

Sunset Public Hearing Questions for
Local Governing Boards of Trustees of the Board of Regents State Universities
(Middle Tennessee State University Board of Trustees)

Created by 49-8-101 and 49-8-201, *Tennessee Code Annotated*
(Sunset termination June 2019)

1. Provide a brief introduction to the board, including information about its purpose, statutory duties, and staff.

Effective July 1, 2016, the Tennessee General Assembly passed the Focus on College and University Success Act (FOCUS Act), Public Chapter 869. The FOCUS Act provided for the creation of local governing boards of trustees for each of the board of regents state universities, including Middle Tennessee State University (MTSU). The following are among the many statutory duties and responsibilities of the MTSU Board of Trustees (Board): review and approve the mission, vision and strategic direction of the institution; select, employ and assess a chief executive officer; approve operating and capital budgets; approve the campus master plan; set tuition rates subject to statutory parameters; assume general responsibility for the operation of the institution, delegating to the CEO the responsibility for carrying out the policy mandates of the board and dealing with the day-to-day functioning of the institution and its programs; approve the award of tenure to faculty; and, authorize the awarding of degrees.

The Chair of the Board is Stephen Smith and the Vice Chair is Darrell Freeman, Sr. These officers serve two (2) year terms. Dr. Sidney A. McPhee serves as University President, Ms. Kim Edgar is Executive Assistant to the President and Chief of Staff, Ms. Heidi Zimmerman is University Legal Counsel and Secretary to the Board, and Ms. Pat Thomas is its Administrative Assistant.

2. Provide a list of board members and indicate how membership complies with Section 49-8-201, *Tennessee Code Annotated*.

Name of Board Member	Term Expires	City of Residence	Appointing Entity
Andrew Adams	6/30/19	Murfreesboro	Governor of the State of Tennessee
J.B. Baker	6/30/19	Nashville	Governor of the State of Tennessee
Pete DeLay	6/30/20	Nashville	Governor of the State of Tennessee
Darrell Freeman	6/30/22	Brentwood	Governor of the State of Tennessee
Joey Jacobs	6/30/20	Brentwood	Governor of the State of Tennessee

Christine Karbowskiak	6/30/20	Brentwood	Governor of the State of Tennessee
Stephen B. Smith	6/30/22	Brentwood	Governor of the State of Tennessee
Pamela Wright	6/30/19	Nashville	Governor of the State of Tennessee
Tony V. Johnston	6/1/19	Murfreesboro	MTSU Faculty Senate
Peyton J. Tracy	6/1/19	Murfreesboro	MTSU Board of Trustees

3. Are there any vacancies on the board and, if so, what is being done to fill those vacancies?

There are no vacancies on the Board.

4. Per Section 49-8-201, Tennessee Code Annotated, the state university boards shall meet quarterly. How many times did the board meet during the last two fiscal years? How many members were present at each meeting? Please note any meetings where the board did not have a quorum.

Meeting Date	Number of Trustees Present	Quorum
April 10, 2017 (Inaugural Meeting)	9	Yes
June 5, 2017	9	Yes
September 12, 2017	9	Yes
December 5, 2017	9	Yes
March 27, 2018	9	Yes
June 12, 2018	10	Yes
September 18, 2018	8	Yes
October 10, 2018 (Special Called)	9	Yes
December 11, 2018		

5. In accordance with Section 49-8-201, *Tennessee Code Annotated*, trustees shall be reimbursed all necessary travel expenses they may incur through service to the board. How much was reimbursed during the last two fiscal years?

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>
Totals	242.79	506.56

6. What were the board's revenues and expenditures for the last two fiscal years?

The Board had no revenues for the last two fiscal years.

Below are expenses for the last two fiscal years:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>
Clerical Support	18,364.65	67,038.78
Travel	242.79	925.34
Operating Expenses	16,027.04	26,451.50
Board Meetings (streaming)	12,244.89	23,485.98
	<u>46,879.37</u>	<u>117,901.60</u>

7. Has the board promulgated rules? If rules have been promulgated, please cite the reference.

Several rules are in the process of promulgation, but none have become effective as of November 30, 2018.

8. How does the board comply with Sunshine law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? What procedures does the board have for informing the public of its meetings and making its minutes available to the public?

Notices of committee and board meetings including dates, times and locations are posted on the MTSU Board of Trustees webpage prior to the meetings. Notices are also distributed to local news media through press releases, and to all campus employees via campus email. Meeting agendas and materials are made available to the public through posting to the board webpage before each meeting. All board and committee meetings are open to the public. Pursuant to statute, board meetings are livestreamed and, beginning with the Spring 2018 meetings, all committee meetings are now livestreamed. The videos are made available for viewing shortly after each meeting on the Board webpage. Minutes of each meeting are posted after they are approved by the appropriate body. Prior meeting agendas, materials and videos of the meetings are archived and available through the Board webpage.

9. What policies does the board have in place to address potential conflicts of interest by board members, staff and employees?

The Board has adopted a Code of Ethics policy applicable to the Board and its trustees. This policy contains provisions on Conflict of Interest providing that within thirty (30)

days of appointment and, thereafter, on or before January 15 of each year, each trustee must submit a written certification that he/she has read this policy and acknowledges his/her responsibilities under the policy. The Board has approved Policy 10 Ethics and Code of Conduct, and Policy 12 Conflict of Interest that apply to all university faculty and staff.

10. What were the major accomplishments of the board during the last two fiscal years?

Among its accomplishments, the Board has approved all institutional policies. It has formed a collaborative relationship with the faculty to further the goal of shared governance. Middle Tennessee State University is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award baccalaureate, masters, and doctorate degrees. Contact the Commission on Colleges at 1866 Southern Lane, Decatur GA 30033-4097 or call 404- 679-4500 for questions about the accreditation of Middle Tennessee State University. MTSU received notification on January 11, 2017 of the approval of reaffirmation of institutional accreditation by the SACSCOC. Due to the establishment of an independent board of trustees, MTSU was required to undergo a Substantive Change accreditation review and the SACSCOC approved a MTSU change in governance on December 3, 2017. The Board established the Board of Trustees Fund for Student Achievement, a scholarship personally funded by the trustees along with other interested donors, to assist students with small additional financial aid to complete an additional semester of study when all of their other sources of financial aid are exhausted. Initiated in Summer 2018, the scholarship has already awarded approximately \$27,000 in assistance to over 40 students.

11. Explain how the role of the board has differed from the role of the University President?

Based on the mandates of the FOCUS Act, the Board enacted Board bylaws and Board policies that govern and organize its operations. The Board has overall responsibility for the development of policies for the institution, and has, through Board policy, reserved to itself enumerated powers and duties. This policy also contains specific delegation of authority to the chief executive officer – the university president. These delegations encompass such powers and duties as are necessary and appropriate for the efficient administration of the institution and its programs, including, but not limited to: authorization to negotiate and execute contracts on behalf of the University; hire employees of the University; establish the organizational structure of the institution; and, conferring of degrees. The chief executive officer of MTSU is Dr. Sidney A. McPhee. President McPhee reports directly to the board and is its sole employee.

12. What is the structure and function of the board (i.e. officers, committees, etc.)?

The Board consists of ten (10) trustees, 8 of whom are appointed by the governor. One (1) trustee is a faculty member chosen by the institution's faculty senate. A student

trustee is chosen by the Board. All but the student trustee have the power to vote on matters brought before the Board. After initial terms of three (3), four (4), and six (6) years expire, successor trustees will be appointed for six (6) year terms. The faculty trustee serves a two (2) year term and the student trustee serves a one (1) year term. The Board meets at least four (4) times each year, but may call additional meetings, as needed.

As provided in the Board bylaws, the Board officers are its chair and vice chair each of whom serve a two (2) year term. These officers are chosen by the Board from its membership. The officers of the university are its president, secretary and director of audit.

The Board established four (4) standing committees: Executive and Governance; Audit and Compliance; Finance and Personnel; and, Academic Affairs, Student Life and Athletics. The duties and responsibilities of each committee are provided in Board policy. Committee members and the chairs of each committee are appointed by the Board chair with the exception of the Executive and Governance Committee. This committee is composed of the Board chair, the Board vice chair, and the chair of the Audit and Compliance Committee. Committee members and chairs serve two (2) year terms. The committees meet as often as necessary to carry out their responsibilities.

13. Briefly describe how the board ensures the university is in compliance with the bond program agreement between the Tennessee State School Bond Authority and the Tennessee Board of Regents.

MTSU submits original, revised, and estimated budgets to the Tennessee Board of Regents each year. Included in the budget are analysis schedules disclosing proposed Tennessee State School Bond Authority (TSSBA) projects, calculating the TSSBA Debt Service Coverage, and an Analysis of Changes in Retirement of Indebtedness. Each of these schedules relate to the bond intercept program. The TBR reviews and approves the budget each cycle.

14. What is the board's role in approving the university budget?

The Board reviews and approves the University's budget three times per year: (1) the proposed budget in June for the upcoming fiscal year, (2) the revised budget in December after fall enrollment is known, and, (3) the estimated budget in June as the final budget for the fiscal year.

15. What steps does the board take to monitor the financial stability of the university?

The Finance and Personnel Committee of the Board reviews the University's Composite Financial Index (CFI) each year to determine the overall financial health and stability of the university.

16. What is the board's involvement in setting tuition and fees? How does the board balance the needs of the university against sensitivity for what students are required to pay?

The Board Finance and Personnel Committee reviews the proposed tuition and fee increases in May/June each year. Staff recommendations presented to the Board take into account the financial effect on students, with the goal being to keep tuition affordable. When considering tuition and fee increases, the Committee considers the Tennessee Higher Education Commission binding tuition and mandatory fee increase ranges allowed, coupled with the level of state support passed by the Legislature. Other factors, such as the total cost of attendance as compared to peer institutions, enrollment goals, inflation, new program needs, and new facility needs are also considered. The Committee ultimately approves and forwards their recommendation to the full Board at the June meeting.

In the last Legislative session, the Tuition Transparency and Accountability Act was passed requiring the board of each university in the state to give public notice of proposed tuition and mandatory fee increases and allow for public comments. The Board is required to develop a list of factors for consideration when making recommendations for tuition and mandatory fee increases. This information will be publicly available on the website in January 2019.

17. How does the board monitor academic programs offered by the university? How does the board address low-producing academic programs?

The MTSU Division of Academic Affairs monitors enrollment and degree conferral for all academic programs, and each year reports on enrollment and degree production to both the Board and the Tennessee Higher Education Commission. Programs at risk of failing to meet state-mandated minimums, or with downward trends in enrollment or degree production, are assessed to determine continuing viability. Depending on the results of the assessment, programs create a development, consolidation, or phase-out plan. Such actions are taken to the Board for notification and/or approval.

18. Explain the board's role in the university's internal audit function. What is the board's involvement in both internal and external audit reports, including corrective action plans?

The Audit and Compliance Committee (ACC) of the Board is responsible for the functional oversight of the university's internal audit function, Audit and Consulting Services. Audit and Consulting Services also reports administratively to the university's president. Audit and Consulting Services develops an annual audit plan with input from university management and the ACC. Since the ACC is also responsible for ensuring the university has a process to prevent, detect, and report fraud,

waste or abuse, all audit projects identified through this reporting process are included on the audit plan. The ACC approves the annual audit plan. At each quarterly meeting the ACC receives an update on the status of the audit plan along with significant audit results. For all internal audit recommendations, management's corrective action is communicated to the ACC. At the end of each fiscal year, an annual report of audit activities is presented to the ACC which includes the status of the annual audit plan and a summary of the projects pertaining to the reporting of fraud, waste or abuse.

For both internal and external audit reports, the ACC is provided the results of the audit or reviews. To date, there have been no findings or recommendations in any external reports so no corrective action has been needed. When an external report includes recommendations that requires corrective action, the ACC will be informed of the external reviewer's recommendations and management's corrective action plan. Updates will be provided to the ACC until the corrective action has been implemented.

19. Under the FOCUS Act, there were three areas where universities could request, through THEC, severance from the Tennessee Board of Regents at specific dates in the future: capital project management services, procurements and contracts, and data systems. Has the board requested severance in these three areas and if so, what were the dates and the current status?

Capital Project Management Services

July 1, 2018

Although severance was granted effective July 1, 2018, the TBR will continue to provide management services for projects approved by the State Building Commission prior to July 1, 2018 and future projects involving TSSBA funding.

Procurements and Contracts

July 1, 2018

Procurement and contract services has fully severed from TBR, except for contracts on capital projects approved by the State Building Commission prior to July 1, 2018 and future projects involving TSSBA funding.

Data Systems

Has not been requested

Severance from TBR for data systems has not been officially requested. However, the Locally Governed Institutions (LGI's) have been working with THEC on a proof of concept for data submission. The proof of concept is targeted for testing mid-spring of 2019.

20. Describe any items related to the board that require legislative attention and your proposed legislative changes.

There may be such items considered in the future, but currently there are none.

21. Should the board be continued? To what extent and in what ways would the absence of the board endanger the public health, safety or welfare of Tennessee citizens?

The MTSU Board of Trustees should be continued. The FOCUS Act provided each public university with its own board of trustees. The rationale behind this was, in part, to establish a governing body consisting of individuals who would have the best interests of that specific institution foremost in mind when making decisions pertaining to the financial, academic and cultural health of the university. By providing for an institutional board, that body would be able to focus on the unique needs and interests of the institution, and to make decisions to further its mission and goals. The MTSU Board has and will continue to fulfill, this role.