

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE  
CALLED MEETING

MINUTES

March 28, 2023  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee conducted a called meeting on Tuesday, March 28, 2023, in the President's Conference Room in Burgin E. Dossett Hall on the ETSU campus.

**I. Call to Order**

Committee Chair Steve DeCarlo called the meeting to order at 11:06 a.m.

**II. Roll Call**

Given that Trustees participated remotely by electronic means, Board Secretary Dr. Adam Green began the meeting in accordance with Tennessee Code 8-44-108, section (c) (3). Dr. Green asked each committee member if they could clearly hear the proceedings and if anyone else was present in the room. Chair DeCarlo and Trustees Charles Allen, Allen Archer, Dr. Linda Latimer, and Ron Ramsey all indicated that they were able to hear the proceedings and that no other persons were in the room with them.

Dr. Green then reported to Chair DeCarlo that he did not detect a physical quorum present but that a quorum did exist by the inclusion of those members participating by electronic means. In accordance with Tennessee Code 8-44-108, section (b) (2), Dr. Green offered up to the committee the following circumstances which would necessitate the holding of such a meeting:

- It is necessary for the Finance and Administration Committee of the Board to review and approve tuition and fees, the proposed salary pool for Fiscal Year 2024, and to review the budget proposal for 2023-24 prior to the full Board of Trustees meeting on April 21.
- The prompt necessity of this committee's meeting did not provide adequate time for this committee's membership to make necessary arrangements to be physically present for a quorum.

For these reasons, Dr. Green contended that participation by a quorum of the committee members by electronic or other means of communication is necessary. Consequently, Dr. Green asked that a motion be made and a roll call vote be taken for a determination on the necessity of holding the meeting. He indicated that an affirmative vote would signify that a necessity does exist for the meeting to proceed, adding that a dissenting vote would signify that a necessity does not exist for the meeting to continue.

Trustee Ramsey made a motion that the necessity does exist to have the meeting. Trustee Allen seconded the motion. The motion passed unanimously.

Dr. Green then informed Chair DeCarlo that in addition to the committee members present, Trustees Janet Ayers, Dr. Virginia Foley, and Melissa Steagall-Jones were participating in the meeting.

### **III. Action Item: Approval of Proposed Salary Pool for FY24 for Budget Development**

Christy Graham, ETSU's Chief Financial Officer and Vice President for Business and Finance, began by thanking the board and staff for the opportunity to serve ETSU, as this was her first presentation before the Board in her role as CFO. Vice President Graham provided an overview of the proposals within the state budget, noting that Tennessee Governor Bill Lee's budget proposal includes an appropriation for a 5 percent salary pool for higher education and other state entities for fiscal year 2024. She added that the state historically funds 55 percent of the main campus salary pool, and that the institution must come up with the remaining 45 percent. The amount of money needed to fully fund the pool would be approximately \$8 million, meaning that the state portion would come to \$4.4 million and ETSU's portion would equate to \$3.6 million. With the uncertainty of fall enrollment, management is recommending that the salary pool be included in the budget but that implementation be delayed until November, as was the case in the current fiscal year. Staff will also be looking at how the salary increases will be distributed. In response to a question, Ms. Graham indicated that enrollment for the fall is projected to be flat.

Trustee Ramsey moved that the proposed salary pool be approved as presented. Trustee Latimer seconded the motion. The motion passed unanimously.

### **IV. Action Item: Approval of Proposed Tuition/Mandatory Fees for FY24 for Budget Development**

Vice President Graham reported to the committee that the university is proposing a 2.85% increase in total tuition and mandatory fees for all classes of undergraduate and graduate students on the main ETSU campus. That total includes a 2.95 percent increase in tuition and a 2.45% increase in mandatory fees. For full-time undergraduate students, the total increase would be \$276 for the year. Ms. Graham reviewed tuition and fee increases for the past five years, pointing out that in two of those years, ETSU instituted

no increases at all. She said that an increase of undergraduate tuition and fees to \$9,950 still shows that we are under last year's average of state universities. In summary, she said that ETSU remains an affordable option for public education in the state of Tennessee.

Trustee Ramsey moved that the proposed fee increases be approved as presented. Trustee Allen seconded the motion. It passed unanimously.

## **V. Discussion of Spring Estimated and July Proposed Budgets**

Ms. Graham presented a broad overview of ETSU's various budget components: the main campus, the College of Medicine, Family Medicine, and the College of Pharmacy. The budgets presented to the committee were preliminary in nature and will be discussed in greater detail during the April meeting of the Board of Trustees. Ms. Graham told the committee that the largest considerations in the July budget are salaries and tuition, as well as state appropriations. These are also the items that will not be officially set until the governor's budget is approved and the Tennessee Higher Education Commission sets the binding tuition rates in late spring. Ms. Graham again referenced the fact that, for the main campus, state appropriations fund approximately 55 percent of the salary pool. Included in the proposed budget is the 5 percent salary increase and related increases in benefits and the proposed tuition and fee increases approved by the committee.

Ms. Graham highlighted a \$22.4 million increase in main campus revenue from last July to this July, which includes increases in tuition and state appropriations, as well as interest earnings. Increases in expenses include salary increases and benefits as well as increased costs of utilities and the final year of the Student Government Association wellness initiative. Ms. Graham reported that the budget is balanced and within available resources. A pie chart categorizing main campus expenditures for FY23-24 shows that 40 percent of the \$299 million budget is devoted to instruction.

Within the College of Medicine budget, Ms. Graham noted that revenue has increased based on the fee increase approved in February and on increased state appropriations. Here as well, the primary expense is instruction.

Ms. Graham noted a slight increase in revenue in the Family Medicine budget. The increase in expenses is due primarily to salaries, but there has been a reduction in the position count. The primary expense in this budget is also instruction.

The College of Pharmacy budget shows a decrease in revenue due to enrollment, and a corresponding decrease in expenses. The number of positions has been reduced by two. Ms. Graham noted that President Noland continues to work diligently to obtain state appropriations for the College of Pharmacy.

## **VI. Other Business**

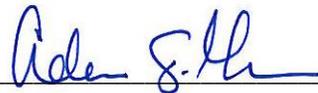
President Noland stressed that the budgets just described and presented are preliminary. Presenting them to the committee in the spring semester is aligned with the Board's goal to communicate information to students and parents about costs for the upcoming fall semester before students go home for the summer.

Dr. Noland underscored the fact that budgets are balanced. He said that the bulk of new revenue is going toward salaries. He pointed out that the salary increases under consideration would constitute the largest salary enhancement provided to the campus in decades. Since the proposed salary increases would not be fully funded by state appropriations and the proposed tuition increase, the university will have to look to efficiencies to cover a difference of some \$2 million. He said that ETSU will continue to be a wise steward of resources.

## **VII. Adjournment**

There being no other business to come before the committee, Trustee Ramsey motioned for adjournment, and Trustee Latimer seconded the motion. The meeting adjourned at 11:25 a.m.

Respectfully submitted,



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Adam Green  
Secretary of the Board of Trustees

Approved by the Board of Trustees at its April 21, 2023 meeting.