

BUSINESS AFFAIRS SUB-COUNCIL

July 30, 1999

MINUTES

The meeting began at 9:00 a.m. in the TBR Board Room. Present were Dr. Joyce Mounce, Chairperson (APSU); Ms. Debra Bauer (NSTI); Mr. James Bowman (ETSU); Mr. Horace Chase (JSCC); Dr. David Collins (ETSU); Mr. Bill Fuqua (RSCC); Mr. Clay Harkleroad, Jr. (TSU); Mr. James Hodges (VSCC); Mr. Ken Horner (CoSCC); Mr. Tim Hurst (WSCC); Mr. Al Irby (APSU); Mr. Dwight Johnson (SSCC); Ms. Susan Joseph (CSTCC); Mr. Ron Kesterson (PSTCC); Mr. John Kirk (STIM); Mr. Jack Liner (ClSCC) Ms. Linda Maxwell (TTU); Ms. Leah Orr (DSCC); Mr. Raymond Pipkin (UOM); Mr. Mike Posey (MSCC); Mr. Terry Rector (TTU); Ms. Kathy Crisp, Ms. Deanna Hall, Mr. Ron Simmons, and Ms. Renee Stewart, (TBR).

Dr. Mounce called the meeting to order. Ms. Stewart introduced the Geier interns and welcomed them to the meeting.

BUSINESS

1. Chancellor Smith's Comments

Chancellor Smith updated the committee on the status of tax reform. The latest opinion polls show that the public is slowly shifting toward supporting some type of tax reform in Tennessee. Governor Sundquist appears ready to call a special session of the General Assembly to discuss this issue. Ned McWherter and Howard Baker will be heading a campaign to inform the public of the necessity of tax reform. The challenge is to demonstrate to Tennessee citizens how various public programs and higher education could be harmed without meaningful reform. Chancellor Smith is developing a committee involving several institutional presidents and Regent Bill Watkins to determine the best way to get our message across to the public.

2. Report of the Finance Committee

Mr. Pipkin highlighted the following items from the July 13, 1999, Finance Committee meeting:

A) Part-time Fees

The Finance Committee discussed eliminating the full-time student fee rate and using a per credit hour rate with no maximum to calculate fees. This option would discourage students from enrolling for 18 hours with the intention of dropping back to 12 after the first week, needlessly filling up classes they intend to drop. The per credit hour rate would be set to preserve the current level of revenue, possibly resulting in a decrease in fees for part-time students. The committee recommended establishing an ad hoc committee to study this issue and develop a recommendation for the Presidents to consider. Mr. Bowman recommended that

the ad hoc committee include representatives from enrollment management personnel.

Additionally, the committee had recommended that beginning in Fall 2000, part-time fees be calculated by dividing the full-time rate by 12 or 9 (as appropriate), then rounding up to the nearest dollar. Several institutions stated that this conversion would lower their 2000-2001 revenue. A recommendation was made that the ad hoc committee develop a resolution for this problem.

B) Library Holdings Valuation

Mr. Pipkin reminded the BASC that this issue must be resolved, preferably before the new reporting model is implemented. Mr. Pipkin will examine data available at UOM and develop a narrative detailing the assumptions UOM will use to transition to a cost basis. All institutions should begin examining the data available for their library and developing the assumptions needed to transition to a cost basis.

C) Athletic Contingency

The Finance Committee recommended eliminating the allocation of fund balance for athletic contingencies. This elimination will be effective in the 1999-2000 October Revised Budget.

D) Classification of Grants and Contracts

A BASC member inquired how to classify "split grants" in which the original source of funding was both federal and state. The committee recommended that the institution discuss this issue with state audit.

E) Contract Liability Terms

Ms. Crisp informed BASC members that a training session on contracts would be held October 19, 1999. She recommended that each institution send representatives to this training.

The Finance Committee minutes were approved. See Attachment A for recommended revisions to the travel policy.

3. Report of the Human Resource Officers Committee

Ms. Stewart highlighted the following issues from the June 17, 1999, meeting of the Human Resource Officers.

A. Workplace Violence Prevention Guideline

The Human Resource Officers recommended revising the proposed guideline to include an exception to the prohibition of weapons on campus

for non-student adults. This exception would apply to firearms possessed by non-student adults as long as the firearm remained unhandled and in the vehicle owned by the non-student adult. Several institutions were not comfortable with this exception and asked if inclusion of the exception could be a campus decision. Debbie Johnson stated that she would discuss this request with General Counsel.

B. Policy 5:01:01:05 Civil Leave

The Human Resource Officers recommended revising the civil leave policy to clarify that temporary workers with a contract of less than six months are not eligible for civil leave.

C. Guideline P-045 Deferred Compensation

The Human Resource Officers recommended revising the deferred compensation guideline to allow deferral of longevity to the 403(b) plan.

Additionally, the HRO minutes stated that campuses would be given the option of including longevity payments in the employees' regular payroll checks. Raja Kodali had stated that TBR will only provide the programming if all schools elect this option. BASC members inquired if Mr. Kodali could provide the programming to the schools that elect this option. Ms. Johnson stated that she would discuss this issue with Mr. Kodali.

The minutes of the Human Resource Officers were approved with the amendment to the proposed Workplace Violence Prevention Guideline discussed above.

4. Revision to Purchasing Policy and Equipment Capitalization Floor

Ms. Stewart informed the BASC that according to THEC, UT raised their purchases requiring bids floor and their equipment capitalization floor to \$2,000, effective July 1, 1999. BASC members supported revising TBR's purchasing policy and equipment capitalization floor to \$2,000 also. See Attachment B for revisions to the purchasing policy.

Subsequent to the meeting, THEC informed TBR that UT had not actually made these revisions to their policy, but had requested permission from the Dept. of Finance and Administration to make these changes. Until UT receives this permission, their equipment capitalization floor will remain at \$1,000.

5. OTHER BUSINESS

- Ms. Stewart informed the BASC that the state was revising their travel policy to no longer allow reimbursement of meals for single-day travel, as this would constitute taxable income to the employee. BASC members supported making this same revision to the TBR travel policy, see Attachment A.

There being no further business, the meeting was concluded.