ground, and restore the surface as nearly as practical to its original condition.

The easement (s) herein granted to the **CITY** shall exist upon and through the following described parts of said real property owned by the **GRANTORS**:

EASEMENT DESCRIPTION

State of Tennessee
Tax Map 40 O, Group B, Parcel 1.00

PERMANENT EASEMENT

Beginning at a point at this tract’s southeastern property line, said point being the intersection of N. Franklin Ave and W. 9th Street; thence along the right-of-way of N. Franklin Ave. for three calls: N28° 02’ 29”W, 370.56’, N28° 12’ 46”W, 310.59’, and N27° 28’ 51”W, 287.77’ to a point, said point being the southwest corner of the herein described easement; thence S72° 48’ 28”E, 11.25’ to a point, said point being the northwest corner of the herein described easement and being 8’ offset from the N. Franklin ROW; thence paralleling the N. Franklin ROW and being offset from it 8’ for three calls; S27° 28’ 51”E, 293.92’, S28° 12’ 46”E, 310.59’, and S28° 02’ 29”E, 375.80’ to a point in the ROW of West 9th Street ROW, said point being the northeast corner of the herein described easement; thence N84° 48’ 29”W, 9.56’ to the point of beginning. Said strip of land is shown on Exhibit “A”, and contains approximately 0.18 acres.

Deed for Sewer Easement
State of Tennessee
Page 2

Temporary Easement

There is also an 8 foot temporary construction easement on the northeast side of the permanent easement that shall exist until this sewer project is accepted by the City or until the Grantor plants trees in that strip of land. The temporary easement lies adjacent to and parallel with the above described permanent easement as shown on Exhibit "A", containing 0.18 acres.

WITNESS my hand, this _____ day of _____, 2019.

GRANTOR:

STATE OF TENNESSEE

STATE OF TENNESSEE)
COUNTY OF _____)

Personally appeared before me, a Notary Public in and for said state and county, _____, the within named bargainor with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged himself to be the _____ of the STATE OF TENNESSEE, and he as such _____, being authorized to do so, executed the within instrument for the purposes therein contained.

Witness my hand and official seal this the _____ day of _____, 2019.

Notary Public

My Commission Expires: _____

MAP 040 O "B", PARCEL 1.00
STATE OF TENNESSEE,
DEPT. OF EDUCATION
D.B. 57, PG. 314

PROJECT: 43163.01



Source of North
Tennessee Grid North
GPS-GEIOD 12A
(NAVD 88)
(NAD 83)



GRESHAM SMITH
222 SECOND AVE S.
NASHVILLE, TENNESSEE 37201
615-770-8100
WWW.GRESHAMSMITH.COM
PROJECT NUMBER: 43423.00
DATE: 5/30/2019

SEWER EASEMENT
TO: CITY OF COOKEVILLE

SCALE: 1" = 30' SHEET: 1 of 1

FIELD:	DWN: CAT	CHK: BL
COUNTY OF: PUTNAM	CIVIL DISTRICT: 7th	
MAP: 040 O	GROUP: B	PARCEL: 1.00
DEED REF: 57 PAGE 314		

PROJECT NAME:
LITTLE CREEK PUMP STATION AND FORCE MAIN

THIS MAP DOES NOT CONSTITUTE A BOUNDARY SURVEY. HOWEVER BEARINGS AND DISTANCES BASED OFF GPS CONTROL ESTABLISHED BY GRESHAM, SMITH AND PARTNERS FOR FIELD RUN TOPOGRAPHY SURVEYS.



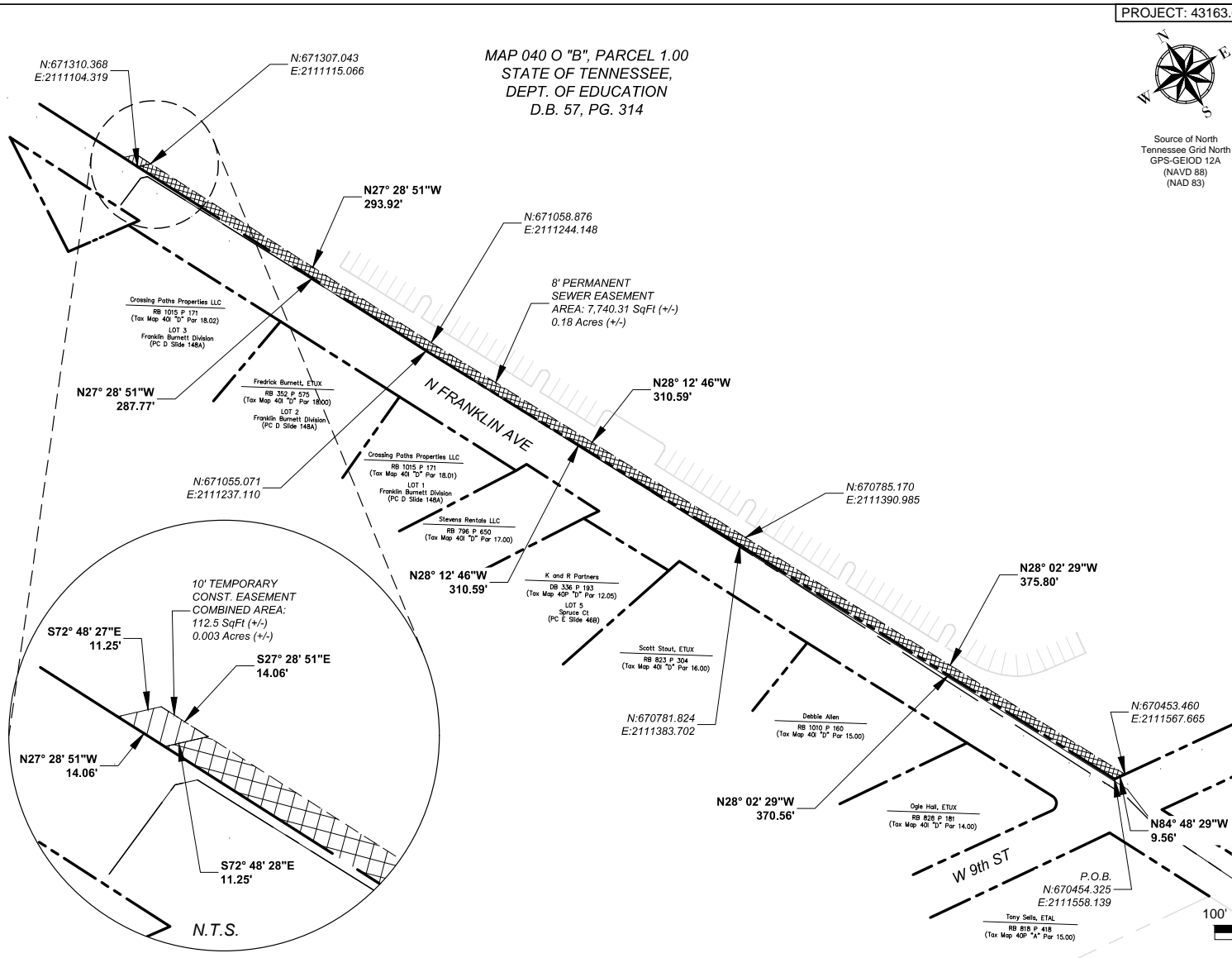
PERMANENT SEWER EASEMENT



TEMPORARY CONSTRUCTION EASEMENT



GRAPHIC SCALE



\\gbsai.gsp\data\infra_mf\4-4316300\WP12_Design\01\Work\OTCAD\43163C-EASEMENTS.dwg - Temple, Chris - 8/27/2019 1:09:25 PM



Agenda Item Summary

Date: March 12, 2020

Division: Planning and Finance

Agenda Item: Sale of W.Clyde Hyder Farm lot

Review

Action

No action required

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

PURPOSE & KEY POINTS:

Sale of lot located at W. Clyde Hyder farm to Putnam County for the purpose to build a fire station.



STATE OF TENNESSEE
Department of General Services
State of Tennessee Real Estate Asset Management
WRS Tennessee Tower, 24th Floor
312 Rosa L. Parks Ave.,
Nashville, TN 37243
Telephone: (615) 741-2315

STREAM USE ONLY	
Date Received:	
Received by:	
Transaction #:	

Real Estate Transaction Request Form RPM-1D (2/2019)

Disposal

Section I - Agency Information			
Agency			
Contact			
Phone			
E-mail Address		Date Request Needed*	

*Not less than 180 days from date of received

Section II - Property Information			
Property Address		Description of Building(s), if applicable	
		Type of Building(s)	
City / County		Number of Buildings	
Assessor Map and Parcel		Description of Bldgs. - Attach list if more than two buildings	Size
Owner's Deed Book & Page			Year Built
Size of Land (Acres)			

Section III - Action Requested		
- Disposal	- Special Service	
Fee Simple	Appraisal	Inter-Agency Agreement
Leasehold	Survey	Transfer of Jurisdiction
Easement / ROW	Title Service	Boundary Lines
Gift	Other - Specify:	
Comment for Lead Sheet - Please explain, in detail, the reason for the action:		

Section IV - Funding		
Who is paying the Real Estate Management ("REM") fee and other costs?	- Buyer	- Other
If Agency is paying REM fee, please complete the following information:		
A Allotment Code:		Estimated Sales Price
B Fund:		
C Cost Center:		
Where are the funds going if not to the General Fund (include statute):		

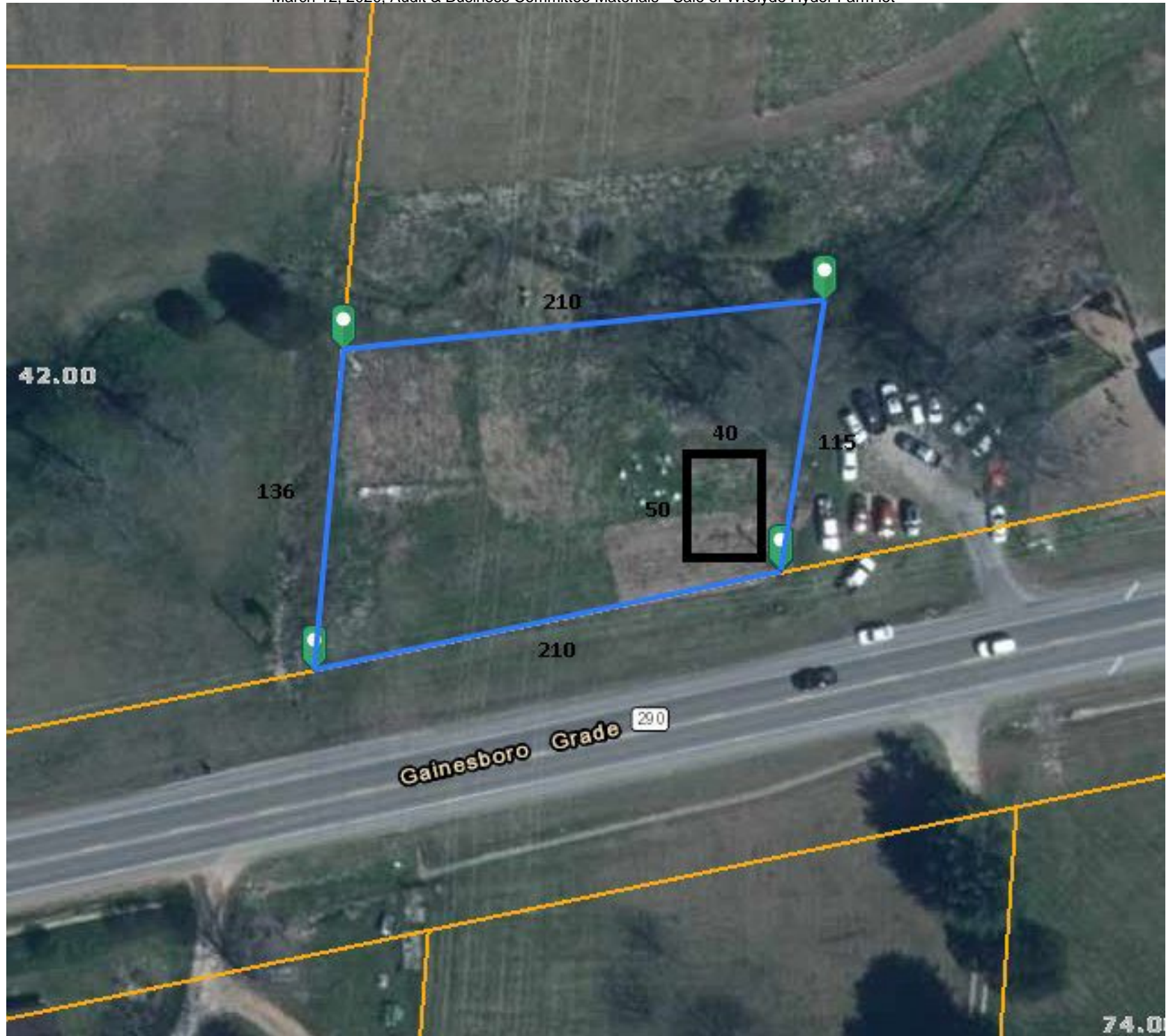
Section V - Third Party Information			
Buyer / Tenant			
Name		Phone Number	
Mailing Address		E-Mail Address	
City / State / Zip			

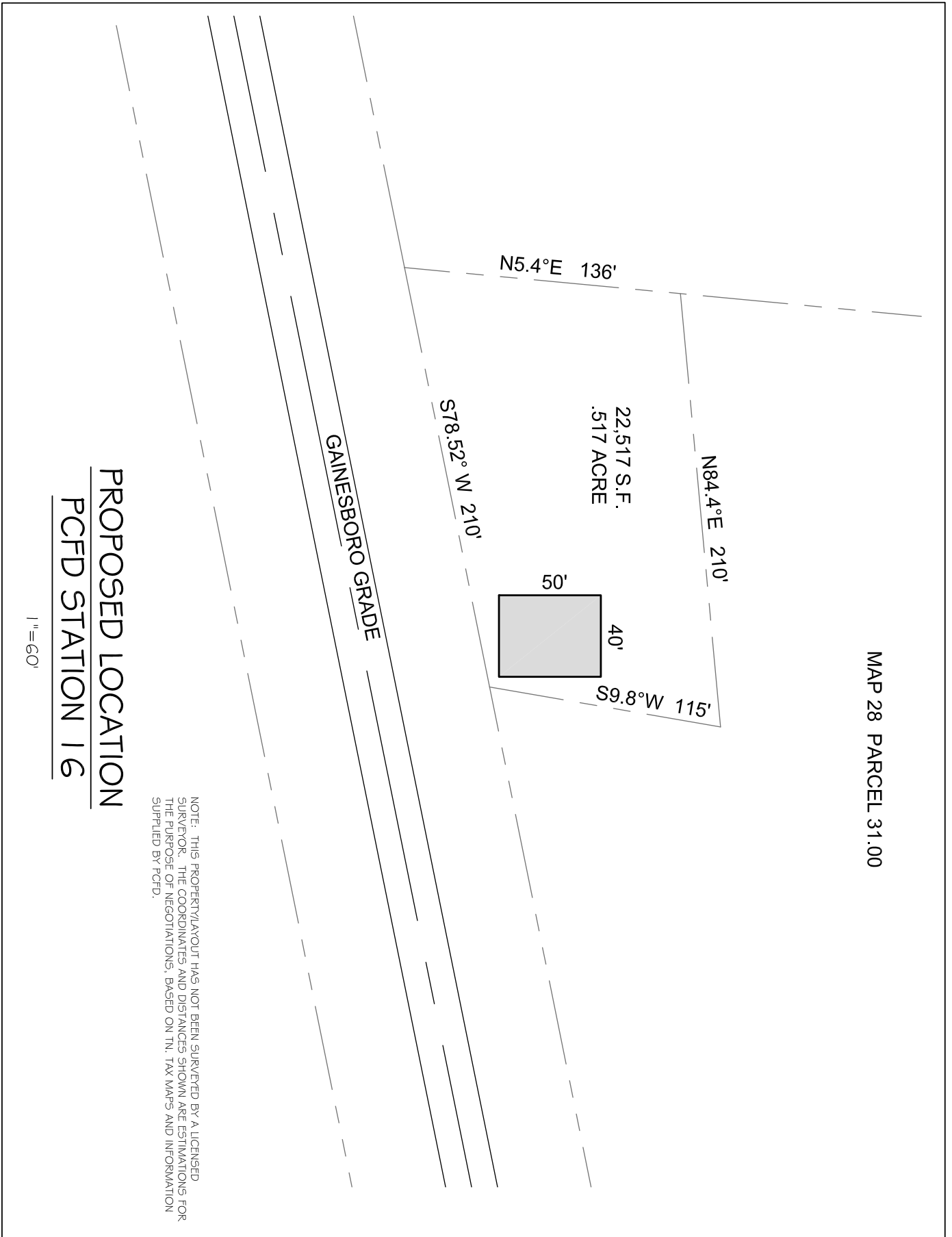
Section VI - Required Information			
A	Original cost to the State:		
	Date State Obtained:		
	Grantor unto State:		
B	Please state the department's current use for the property.		
C	Have any other parties expressed any need or interest in this property? If yes, please explain		<input type="checkbox"/> YES <input type="checkbox"/> NO
D	Will this disposal hinder the department's future use of remaining property?		<input type="checkbox"/> YES <input type="checkbox"/> NO
E	Would this disposal adversely affect the remaining property values in the future?		<input type="checkbox"/> YES <input type="checkbox"/> NO
F	Are there any special requirements or issues that need to be addressed with STREAM?		<input type="checkbox"/> YES <input type="checkbox"/> NO
G	Will there need to be a review by the Tennessee Historical Commission?		<input type="checkbox"/> YES <input type="checkbox"/> NO

Back-up Documents	
<input type="checkbox"/>	Photo of Building, if applicable
<input type="checkbox"/>	Map - Showing other State properties in relation to subject
<input type="checkbox"/>	Aerial Photo
<input type="checkbox"/>	Site Plan, if applicable
<input type="checkbox"/>	Master Plan, if applicable

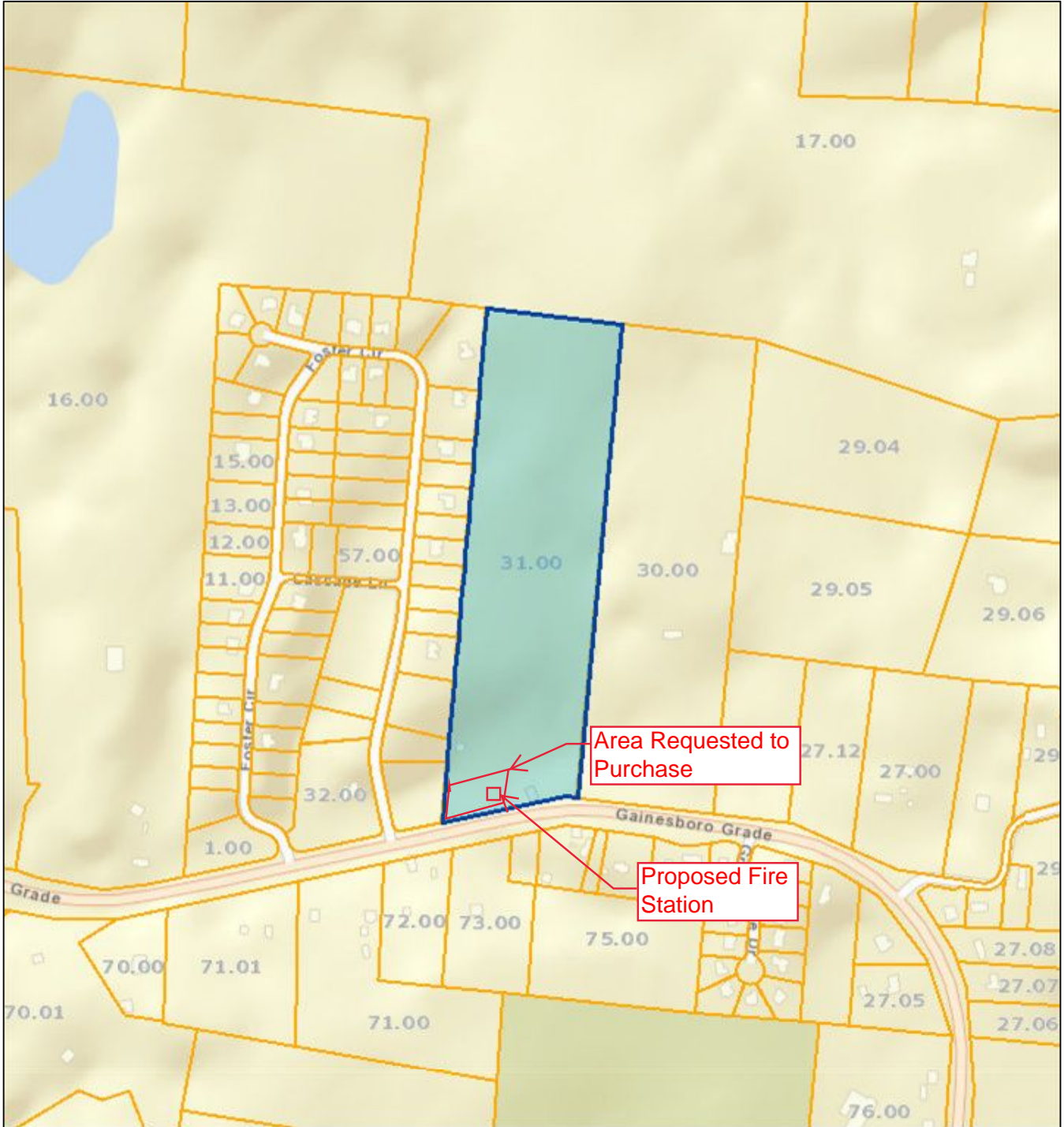
Must be signed and dated by the requesting Agency Fiscal Officer	
Signed:	
Printed:	Date:

Must be signed and dated by the requesting Agency Head	
Signed:	
Printed:	Date:





Putnam County - Parcel: 028 031.00



Date: February 18, 2020
County: Putnam
Owner: TENNESSEE STATE OF
Address: GAINESBORO GRADE 3087
Parcel Number: 028 031.00
Deeded Acreage: 0
Calculated Acreage: 0
Date of Imagery: 2018

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community
TN Comptroller - OLG
State of Tennessee, Comptroller of the Treasury, Office of Local Government

The property lines are compiled from information maintained by your local county Assessor's office but are not conclusive evidence of property ownership in any court of law.



Agenda Item Summary

Date: March 12, 2020

Division: Planning and Finance

Agenda Item: Generic Naming of Buildings and Roadway

Review

Action

No action required

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

PURPOSE & KEY POINTS:

Naming of current fitness center to Academic Wellness Center, new fitness center to Student Recreation Center, Lab Science Building to Laboratory Science Commons and Eighth Street to Wings Up Way.



Agenda Item Summary

Date: March 12, 2020

Division: Planning and Finance

Agenda Item: Update on Governors Budget as Proposed

Review

Action

No action required

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

PURPOSE & KEY POINTS:

Recurring state appropriations increase of \$3,629,500

- Outcomes new funding \$1,876,200
- Outcomes adjustment to base appropriations \$404,200
- Salary Pool \$1,349,100

Non-recurring state appropriations:

- \$500,000 final year of a four-year NSF Grant match for Cybersecurity

Capital Outlay New Construction:

- \$43,500,000 for the new engineering building (TTU must match with \$8,250,000)

Capital Maintenance:

- Roof Replacement Phase 4 \$2,100,000
- Building Controls Upgrades Phase 1 \$3,000,000

Analysis of 2020-2021 State Appropriations - Governor's Budget

Reconciliation of Governor's Higher Education Budget for All Institutions Operating Costs Increase (Funding Formula):				
Governor's Budget - Outcomes & Salary Pool Combined	\$	66,364,700		
Governor's Budget - Outcomes	\$	38,000,000		
Distribution:			Percent of Total	
TBR	\$	12,176,700	32.04%	
APSU	\$	1,671,500	4.40%	
ETSU	\$	2,306,900	6.07%	
MTSU	\$	3,482,900	9.17%	
TSU	\$	1,352,800	3.56%	
TTU	\$	1,876,800	4.94%	
UM	\$	4,054,000	10.67%	
UT	\$	11,078,400	29.15%	
	\$	38,000,000	100.00%	
Governor's Budget - Salary Pool	\$	28,364,700		
Distribution:			Percent of Total	
TBR	\$	8,218,800	28.98%	
APSU	\$	1,250,900	4.41%	
ETSU	\$	2,004,900	7.07%	
MTSU	\$	2,852,900	10.06%	
TSU	\$	1,158,900	4.09%	
TTU	\$	1,349,100	4.76%	
UM	\$	3,455,100	12.18%	
UT	\$	8,074,100	28.47%	
	\$	28,364,700	100.00%	
Reconciliation of Governor's Budget to THEC Recommendation on Outcomes Formula:				
		THEC Recommend New Funding	Governor's Budget Recommendation	Percentage Funded
APSU	\$	1,671,500	\$ 1,671,500	100.00%
ETSU	\$	2,306,900	\$ 2,306,900	100.00%
MTSU	\$	3,482,900	\$ 3,482,900	100.00%
TSU	\$	1,352,800	\$ 1,352,800	100.00%
TTU	\$	1,876,800	\$ 1,876,800	100.00%
UM	\$	4,054,000	\$ 4,054,000	100.00%
CC	\$	9,698,000	\$ 9,698,000	100.00%
TCAT	\$	2,478,700	\$ 2,478,700	100.00%
UTK	\$	8,016,200	\$ 8,016,200	100.00%
UTC	\$	1,945,500	\$ 1,945,500	100.00%
UTM	\$	1,116,700	\$ 1,116,700	100.00%
	\$	38,000,000	\$ 38,000,000	100.00%

Education

Cost Increases for Fiscal Year 2020-2021

	State	Federal	Other	Total	Positions	
State University and Community College System						
• Locally Governed Institutions Outcome Growth						
To provide recurring funding associated with greater institutional productivity, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. This appropriation fully funds the outcome-based funding formula.						
332.70	Austin Peay State University	\$1,671,500	\$0	\$0	\$1,671,500	0
332.72	East Tennessee State University	\$2,306,900	\$0	\$0	\$2,306,900	0
332.74	University of Memphis	\$4,054,000	\$0	\$0	\$4,054,000	0
332.75	Middle Tennessee State University	\$3,482,900	\$0	\$0	\$3,482,900	0
332.77	Tennessee State University	\$1,352,800	\$0	\$0	\$1,352,800	0
332.78	Tennessee Technological University	\$1,876,800	\$0	\$0	\$1,876,800	0
Sub-total		\$14,744,900	\$0	\$0	\$14,744,900	0
• Tennessee Board of Regents (TBR) System Outcome Growth						
To provide recurring funding associated with greater institutional productivity, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. This appropriation fully funds the outcome-based funding formula.						
332.89	Tennessee Community Colleges	\$9,698,000	\$0	\$0	\$9,698,000	0
332.98	Tennessee Colleges of Applied Technology	\$2,478,700	\$0	\$0	\$2,478,700	0
Sub-total		\$12,176,700	\$0	\$0	\$12,176,700	0
• Locally Governed Institutions Formula Unit - Salary Pool						
To provide recurring funding for a 2.5 percent salary pool for higher education employees effective July 1, 2020.						
332.70	Austin Peay State University	\$1,250,900	\$0	\$0	\$1,250,900	0
332.72	East Tennessee State University	\$2,004,900	\$0	\$0	\$2,004,900	0
332.74	University of Memphis	\$3,455,100	\$0	\$0	\$3,455,100	0
332.75	Middle Tennessee State University	\$2,852,900	\$0	\$0	\$2,852,900	0
332.77	Tennessee State University	\$1,158,900	\$0	\$0	\$1,158,900	0
332.78	Tennessee Technological University	\$1,349,100	\$0	\$0	\$1,349,100	0
Sub-total		\$12,071,800	\$0	\$0	\$12,071,800	0

Education

Cost Increases for Fiscal Year 2020-2021

	State	Federal	Other	Total	Positions
• ETSU Pediatric and Children Services					
To provide recurring funding for pediatric specialists. Salaries for pediatric specialists are supplemented by clinical earnings and a partnership with Niswonger Children's Hospital.					
332.65 ETSU College of Medicine	\$600,000	\$0	\$0	\$600,000	0
Sub-total	\$600,000	\$0	\$0	\$600,000	0
• Medical Education Program					
To provide non-recurring funding for financial aid for students in the medical education program administered by Middle Tennessee State University and Meharry Medical College.					
332.75 Middle Tennessee State University	\$1,200,000	\$0	\$0	\$1,200,000	0
Sub-total	\$1,200,000	\$0	\$0	\$1,200,000	0
• Medical Education					
To provide recurring funding to medical education units to offset inflationary cost increases.					
332.65 ETSU College of Medicine	\$444,800	\$0	\$0	\$444,800	0
332.67 ETSU Family Practice	\$90,200	\$0	\$0	\$90,200	0
Sub-total	\$535,000	\$0	\$0	\$535,000	0
• National Science Foundation (Year Four of Four)					
To provide the fourth year of non-recurring funding to Tennessee Technological University for cybersecurity research.					
332.78 Tennessee Technological University	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Locally Governed Institutions Group Health Insurance - January 1, 2021 Rate Increase					
To provide recurring funding for the state share of a 6.0 percent group health insurance premium increase for January 1, 2021. This is funded for six months in the recommended budget.					
332.65 ETSU College of Medicine	\$105,900	\$0	\$0	\$105,900	0
332.67 ETSU Family Practice	\$19,200	\$0	\$0	\$19,200	0
332.70 Austin Peay State University	\$275,700	\$0	\$0	\$275,700	0
332.72 East Tennessee State University	\$523,300	\$0	\$0	\$523,300	0
332.74 University of Memphis	\$668,100	\$0	\$0	\$668,100	0
332.75 Middle Tennessee State University	\$634,500	\$0	\$0	\$634,500	0
332.77 Tennessee State University	\$269,700	\$0	\$0	\$269,700	0
332.78 Tennessee Technological University	\$325,300	\$0	\$0	\$325,300	0
Sub-total	\$2,821,700	\$0	\$0	\$2,821,700	0

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2020-2021**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Tennessee Technological University						
Maintenance	Statewide	\$ 5,100,000	\$ 3,000,000	\$ 0	\$ 0	\$ 2,100,000
Engineering Building	Putnam	51,750,000	43,500,000	0	0	8,250,000
Sub-Total Tennessee Technological University		\$ 56,850,000	\$ 46,500,000	\$ 0	\$ 0	\$ 10,350,000
University of Memphis						
Maintenance	Statewide	\$ 12,500,000	\$ 4,500,000	\$ 0	\$ 0	\$ 8,000,000
STEM Research and Classroom Building	Shelby	41,000,000	32,911,000	0	0	8,089,000
Sub-Total University of Memphis		\$ 53,500,000	\$ 37,411,000	\$ 0	\$ 0	\$ 16,089,000
Sub-Total Locally Governed Higher Education Institutions		\$ 206,400,900	\$ 156,536,900	\$ 0	\$ 0	\$ 49,864,000
Tennessee Board of Regents						
Maintenance	Statewide	\$ 21,310,000	\$ 13,810,000	\$ 0	\$ 0	\$ 7,500,000
TCAT Chattanooga Advanced Manufacturing Building	Hamilton	21,900,000	21,700,000	0	0	200,000
Sub-Total Tennessee Board of Regents		\$ 43,210,000	\$ 35,510,000	\$ 0	\$ 0	\$ 7,700,000
University of Tennessee						
Maintenance	Statewide	\$ 41,850,000	\$ 26,101,500	\$ 0	\$ 0	\$ 15,748,500
Grand Total		\$ 423,999,200	\$ 275,069,800	\$ 0	\$ 17,759,900	\$ 131,169,500
Sub-Total Capital Maintenance		195,261,200	83,527,300	0	4,371,400	107,362,500
Sub-Total Capital Improvements		228,738,000	191,542,500	0	13,388,500	23,807,000
Sub-Total Higher Education		\$ 291,460,900	\$ 218,148,400	\$ 0	\$ 0	\$ 73,312,500
Capital Maintenance		109,075,900	59,075,900	0	0	50,000,000
Capital Improvements		182,385,000	159,072,500	0	0	23,312,500
Sub-Total Other Agencies		\$ 132,538,300	\$ 56,921,400	\$ 0	\$ 17,759,900	\$ 57,857,000
Capital Maintenance		86,185,300	24,451,400	0	4,371,400	57,362,500
Capital Improvements		46,353,000	32,470,000	0	13,388,500	494,500

Capital Maintenance Project Descriptions
Fiscal Year 2020-2021

	<u>Total Project Cost</u>
HVAC Repairs Phase 1 Funds are provided for replacement of chillers, air handling units, and fan coil units in multiple buildings campus-wide. Funds also support repairs of HVAC systems and all related work.	\$ 3,470,000
Sub-Total East Tennessee State University	<u>\$ 6,770,000</u>
Middle Tennessee State University	
Murphy Center Window Replacement Funds are provided for replacement of the exterior glazing/window system, exterior improvements, and all related work.	\$ 4,600,000
Elevator Modernization Phase 3 Funds are provided for upgrade of elevators in multiple buildings campus-wide and all related work.	2,000,000
Water and Sewer System Updates Phase 2 Funds are provided for repair and replacement of sewer and water lines campus-wide and all related work.	490,000
Sub-Total Middle Tennessee State University	<u>\$ 7,090,000</u>
Tennessee State University	
Strange Music Building Roof Replacement Funds are provided for replacement of the roof system and all related work.	\$ 456,500
Electrical Upgrades Phase 2 Funds are provided for improvements of electrical systems campus-wide and all related work.	5,000,000
Power Plant Equipment and Lighting Upgrades Phase 2 Funds are provided for upgrades of mechanical/electrical equipment and lighting. Funds also support demolition of the baghouse and construction of an air-conditioned enclosure for the variable frequency drives units, and all related work.	3,073,400
Campus HVAC Repairs Phase 2 Funds are provided for repairs, upgrades, and recommissioning of equipment and components to HVAC systems in the Brown-Daniel Library, Clay Hall, Goodwill Manor, and Love Student Success Center. Project includes all related work.	1,881,000
Sub-Total Tennessee State University	<u>\$ 10,410,900</u>
Tennessee Technological University	
Roof Replacements Phase 4 Funds are provided for replacement of roofs on several buildings including masonry repairs. Project also funds replacement and repairs to various cupolas and all related work.	\$ 2,100,000
Building Controls Upgrade Phase 1 Funds are provided to upgrade pneumatic HVAC controls with digital controls on several buildings. Project includes all related work.	3,000,000
Sub-Total Tennessee Technological University	<u>\$ 5,100,000</u>



Agenda Item Summary

Date: March 12, 2020

Division: Planning & Finance

Agenda Item: Report on Flat-rate Tuition Model and Tech Promise Scholarship Recommendation

Review

Action

No action required

PRESENTERS: Claire Stinson, Vice President for Planning & Finance

PURPOSE & KEY POINTS:

Report on Implementation of a flat-rate tuition model for undergraduate students. The Tech Promise Scholarship provides a last dollar tuition and mandatory fee scholarship for low-income undergraduate students.



Agenda Item Summary

Date: March 12, 2020

Division: Internal Audit

Agenda Item: Notice of Responsibilities

Review

Action

No action
required

PRESENTER(S): Mr. Johnny Stites, Chair of Audit & Business Committee

PURPOSE & KEY POINTS:

One of the duties of the Audit Committee is to regularly, formally reiterate to the Board, Management, and Staff their responsibilities for preventing, detecting, and reporting fraud, waste, and abuse.

Notice of Responsibilities

One of the duties of the Audit Committee is to regularly, formally reiterate to the Board, Management, and Staff their responsibilities for preventing, detecting, and reporting fraud, waste, and abuse.

Detailed definitions and examples of fraud, waste, and abuse, various individual's responsibility for preventing and detecting fraud, waste, and abuse, and methods for reporting fraud, waste, and abuse can be found in TTU Policy 131—Preventing and Reporting Fraud, Waste, or Abuse.

Individuals have varying responsibilities for preventing and reporting fraud, waste, or abuse.

Board Members

Generally, the Board and Audit Committee should consider the risk of fraudulent financial reporting and fraud due to misappropriation and abuse of university assets as they govern and guide the University.

Individually, board members should abide by TTU Policy 001—Board Code of Ethics and Conduct and Conflict of Interest.

Management

Management shall not engage in fraud, waste, or abuse and is responsible for developing and implementing internal controls to help prevent and detect fraud, waste, and abuse.

Executives and administrators with reasonable basis for believing fraud, waste, or abuse has occurred are required to report those incidents.

Employees

Employees shall not engage in fraud, waste, or abuse.

Employees with reasonable basis for believing fraud, waste, or abuse has occurred are strongly encouraged to report those incidents.

Students and Citizens

All students and citizens of the state of Tennessee are encouraged to report known or suspected acts of fraud, waste, or abuse.

Fraud, waste, or abuse can be reported confidentially and should be reported to a supervisor, institutional executive, TTU Internal Audit, or the Tennessee Comptroller of the Treasury.

Specific methods for reporting fraud, waste, or abuse can be found on TTU Internal Audit's website and in TTU Policy 131—Preventing and Reporting Fraud, Waste, or Abuse.