

































# June 2019 Governance and Finance Committee Meeting

<b>Schedule</b>	Wednesday, June 5, 2019 9:45 AM — 10:45 AM CDT
<b>Venue</b>	University Center Fountain View Suite - UC350
<b>Organizer</b>	Jean Rakow

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# 1. Call to Order

Presented by David North



## 2. Roll Call and Declaration of Quorum

Presented by Melanie Murry and David North



### 3. Election of the Governance and Finance Committee Chair and Vice Chair For Approval

## **The University of Memphis Board of Trustees**

For Approval

**Date:** June 5, 2019

**Presented by:** Chair David North

**Regarding:** Election of the Chair and Vice Chair of the Governance and Finance Committee

**Background:**

When terms expire or vacancies occur in the positions of Chair and/or Vice Chair of the standing Committees of the Board of Trustees, the membership of the respective committees are authorized to replace the Chair and Vice Chair through a vote of the Committee :

## **4. Approval of Minutes - March 6,2019**

For Approval

Presented by David North

# **University of Memphis Governance and Finance Committee Meeting**

**March 6, 2019 | 8:30 a.m.**

## **Proposed Order of Business and Committee Summary**

The Governance and Finance Committee of the University of Memphis Board of Trustees met at 8:30 a.m. CDT, on Wednesday, March 6, 2019, on the University of Memphis Main Campus in Memphis, Tennessee.

### **I. Call to Order/Roll Call/Declaration of Quorum/Introduction**

Chairman Graf called the meeting to order and welcomed attendees. University Counsel and Board Secretary Melanie Murry called the roll. The following Governance and Finance Committee members were present: Trustee Drew Gilmore; Trustee Alan Graf; Trustee Cato Johnson; Trustee David Kemme; Trustee R. Brad Martin; Trustee David North; and Trustee Susan Springfield.

A quorum was present. Members of the University of Memphis Board of Trustees, faculty, administrative staff, and guests were present.

### **II. Approval of Minutes – December 2018**

Chairman Graf requested a motion for the approval of the minutes. It was moved by Trustee Johnson and properly seconded to approve the minutes from the December 5, 2018, Governance and Finance Committee meeting. A roll call vote was taken, and the motion passed.

### **III. University Advancement Division**

Chairman Graf introduced Joanna Curtis, Interim Chief Development Officer, to present on the University Advancement Division. Interim Chief Development Officer Curtis provided an overview of the merger of the UofM Alumni Association with the Development Office effective February 1 and asserted the merger will help with challenges and goals moving forward. As merging the two offices is the industry standard, it also better positions us to streamline information sharing, leverage technology, and perform a continuum that starts with the student and continues through the alum's lifetime. As institutions have become increasingly reliant on older donors, we need to look at strategies to engage with alumni throughout their lifetime.

### **IV. Public Comment Policy**

Chairman Graf introduced University Counsel and Board Secretary Melanie Murry to present on the public comment policy. University Counsel and Board Secretary Murry mentioned other public schools around the country have this policy and acknowledged that



transparency in allowing public citizens to present to the Board is a topic that is important to the State.

Chairman Graf called for a motion. The motion was moved by Trustee Johnson and properly seconded. A vote was taken and was approved.

#### **V. Open Records Rule**

Chairman Graf introduced University Counsel and Board Secretary Murry to present on the open records rule. University Counsel and Board Secretary Murry stated that a function of the Board is to create rules, of which the open records rule is a statutory requirement. This rule has already been vetted by the Attorney General's office and the Open Records Council office. The Board's approval of this rule is the first step in the process before submittal to the State.

Chairman Graf called for a motion. The motion was moved by Trustee Springfield and properly seconded. A vote was taken and was approved.

#### **VI. Revision of Building Name to UMRF Research Park**

Chairman Graf introduced Dr. Jasbir Dhaliwal, Executive Vice President for Research and Innovation, to present on changing the name of Highland Library to "UMRF Research Park." The request to change the Highland Library to "CommuniTech Research Park" was approved at the December meeting. Since that time, we've become aware of a Canadian organization that has a trademark on the name "Communitech." Executive Vice President Dhaliwal mentioned that all of our economic development activities will now use the name UMRF, University of Memphis Research Foundation.

Chairman Graf called for a motion. The motion was moved by Trustee Johnson and properly seconded. A vote was taken and was approved.

#### **VII. New Board Policy – Debt Management**

Chairman Graf introduced Chief Financial Officer Raaj Kurapati to present on the new board policy, debt management. Chief Financial Officer Kurapati explained this policy will govern debt issuance by the University (this policy was previously held by TBR). Delegation of authority was granted to the President for several items but not the issuance of debt. Also, CFO Kurapati clarified a post-meeting question from Trustee Edwards about capital leases. Operating leases will be handled at the management level and all capital leases, which translate into debt, will be brought to the Board for consideration.

Chairman Graf called for a motion. The motion was moved by Johnson and properly seconded. A vote was taken and was approved.

#### **VIII. Guaranteed Tuition Proposal**

Chairman Graf introduced Chief Financial Officer Kurapati to present on the guaranteed tuition proposal. CFO Kurapati introduced the proposal and reminded the committee of the initial discussion at the December board meeting. Our final recommendation for consideration is two proposals: 1) guaranteed tuition plan to be implemented in Fall 2019 available to all students (undergrad, grads, international and UofM Global students) and 2) move to a uniformed tuition structure for the different modalities we employ in delivering courses for our students (on-campus and on-line). The guaranteed tuition plan would only apply towards tuition and not mandatory and non-mandatory fees and on-line course fees. The benefits would allow families to budget earlier, provide stable tuition and timely degree completion. This could also translate into a reduction of student debt.

For the 2019-20 guaranteed plan we are proposing an initial rate adjustment of 2.38% against the current rate which will not increase over the next four years. This rate will be available to all first-time, first-year students for eight (8) consecutive semesters. These students will default into the plan but will have the option to opt out. A new guaranteed rate will be established annually for each fall cohort.

CFO Kurapati also mentioned that to assist in improving access and affordability with the guaranteed plan, we must also create a uniform tuition rate. Students enrolling in on-line vs. on-campus courses pay about a 19% premium for this option. When we initially adopted the online modality, traditional courses were assessed a different rate than online courses based on our implementation of the Tennessee e-campus structure. This structure had never been modified. Dr. Rudd mentioned this has been a significant issue for students. CFO Kurapati proposed eliminating the penalty by setting the per credit hour tuition assessment to be equal for all modalities and proposing to cap tuition at 12 hours for resident undergraduate students and 10 hours for resident graduate students. No additional tuition charges would apply beyond the cap. This would help us to simplify the tuition structure, help students plan better, and increase graduation rates.

CFO Kurapati noted that in order to implement this proposal and remain revenue neutral, the University is proposing a tuition adjustment which translates to a 1.79% tuition increase for undergraduate resident students taking 15 student credit hours.

Discussion ensued regarding available opportunities for improving access and affordability. Trustee Gilmore inquired about non-first year students who cannot opt-in to the plan. CFO Kurapati advised that students will be able to take advantage of the uniform rate for on-line and on-campus courses and also resident undergraduate students will be able to take credit hours over 12 for free. Trustee Gilmore mentioned students are excited about the uniform online fee option.

CFO Kurapati also mentioned the Tuition Transparency Act requires us to submit a public notice and gather comments on proposals when they involve tuition. As we complied with the act, we received 11 responses: 7 individuals are supportive of the action and there were 4 questions but also supportive. There were no negative comments.

Chairman Graf called for a motion. The motion was moved by Trustee Springfield and properly seconded. A vote was taken and was approved.

#### **IX. Improving Access and Affordability for Course Materials**

Chairman Graf introduced CFO Kurapati to present on access and affordability for course materials. CFO Kurapati mentioned that he presented on course materials affordability during the December board meeting and wanted to provide the Board an update on progress to date. Since the December meeting, he has met with Follett, our bookstore partner, Faculty Senate, and University leadership to determine immediate options to bring the textbook cost down. He appreciated the support of the Faculty Senate toward this effort. CFO Kurapati mentioned moving to a flat course materials fee for general education courses (1000 and 2000 level courses) which would also allow students access to their course materials on day one. CFO Kurapati discussed the consideration of bundling the books with needed materials, e.g. laptops. We are continuing to refine this option to decrease the price. We're hoping to implement this initiative in fall 2019 to arrive at a per credit charge of \$30 or less. If we are successful with this initiative, the next step would be to expand to higher-level courses.

Discussion ensued regarding options to use other vendors and the need to ensure our students have the proper tools to succeed and at a reasonable cost.

#### **X. Athletics 3 Year Plan**

Chairman Graf introduced Athletic Director Tom Bowen. Athletic Director Bowen presented a three (3) year financial and capital projects plan for Athletics. Dr. Rudd stated the information presented is a placeholder and the final numbers would be provided once the conference deal is announced. Athletic Director Bowen advised that basketball ticket sales are up \$4.6 million and football ticket sales have increased as well. Additional discussion ensued regarding the administrative staff, recruiting efforts, and student athletic fee.

#### **XI: Presidential Evaluation**

Chairman Graf discussed the president's evaluation. Chairman Graf advised that our governing body Southern Association of Colleges and Schools (SACS) requires that President is evaluated every three (3) years. He mentioned the President is performing at an extremely high level and will be evaluated today in the Executive Committee. Chairman Graf stated the previous evaluation for the President was conducted in October 2017. He proposed an annual evaluation to occur during the fall board meeting when the results of the previous year are finalized and the enrollment for the new year is prepared. The trustees supported this proposal. Melanie Murry advised that Chief Financial Officer Kurapati and Chief Human Resources Officer Maria Alam will work to create a policy based on the feedback received.

#### **XII. Additional Committee Business**

There was no additional business.

### **XIII. Adjournment**

The meeting was adjourned at 9:40 a.m.

## 5. Governance and Finance Charter Revision For Approval

# **The University of Memphis Board of Trustees**

Recommendation

For Approval

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Approval for Revised Governance and Finance Committee Charter

**Presented by:** Melanie Murry, University Counsel and Board Secretary

**Background:**

The Board approved the Charter for the Governance and Finance Committee at its March 2017 Board meeting with revisions in June of 2017. The charter has been revised to remove authority to act on behalf of the full Board of Trustees and revise membership on the Executive Committee.

**Committee Recommendation:**

The Governance and Finance Committee recommends approval of the revised charter for the Governance and Finance Committee as reflected in the meeting materials.

## **Governance and Finance Committee**

### **Purpose**

The Governance and Finance Committee (“GFC” or “Committee”) provides oversight for the University’s finance, business, administration, and facilities activities. The Committee also ensures the integrity of the board and enhances board performance. The Committee advises the Board on the state of the University’s financial operations, budget, student fees, personnel policies, and facilities. The Committee serves to ensure the University operates within available resources, and in compliance with applicable federal and state laws and University policies in a manner supportive of the University’s strategic plan.

### **Authority and Responsibilities**

The Committee is responsible for formulating and recommending action or necessary policies in all matters relating to finance, business, administration, receipt of donations, facilities and fiscal oversight. Specifically, the Committee shall have responsibility to provide oversight in the following areas and recommend for approval the following actions to the Board:

1. University’s annual operating and capital budgets.
2. Student Tuition and fee rates.
3. Fiscal procedures and rules for maintaining bank accounts, draw vouchers and checks for expenditures through disbursing officers.
4. Debt issuances.
5. Facilities Master Plan.
6. Lease, purchase and disposal of real estate.
7. Personnel policy matters requiring Board approval.
8. Oversee presidential personnel matters, including the annual evaluation;
9. Periodically review the Bylaws and recommend needed amendments;
10. Develop and implement a process for evaluating the effectiveness of Board and committee meetings;
11. Develop an effective orientation and ongoing education process for the Board; and
12. Identify the expertise and experience needed for Board membership for recommendation to the President and Governor.

It is the expectation of the Board that the full Board will consider and make decisions regarding all significant matters before the Board. However, an Executive Committee is established as part of the Committee and is empowered to act for the full Board between regular Board meetings on an as needed basis for time-sensitive matters, subject only to such restrictions or limitations as the Board may from time to time specify, except that the following matters shall be reserved to the full Board for approval: (i) Board and committee officer selection, (ii) changes in the mission and purposes of the University, (iii) presidential selection, evaluation and termination, (iv) amendments to the Bylaws, (v) debt issuances, (vi) sale or other disposition of real property, (vii) the University’s annual operating budget and (viii) the University’s Facilities Master Plan. All actions taken by the Executive Committee pursuant to this authority shall be reported at the next

meeting of the full Board, or when deemed sufficiently important by the Board Chair and the University President, such actions shall be reported to the Board within thirty (30) days after such action is taken, or at a meeting of the Board if a meeting is held within that period of time.

### **Composition of the Committee**

The Governance and Finance Committee shall be comprised of at least the Board Chair and Vice-Chair. The President and Vice President of Business and Finance of the University shall be ex officio, non-voting members of the committee. The Executive Committee shall only consist of the Board Chair, Vice-Chair and a third member elected by the full Board of Trustees who title shall be 2<sup>nd</sup> Vice Chair.



## 6. The Gather Update

For Approval

Presented by Raajkumar Kurapati

# **The University of Memphis Board of Trustees**

Recommendation

For Approval

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Gather I Management Arrangement

**Presented by:** Raaj Kurapati, Chief Financial Officer

## **Background:**

The University is working with the State of Tennessee on the terms of the proposed acquisition of the Gather I and II. The project is currently under review and the projected response date is too close to the beginning of fall classes for the University to adequately operate the facilities.

In the interim, the University would like to enter into a short-term management arrangement with the Gather I (264 beds) while we continue to work with the State on the acquisition of the full property.

## **Committee Recommendation:**

The Governance and Finance Committee recommends approval to enter into a short-term agreement to manage the 264 beds located in Gather I, whether by lease, affiliation agreement, or other means, as presented in the meeting materials. Any action taken by the University will be subject to applicable State of Tennessee reviews and approvals.

# *Gather / Management Arrangement*

## *Governance & Finance Committee*

Raaj Kurapati  
Chief Financial Officer

June 5, 2019  
University Center



JUNE 2019

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- The University is working with the State of Tennessee on the terms of the proposed acquisition of the Gather I and II. The project is currently under review and the projected response date is too close to the beginning of fall classes for the University to adequately operate the facilities.
- In the interim, the University would like to enter into a one-year agreement to operate the Gather I (264 beds) while we continue to work with the State on the acquisition of the full property.

- Gather I will be advertised as a UofM affiliation
- UofM will include the Gather I stock of 264 beds in its housing inventory (UofM housing rules will apply)
- All occupants shall be UofM students or employees
- UofM will provide security on an agreed upon reimbursement basis
- The programming will be managed by UofM (UofM will pay for rooms for its RAs)
- UofM will inspect the property prior to entering the agreement

- Security cameras
- Occupancy agreements between UofM and students
- Gated property
- Door control
- Property is well-maintained
- Fire alarms and sprinkler systems are operational
- Parking available for tenants per Gather current arrangements
- Cable internet
- Furnished
- Utilities sufficient
- Insured (UofM additionally named)



# Questions?





## 7. FY 2019 Final Operating Budget and FY 2020 Proposed Operating Budget

For Approval

Presented by Raajkumar Kurapati

# The University of Memphis Board of Trustees

Recommendation

For Approval

Date: June 5, 2019

Committee: Governance and Finance

Recommendation: FY2019-20 Proposed Budget and FY2018-19 Estimated Budget Recommendation

Presented by: Raaj Kurapati, Chief Financial Officer

## Background:

Budget Control Policy (BF4024) recognizes budgeting as the process whereby the plans of an institution are translated into an itemized, authorized, and systematic plan of operation, expressed in dollars, for a given period. This policy also recognizes that a budget is a plan and circumstances may necessitate revisions or changes from time to time. In view of this, we will submit budgets for approval three times each fiscal year. At this time, both the FY2019-20 Proposed Budget and FY2018-19 Estimated Budget are presented for consideration.

The *Proposed Budget* is prepared in the spring for implementation each fiscal year on July 1. This budget is based on the level of state funds recommended in the Governor's proposed budget as well as early estimates of factors such as enrollment projections, proposed tuition increases and research activities. The *Proposed Budget* is submitted to the Board for approval prior to the start of the subsequent fiscal year.

The final budget submitted for each fiscal year is the *Estimated Budget*. This budget includes carryforward balances from prior years that represent available resources at the departmental level. Although these funds are available, we do not anticipate that all resources will be spent in the current fiscal year. The *Estimated Budget* also includes final adjustments to the current year budget and is the budget against which final year-end actual amounts are compared. It is prepared, submitted, and considered by the Board at the same time as the *Proposed Budget* for the upcoming fiscal year.

## Committee Recommendation:

The Governance and Finance Committee recommends approval of the FY2018-19 Estimated Budget and the FY2019-20 Proposed Budget and assumptions as presented in the meeting materials.

# **FY2019-20 Proposed Budget and FY2018-19 Estimated Budget**

## Executive Summary

The **Proposed Budget** is prepared in the spring for implementation each fiscal year on July 1. This budget is based on the level of state funds recommended in the Governor's proposed budget, as well as early estimates of factors such as enrollment projections, proposed tuition increases and research activities. This budget is considered the University's base (recurring) budget and is a balanced budget (revenues = expenditures). The **Proposed Budget** is submitted to the Board for approval prior to the start of the subsequent fiscal year.

**The FY20 Proposed Budget was prepared with the following assumptions:**

- State Appropriations as recommended in the Governor's Budget
- Tuition revenue budgets were not adjusted as the proposed 1.79% tuition increase and tuition restructure will be revenue neutral
- Flat enrollment based on FY2019 enrollment levels
- 2.0% salary pool & benefit increases distributed by function and classification in the general accounts for distribution once approved
- Incorporated new Dining Contract revenues & expenses & ended previous dining contract

The University of Memphis FY2020 proposed budget revenues total \$530.2M. This total reflects revenue increases of \$14.1M from the FY2019 proposed budget.

FY19 v FY20 Proposed Budget Total Revenues by Fund Type (\$ Millions)					
			Variance		
Fund Type	2019	2020	\$	%	
Educational & General (E&G)	\$ 375.3	\$ 388.3	\$ 13.0	3.5%	
Auxiliary Units	26.5	26.2	(0.3)	-1.2%	
<b>Total Unrestricted</b>	<b>\$ 401.8</b>	<b>\$ 414.5</b>	<b>\$ 12.7</b>	<b>3.2%</b>	
Restricted (Gifts, Grants, and Contracts)	114.3	115.7	1.4	1.2%	
<b>Total Unrestricted and Restricted</b>	<b>\$ 516.1</b>	<b>\$ 530.2</b>	<b>\$ 14.1</b>	<b>2.7%</b>	

### Unrestricted E&G Revenues

Unrestricted Education and General funds (E&G) support the core operations of the university: instruction, research, public service, academic support, student services, institutional support, facilities operations, maintenance, scholarships, and fellowships. These operations are funded primarily through tuition, student fees, state appropriations, and other sources including gifts, grants and contracts, sales and services, and other miscellaneous revenues.

The E&G revenue increase is primarily a result of:

- \$1.9M Additional FY19 Tuition and Fees increases
- \$6.3M FY20 State appropriation increase
- \$2.3M Anticipated budget for Middle School and increase in Lipman ELRC revenues
- \$2.5M Increase in Investment Income from additional investment strategies

Following is a detail of the FY2020 state appropriation allocation for the University of Memphis:

FY2020 State Appropriations	
Recurring	
State Appropriation - Operating Increase (2% Salary Pool)	\$ 6,019,900
Outcomes Formula Adjustment	(699,900)
<b>Total Net Recurring</b>	<b>\$ 5,320,000</b>
Capital Maintenance - One Time	
Lambuth Campus Classroom Conversion	\$ 5,760,000
Campus-Wide Interior Repairs	5,540,000
Campus-Wide Multiple Roof Replacements	3,000,000
ADA Compliance	430,000
<b>Total One-Time</b>	<b>\$ 14,730,000</b>

#### **E&G Expenditure Budget:**

The proposed expenditure budget reflects E&G revenue growth as follows:

- \$ 4.2M 2% Salary Pool prorated across functions based on salary distribution
- \$ 1.1M OPEB Insurance increase
- \$ 1.8M Instructional and Academic Support operating increases
- \$ 2.5M Reserve funds from increase in Investments
- \$ 1.1M State appropriations funds to be allocated per SRI budget process
- \$ 2.3M Operating budget for Middle School and operating increase in Lipman ELRC due to increased enrollment

Regarding strategic investment funds, the University community participated in a robust budget development process in the spring to identify critical needs and investment opportunities to further the University's mission. The governance structure of the new Strategic Resource Investment (SRI) budget model ensured university wide collaboration, transparency and alignment of resources with strategic initiatives and priorities. At this point, no allocation decisions have been made regarding the investment of these funds.

#### **Auxiliaries & Restricted**

Auxiliaries are self-supporting enterprises, which furnish services to students, faculty, and staff such as housing, bookstore, parking and food services. The auxiliary budget reflects the new Chartwell dining services contract and cancellation of previous dining contract.

Restricted funds must be used in accordance with purposes established by an external party, primarily grants, contracts, gift funds and endowments. The restricted budget increase is related to a 2% salary pool and anticipated grant & contract activities based on FY19 actuals.

### **Estimated (Final) Budget**

The final budget submitted for each fiscal year is the **Estimated Budget**. This budget includes carryforward balances from prior years that represent available resources at the departmental level. Although these funds are available, we do not anticipate that all resources will be spent in the current fiscal year. The Estimated budget also includes final adjustments to the current year budget and is the budget against which final year-end actual amounts are compared. It is prepared, submitted, and considered by the Board at the same time as the **Proposed Budget** for the upcoming fiscal year.

The FY2019 estimated operating budget reflects changes that have occurred since the revised budget in the fall. Estimated total revenues are \$529.1M, a 1.2% increase over the revised budget.

<b>FY19 Revised v Estimated Budget Total Revenues by Fund Type (\$ Millions)</b>				
<b>Fund Type</b>	<b>Revised</b>	<b>Estimated</b>	<b>Variance</b>	
			<b>\$</b>	<b>%</b>
Educational & General (E&G)	\$ 381.4	\$ 385.9	\$ 4.5	1.2%
Auxiliary Units	25.8	27.3	1.5	5.8%
<b>Total Unrestricted</b>	<b>\$ 407.2</b>	<b>\$ 413.2</b>	<b>\$ 6.0</b>	<b>1.5%</b>
Restricted (Gifts, Grants, and Contracts)	112.5	115.9	3.4	0.0%
<b>Total Unrestricted and Restricted</b>	<b>\$ 519.7</b>	<b>\$ 529.1</b>	<b>\$ 9.4</b>	<b>1.2%</b>

Educational and General (E&G) revenue increase is primarily a result of one-time activities in Conference & Institutes, Campus Internship Programs, UofM Foundation support to campus departments, as well as a change in employee awards no longer being processed at Foundation but through the University system.

Auxiliary revenue increase is due to the signing bonus for new food services contract.

The restricted budget increase is due to anticipated grant & contract activities based on third quarter FY19 actuals.

# **Proposed 2019-20 Operating Budget**

**University of Memphis**  
**FY19 & FY20 Proposed Revenue & Expenditure Budget**

	Proposed FY 2019	Proposed FY 2020	Variance	
<b><u>Revenues</u></b>				
Educational & General				
Tuition and Fees	\$ 201,369,700	\$ 203,288,600	\$ 1,918,900	1.0%
State Appropriations	116,674,900	123,023,000	6,348,100	5.4%
Unrestricted Grants, Contracts, & Gifts	23,348,600	24,509,600	1,161,000	5.0%
Sales and Services	33,649,900	34,741,200	1,091,300	3.2%
Other	284,000	2,784,000	2,500,000	880.3%
Total Educational & General	375,327,100	388,346,400	13,019,300	3.5%
Auxiliary	26,476,300	26,169,500	\$ (306,800)	-1.2%
Restricted	114,344,300	115,729,400	1,385,100	1.2%
Total Revenues	\$ 516,147,700	\$ 530,245,300	\$ 14,097,600	2.7%
<b><u>Expenditures</u></b>				
Educational & General				
Instruction	\$ 165,334,700	\$ 166,472,700	\$ 1,138,000	0.7%
Research	13,819,400	18,643,800	4,824,400	34.9%
Public Services	5,114,400	5,364,500	250,100	4.9%
Academic Support	32,002,300	34,300,900	2,298,600	7.2%
Student Services	53,953,000	52,747,400	(1,205,600)	-2.2%
Institutional Support	29,834,500	30,913,900	1,079,400	3.6%
Operation & Maintenance	36,819,400	37,454,100	634,700	1.7%
Scholarships & Fellowships	27,592,400	29,405,800	1,813,400	6.6%
Transfers	10,857,000	13,043,300	2,186,300	20.1%
Total Educational & General	375,327,100	388,346,400	13,019,300	3.5%
Auxiliary	26,476,300	26,169,500	\$ (306,800)	-1.2%
Restricted	114,344,300	115,729,400	1,385,100	1.2%
Total Expenditures and Transfers	\$ 516,147,700	\$ 530,245,300	\$ 14,097,600	2.7%

The FY20 Proposed Budget is balanced and within available resources. The primary revenue change for FY20 is the increase in State Appropriations, Sales & Services revenues and investment income.



**University of Memphis**  
**Recap of FY19 & FY20 Proposed Revenue & Expenditure Budget**

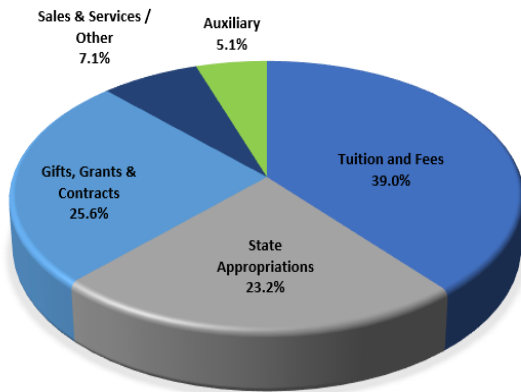
**Revenue Change from FY19 Proposed to FY20 Proposed Budget**

Tuition and Fees	\$ 1,918,900	Increase is net of growth in Academic Online and course fee revenues, Summer School enrollment increases, offset by declines in mandatory Program Service fee revenue & TN eCampus online revenue.
State Appropriations	6,348,100	Increase is primarily related to \$5.3M increase in outcomes funding, and \$1M increase in OPEB funding.
Unrestricted Gifts & Grants/Contracts	1,161,000	Established budget for UoM Middle School Campus agreement, increases in UoM Elementary School Campus agreement and unrestricted gifts.
Sales and Services	1,091,300	Increase in Lipman ELRC revenues based on anticipated increase in enrollment, increase in Physical Plant Salvage program and new Pcard program.
Other	2,500,000	Increase due to investment income from additional investment strategies (set up transfer in the Fall to a reserve account for future initiatives).
Auxiliary	(306,800)	Food services revenues adjusted based on new Chartwell dining services contract and cancellation of previous dining contract.
Restricted Grants and Contracts	1,385,100	Adjusted FY20 to reflect 2% salary pool/benefit increases and anticipated increases in grants/restricted activity.
<b>Total Revenue Change</b>	<b>\$ 14,097,600</b>	

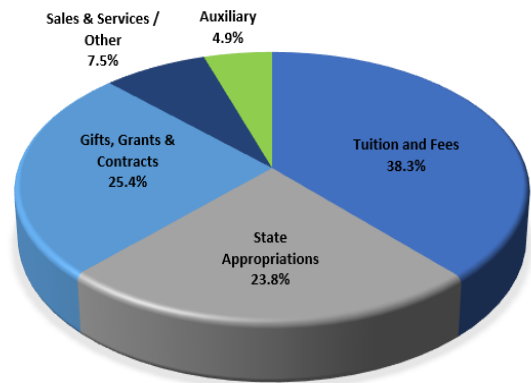
**Expenditure Change from FY19 Proposed to FY20 Proposed Budget**

Instruction	\$ 1,138,000	Net of distribution of the 2% Salary Pool & benefit increases, FY19 allocations for new faculty positions & program enhancements and reclassification of Chairs of Excellence expenditures from Instruction to Research.
Research	4,824,400	Distribution of the 2% Salary Pool & benefit increases and reclassification of Chairs of Excellence expenditures from Instruction to Research.
Public Service	250,100	Distribution of the 2% Salary Pool & benefit increases, change in Holliday Inn/FEC Facilities billing and adjustments in CSD LeBonheur contract.
Academic Support	2,298,600	Distribution of the 2% Salary Pool & benefit increases, establishment of the new Middle School operations, anticipated enrollment in Lipman School and Student Affairs restructure.
Student Services	(1,205,600)	Distribution of the 2% Salary Pool & benefit increases, shift of Athletic Marketing to Institutional Support and Student Affairs restructure.
Institutional Support	1,079,400	Distribution of the 2% Salary Pool/benefit increases, established new Pcard program, shift of Athletic Marketing to Institutional Support, FY19 budget allocations and University liability insurance increase.
Operation & Maintenance	634,700	Distribution of the 2% Salary Pool & benefit increases, and budget allocation for Police Services.
Scholarships and Fellowships	1,813,400	Increase due to additional need based scholarships.
Transfers	2,186,300	Increase in transfers due to additional investment income set up in a reserve account.
Auxiliary	(306,800)	Auxiliary expenditures reflect new Chartwell dining services contract and cancellation of previous dining contract.
Restricted Grants and Contracts	1,385,100	Adjusted FY20 to reflect 2% salary pool/benefit increases and anticipated increases in grants/restricted activity.

**FY 2019 Proposed Unrestricted and Restricted Revenue  
Total \$516.1 M**

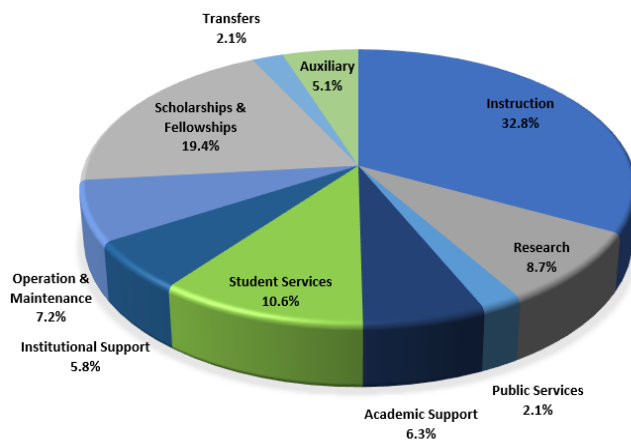


**FY 2020 Proposed Unrestricted and Restricted Revenue  
Total \$530.2 M**

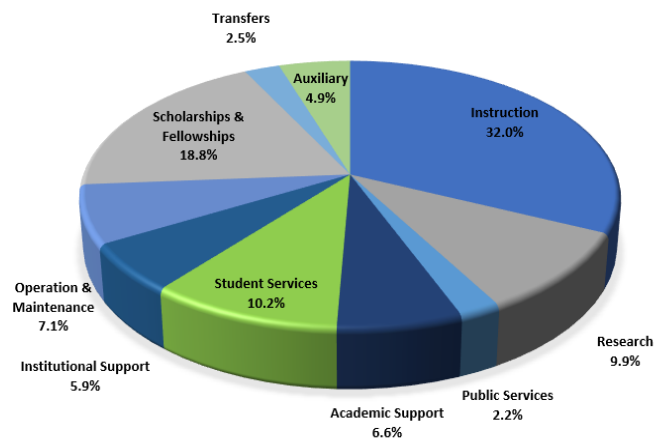


Expenditures are budgeted across the eight functional areas shown in the two charts below. Spending by function remains consistent. Increase in Research due primarily from shift of Chairs of Excellence expenditures from Instruction to Research. Decline in Student Services due to shift of Athletic Marketing Operations to Institutional Support and reorganization of Student Affairs.

**FY 2019 Proposed Unrestricted and Restricted Expenses  
Total \$516.1 M**



**FY 2020 Proposed Unrestricted and Restricted Expenses  
Total \$530.2 M**



\* Athletics is included in Student Services function

# **Estimated (Final) 2018-19 Operating Budget**

	Revised FY 2019	Estimated FY 2019	Variance	
<b><u>Revenues</u></b>				
Educational & General				
Tuition and Fees	\$ 202,061,300	\$ 202,936,000	\$ 874,700	0.4%
State Appropriations	115,404,400	115,404,400	-	0.0%
Unrestricted Grants, Contracts, & Gifts	25,400,100	27,025,000	1,624,900	6.4%
Sales and Services	35,857,800	36,155,000	297,200	0.8%
Other	2,684,000	4,384,000	1,700,000	63.3%
Total Educational & General	381,407,600	385,904,400	4,496,800	1.2%
Auxiliary	25,768,500	27,256,600	1,488,100	5.8%
Restricted	112,542,800	115,962,800	3,420,000	3.0%
Total Revenues	\$ 519,718,900	\$ 529,123,800	\$ 9,404,900	1.8%
<b><u>Expenditures*</u></b>				
Educational & General				
Instruction	\$ 164,152,100	\$ 163,486,300	\$ (665,800)	-0.4%
Research	37,653,100	41,653,400	4,000,300	10.6%
Public Services	7,481,100	8,425,700	944,600	12.6%
Academic Support	35,220,400	34,563,700	(656,700)	-1.9%
Student Services	65,973,000	65,853,900	(119,100)	-0.2%
Institutional Support	32,122,600	32,793,000	670,400	2.1%
Operation & Maintenance	38,754,000	37,281,100	(1,472,900)	-3.8%
Scholarships & Fellowships	29,471,800	29,498,000	26,200	0.1%
Transfers	(3,582,700)	(1,099,300)	2,483,400	-69.3%
Total Educational & General	407,245,400	412,455,800	5,210,400	1.3%
Auxiliary	26,118,500	27,606,600	\$ 1,488,100	5.7%
Restricted	112,542,800	115,962,800	3,420,000	3.0%
Total Expenditures and Transfers	\$ 545,906,700	\$ 556,025,200	\$ 10,118,500	1.9%

The FY2019 Estimated budgets are within available resources and comply with all applicable policies and guidelines. This budget includes all resources available including current year revenues as well as one-time activities and resources available from prior year operations. Although these funds are available, we do not anticipate that all resources will be spent in the current fiscal year.

## University of Memphis

### Recap of Revised FY19 & Estimated FY19 Revenue & Expenditure Budget

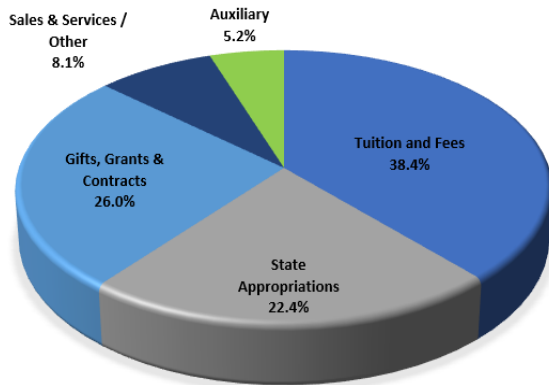
#### Revenue Change from FY19 Revised to FY19 Estimated Budget (see Revenue recap for detail)

Tuition and Fees	\$ 874,700	Net of increase in UM Online fees, offset by declines in Program Service fees.
State Appropriations	-	No Change
Unrestricted Gifts & Grants/Contracts	1,624,900	UM Foundations support to campus departments operations and employee awards, Residual Balances on Fixed Fee Awards, and CSD Partnership with Le Bonheur.
Sales and Services	297,200	Net of increase in Athletic ticket sales & parking revenues and a decline in Athletic Student Fee revenues.
Other	1,700,000	Realignment for FY19 Investment Income Projections.
Auxiliary	1,488,100	Net of new Food Services Signing Bonus \$1.5M and adjustments to Housing and Rental Properties.
Restricted Grants and Contracts	3,420,000	Adjusted for estimated increase in grants/restricted activities based on year to date actuals.
<b>Total Revenue Change</b>	<b>\$ 9,404,900</b>	

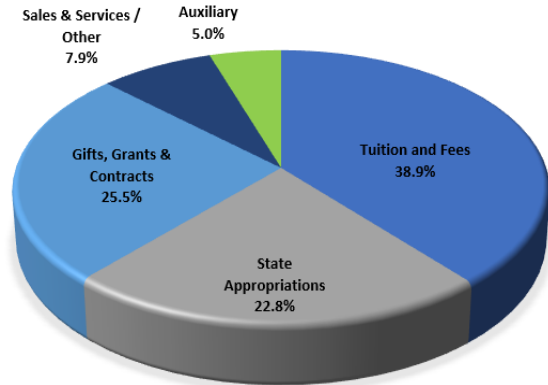
#### Expenditure Change from FY19 Revised to FY19 Estimated Budget

Instruction	\$ (665,800)	Net of Budget allocations distributed after October Budget; Salary lapse, Faculty salary splits to grants & research & benefit reallocations based on staffing levels.
Research	4,000,300	Faculty salary splits from instruction GAs; one-time cost shares / startup and allocated funds for Carnegie R1 initiatives.
Public Service	944,600	Budget redistributions after October Budget for MD2k Public Service Activities; Institute for Journalism; CSD Partnership UT LeBonheur ULPS and benefit reallocations based on staffing levels.
Academic Support	(656,700)	Shift of Salary Lapse funds after October Budget, and benefit reallocations based on staffing levels.
Student Services	(119,100)	Student Affairs Re-Org to Student Success.
Institutional Support	670,400	Budget allocations distributed after October Budget and benefit reallocations based on staffing levels.
Operation & Maintenance	(1,472,900)	Transfer Utility Savings to Plant funds for Performance Contract Debt and Utility Fluctuation / Energy Conservation, & various plant fund projects.
Scholarships and Fellowships	26,200	Adjusted to projected award levels.
Transfers	2,483,400	Additional \$1.7M transfer to a reserve account for future initiatives from increase in investment income and various plant fund projects.
Auxiliary	1,488,100	New Food Services signing bonus \$1.5M.
Restricted Grants and Contracts	3,420,000	Adjusted for estimated increase in grants/restricted activities based on year to date actuals.
<b>Total Expenditure Change</b>	<b>\$ 10,118,500</b>	

**FY 2019 Revised Unrestricted and Restricted Revenue  
Total \$519.7 M**

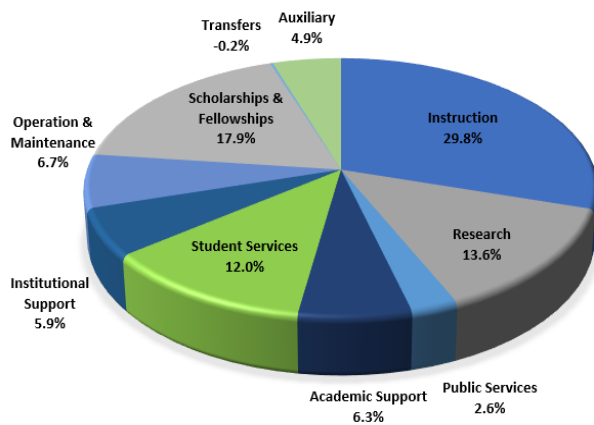


**FY 2019 Estimated Unrestricted and Restricted Revenue  
Total \$529.1 M**

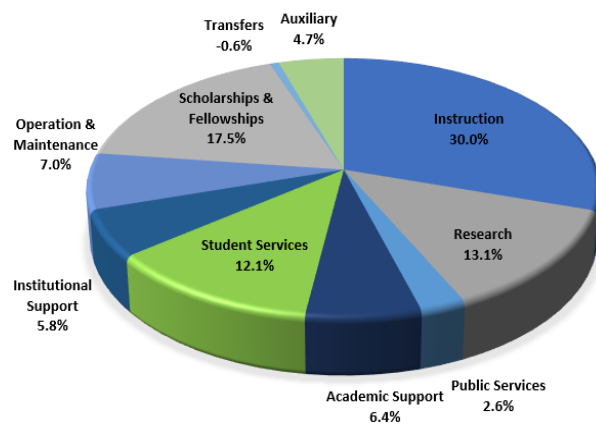


In the Estimated budget, spending by function remains consistent with little change from the Revised budget.

**FY 2019 Revised Unrestricted and Restricted Expense  
Total \$545.9 M**



**FY 2019 Estimated Unrestricted and Restricted Expense  
Total \$556.0 M**



\* Athletics is included in Student Services function



# *FY20 Proposed Budget and FY19 Estimated Budget*

## *Governance and Finance Committee*

Raaj Kurapati, Chief Financial Officer

June 5, 2019

University Center



**Board of  
Trustees**

- 1) Proposed Budget – May/June**
- 2) Revised Budget – Nov/Dec
- 3) Final Estimated Budget – May/June**

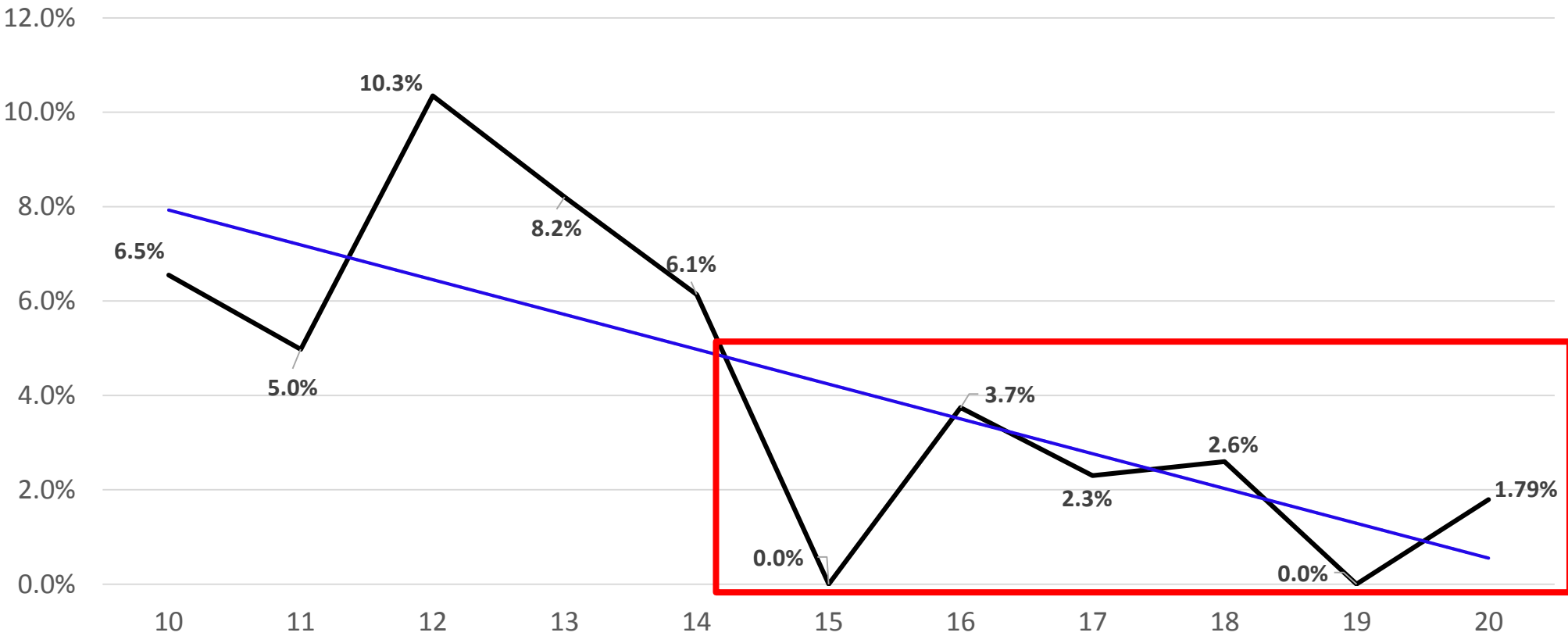


The FY20 Proposed budget was developed with the following assumptions:

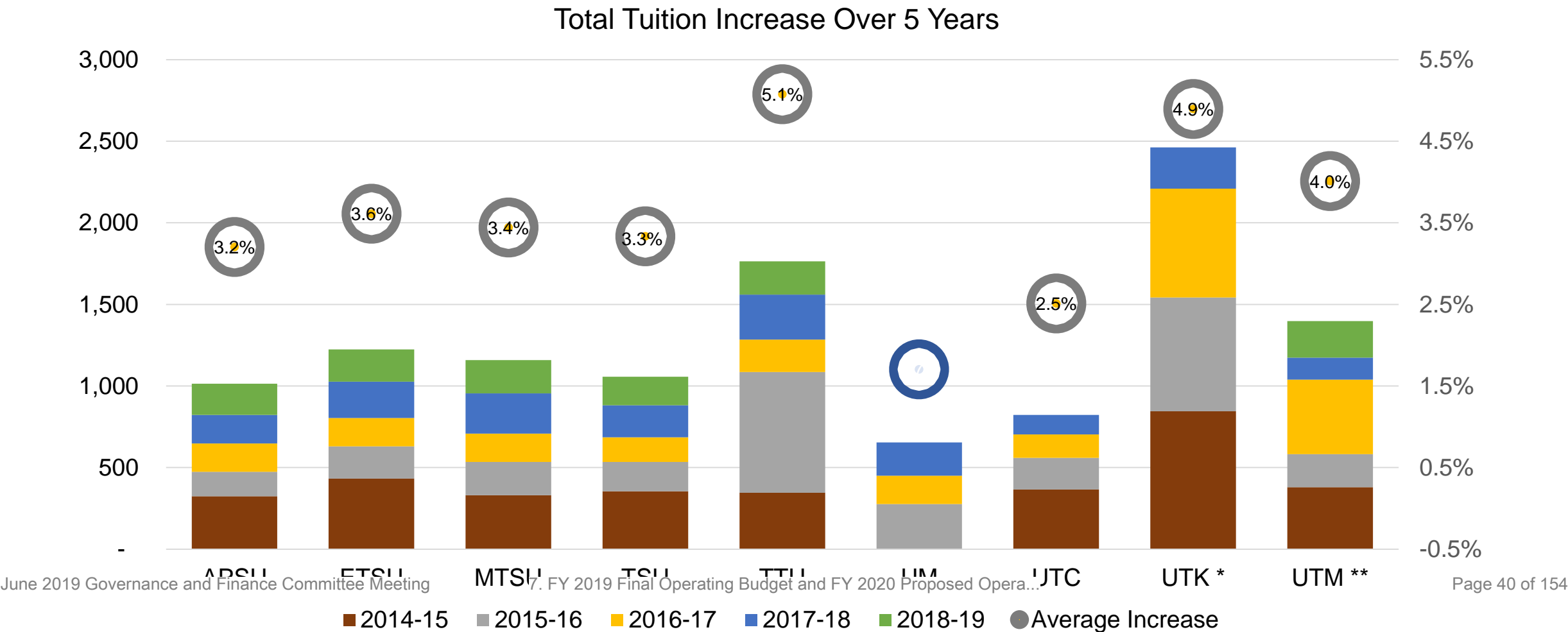
- State Appropriations as recommended in the Governor's Budget
- Tuition revenue budgets were not adjusted as the proposed 1.79% tuition increase and tuition restructure will be revenue neutral
- Flat enrollment based on FY2019 enrollment levels
- 2.0% salary pool & benefit increases distributed by function and classification in the general accounts for distribution once approved
- Incorporated new Dining Contract revenues & expenses & ended previous dining contract

# FY20 - Historical Tuition % Change

0% Tuition Increases in two of the last six years



UofM - lowest average tuition increase 1.7% over the last 5 years



## Governor's Budget Recommendation FY2020 State Appropriations

### FY2020 Recurring State Appropriations

State Appropriation - New Funding	\$ 5,320,000
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### FY2020 Commitments

2% Salary Pool & Faculty Promotions	4,250,000
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<b>Estimated Total Available Funding</b>	<b>\$ 1,070,000</b>
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Note: Also received one time Capital Maintenance Appropriations of \$8.9M for Campus wide roof replacements/Interior Repairs & \$5.7M for Lambuth Sprague Hall Renovation

# FY20 Proposed Budget

# Proposed (Recurring) Budget Comparison



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Board of  
Trustees

	Proposed FY 2019	Proposed FY 2020	Variance	
<b><u>Revenues</u></b>				
Educational & General				
Tuition and Fees	\$ 201,369,700	\$ 203,288,600	\$ 1,918,900	1.0%
State Appropriations	116,674,900	123,023,000	6,348,100	5.4%
Unrestricted Grants, Contracts, & Gifts	23,348,600	24,509,600	1,161,000	5.0%
Sales and Services	33,649,900	34,741,200	1,091,300	3.2%
Other	284,000	2,784,000	2,500,000	880.3%
Total Educational & General	375,327,100	388,346,400	13,019,300	3.5%
Auxiliary	26,476,300	26,169,500	\$ (306,800)	-1.2%
Restricted	114,344,300	115,729,400	1,385,100	1.2%
Total Revenues	\$ 516,147,700	\$ 530,245,300	\$ 14,097,600	2.7%

# Proposed (Recurring) Budget Comparison



THE UNIVERSITY OF  
MEMPHIS®

Board of  
Trustees

	Proposed FY 2019	Proposed FY 2020	Variance	
<b><u>Expenditures</u></b>				
Educational & General				
Instruction	\$ 165,334,700	\$ 166,472,700	\$ 1,138,000	0.7%
Research	13,819,400	18,643,800	4,824,400	34.9%
Public Services	5,114,400	5,364,500	250,100	4.9%
Academic Support	32,002,300	34,300,900	2,298,600	7.2%
Student Services	53,953,000	52,747,400	(1,205,600)	-2.2%
Institutional Support	29,834,500	30,913,900	1,079,400	3.6%
Operation & Maintenance	36,819,400	37,454,100	634,700	1.7%
Scholarships & Fellowships	27,592,400	29,405,800	1,813,400	6.6%
Transfers	10,857,000	13,043,300	2,186,300	20.1%
Total Educational & General	375,327,100	388,346,400	13,019,300	3.5%
Auxiliary	26,476,300	26,169,500	\$ (306,800)	-1.2%
Restricted	114,344,300	115,729,400	1,385,100	1.2%
Total Expenditures and Transfers	\$ 516,147,700	\$ 530,245,300	\$ 14,097,600	2.7%

2019 Governance and Finance Committee Meeting

7. FY 2019 Final Operating Budget and FY 2020 Proposed Opera...

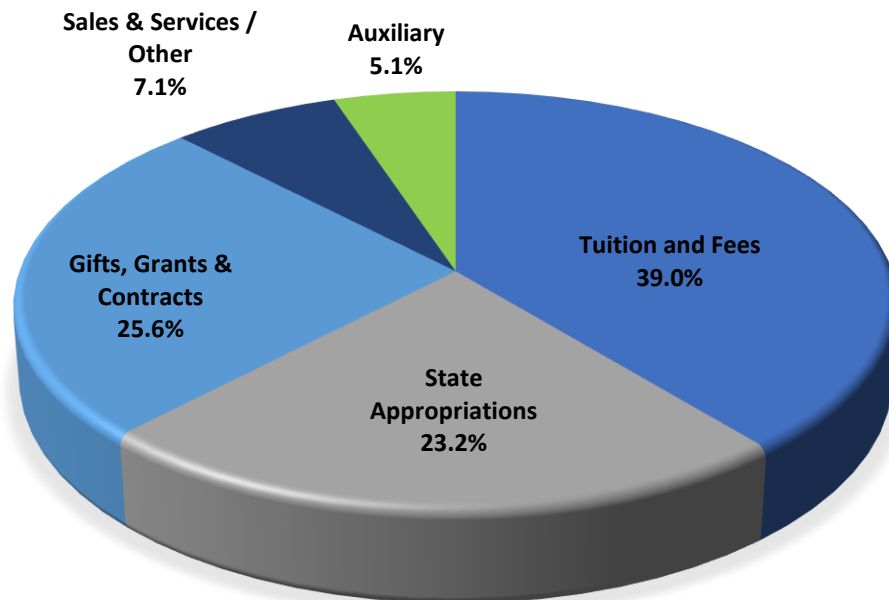
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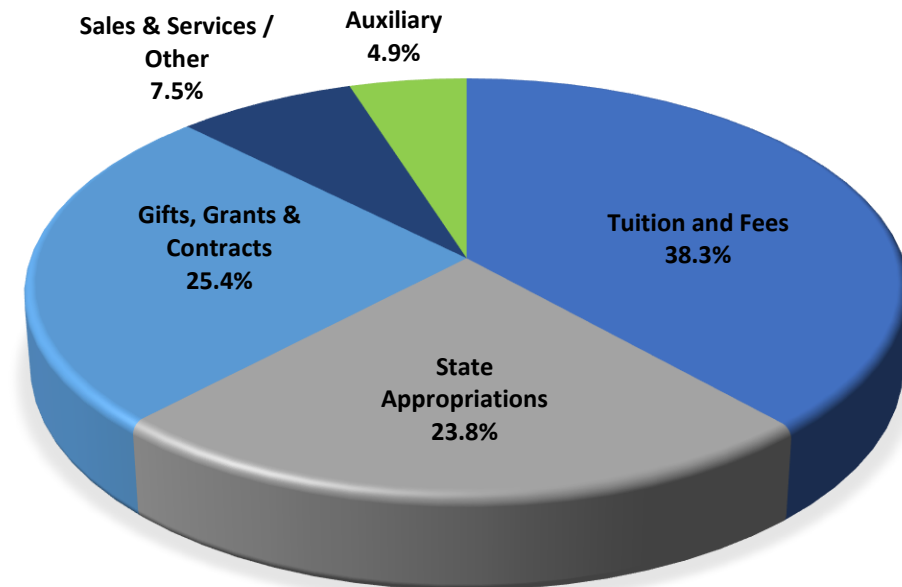
# Revenue Comparison

## FY19 Proposed to FY20 Proposed Budget

**FY 2019 Proposed Unrestricted and Restricted Revenue**  
**Total \$516.1 M**



**FY 2020 Proposed Unrestricted and Restricted Revenue**  
**Total \$530.2 M**

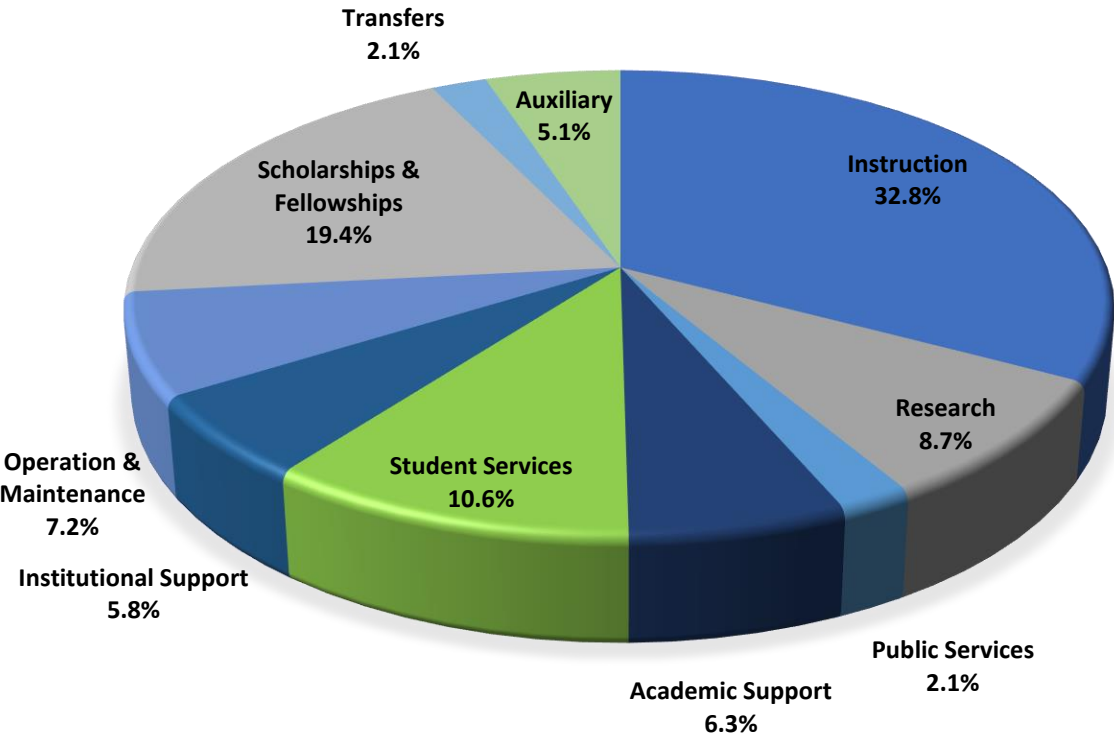




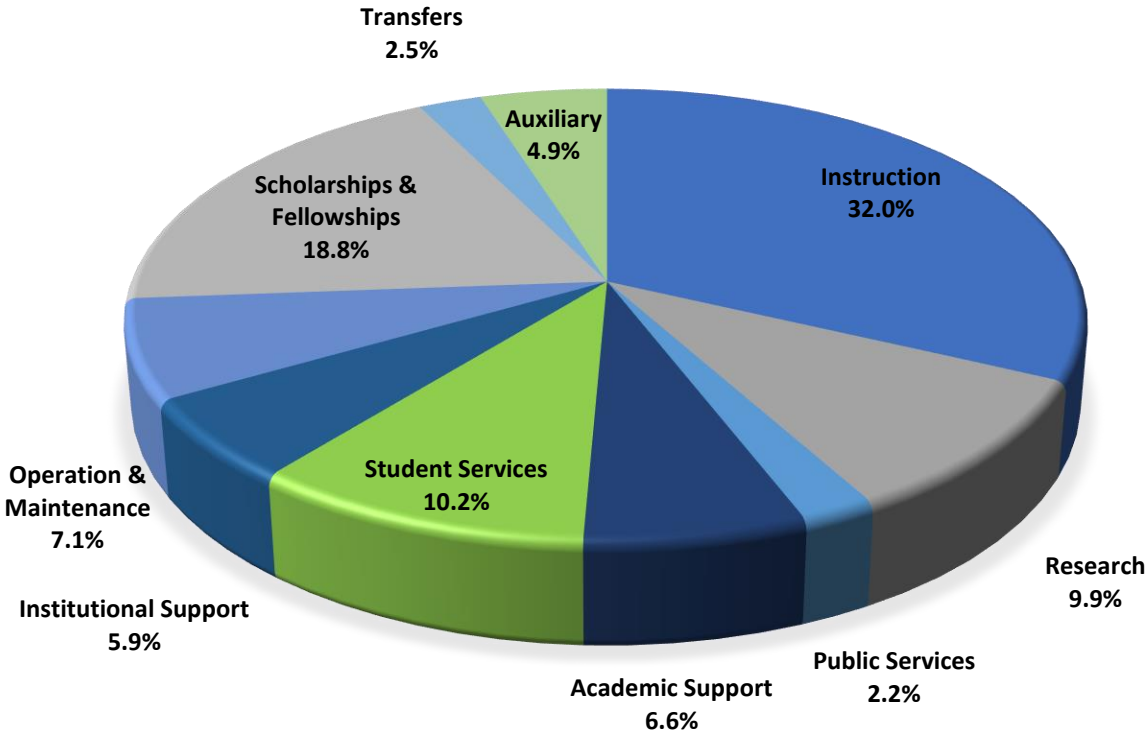
# Expenses Comparison

## FY19 Proposed to FY20 Proposed Budget

**FY 2019 Proposed Unrestricted and Restricted Expenses**  
**Total \$516.1 M**



**FY 2020 Proposed Unrestricted and Restricted Expenses**  
**Total \$530.2 M**



# FY19 Estimated Budget

# Revised to Estimated Budget Comparison



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Trustees

	Revised FY 2019	Estimated FY 2019	Variance	
<b><u>Revenues</u></b>				
Educational & General				
Tuition and Fees	\$ 202,061,300	\$ 202,936,000	\$ 874,700	0.4%
State Appropriations	115,404,400	115,404,400	-	0.0%
Unrestricted Grants, Contracts, & Gifts	25,400,100	27,025,000	1,624,900	6.4%
Sales and Services	35,857,800	36,155,000	297,200	0.8%
Other	2,684,000	4,384,000	1,700,000	63.3%
Total Educational & General	381,407,600	385,904,400	4,496,800	1.2%
Auxiliary	25,768,500	27,256,600	1,488,100	5.8%
Restricted	112,542,800	115,962,800	3,420,000	3.0%
Total Revenues	\$ 519,718,900	\$ 529,123,800	\$ 9,404,900	1.8%

# Revised to Estimated Budget Comparison



THE UNIVERSITY OF  
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Trustees

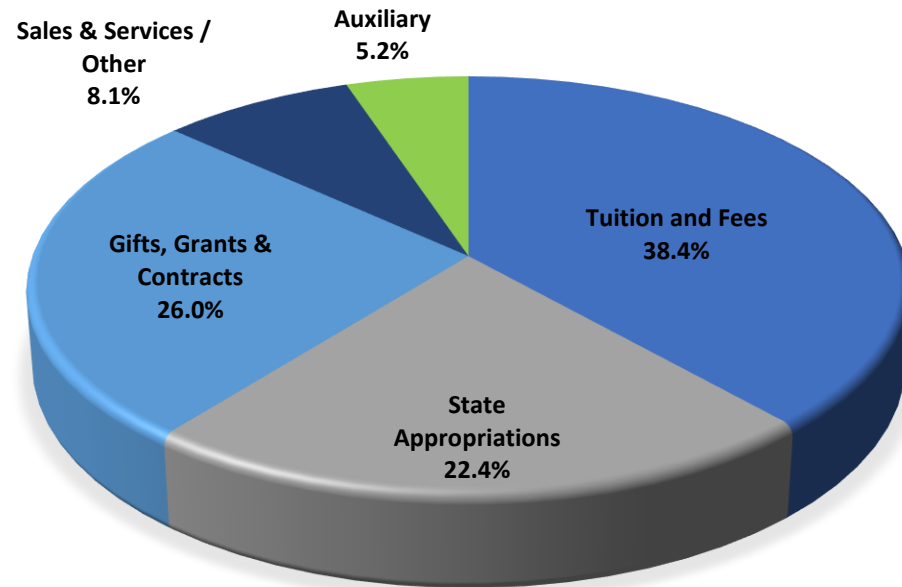
	Revised FY 2019	Estimated FY 2019	Variance	
<b><u>Expenditures*</u></b>				
Educational & General				
Instruction	\$ 164,152,100	\$ 163,486,300	\$ (665,800)	-0.4%
Research	37,653,100	41,653,400	4,000,300	10.6%
Public Services	7,481,100	8,425,700	944,600	12.6%
Academic Support	35,220,400	34,563,700	(656,700)	-1.9%
Student Services	65,973,000	65,853,900	(119,100)	-0.2%
Institutional Support	32,122,600	32,793,000	670,400	2.1%
Operation & Maintenance	38,754,000	37,281,100	(1,472,900)	-3.8%
Scholarships & Fellowships	29,471,800	29,498,000	26,200	0.1%
Transfers	(3,582,700)	(1,099,300)	2,483,400	-69.3%
Total Educational & General	407,245,400	412,455,800	5,210,400	1.3%
Auxiliary	26,118,500	27,606,600	\$ 1,488,100	5.7%
Restricted	112,542,800	115,962,800	3,420,000	3.0%
Total Expenditures and Transfers	\$ 545,906,700	\$ 556,025,200	\$ 10,118,500	1.9%

\* Note: The Revised and Estimated budget includes prior year carry forward balances

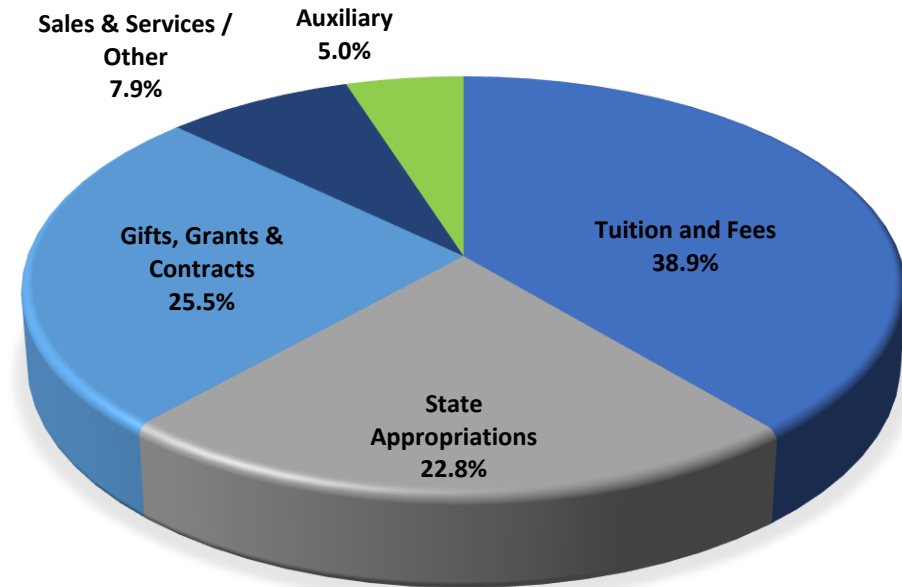
# Revenue Comparison

## FY19 Revised to FY19 Estimated Budget

**FY 2019 Revised Unrestricted and Restricted Revenue**  
**Total \$519.7 M**



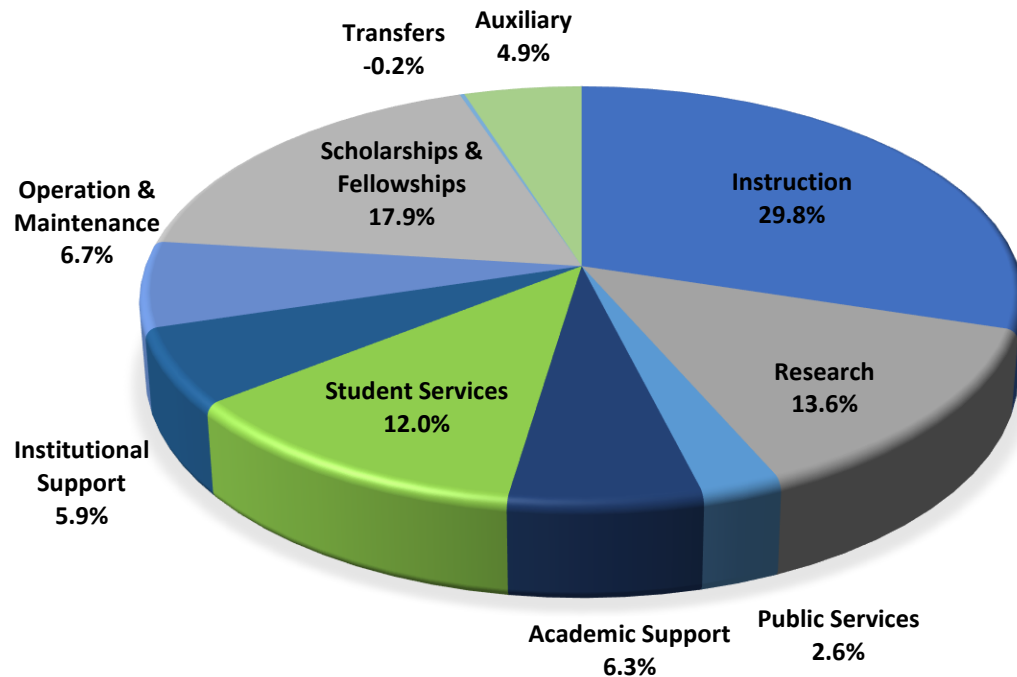
**FY 2019 Estimated Unrestricted and Restricted Revenue**  
**Total \$529.1 M**



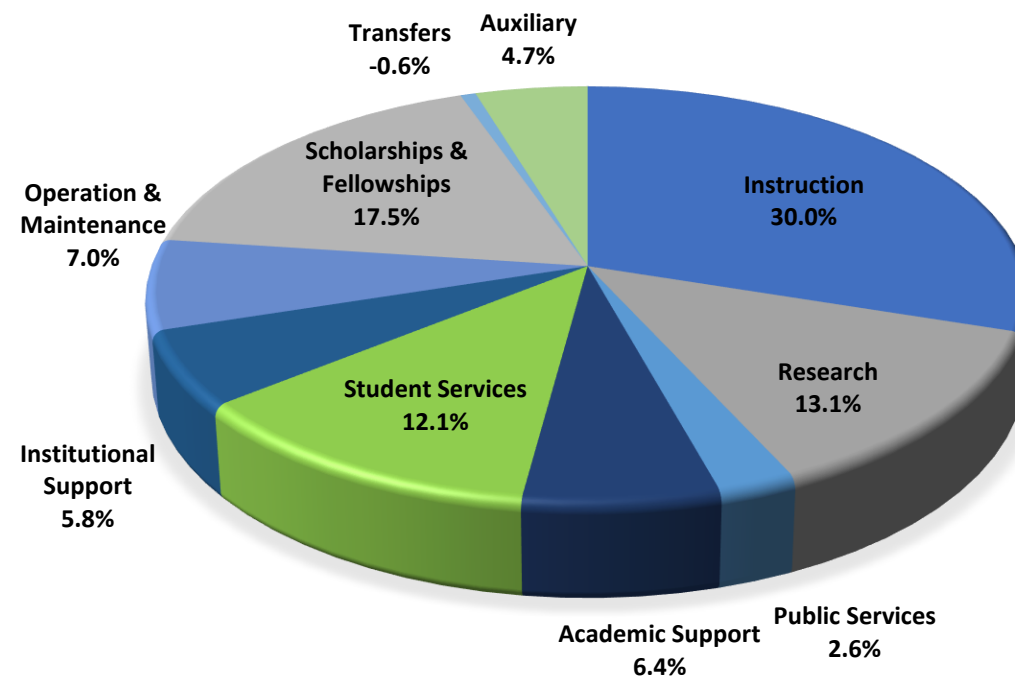
# Expense Comparison

## FY19 Revised to FY19 Estimated Budget

**FY 2019 Revised Unrestricted and Restricted Expense**  
**Total \$545.9 M**



**FY 2019 Estimated Unrestricted and Restricted Expense**  
**Total \$556.0 M**





**FY20 Proposed Budget**

**FY19 Final Estimated Budget**

# Questions?



## 8. Student Fee Structure

For Approval

Presented by Raajkumar Kurapati

# **The University of Memphis Board of Trustees**

Recommendation

For Approval

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Simplification of Student Fee Structure

**Presented by:** Raaj Kurapati, Chief Financial Officer

**Background:**

In our continued effort toward access and affordability initiatives, we are proposing a simplified fee structure. The current fee structure is disproportionate across certain student populations and leads to an overly complex student billing statement.

The proposed University Service Fee will be a three-year phased approach in which we establish a proportional distribution of fees across credit hours. This will reduce and then eliminate the online course fee to ensure a clear structure that is easily understood by students and their families.

**Committee Recommendation:**

The Governance and Finance Committee recommends approval of the three-year phased approach toward fee simplification as presented in the meeting materials.

# *Simplification of Student Fee Structure*

## *Governance and Finance Committee*

Raaj Kurapati  
Chief Financial Officer

June 5, 2019  
University Center



**Board of  
Trustees**

# Simplify Fee Structure

Current Fee Structure
Program Service Fee (on-ground hours only)
Online Fee (MXH hours only)
UM Global (Online Fee)
Academic Course Fee (specific courses)
Materials & Lab Fee (specific courses)
Other Fee (Testing, other program fees)



Proposed Structure
University Service Fee (all hours) PSF/Online Fee/UM Global fees
Program Tuition Differential (specific courses) Academic Program Fees
Course Fee (specific courses) Materials/Lab fees & Other Fees

## 1. Program Service Fee

Current Program Service Fee is charged at a per credit hour rate up to 6 hours & then capped at 6 hours

- Part time enrollment is more expensive
- There is a drop in revenue when part time enrollment decreases
- Leads to overly complex student billing/lack of understanding of charges
- Program service fee is only charged to on-ground hours

## 2. Online Course Fee

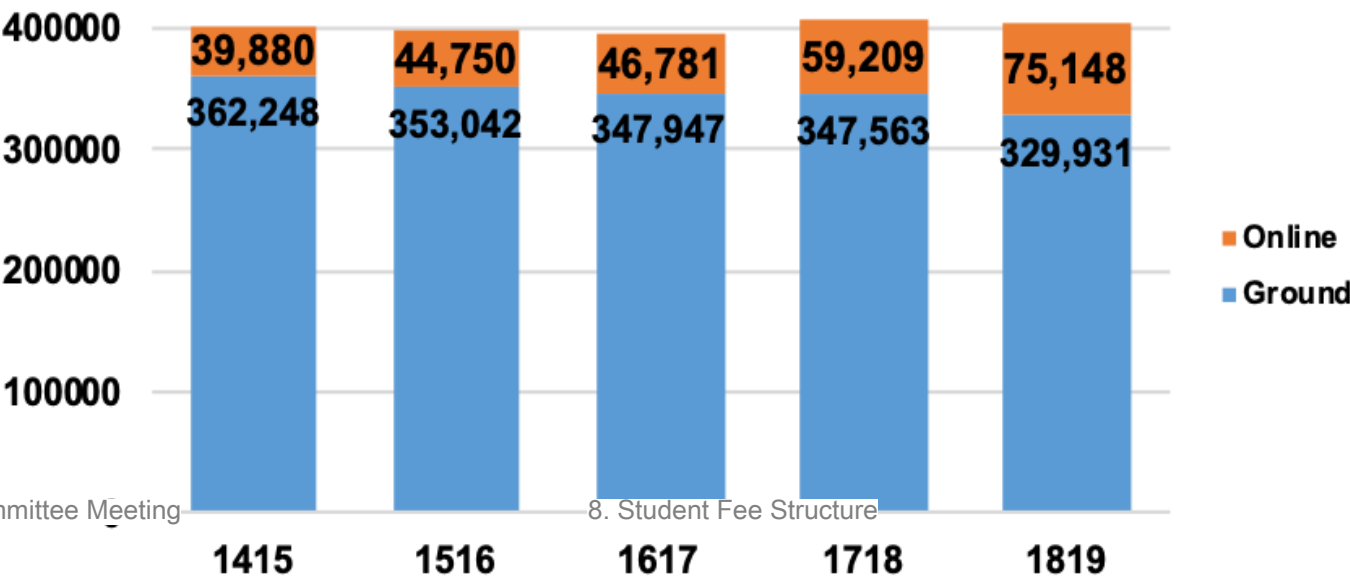
Online Course Fee is charged per credit hour with no cap

- Cost-prohibitive for some students (\$300 extra per 3-hour course)
- Blended students pay both PSF and Online Course Fees, cost prohibitive

# Shift in Online and On-Ground Credit Hours

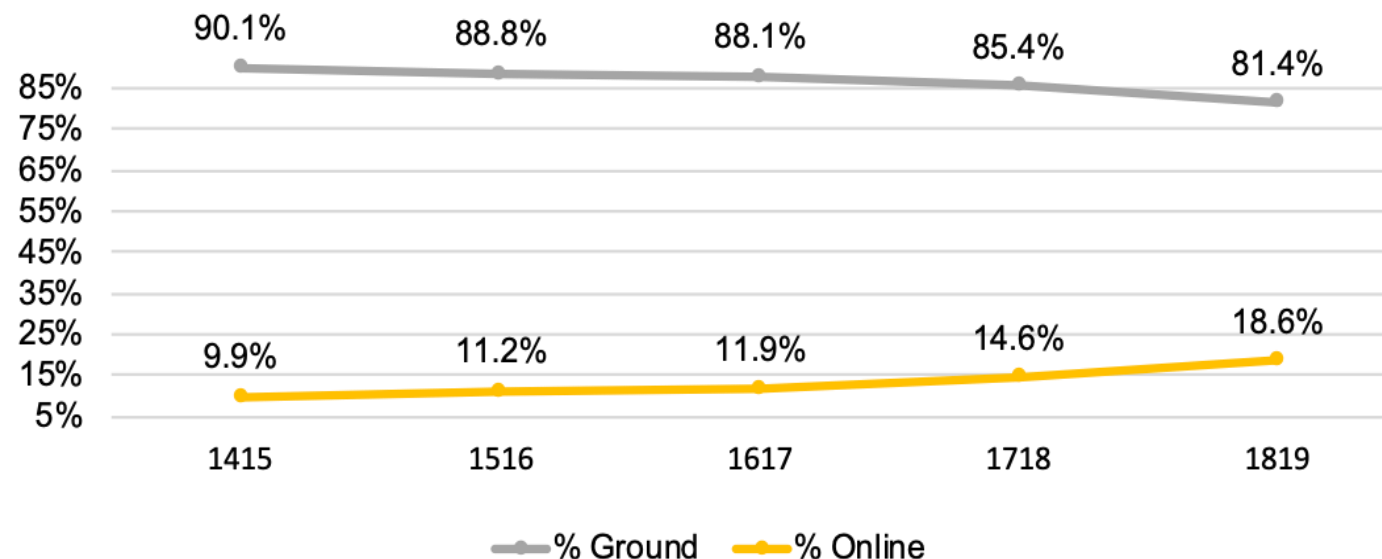
- There has been a gradual growth of students taking online courses, and a decline in on-ground hours.
- Five years ago, 26% of all students took an online course. Now, 37% of all students take an online course, and that number is projected to grow to 40% in Fall 2019.

Capped Online vs Onground Hours

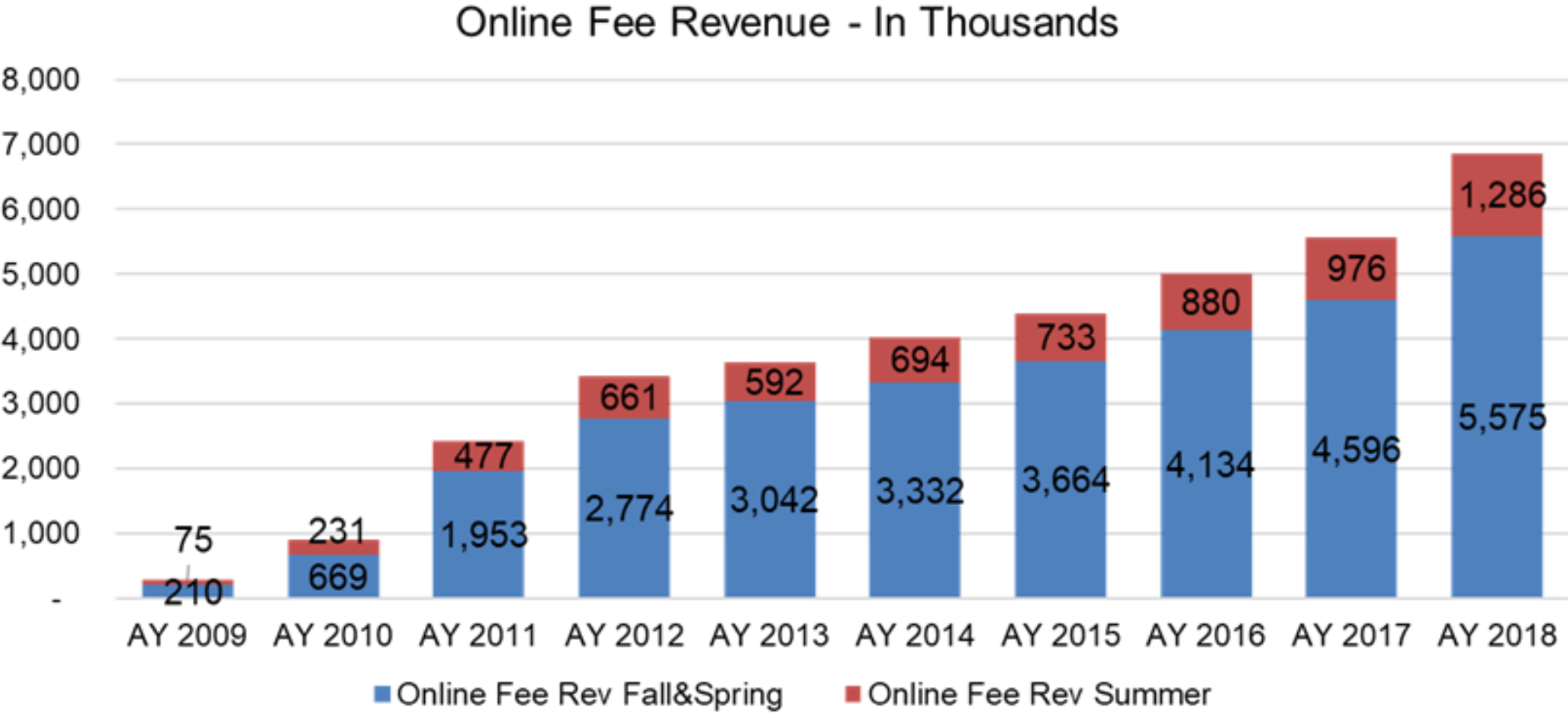




## % of Capped Hours Taken Online and onground



- There is a trend in hours shifting from on-ground to online.
- If 85.4% of hours were charged the Program Service Fee in 2018-19, PSF revenue would have been roughly \$26.9M (up from \$25.1M).





With growth in Online courses, revenue has shifted from Program Service Fee to Departmental Online Course Fee

	AY 2015-16	AY 2016-17*	AY 2017-18	AY 2018-19
PSF	\$25,464,000	\$27,013,000	\$26,373,000	\$25,101,000
Online Fee	\$4,198,000	\$4,669,000	<b>\$5,788,000</b>	<b>\$6,500,000</b>
Total	\$29,662,000	\$31,682,000	\$32,161,000	\$32,551,000

\*2016-17 PSF revenue was high due to inflated freshman class we that did not retain.

## Model Goals for University Service Fee (Fall/Spring Only):

1. Provide \$5.8M to departments in online course fee revenue
2. Attain \$26.2M revenue for University Service Fee expenses
3. Reduce then Eliminate online course fee for students
4. Achieve over the next 3 years

# Three Year Model: Year One, FY20

	Year 1			
	USF % Increase All Hrs.			Online Fee
	UG	GR	Law	
<b>Tuition &amp; Fees % Increase</b>	2.18%	2.03%	5.17%	<b>\$ 50</b>
USF Per Hour	\$ 71	\$ 85	\$ 68	
USF Capped	\$ 852	\$ 850	\$ 748	



Online Fee  
reduced to  
\$50 by year 1

	Year 1 Scenario Summary				
	UG USF Total	GR USF Total	Law USF Total	USF Total	Online Fee
<b>Revenues</b>	<b>\$ 22,935,806</b>	<b>\$4,280,224</b>	<b>\$ 542,019</b>	<b>\$ 27,758,050</b>	<b>\$3,666,550</b>

	Target Revenue	Target Distribution	Proposed Revenue	Variance
<b>University Fee</b>	<b>\$ 25,700,000</b>	82%	\$ 27,758,050	<b>\$ 2,058,050</b>
<b>Online Fee*</b>	<b>\$ 5,800,000</b>	18%	\$ 3,666,550	<b>\$ (2,133,450)</b>
<b>Total</b>	<b>\$ 31,500,000</b>	100%	<b>\$ 31,424,600</b>	<b>\$ (75,400)</b>

# Three Year Model: Year Two, FY20

	Year 2			
	USF % Increase All Hrs.			Online Fee
	UG	GR	Law	
<b>Tuition &amp; Fees % Increase</b>	1.25%	1.25%	1.25%	<b>\$ 30</b>
USF Per Hour	\$ 76	\$ 92	\$ 79	
USF Capped	\$ 912	\$ 920	\$ 869	



Online Fee  
reduced to  
\$30 by year 2

	Year 2 Scenario Summary				
	UG USF Total	GR USF Total	Law USF Total	USF Total	Online Fee
<b>Revenues</b>	<b>\$ 24,549,653</b>	<b>\$4,632,752</b>	<b>\$ 586,661</b>	<b>\$ 29,769,066</b>	<b>\$2,199,930</b>

	Target Revenue	Target Distribution	Proposed Revenue	Variance
<b>University Fee</b>	<b>\$ 26,200,000</b>	82%	\$ 29,769,066	<b>\$ 3,569,066</b>
<b>Online Fee*</b>	<b>\$ 5,800,000</b>	18%	\$ 2,199,930	<b>\$ (3,600,070)</b>
<b>Total</b>	<b>\$ 32,000,000</b>	100%	<b>31,968,996</b>	<b>\$ (31,004)</b>

# Three Year Model: Year Three, FY20

	Year 3			
	USF % Increase All Hrs.			Online Fee
	UG	GR	Law	
<b>Tuition &amp; Fees % Increase</b>	1.20%	1.20%	1.20%	\$ -
USF Per Hour	\$ 81	\$ 99	\$ 90	
USF Capped	\$ 972	\$ 990	\$ 990	



Online Fee  
reduced to  
ZERO by year 3

Year 3 Scenario Summary					
	UG USF Total	GR USF Total	Law USF Total	USF Total	Online Fee
<b>Revenues</b>	\$ 26,164,762	\$4,985,244	\$ 631,298	\$ 31,781,304	\$ -

	Target Revenue	Target Distribution	Proposed Revenue	Variance
<b>University Fee</b>	\$ 26,200,000	82%	\$ 31,781,304	\$ 5,581,304
<b>Online Fee*</b>	\$ 5,800,000	18%	\$ -	\$ (5,800,000)
<b>Total</b>	\$ 32,000,000	100%	\$ 31,781,304	\$ (218,696)

# Impact of Fee Restructuring



THE UNIVERSITY OF  
MEMPHIS®

Board of  
Trustees

TN Resident Per Hour Fees & Tuition Paid for <b>Online</b> Courses								
UG					GR			
	Tuition	USF	Online Fee	Total Tuition & Fees	Tuition	USF	Online Fee	Total Tuition & Fees
FY19	\$ 320	\$ -	\$ 100	\$ 420	\$ 503	\$ -	\$ 100	\$ 603
FY20	\$ 342	\$ 71	\$ 50	\$ 463	\$ 512	\$ 85	\$ 50	\$ 647
FY21	\$ 342	\$ 76	\$ 30	\$ 448	\$ 512	\$ 92	\$ 30	\$ 634
FY22	\$ 342	\$ 81	\$ -	\$ 423	\$ 512	\$ 99	\$ -	\$ 611

TN Resident Per Hour Fees & Tuition Paid for <b>OnGround</b> Courses								
UG					GR			
	Tuition	USF	Online Fee	Total Tuition & Fees	Tuition	USF	Online Fee	Total Tuition & Fees
FY19	\$ 320	\$ 68	\$ -	\$ 388	\$ 503	\$ 82	\$ -	\$ 585
FY20	\$ 342	\$ 71	\$ -	\$ 413	\$ 512	\$ 85	\$ -	\$ 597
FY21	\$ 342	\$ 76	\$ -	\$ 418	\$ 512	\$ 92	\$ -	\$ 604
FY22	\$ 342	\$ 81	\$ -	\$ 423	\$ 512	\$ 99	\$ -	\$ 611

FY 20 Initial UMGlob	\$ 442
FY 20 Initial UMGlob	\$ 463
<b>Difference</b>	<b>\$ 21</b>



# Questions?

## 9. Presidential Review and Evaluation Policy

For Approval

Presented by Raajkumar Kurapati

# **The University of Memphis Board of Trustees**

Recommendation

For Approval

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Presidential Review and Evaluation Policy

**Presented by:** Raaj Kurapati, Chief Financial Officer

**Background:**

The Southern Association of Colleges and Schools (SACS) requires a comprehensive evaluation of a University president at least every three (3) years. This policy outlines the standards and guidelines that will be used to conduct the presidential review and evaluation.

**Committee Recommendation:**

The Governance and Finance Committee recommends approval of the Presidential Review and Evaluation Policy as provided in the meeting materials.





## **Presidential Review and Evaluation (PRE)**

The purpose of the Presidential Review and Evaluation (PRE) is to provide the President with regular support and feedback on performance by identifying areas of strength and opportunities for further professional development. The PRE serves to increase communication between the Board and the President and to clarify the Board's expectations of the President. The PRE also provides the Board an opportunity for reflection on the health of the institution and the leadership demonstrated by the President. Additionally, a formal PRE meets the criteria set forth for SACSCOC compliance as well as the Board's responsibility for the selection and evaluation of the President, as set forth in the University of Memphis' Board of Trustees' Bylaws, and ensures the public that he/she is meeting accountability expectations.

### **Annual Evaluation**

The Board of Trustees will evaluate the University President on an annual basis. The evaluation period will be July 1 through June 30 and the results will be presented during the September Board meeting.

In June of each year, the President shall provide the Board Chair with a written self-assessment of his or her performance that shall include the following:

1. Progress on meeting established goals based on the University's Strategic Plan with accompanying data and metrics.
2. Assessment of the overall academic quality of the University, including institutional achievements and accomplishments.
3. Assessment of the financial status of the University.
4. Identification of significant institutional challenges faced over the course of the review year that affected progress toward goals and the President's assessment of continuing or future challenges facing the University.
5. Goals proposed by the President for the following year.

At his/her discretion, the Board Chair may interview the senior administrative staff regarding the President's performance, as well as any faculty, staff, student or alumni leaders. All Board of Trustees members will complete a confidential online evaluation on the President. The aggregate results of the evaluation will be shared with the Board Chair, to be used to provide a recommendation on the overall performance of the President, as well as any compensation adjustments and/or other necessary terms of employment to the Governance and Finance Committee

The President and the Board Chair will meet to discuss the President's self-assessment, goals for the following evaluation year, along with any other information determined by the Board Chair.

The Governance and Finance Committee shall approve or modify the Chair's assessment of the President's performance, the President's proposed goals for the next evaluation cycle, and take appropriate action on any recommendations regarding compensation or other terms of employment. The Committee's action will then be submitted to the full Board of Trustees for approval or modification. The President shall be present at the meeting of the Governance and Finance Committee and the full Board to answer questions about his/her performance and the goals presented.

### **Comprehensive Evaluation**

In addition to the yearly presidential review and evaluation process, the Governance and Finance Committee may, at its discretion, perform a more comprehensive performance evaluation of the President.

The comprehensive evaluation may include the option of a 360-degree review and/or interviews of key stakeholders or it may involve contracting with an independent consultant who reviews prior annual evaluations, metrics, and other relevant data about the University and its strategic direction and achievements.

A comprehensive evaluation (which may include a 360-degree review), should occur every three years although the Board reserves the right to alter this schedule at its discretion. The comprehensive evaluation process may be overseen by a small group of Board members appointed by the Board Chair and external advisor(s) or consultant(s), if desired by the Board. The comprehensive evaluation builds on the process of the Annual Evaluation. In a year in which the Board conducts a comprehensive evaluation, it may replace the Annual Evaluation.

# 10. Executive Compensation

For Approval

Presented by Raajkumar Kurapati

# The University of Memphis Board of Trustees

Recommendation

For Approval

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Executive Compensation Study

**Presented by:** Raaj Kurapati, Chief Financial Officer

## **Background:**

During the last Board discussion regarding the President's salary, the Board asked that the University explore the possibility of hiring an external firm to perform an executive compensation study of the President's salary. The University has researched several entities and is seeking approval to move forward with the hiring of a firm to conduct this study.

## **Committee Recommendation:**

The Governance and Finance Committee recommends approval for the University to hire an outside firm to perform a comprehensive executive compensation study and provide recommendations to ensure the President's salary is comparable to those of other peer research institutions.

# *Executive Compensation Study*

## *Governance and Finance Committee*

Raaj Kurapati  
Chief Financial Officer

June 5, 2019  
University Center



**Board of  
Trustees**

As the University continues to move towards becoming a Carnegie 1 research institution, it is important for the President's salary to remain competitive.

The University is exploring external firms to perform a comprehensive executive compensation study and provide recommendations to ensure the President's salary is comparable to those of other peer research institutions.

*Data provided is informational. We recognize certain costs may require a formal bid.*

The comprehensive Compensation Study will include:

- Competitive base salary
- Peer group comparison
- Performance-driven annual incentives
- Performance-based long-term incentives
- Executive perks
- Additional health and welfare benefits



**Firms Contacted:** Sibson Consulting, HRO Partners and F&H Solutions

**Timeline:**

- Custom peer group assessment 4 to 6 weeks (includes a competitive analysis and full recommendation provided and implemented by consultant)

**Approximate Cost:** \$15,000 - \$25,000

- Price is driven by the scope of services & level of consultant's involvement in the implementation.



# Questions?



# **11. Kemmons Wilson Culinary Institute Lease**

For Approval

Presented by Raajkumar Kurapati

# The University of Memphis Board of Trustees

Recommendation

For Approval

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Culinary Institute Lease

**Presented by:** Raaj Kurapati, Chief Financial Officer

## **Background:**

The University of Memphis' Kemmons Wilson School of Hospitality & Resort Management desires to expand its curriculum through a new initiative called KWS – CAFE (Culinary Arts and Foodservice Enterprise) management at a new facility located at 1245 N. Germantown Road, Cordova, TN 38016 by means of a lease with Nash Fields LLC, the owner of the property. The square footage is approximately 31,833 feet. The proposed five (5) year lease will cost \$ 445,662.00 for the first year with annual increases of two (2) percent. The annual rental could decrease if the University is able to obtain a property tax exemption that reduces the real estate taxes imposed on the leased property.

The facility is already fully equipped with kitchen equipment in all six of its kitchens and bakeries. Ownership of all kitchen equipment at the facility will be transferred to the University after completion of a 10-year lease.

The premises shall be used for culinary, hospitality, and general education classes, including, on a strictly related and ancillary basis to operation of classes, dine-in eating and the retail sale of food, books, utensils, equipment and clothing. Revenue will be derived from Certificate & BA Program, Professional Development and Recreational Courses, and Restaurant and Special Events Operations.

## **Committee Recommendation:**

The Governance and Finance Committee recommends approval for the University to enter into a five (5) year lease with Nash Fields LLC for purposes of expanding its curriculum through the KWS-CAFE initiative.

# *KWS- CAFE Initiative*

*Kemmons Wilson School – Culinary Arts and Foodservice Enterprise*

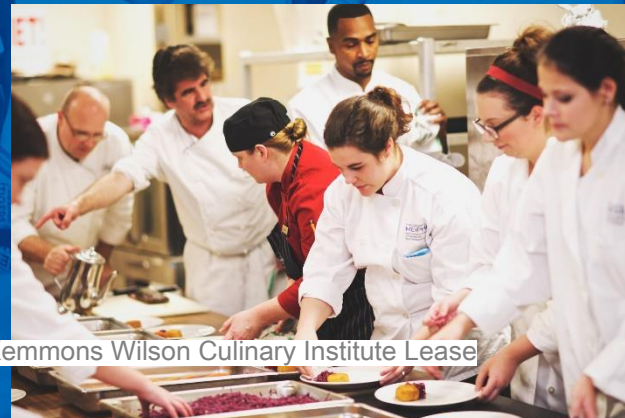
*Governance and Finance Committee*

Raaj Kurapati, Chief Financial Officer

Dr. Radesh Palakurthi, Professor and Dean, KWS

June 5, 2019

University Center



**Board of  
Trustees**

JUNE 2019

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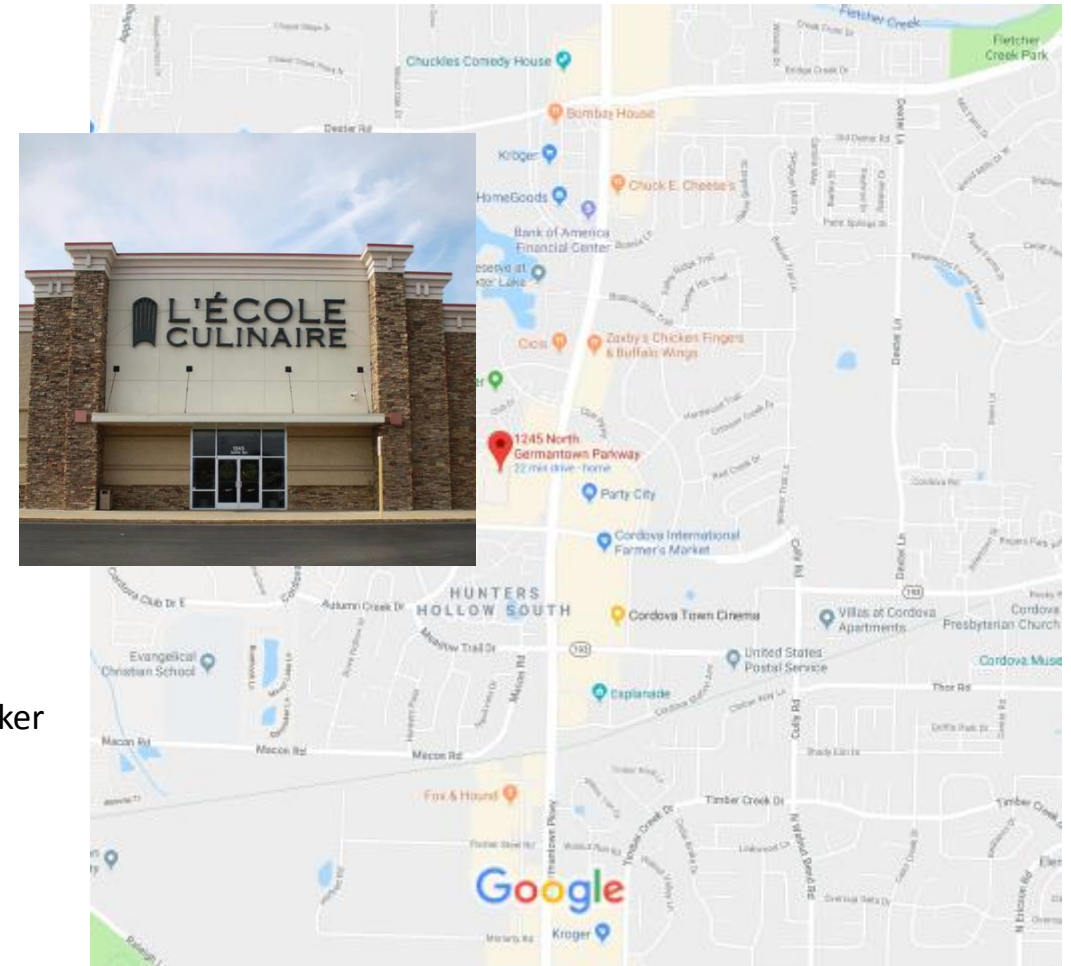
- *The Kemmons Wilson School of Hospitality and Resort Management (KWS)* proposes to undertake a new initiative that would enhance its curriculum profile in the **Culinary Arts and Foodservice Enterprise (CAFE)** management.
- The enhanced curriculum will be offered in a leased facility at 1245 Germantown Pkwy., Cordova. The facility with 31,833 sq-ft of culinary resources used by L'Ecole Culinaire was closed on 12/17/18 due to U.S. Department of Education's restrictions on Vatterott's participation in the federal financial aid programs.
- The curriculum will not require new approvals from THEC since only a focus area (emphasis) in Culinary Arts and Foodservice Enterprise is being developed within the existing *B.A. Program in Hospitality & Resort Management*.



# Facility Location and Specifications

## Facility Details:

- Square footage - 31,833 square feet
- 6 full Kitchens and bakeries; 8 Classrooms (up to 30 students, with instructor computers)
- All kitchen equipment/furniture and office equipment is provided for free
- Full Library with computers (thousands of culinary books provided)
- Computer lab with 30 workstations
- Multiple faculty and staff offices and conference rooms
- Free parking for 800
- Restaurant and private dining room with separate entrance
- Gift Shop with backroom storage; Front Office with waiting area display screens
- Student lounge with café/snack counter; Separate entrance for students with locker facilities
- Plenty of storage, refrigeration, etc.
- Back dock with walk-in coolers and freezers, dry storage, manager's office



# Photos of Facility





# Photos of Facility



June 2019 Governance and Finance Committee Meeting



11. Kemmons Wilson Culinary Institute Lease



## Opportunity:

- Currently, there is no venue for students in the region to pursue a four-year degree program focused on culinary arts and foodservice. There is a need for a culinary center in Memphis that is a hub for educators, industry and suppliers.
- The sudden and unexpected closure of L'Ecole Culinaire created a vacuum in the local hospitality industry for culinary talent they depended on. L'Ecole's 150 students' education has been disrupted.
- The building owner is willing to give the University full ownership of all kitchen equipment at the end of a 10-year lease.
- It would cost the University millions of dollars to build a similar facility. Kitchen equipment costs have increased by 25% in the last year because of tariffs.
- The multiple sources of revenue and the network of partnerships that will be developed in the foodservice industry will create immense opportunities for student placement and internships.
- The facilities will allow the University to explore offering new degree programs at the undergraduate and graduate levels in fields such as gastronomy, food science and food technology.
- The potential for the facility to enhance research and innovation in partnership with the food industry through grants and contracts is compelling and serve as a test kitchen for food-related entrepreneurs is tremendous.

# KWS-CAFE Executive Summary

## Mission:

Our mission is to produce excellent leaders that will be thoroughly prepared to thrive in the challenging global environment of the 21st century culinary, foodservice and hospitality industries.

## Programs:

KWS-CAFE initiative will offer both for degree-credit and non-degree credit (continuing education) in its programs. In addition, recreational classes catering to special interests in the culinary field will also be offered.

## Market focus:

KWS-CAFE initiative will focus on developing several key markets through its programs to span a wide range of learning opportunities from traditional course offerings to dual enrollment to community special interest programming and beyond.

## Competitive advantage:

KWS-CAFE initiative is expected to be highly competitive given its Kemmons Wilson School background for curriculum development and quality of education. The School already has several culinary and foodservice management courses approved in its curriculum. In addition, the price-value relationship is compelling compared to private college culinary programs.

## Financial viability:

KWS-CAFE initiative is projected to be financially viable by the first half of its second full year of operation. The growth in student enrollment and graduation rates in the degree programs purports additional State funding allocations. The opportunity to develop additional degree programs at both the undergraduate and graduate level by leveraging the facilities is excellent. New programs in **gastronomy, food science and food technology and Grant funding** will be explored in the future.



# SWOT Analysis

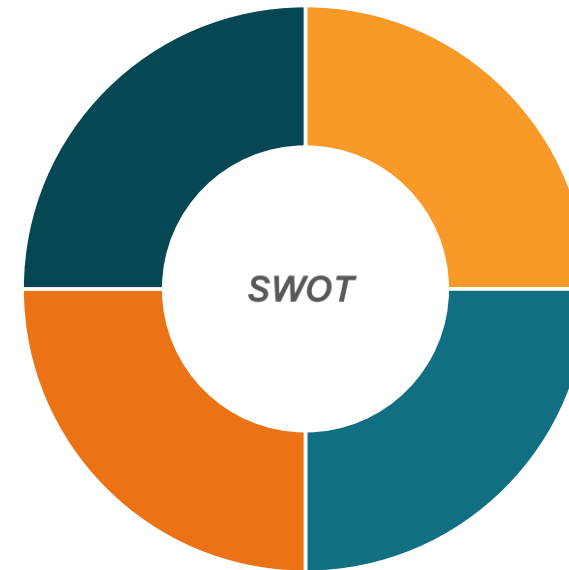
- The initiative will benefit immensely from the reputation of the School and the core curriculum it already has in the culinary and foodservice area.
- The School also enjoys a strong financial status with growing enrollment numbers for its current programs.
- The price point for the degree program will be compellingly lower compared to the high tuition costs that the students have paid in the past within the local market while attending the for-profit school at the same location.
- Several new market opportunities exist with the use of the facilities. New programs at the graduate and undergraduate level can be offered in gastronomy, food science and food technology by leveraging the resources available at the facility.
- The usual economic, market and demographic shifts may have an impact on student enrollment in the future.

## STRENGTHS

- 4-year degree program in culinary arts
- Price-value compared to private tuition
- KWS reputation and capabilities
- Network of connections
- Career development opportunities
- Study abroad and immersion programs
- Financial resources including scholarships

## OPPORTUNITIES

- New segments – online programs, international students
- New programs – gastronomy, food science, food technology
- Innovations – food-related research and product development
- Partnerships – new companies and organizations for education, placement and research



## WEAKNESSES

- Location is away from main campus
- Experience with program
- Limited supplier relationships because of newness of program
- Unidentified gaps in capabilities

## THREATS

- Competitor actions- new programs may emerge
- Economic situation may reduce enrollment
- Political decisions may have impact on education
- Loss of key faculty and staff
- Market demand shifts

# Financial Projections: FY19-FY22

	FY2019	FY2020	FY2021	FY2022	Combined
<b>REVENUE:</b>					
Certificate (PACE) & BA Program	\$ -	\$ 977,725.00	\$ 1,972,381.25	\$ 2,983,968.75	\$ 5,934,075.00
Professional Dev & Recreational Courses	\$ -	\$ 465,000.00	\$ 855,600.00	\$ 855,600.00	\$ 2,176,200.00
Revenue from Operations (restaurant, events, etc.)	\$ -	\$ 125,625.00	\$ 142,500.00	\$ 150,000.00	\$ 418,125.00
Other Revenue (Camps, study abroad, etc.)	\$ -	\$ 40,000.00	\$ 115,080.00	\$ 115,080.00	\$ 270,160.00
<b>TOTAL REVENUE:</b>	\$ -	\$ 1,608,350.00	\$ 3,085,561.25	\$ 4,104,648.75	\$ 8,798,560.00
<b>EXPENDITURES:</b>					
Lab Expenses & Cost of Goods Sold (food cost, etc.)	\$ -	\$ 288,918.75	\$ 517,791.25	\$ 695,853.75	\$ 1,502,563.75
Salaries and Wages	\$ 17,563.29	\$ 503,002.33	\$ 968,229.83	\$ 1,344,322.33	\$ 2,833,117.79
Operating Expenses (Rent, utilities, POM, etc.)	\$ 88,868.60	\$ 893,350.26	\$ 893,456.55	\$ 900,291.95	\$ 2,775,967.37
<b>TOTAL EXPENDITURES:</b>	\$ 106,431.90	\$ 1,685,271.35	\$ 2,379,477.63	\$ 2,940,468.03	\$ 7,111,648.91
<b>NET INCOME/LOSS:</b>	\$ (106,431.90)	\$ (76,921.35)	\$ 706,083.62	\$ 1,164,180.72	\$ 1,686,911.09

- The projected costs needed to staff the facility and acquire the resources for offering the programs (food and beverage ingredients, supplies, etc.) is expected to be about \$190,000 by July 2019.
- The operations will continue to need financial support during the first year of opening until the incoming revenues are adequate to pay for some of the operating expenditures in full-year two of operations.
- In addition, other costs will be incurred for minor pre-opening repairs, signage, technology upgrade. The total requested pre-opening funds is \$450,000.

## Lease Approvals:

- Approval of the proposed lease by the State Building Commission subject to consideration and approval by the UofM Board of Trustees.
- If approved by the BOT, lease approval is slated for consideration by the Executive Committee of the State Building Commission on June 20, 2019.

## Next Steps:

- The lease will be executed on approval by the State with the first two months being rent free.
- Pre-opening funds will be used for minor repairs of facility and equipment, new staff hiring, and food and office supplies.
- Recreational and continuing education classes will begin July 5 and degree program courses will begin in Fall 2019.

# Questions?





## 12. Rulemaking: Parking and Traffic

For Approval

Presented by Raajkumar Kurapati

# **The University of Memphis Board of Trustees**

Recommendation

For Approval

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Parking & Traffic Rule

**Presented by:** Raaj Kurapati, Chief Financial Officer

**Background:**

The Division of Business and Finance has drafted the enclosed rule related to parking and traffic. The University's Parking and Traffic policies/regulations must go through the rulemaking process because they are policies/regulations that are generally applicable and can affect the private rights, privileges, or procedures available to the public. The purpose is to establish uniform rules for facilitating the safe and expeditious flow of traffic and inform motor vehicle operators and pedestrians of parking and traffic rules in effect on the campuses of The University of Memphis.

**Committee Recommendation:**

The Governance and Finance Committee recommends approval of the Parking & Traffic rule as provided in the meeting materials.

Rules of  
University of Memphis

Chapter 0240-10-03  
Parking and Traffic

Table of Contents

0240-10-03-.01 General Provisions. Definitions.

(1) The term “motor vehicle” means any self-propelled vehicle that is capable of exceeding twenty-five (25) miles per hour.

0240-10-03-.02 General Provisions.

(1) The purpose of these regulations is to facilitate the safety and orderly operation of The University of Memphis (“University”) and provide parking facilities for this operation within the limits of available space.

(2) The University’s Parking and Transportation Services and Police Services are responsible for implementation and enforcement of these regulations.

(3) Any person operating a motor vehicle on the University campus is required to obey these regulations as a condition of parking or operating a motor vehicle on campus.

(4) The issuance of a parking permit does not guarantee a parking space on University property. The inability to locate a marked parking space does not diminish the responsibility to park in accordance with these regulations.

(5) The absence of “no parking” signs or painted curbs/lines does not imply that parking is allowed. Parking in designated lots is restricted to marked spaces only. Motor vehicles parked outside of marked spaces are subject to citation and towing, and the owner/operator may be subject to disciplinary or administrative action.

(6) The University shall have no responsibility for loss or damage to any motor vehicle or its contents operated or parked on any University campus.

(7) Regulations are enforceable seven (7) days a week, twenty-four (24) hours a day, including holidays and breaks.

Authority: T.C.A. § 49-8-203(a)(1)(D).

0240-10-03-.03 Registration.

(1) Parking and Transportation Services is responsible for the administration of parking permits at the University. Parking permits are available for pickup and purchase at the Parking and Transportation Services office at the University.

(2) Only motor vehicles properly displaying a University parking permit, motorcycle/convertible permit, visitor pass or those motor vehicles legally parked at parking meters or in parking garages may be parked on property owned or leased by the University.

(3) Permit holders are only eligible for one (1) parking permit at a time. Permits may be moved from one (1) motor vehicle to another.

Authority: T.C.A. § 49-8-203(a)(1)(D).

#### 0240-10-03-.04 Parking Zones.

- (1) Parking facilities are designated by signs at the entrance of each lot as either General, Priority, Resident, or Reserved. Motor vehicles can only park in lots designated by the sticker on the University issued parking permit.
- (2) Persons utilizing disabled parking spaces on campus must have a state-issued disability license plate or disability placard. All students, faculty and staff who have a state issued placard or license plate should be registered with Parking and Transportation Services to ensure access to the appropriate disabled parking spaces on campus.
- (3) Visitor parking is available at an hourly rate in any metered parking space or in a parking garage. Visitors may also purchase visitor permits, which provide access to park in General Permit Parking facilities. Visitor permits are available for purchase through Parking and Transportation Services and must be displayed in the motor vehicle in accordance with the instructions provided at the time of purchase and/or in accordance with the instructions printed on the permit.
- (4) Motorcycles, motor bikes, and motor scooters must display a Motorcycle Permit and are only permitted to park in spaces designated as "Motorcycle Parking" or in other regularly marked parking spaces. Operating these motor vehicles on any surface other than designated streets or parking areas is expressly prohibited.
- (5) Replacement and temporary parking permits can be purchased from Parking and Transportation Services. All lost or stolen parking permits should be reported to Parking and Transportation Services.

Authority: T.C.A. § 49-8-203(a)(1)(D).

#### 0240-10-03-.05 Motor Vehicle Operation.

- (1) Operators of motor vehicles on University property or in the campus area, which includes city streets running through University property, must obey all traffic rules, regulations, postings, or directions of police officers, regardless of whether the rule, regulation, posting, or direction is included in this policy, and all applicable traffic rules, regulations, postings, or directions.
- (2) The speed limits on all University streets as well as city streets running through University property are enforced by the University's Police Services. Violations may result in the operator of the motor vehicle receiving a citation.
- (3) All persons operating motor vehicles are responsible for maintaining proper control of the motor vehicle, safe operation, and observance of traffic control signs, barriers and devices.
- (4) Operating a motor vehicle in any area other than a street or a roadway intended for motor vehicles is prohibited.
- (5) Pedestrians have the right of way at established pedestrian crossings, except where regulated by traffic control lights or police officers.
- (6) Bicycles operated on University property or city streets must comply with all applicable traffic rules, regulations, postings, or directions.

Authority: T.C.A. § 49-8-203(a)(1)(D).

#### 0240-10-03-.06 Violations. The following constitutes non-exclusive examples of violations of these regulations:

- (1) Registration.

- (a) Unauthorized possession of University parking permit.
- (b) Falsification of registration information.
- (c) Illegal use, unauthorized use, reproduction or alteration of University parking permit or temporary parking permit.

(2) Parking.

- (a) In a no parking zone.
- (b) No permit or visitor pass.
- (c) Improper display of permit or visitor pass.
- (d) Parked outside of lines or appropriately marked space.
- (e) In such a manner as to block or obstruct traffic, street, sidewalk, driveway, fire hydrant, building entrance or exit, or another motor vehicle.
- (f) In a fire lane.
- (g) Parked overtime in a metered space.
- (h) Illegal entry/exit in an access-controlled gated parking facility, which includes, but is not limited to, tailgating another motor vehicle.
- (i) Breaking the gate in an access-controlled gated parking facility.
- (j) Disability parking violation, as defined by State law (including, but not limited to, unauthorized use of a disabled parking space, ramp, plate, or placard; parking a motor vehicle so that a portion of the motor vehicle encroaches into a disabled space in a manner that restricts, or reasonably could restrict, a person confined to a wheelchair from exiting or entering a motor vehicle properly parked within a disabled parking space).

(3) Officers of the University Police Services may, under certain circumstances, issue citations for violations of city ordinances and/or state laws. Individuals who receive a citation for violations of city ordinances and/or state laws must appear in court on the court date listed on the citation or pay the citation fine if appearance in court is not required.

Authority: T.C.A. § 49-8-203(a)(1)(D).

0240-10-03-.07 Fines.

(1) Fines may be set as determined by the University, but shall not exceed the amounts set by state/county/municipal ordinance for the same offense. Such fines are subject to the prior review and approval of the University of Memphis President. Proposed fines shall be submitted to the University of Memphis President together with information sufficient to justify the fine. Such information shall include consideration of state/county/municipal fines for the same offense, fines for the same offense at similarly situated institutions, association to enforcement costs at the institution, and/or the unique parking considerations at each institution. Once adopted or amended, all fines shall be affirmatively communicated to the faculty, staff and students of the institution through the University of Memphis' website.

Authority: T.C.A. § 49-8-203(a)(1)(D).

0240-10-03-.08 Enforcement.

(1) University issued citations must be paid in person at the University & Student Business Services' Office, or by mail at The University of Memphis, PO Box 1000, Department 313, Memphis, TN 38152, within fifteen (15) days of the issuance date of the citation.

(2) The University may tow, boot, or remove to a place of storage at the owner's expense any motor vehicle, without advance notice, that is parked in a fire lane, designated disabled parking space, spaces reserved for designated motor vehicles, or motor vehicles parked in such a manner as to impede the flow of traffic or disrupt the orderly affairs of the University.

(3) The University may tow, boot, or remove to a place of storage at the owner's expense any motor vehicle that has unpaid parking citations as long as advance notice and an opportunity to contest has been given. Windshield notices and/or other methods of notification will be used to provide the operator of the motor vehicle with advance notice of University's intent to tow and the operator's right to a contest.

(4) The University may revoke parking privileges for repeated and/or deliberate parking or moving violations.

(5) University students with outstanding citations may not be permitted to receive grades, transcripts, or diplomas.

(6) Any student who receives \$100.00 or more in traffic and/or parking violations on University controlled property during any semester may be subject to disciplinary action in accordance with applicable University rules.

(7) Outstanding University employees' citations may be recouped in accordance with applicable University indebtedness rules.

(8) Parking permits are issued to persons, not motor vehicles, and are required to be affixed to a motor vehicle. Permit holders are responsible for citations incurred with their permit. Persons will also be held liable for a violation incurred by a motor vehicle without a permit when that motor vehicle is reasonably shown to be associated with the person.

Authority: T.C.A. § 49-8-203(a)(1)(D).

0240-10-03-.09 Appeals.

(1) Any student who has received a University citation may appeal the citation to the Student Government Association within fifteen (15) days of the of the issuance date of the citation. Appeals may be filed in person at Parking and Transportation Services or online using the University's parking portal. All decisions of the Student Government Association are final.

(2) Any University employee who has received a University citation may appeal the citation to the Faculty/Staff Appeals Committee within fifteen (15) days of the of the issuance date of the citation. Appeals may be filed in person at Parking and Transportation Services or online using the University's parking portal. All decisions of the Faculty/Staff Appeals Committee are final.

(3) Any person not affiliated with the University who has received a University citation may appeal the citation to the Assistant Director of Parking and Transportation Services within fifteen (15) days of the date of the issuance date of the citation. Appeals may be filed in person at Parking and Transportation Services or online using the University's parking portal.

Authority: T.C.A. § 49-8-203(a)(1)(D).

# 13. Rulemaking: Open Records

For Approval

Presented by Melanie Murry

# **The University of Memphis Board of Trustees**

Recommendation

For Approval

**Date:** March 6, 2019

**Committee:** Governance and Finance

**Recommendation:** Approval of Open Records Rule

**Presented by:** Melanie Murry, University Counsel

## **Background:**

The following rules were approved at the March Board meeting. After additional review one change, to allow faculty, staff and students who are not residents of Tennessee to have access to University records was made. The rules have been resubmitted with the change for approval.

## **Committee Recommendation:**

The Governance and Finance Committee recommends approval of the revised Open Records rule as provided in the meeting materials.



Rules of  
University of Memphis

Chapter 0240-10-03  
Open Records

Table of Contents is added to Chapter 0240-10-03 Open Records and shall read as follows:

0240-10-03-.01 Purpose and Scope  
0240-10-03-.02 Definitions  
0240-10-03-.03 Public Records Request Coordinator (PRRC)  
0240-10-03-.04 Process for Making Requests to Inspect and/or Copy Public Records  
0240-10-03-.05 Responses to Requests  
0240-10-03-.06 Redaction  
0240-10-03-.07 Fees, Billing and Payment  
0240-10-03-.08 Aggregation of Frequent and Multiple Requests  
0240-10-03-.09 Delivery of Records

0240-10-03-.01 Purpose and Scope is added to Chapter 0240-10-03 and shall read as follows:

0240-10-03-.01 Purpose and Scope

These rules are promulgated for the purpose of providing procedures to allow access to records of the University of Memphis ("University") that are subject to the Tennessee Public Records Act ("TPRA"), T.C.A. §§ 10-7-501 et seq., and are promulgated for the additional purpose of implementing and establishing fees to be charged for reproduction of records and procedures for billing and payment.

Statutory Authority: T.C.A. § 10-7-503(g); T.C.A. § 49-8-203.

0240-10-03-.02 Definitions is added to Chapter 0240-10-03 and shall read as follows:

0240-10-03-.02 Definitions

(1) "Labor" means the time reasonably necessary to produce the requested records and includes the time spent locating, retrieving, reviewing, redacting, and reproducing the record.

(2) "Public Record"

(a) Means any record of the University that is required to be open to inspection under the provisions of the Tennessee Public Records Act, Tenn. Code Ann. §§ 10-7-501 et seq.

(b) The term "public record" does not include any data in any record, or any portion of a record, that is:

- (1) protected as confidential or privileged pursuant to any state law, including T.C.A. § 10-7-504, or regulation, or federal law or regulation or under any court order; or
- (2) protected as privileged under any statutory or common law privilege; or
- (3) protected as any attorney work product; or
- (4) protected by the attorney/client or any other professional privilege; or

(5) the device or equipment that may have been used to create or store a public record including, but not limited to, a cell phone, computer, or other electronic or mechanical device or equipment.

(3) "Public Records Request Coordinator" means the person who receives and coordinates public records requests and maintains documentation of public records requests, responses, and charges.

(4) "Records Custodian" means the office, official or employee lawfully responsible for the direct custody and care of a public record and is not necessarily the original preparer or producer of the record.

(5) "Requestor" means the person who requests to inspect or copy public records of the University. To have access to public records, a requestor must be a citizen of the State of Tennessee.

Statutory Authority: T.C.A. § 10-7-503(g).

0240-10-03-.03 Public Records Request Coordinator (PRRC) is added to Chapter 0240-10-03 and shall read as follows:

0240-10-03-.03 Public Records Request Coordinator (PRRC)

(1) The Public Records Request Coordinator (PRRC) coordinates the University's responses to public records requests and maintains documentation of public records requests, responses and fees.

(2) The Legal Affairs Coordinator in the University's Office of Legal Counsel is the designated PRRC and can be contacted at 201 Administration Building, Memphis, Tennessee 38152, [www.openrecordsrequest@memphis.edu](mailto:www.openrecordsrequest@memphis.edu) or 901.678.2155.

Statutory Authority: T.C.A. § 10-7-503(g).

0240-10-03-.04 Process for Making Requests to Inspect and/or Copy Public Records is added to Chapter 0240-10-03 and shall read as follows:

0240-10-03-.04 Process for Making Requests to Inspect and/or Copy Public Records

(1) Persons requesting to inspect or receive copies of a record are required to provide identification of Tennessee residency with a government-issued photo identification card or proof of enrollment or employment at the University. The PRRC reserves the right to accept alternative proof of residency.

(2) The request must be sufficiently detailed to enable the University to identify the specific records to be located and copied. When a request is unclear as to the records being requested, the requester will be contacted to clarify or narrow the request.

(3) Requests for inspection may be submitted by one of the following methods:

(a) Orally (in person or by phone) to the PRRC's office;

(b) By mail to the PRRC's office or

(c) By email to [www.openrecordsrequest@memphis.edu](mailto:www.openrecordsrequest@memphis.edu).

(4) Requests for copies must be made in writing by completing a Request Form to Inspect/Copy Public Records at <https://na3.docusign.net/Member/PowerFormSigning.aspx?PowerFormId=8982c376-8e7b-42d2-8c70-10ad0dfae795> and submitting:

(a) In person to the PRRC's office;

(b) By mail to the PRRC's office or

(c) By email to [www.openrecordsrequest@memphis.edu](mailto:www.openrecordsrequest@memphis.edu).

(5) Custody of the original records will not be relinquished. No records shall be produced or copied in a form to further a commercial business or similar purpose (i.e., mailing and/or telephone list, special format on computer disc, etc.). Electronic records will be produced in a secure .pdf format.

(6) A requestor is prohibited from bringing his/her own copying equipment (e.g., cell phone, camera, hand-held scanner, laptop, etc.) to make copies.

Statutory Authority: T.C.A. § 10-7-503(g).

0240-10-03-.05 Responses to Requests is added to Chapter 0240-10-03 and shall read as follows:

0240-10-03-.05 Responses to Requests

(1) The PRRC will review all public records requests and will assure that:

- (a) The requestor is a citizen of the State of Tennessee;
- (b) The request identifies with sufficient specificity the records that are the subject of the request;
- (c) The items requested are Public Records;
- (d) If appropriate, notice will be provided to the person whose file is the subject of the request that a request for inspection has been made; and
- (e) The public records are reviewed and redacted of confidential information as appropriate before being made available for review.

(2) The PRRC will respond promptly to requests. If not practicable to promptly provide the requested records, the PRRC will respond to the requestor within seven (7) business days. The response will include any one of the following responses, as applicable:

- (a) The records are ready and providing the requestor with the location, date and hours of availability.
- (b) An estimate of the time needed to produce the records if the requested record is not available within the seven (7) day time frame.
- (c) A denial of the request, which will include the reason for denial of the request which may include the following:
  - (1) The requestor did not provide proof of Tennessee residency;
  - (2) Need clarification of request;
  - (3) The record is exempt from disclosure under TPRA (The applicable statutory exemption or other exemptions will be cited.);
  - (4) The University is not the custodian of the requested records; or
  - (5) There are no records responsive to the request.

Statutory Authority: T.C.A. § 10-7-503(g).

0240-10-03-.06 Redaction is added to Chapter 0240-10-03 and shall read as follows:

0240-10-03-.06 Redaction

(1) The following information shall be redacted (stricken) before being made available for inspection or copying:

- (a) Confidential by state or federal law or regulation.
- (b) Not made or received pursuant to law or ordinance.
- (c) Not made or received in connection with the transaction of official business.

Statutory Authority: T.C.A. § 10-7-503(g); T.C.A. § 10-7-504.

0240-10-03-.07 Fees, Billing and Payment is added to Chapter 0240-10-03 and shall read as follows:

0240-10-03-.07 Fees, Billing and Payment

(1) No fees or charges will be assessed for inspection of records.

(2) An itemized estimate of the fees and charges for any copies will be provided in advance to the requestor. Payment in full of the actual costs must be made prior to the release of requested records.

(3) In cases where the cost of the total production, including copies, labor/programming charges, and delivery is less than \$25.00, the cost will be waived, with the exception of fees associated with aggregated records requests.

(4) Fees and charges for copies are as follows:

- (a) \$0.15 per page for letter and legal-size black and white copies.
- (b) \$0.50 per page for letter and legal-size color copies.
- (c) The price per copy for larger documents (such as blueprints and other specialized documents) is the actual cost.
- (d) Delivery costs incurred by the University, such as postal fees, etc., will be added to the final bill.
- (e) Labor charges are assessed when the time spent locating, retrieving, reviewing, redacting, and reproducing the record(s) exceeds one (1) hour.
- (f) If an outside vendor is used to produce copies, the actual costs assessed by the vendor will be charged to the requestor.

(5) Acceptable forms of payment for costs are cash or a check made out to the University of Memphis. Credit card payments are acceptable if paying in person.

Statutory Authority: T.C.A. § 10-7-503(g).

0240-10-03-.08 Aggregation of Frequent and Multiple Requests is added to Chapter 0240-10-03 and shall read as follows:

0240-10-03-.08 Aggregation of Frequent and Multiple Requests

(1) The University will aggregate records requests when more than four (4) requests are received within a calendar month (either from a single individual or a group of individuals deemed working in concert). The PRRC will be responsible for making the determination if a group of individuals are working in concert.

(2) When the total number of requests made by a requestor(s) during a calendar month exceeds four (4), the requestor shall be charged a fee for all labor that is reasonably necessary to produce copies of the requested records. The one (1) free hour of labor before additional costs are assessed will not be applicable.

Statutory Authority: T.C.A. § 10-7-503(g).

0240-10-03-.09 Delivery of Records is added to Chapter 0240-10-03 and shall read as follows:

0240-10-03-.09 Delivery of Records

(1) The requestor will have the following options for delivery of the record(s):

- (a) On-site pick-up (PRRC's office or designated location);
- (b) Electronically (depending on size of request); or
- (c) USPS First-Class Mail.

Statutory Authority: T.C.A. § 10-7-503(g).



# **14. Public Comment Policy Revision**

For Approval

Presented by Melanie Murry

# **The University of Memphis Board of Trustees**

Recommendation

For Approval

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Approval for Revised Public Comment Policy

**Presented by:** Melanie Murry, University Counsel and Board Secretary

**Background:**

The Board approved a Public Comment Policy at its March Board meeting. The policy was revised to include language that allows the Chair within their discretion to allow people to address the Board who did not submit a request.

**Committee Recommendation:**

The Governance and Finance Committee recommends approval of the Public Comment Policy the changes as reflected in the meeting materials.



## **PUBLIC COMMENT POLICY**

The Board welcomes the opportunity for expression of public views on issues before the Board. A portion of its regular scheduled meeting is reserved for individuals who wish to address the Board.

### **Requests to Address the Board:**

All persons wishing to address the Board at regularly scheduled Board meetings must complete a Request to Address the Board form at least three (3) business days before the first day of the Board meeting. The requests must be submitted to the Board Secretary via email at [trustees@memphis.edu](mailto:trustees@memphis.edu).

The Board Secretary will acknowledge receipt of requests and confirm logistical details for the public comment period.

In his or her discretion, the Board Chair may allow persons who did not submit the Request to Address form to speak before the Board on the day of any scheduled meeting.

### **Permissible Subjects:**

Persons may request to speak about items on the meeting agenda or other matters of concern to the University.

### **Impermissible Subjects:**

The Board will not hear speakers on the following topics: grievances or appeals specific to individual students or employees; pending or threatened litigation involving the University or University officials; the employment status of any specific individual; statements concerning the private activities, lifestyles or beliefs of any individuals; proposals or bids for contracts.

### **Time Allocation:**

- A Person addressing the Board will have a maximum of 3 minutes for any comments. Exceptions to this time period will only be allowed at the discretion of the Board Chair.
- The aggregate time for all public comments at a meeting will not exceed 15 minutes in total.

### **General Terms and Conditions:**

- PowerPoint or other audio/visual equipment is not permitted during public comment.
- If a speaker also has written materials, s/he should provide 12 collated copies to the Board Secretary, who will distribute them to the Board members at or before the time of the comments.
- No action shall or may be taken by the Board at public comment sessions. In his or her discretion, the Board Chair may refer a matter raised during public comment for subsequent response by the President, the President's designee, or an appropriate Board Committee. The Board Chair may also request or permit comment by members of the administration.

To ensure that the scheduled business of the Board is conducted in a timely manner pursuant to the published agenda, the time allotted to the comment session will not be enlarged by the Board Chair absent extenuating circumstances, to be determined in his/her sole discretion. Persons whose comments were not heard due to time constraints are encouraged to communicate in writing. Communications may be submitted to the Board Secretary at [trustees@memphis.edu](mailto:trustees@memphis.edu).

# 15. Capital Budget Request for Fiscal Year 2021

For Approval

Presented by Tony Poteet

# The University of Memphis Board of Trustees

Recommendation

For Approval

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Capital Budget Request for Fiscal Year 2021

**Presented by:** Tony Poteet, Associate VP for Campus Planning and Design

## Background:

**Per Tennessee Higher Education Commission (THEC) Policy F4.0 Capital Projects:** As the coordinating body for higher education in Tennessee, THEC engages with institutions and governing boards on capital investment through its role to develop and approve recommendations for capital outlay and maintenance funding. THEC identifies capital investment needs and determines priorities for those investments for consideration by the Governor and the General Assembly as part of the annual appropriations act. Categories of projects submitted to THEC in the annual Capital Budget Request are as follows:

**Capital Outlay:** In accordance with funding request guidelines annually disseminated by THEC staff, the Commission receives a prioritized list of capital outlay projects from each governing board for evaluation and scoring into a single prioritized list for the state. These projects either provide new space or major renovations (or a combination of both), and respond to: state goals for education, strategic plans, space guidelines, facility assessments, program plans, business plans, and/or external funding.

**Capital Maintenance:** THEC shall receive a prioritized list of capital maintenance projects from each governing board. THEC staff makes project recommendations to the Commission's Board in accordance with a capital maintenance formula. The formula may include, but not be limited to, the age, gross Education & General (E&G) square footage, usage, and conditions of institutions facilities. Individual projects should reduce deferred maintenance and protect the assets of the state.

**Disclosed Projects:** The reporting of disclosed capital projects to THEC should be performed at least quarterly and shall include all projects to be initiated in the following quarter that will have total expenditures on capital improvements exceeding \$100,000 or capital maintenance exceeding \$500,000. Disclosed projects are those funded by campus funds, bonds, gifts or other non-appropriated sources.

## Committee Recommendation:

The Governance and Finance Committee recommends approval of the Capital Budget Request for Fiscal Year 2021 as detailed in the meeting materials.

# *Capital Budget Request 2020-2021*

## *Governance and Finance Committee*

Tony Poteet  
Associate Vice President  
Campus Planning and Design

June 5, 2019

University Center

June 2019 Governance and Finance Committee Meeting

15. Capital Budget Request for Fiscal Year 2021



JUNE 2019

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## Categories:

- Capital Outlay
- Capital Maintenance
- Disclosures

Due to THEC July 1, 2019

Project

- Lambuth Sprague Hall
- Multiple Buildings Roof
- Multiple Buildings Interiors
- ADA Compliance

Funding

\$6,000,000

\$3,000,000

\$5,600,000

\$ 430,000

\$ 15,030,000

- Outlay projects are scored based on relation to state goals, Drive to 55, campus strategic and master plan, space needs, external funding (10% minimum match).
- Capital Maintenance is distributed by formula 12.3% to U of M.



## STEM Research and Classroom Facility

\$42,000,000 Total

\$4,200,000 Match



## Building Code and Safety Repairs: \$3,000,000

Fire Alarms

16 Buildings

Generator



June 2019 Governance and Finance Committee Meeting

Elevators



15. Capital Budget Request for Fiscal Year 2021



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## HVAC: Central Chillers and CFA: \$5,000,000



Main Chillers



CFA Museum

## Phase 2 Building Interiors: \$2,000,000



Johnson Hall



Scates Hall



Hayden Hall

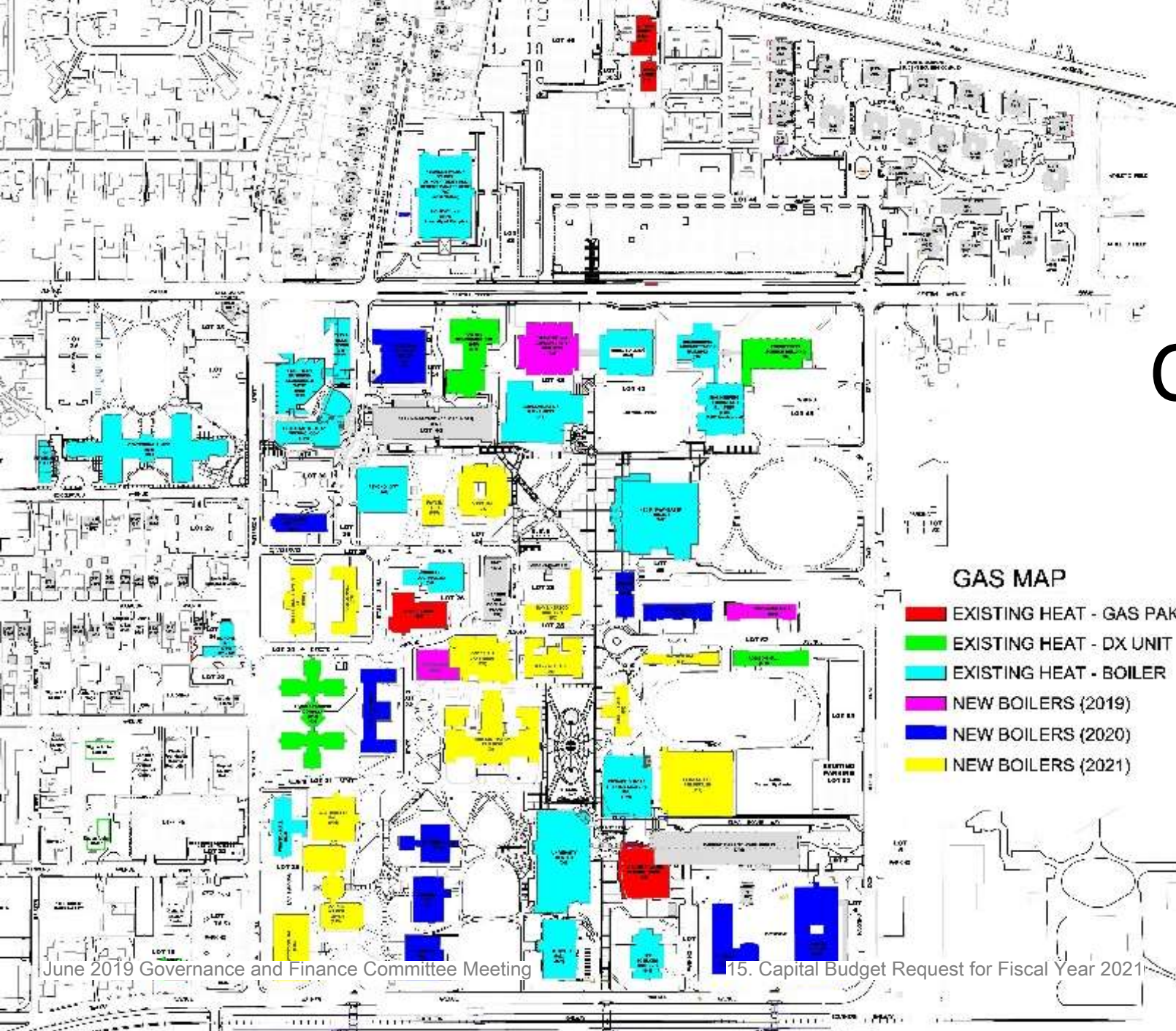


# Capital Maintenance

## Phase 2

### Boiler Decentralization

## \$2,500,000





## Wilder Tower Repairs \$3,000,000

- HVAC, soffits, windows, finishes, roof



June 2019 Governance and Finance Committee Meeting

HVAC



15. Capital Budget Request for Fiscal Year 2021

Windows on Wings



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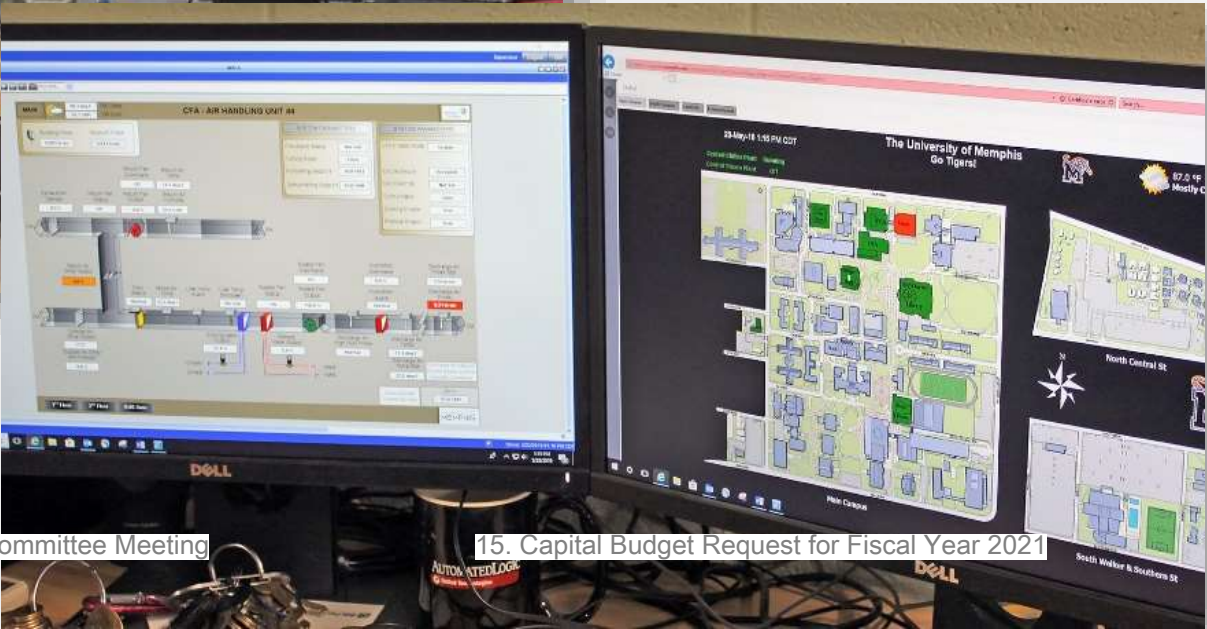
Roof



HVAC Controls: \$1,500,000



Controls Screen Shot



Data Center  
in Boiler House



Air Handler Controls



## Window Replacements: \$1,380,000

- Clement, Robison, Johnson, Field House, Hayden





## Potential Projects:

• Millington Utility Service Conversion	\$ 500,000	Plant funds
• Middle School Phase 2	\$5,000,000	Loans
• Parking Garage West Campus 600 car	\$12,000,000	Private
• Mynders Hall Renovation / Energy (planning)	\$650,000	Private
• Athletic Facility Improvements	\$5,000,000	Gifts
• Residence Hall Renovations	\$2,000,000	Auxiliary
• Mixed Use Housing Facility Park Campus	\$30,000,000	Private
• Athletic Media Control Room and Lighting	\$4,000,000	Plant funds

# Summary Listing:

## Capital Outlay

- STEM Research and Classroom Building

## Total Cost

\$42,000,000    \$ 4,200,000 match

## Capital Maintenance

- Building Code and Safety Repairs
- HVAC Central Chiller and CFA
- Phase 2 Building Interiors
- Phase 2 Boilers
- Wilder Tower Repairs
- HVAC Controls

\$3,000,000

\$5,000,000

\$2,000,000

\$2,500,000

\$3,000,000

\$1,500,000

## Window Replacements

\$1,333,000

The University of Memphis

Capital Budget Request for 2020-2021 for Board of Trustees Approval

<u>Capital Outlay</u>	<u>Total Cost</u>
STEM Research and Classroom Building	\$ 42,000,000
<u>Capital Maintenance</u>	
Building Code and Safety Repairs	\$ 3,000,000
HVAC Central Chiller and CFA	\$ 5,000,000
Phase 2 Building Interiors	\$ 2,000,000
Phase 2 Boilers	\$ 2,500,000
Wilder Tower Repairs	\$ 3,000,000
HVAC Controls	\$ 1,500,000
Window Replacements	\$ 1,380,000
<u>Disclosure</u>	
Millington Utility Service Conversion	\$ 500,000
Middle School	\$ 5,000,000
Parking Garage West Campus 600 car	\$ 12,000,000
Mynders Hall Renovation / Energy (planning)	\$ 650,000
Athletic Facility Improvements	\$ 5,000,000
Residence Hall Renovations	\$ 2,000,000
Mixed Use Housing Facility Park Campus	\$ 30,000,000
Athletic Media Control Room and Lighting	\$ 4,000,000

\$ 4,200,000 match
plant funds
loans
private
private
gifts
Auxillary
private
plant funds

## 16. Master Plan Update

For Approval

Presented by Tony Poteet

# The University of Memphis Board of Trustees

Recommendation

For Approval

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Master Plan Update

**Presented by:** Tony Poteet, Associate VP for Campus Planning & Design

## **Background:**

The University Master Plan links the strategic plan to the campus environment. The plan provides an overall direction for facility improvements, additions, replacements as well as land acquisition for expansion. All projects submitted to the State Building Commission must be in conformance with the master plan and periodic updates are required to remain current.

## **Committee Recommendation:**

The Governance and Finance Committee recommends approval of the changes to the Master Plan as presented in the materials.

# *Master Plan Update*

## *Governance and Finance Committee*

Tony Poteet  
Associate Vice President  
Campus Planning and Design

June 5, 2019  
University Center







# UNIVERSITY OF MEMPHIS

## MAIN AND PARK AVENUE CAMPUS MASTER PLAN UPDATE



June 2019 Governance and Finance Committee Meeting



16. Master Plan Update



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# Main Campus – 2019 FUTURE VISION

**02.** Student Wellness + Fitness Center  
(Expansion)/Intramural Fields/Fitness  
Course Green Space

**03.** Biochemistry and Biology Facilities

**04.** Music Center

**05.** Alumni Center/Art Gallery

**06.** STEM Research and Classroom Building

**07.** Academic Building (Replacement for  
Mitchell/Clement Hall)

**08.** Academic Building

**09.** Entry Drive/Campus Gateway

**11.** Academic Building (Replacement for  
Ellington Hall)

**12.** Renovated Patterson Hall

**13.** Life Sciences Addition

**14.** Fine Arts (Renovation for Herzog  
Building)

**15.** Student Residence Halls (Near Central  
Avenue Quad)

**17.** Research Park

**18.** Parking Structure (Near Southern Avenue)

**19.** Parking Structures (Near Patterson Avenue)

**21.** Enhanced Pedestrian Corridor

**22.** Highland Road Campus Entry

**23.** Parking Structure (Near Central)

**24.** Lobby Expansion

**25.** Ellipse Plaza Development

**26.** Patterson Avenue Realignment

**27.** Reconfigured Parking

**28.** Developer Student Housing

**29.** Physical Plant Expansion

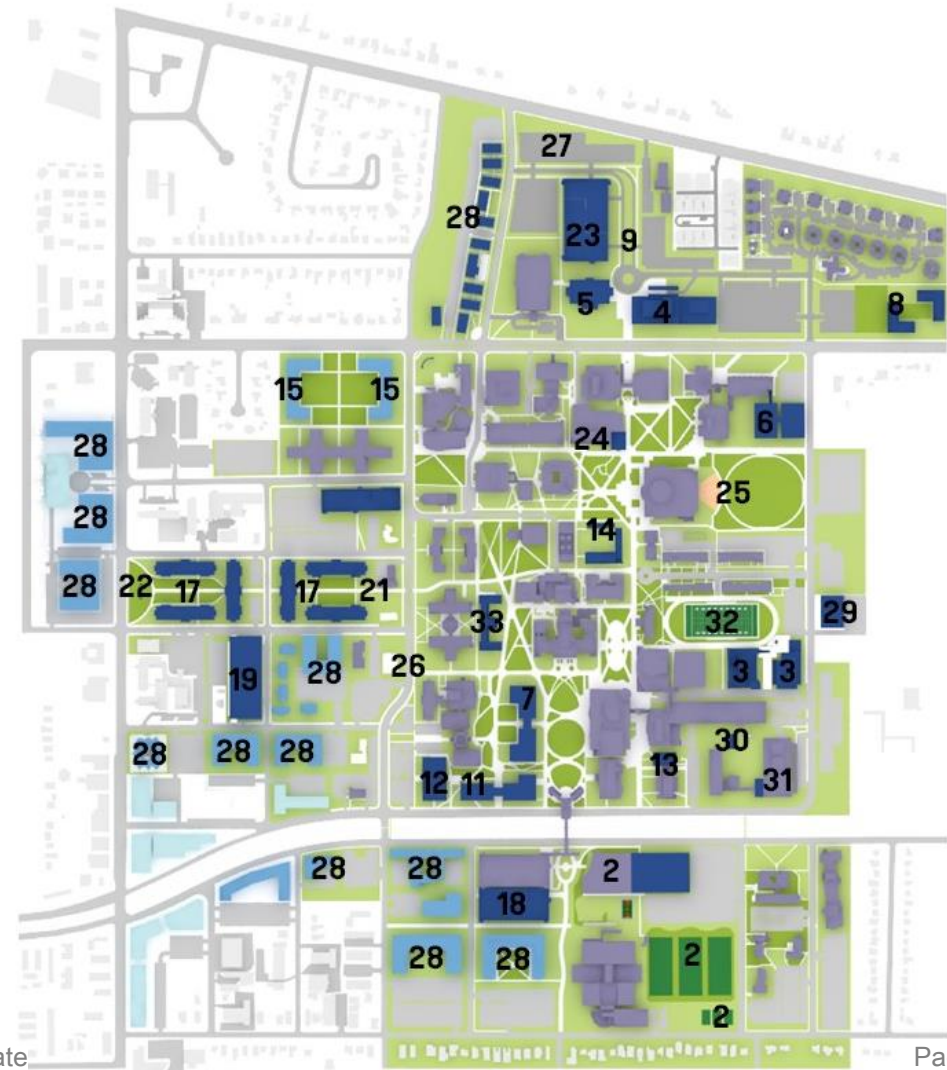
**30.** Kindergarten Annex

**31.** Campus School Addition

**32.** Astroturf Field

**33.** Housing (Renovation for Mynders Hall)

**16.** Master Plan Update



# Park Avenue Campus - 2019 FUTURE VISION



THE UNIVERSITY OF  
MEMPHIS®

Board of  
Trustees

- |   |   |
|---|---|
| 01. Community Health Facility                 | 17. Housing or Academic/Research Building - K                 |
| 02. Basketball Practice Facility              | 18. Housing or Academic/Research Building - L                 |
| 03. Soccer Support Facility                   | 19. Child Development Center                                  |
| 04. Softball Training Facility                | 20. Academic/Research Building - M                            |
| 05. Physical Plant                            | 21. Indoor Football Practice Facility Expansion               |
| 06. Academic/Research Building - A            | 22. Track & Field Stands Expansion                            |
| 07. Academic/Research Building - B            | 23. Student Venue Hub/Middle/High School (Defense Audit Bldg) |
| 08. Academic/Research Building - C            | 24. Building #1 Renovation                                    |
| 09. Academic/Research Building - D            | 25. Goodlett Street Campus Entry                              |
| 10. Academic/Research Building - E            | 26. Central Quadrangle  |
| 11. Academic/Research Building - F            | 27. Parking   |
| 12. Academic/Research Building - G            | 28. Academic/Research Building - N                            |
| 13. Mixed-Use/Housing                         | 29. Housing with on-street parking                            |
| 14. Housing or Academic/Research Building - H | 30. Landscape/Stormwater Amenity                              |
| 15. Housing or Academic/Research Building - I | 31. Temporary Classroom                                       |
| 16. Housing or Academic/Research Building - J | 32. Support Facility  |



# 17. Update on Dining Services Contract

Presentation

Presented by Raajkumar Kurapati

# **The University of Memphis Board of Trustees**

Information  
For Discussion

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Dining Services Contract Update

**Presented by:** Raaj Kurapati, Chief Financial Officer

This presentation provides an update on our new partnership with Chartwells to provide dining services on our campus for the next fifteen (15) years.



# *Dining Services Contract Update*

## *Governance and Finance Committee*

Raaj Kurapati  
Chief Financial Officer

June 5, 2019  
University Center



# Executive Summary

## Details:

The University entered into an agreement with Compass Group USA, dba, Chartwells for Dining and Catering Services at the main campus, Park Avenue Campus and Lambuth Campus

## Term:

15-year contract commencing on August 8, 2019

## Financial Commitments:

\$54M in investments over the life of the contract including:

- \$1.5M Signing Bonus upon execution of Agreement
- \$26.5M in Guaranteed Commissions
- \$1.7M in estimated Rebate Sharing
- \$2.5M in Repairs and Maintenance
- \$13.6M in Capital Investments
- \$1.8M in In-Kind Catering
- \$3.2M in Financial Support for Dieticians and Interns

Chartwells committed to a minimum **20% spend** on an annual basis with **locally owned Diversity suppliers** estimated at \$800,000 per year.



# University Center



- Kiosk Ordering
- New Concepts
- Market Upgrade
- Local, Interactive Pop Ups



Made-to-Order Wrap & Salads



# 24/7 Smart Market



- Expanded Offerings
- Self Check Out
- 24/7 Access



# T.O.M Food Hall (Tiger Den)



- Complete Renovation, Year 1 & 2
- Expanded Concepts, Gen Z Focused
- Food Hall Design, Memphis Inspired
- Community Gathering Space

# The Markets



- UofM Branded Coffee by Starbucks
- Fresh Trade Dress
- Creating Unique Destinations



# Local Food Trucks







- Rebrand the Location
- Flexible Rotating Menus
- Increased Variety





# CARVED + CRAFTED *catering*

Branded. Consistent. Green.  
Professional. Cultural. On trend.

June 2019 Governance and Finance Committee Meeting

17. Update on Dining Services Contract

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# Questions?

# 18. Compensation Strategy for Fiscal Year 2020

Presentation

Presented by Raajkumar Kurapati

# The University of Memphis Board of Trustees

Information  
For Discussion

**Date:** June 5, 2019

**Committee:** Governance and Finance Committee

**Recommendation:** Update on FY20 Compensation Strategy

**Presented by:** Raaj Kurapati, Chief Financial Officer

This presentation provides an update on FY20 salary increases for faculty, part-time faculty (adjunct), and staff.

# *FY20 Compensation Strategy*

## *Governance and Finance Committee*

Raaj Kurapati, Chief Financial Officer

June 5, 2019

University Center



**Board of  
Trustees**

# Salary Increase History

<i>History of Salary Increases</i>		
<i>Fiscal Year</i>	<i>Increase</i>	<i>Effective Date</i>
2015	None	
2016	2.0% ATB	7/1/2015
2017	One time Bonus \$750 (min 1 year employment)	10/1/2016
2018	3% ATB for Staff & Non Tenured Faculty	7/1/2017
	2% ATB & 1% Merit - Tenured Faculty	7/1/2017
2019	2.5% Salary Pool = 1% ATB (min \$975) and Merit Pool	7/1/2018
2020	2% Salary Pool (4 Tier ATB and Merit Pool)	9/1/2018
<i>ATB=across-the-board</i>		
<i>includes promotion, Compensation Strategy for Fiscal Year 2020 individual adjustments</i>		

- Cost of living/across the board pay increase utilizing 4-Tier flat dollar amount depending on current salary

## 4-Tier Flat Across the Board Increase:

- Tier 1: **\$1000** to all employees earning \$30K or less
  - Tier 2: **\$850** to all employees earning \$30 - 64.9K
  - Tier 3: **\$700** to all employees earning \$65 - 149.9K
  - Tier 4: **\$550** to all employees earning \$150K or more
- Part-Time Instructors - 2% ATB
  - Flexible salary pool targeting merit, equity and compression adjustments
    - Includes Faculty Promotions
  - Eligibility: Hired on or before the 2019 Spring Semester
  - Effective Date: September 1, 2019



The steps UofM is taking this year will:

- Allow a higher percentage increase for those employees at the lower end of the wage scale
- Provide an increase in our minimum wage for the third time in the past five years

## Governor's Budget Recommendation FY2020 State Appropriations

### FY2020 Recurring State Appropriations

State Appropriation - New Funding	\$ 5,320,000
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### FY2020 Commitments

2% Salary Pool & Faculty Promotions	4,250,000
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<b>Estimated Total Available Funding</b>	<b>\$ 1,070,000</b>
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# Questions?

# 19. Additional Business

Presented by David North



## 20. Adjournment

Presented by David North