BUSINESS AFFAIRS SUB-COUNCIL

October 19, 2000

MINUTES

The meeting began at 9:00 a.m. at the MTSU Foundation House. Present were Mr. Mitch Robinson, Chairperson (DSCC); Mr. James Bowman (ETSU); Dr. David Collins (ETSU); Ms. Elaine Davis (NSTI); Mr. Danny Gibbs (VSCC); Mr. Mike Gower (MTSU); Mr. Clay Harkleroad, Jr. (TSU); Mr. Ken Horner (CoSCC); Dr. Charles Hurley (CLSCC); Mr. Dwight Johnson (STCC); Dr. Julian Jordan (WSCC); Mr. Ron Kesterson (PSTCC); Ms. Linda Maxwell (TTU); Ms. Marsha Mitchell (DSCC); Mr. Raymond Pipkin (UOM); Mr. Mike Posey (MSCC); Mr. Terry Rector (TTU); Ms. Claire Stinson (NSTCC); Dr. Duane Stucky (MTSU); Ms. Tammy Swenson (CSTCC); Mr. John Rudley, Ms. Chris Modisher, Ms. Lisa Hall, Mr. Ron Simmons, Ms. Renee Stewart, and Ms. Heidi Zimmerman (TBR).

Mr. Robinson called the meeting to order.

BUSINESS

1. Guideline P-080

Ms. Modisher and Ms. Zimmerman discussed the extensive revisions proposed for Guideline P-080 Harassment – Sexual or Racial. The proposed revisions include language reflecting the processes in place when employees/students file a complaint. Additionally, these revisions incorporate procedures established due to the results of several recent court decisions. The revisions were approved as presented.

2. Report of the Finance Committee

Dr. Collins highlighted the following issues from the October 12, 2000 Finance Committee meeting.

A. Travel Policy

Recently, the federal government switched to a fiscal year update for CONUS rates and published the revised rates with an October 1 implementation date. The old rates, however, were also still allowable if the federal department chose to delay implementation until January 1. The Finance committee recommended implementing the revised rates as permissible as of October 1.

B. Guideline B-060

The Finance Committee recommended revising Guideline B-060 to reflect the accounting practice in use for the debt service fee, see Attachment A.

C. Calculation of Student Fees

The Finance Committee discussed the appropriate method to calculate fees when students are enrolled in both undergraduate and graduate level courses. The committee determined that it was appropriate to calculate fees in the following manner:

number of hours enrolled in undergraduate courses x part-time rate (up to the maximum)
+ number of hours enrolled in graduate courses x part-time rate (up to the maximum)
= fees charged to students (should never exceed graduate maximum)

D. Institutional Scholarship and Fees

The BASC discussed whether institutionally funded scholarships should be allowed to waive the technology access fee and the student activity fee. When these fees are included in institutional scholarship programs, institutions are reallocating undesignated revenues to designated purposes. Mr. Rudley reminded the BASC that the Board members recently increased the technology access fee because they felt it was a priority. Board members would not view favorably any proposals that lessen the technology revenue stream. Mr. Rudley suggested that campuses develop a campus-by-campus report quantifying the effect of this proposal on both the technology access fee and student activity fee revenues. This proposal can then be forwarded to the Presidents Council with the completed report.

The minutes of the Finance Committee were approved.

3. Report of the Human Resource Officers Committee

Ms. Stewart discussed the Human Resource Officers' proposal to revise the term appointment contract to include a termination provision. The termination provision would allow contract termination with thirty days notice. The minutes of the Human Resource Officers Committee were approved.

4. Long-Range Planning Initiatives

Mr. Rudley discussed the five-year strategic plans each campus has developed. It appears that the plans do not include cost estimates for the goals established. Each campus should quantify their strategic plans with costs associated with each goal. These plans then will be used in developing future fee recommendations. This process will replace the current practice of setting fees based on the level of state support with tying the fee recommendation to the campuses' strategic plans.

5. Part-time Maintenance Fees and Tuition

Mr. Rudley discussed the adjustment to the part-time fee rates implemented Fall 2000. At prior meetings, the Finance Committee and BASC had approved a three-year phase in adjustment to result in part-time fees that equaled the full-time rate divided by 12 hours

(9 hours for graduate courses). Mr. Rudley suggested eliminating the phase-in period and making the remaining adjustment in Fall 2001.

Additionally, Mr. Rudley discussed the national practice of eliminating the full-time rate and charging a per credit hour fee for each hour enrolled, with no maximum charge. While our current practice has been a widely accepted method of keeping costs low at public institutions, TBR institutions now have to balance access issues against quality. Mr. Pipkin stated that the per credit hour fee could be adjusted to avoid a massive fee increase for students with course overloads. Additionally, elimination of the full-time rate will equalize the total cost of a degree for part-time and full-time students and will discourage students from "course shopping".

While some committee members suggested that we only implement this proposal if UT does likewise, Mr. Rudley discussed UT's decreasing dependence upon state funding and aggressive fee increases. UT may not be inclined to eliminate the full-time rate since their Board of Trustees and clientele have been supportive of the aggressive fee increases.

Dr. Stucky stated that charging a per credit hour fee would increase the workload of campus personnel when students make reasonable schedule changes. With every hour added or dropped, a new fee would need to be calculated and assessed. Mr. Pipkin discussed how an institution that uses a per credit hour fee handles this situation: Each class meets for half sessions the first day. The second day no classes meet and students dropping classes are allowed a 100% refund. While this scenario would affect academic calendars, the majority of drop/adds could be completed on that second day.

Mr. Rudley stated that the Central Office would obtain enrollment reports and assess how many students would be affected by this proposal. The results will be shared with the Presidents at the next President's Council.

6. OTHER BUSINESS

- Mr. Pipkin inquired about the legislative report on fees not appropriated by the general assembly and what format campuses should use. Mr. Rudley stated that we have not yet been asked to compile this information. When the request is made, we will ask for a format to use.
- The BASC discussed the need to revise the current method used to report salary increases. The BASC will establish a subcommittee consisting of CBOs and HR Officers to develop a more efficient method of communicating this information as well as other personnel issues.
- Mr. Rudley updated the BASC on the October 13, 2000 Fiscal Review Committee meeting. While the list of questions provided by the Fiscal Review Committee included a wide range of topics, the committee members focused on salary increases at UT, and, to a lesser extent, at TBR. The focus of this meeting indicates that higher education must do a better job of communicating our needs and building trust with the legislature.

There being no further business, the meeting was concluded.

B. For simplicity of administration and communication, institutions may combine debt service with maintenance fees in quoting fee rates, in fee billings and charges, and in making refunds.

C. ~~For accounting purposes, revenue from debt service fees will be a direct addition to Funds for Retirement of Indebtedness. Budget documents for information purposes will reflect two lines of debt service fees as the last detailed entries under the Student Fees and Charges section; the first entry will be for Debt Service Fees Collected, and the second for Debt Service Fees Transferred (a contra amount). Debt service fees will be recognized in the same fiscal year as the related maintenance fees.~~ **Revenue from debt service fees will be recorded in the unrestricted current fund and then transferred to the retirement of indebtedness fund as either a mandatory transfer or a non-mandatory transfer. The portion of debt service fee revenue used for current-year debt service will be reported as a mandatory transfer. Any additional debt service fee revenue will be transferred to the retirement of indebtedness fund as a non-mandatory transfer.**

V. Student Fees

A. A student government activity fee may be established pursuant to TCA 49-8-110 (copy attached). Any increase in this fee shall be subject to a referendum for student body approval or rejection. Such increases shall not exceed one dollar ($1.00) per student per fee payment. The fee will be administered in accordance with the provisions adopted by each institution. These fees will be restricted current funds additions. It is refundable on the same basis as maintenance fees or as established by the institution.

B. Student activity fees (other than student government activity fees) will be approved by the Tennessee Board of Regents. Such fees may be recommended by each institution based on services to be provided which are related to the activity fee. These fees will be unrestricted