

**TENNESSEE HIGHER EDUCATION COMMISSION**  
**Minutes of the Finance and Operations Committee**

Tennessee Board of Regents, Boardroom, 1<sup>st</sup> Floor

1 Bridgestone Park

Nashville, TN

August 14, 2024

Treasurer Lillard called the meeting to order at 1:00 p.m.

<b>Member</b>	<b>PRESENT</b>	<b>ABSENT</b>
Chairman David H. Lillard, Jr.	<b>X</b>	
Commissioner Jimmy Matlock		<b>X</b>
Comptroller Jason Mumpower	<b>X</b>	
Commissioner Vernon Stafford, Jr.	<b>X</b>	

At the start of the meeting there were two voting members physically present and one voting member participating electronically, constituting a quorum.

**Statement of Necessity**

Board Secretary Rachel Hitt read the following statement of necessity:

Committee Members,

A quorum of members are participating electronically today. As such, Tenn. Code Ann. § 8-44-108(b)(2), requires that the committee make a determination that a necessity exists in order for a quorum of members to participate by electronic or other means of communication.

A “necessity” means that the matters to be considered by a public body at a meeting require timely action by the body, that physical presence by a quorum of the members is not practical within the period of time requiring action, and that participation by a quorum of the members by electronic or other means of communication is necessary.

In this case, two facts support a determination of necessity:

- First, today’s agenda items require timely action by this committee to meet the commission’s charge to develop a recommendation for the agenda item to be considered by the full Commission on August 15, 2024.
- Second, scheduling conflicts and other commitments prevented a quorum of members from being physically present today.

Treasurer Lillard made a motion to approve the statement of necessity. Commissioner Stafford seconded the motion. A roll call vote was taken, and the motion passed unanimously.

## **Adoption of Agenda**

Treasurer Lillard made a motion to amend the agenda to correct Regular Calendar I to Transmission of 2024-25 Proposed Operating Budgets and adopt the agenda as amended. Commissioner Stafford seconded the motion. A roll call vote was taken, and the motion passed unanimously.

## **Public Comment**

There were no public comments.

## **Approval of Minutes: May 10, 2024, Meeting**

Treasurer Lillard made a motion to approve the May 10, 2024, Finance and Operations Committee Meeting Minutes. Comptroller Mumpower seconded the motion. A roll call vote was taken, and the motion passed unanimously.

### **I. Transmission of 2024-25 Proposed Operating Budgets (*Action Item*)**

Mr. Russell VanZomeren, Senior Director of Fiscal Policy, provided an overview of the proposed 2024-25 proposed operating budgets, to include THEC's statutory charge for the collection and transmission of institutional operating budgets.

Committee members asked questions, and a discussion was held. Commissioner Stafford made a motion to approve the transmission of the 2024-25 proposed operating budgets. Treasurer Lillard seconded the motion. A roll call vote was taken, and the motion passed unanimously.

### **II. Austin Peay State University Master Plan (*Action Item*)**

Mr. Shahrooz Roohparvar, Vice President of Finance and Administration at Austin Peay State University, introduced Mr. Art Lidsky, President of Dober Lidsky Mathey. Mr. Lidsky provided an overview of Austin Peay State University's Master Plan, which Austin Peay's Board of Trustees approved.

Committee members asked questions, and a discussion was held. Treasurer Lillard made a motion to approve Austin Peay State University's Master Plan. Commissioner Stafford seconded the motion. A roll call vote was taken, and the motion passed unanimously.

### **III. 2025-26 Operating State Appropriation Recommendation (*Information Item*)**

Mr. VanZomeren presented information regarding the 2025-26 Operating State Appropriation Recommendation, including formula units, specialized units, and strategic initiative considerations.

Committee members asked questions, and a discussion was held.

### **IV. Division of Postsecondary Authorization Fee Schedule Revision (*Information Item*)**

Ms. Julie Woodruff, Senior Compliance Counsel, presented information on rulemaking hearings and procedures. She introduced Dr. Stephanie Bellard-Chase, Senior Director of Postsecondary State Authorization, who presented information on the options to overcome current deficits regarding Postsecondary State Authorization fees.

Committee members asked questions, and a discussion was held.

**V. THEC Fiscal Policy Reporting Update (*Information Item*)**

Mr. VanZomeren presented information on Tennessee's higher education finance landscape, including data from THEC, the State Higher Education Finance Report, U.S. Department of Education's College Scorecard, and the Federal Student Aid's Title IV Program Volume Reports. This information included revenues for formula units, tuition, and fees by sector.

Committee members asked questions, and a discussion was held.

**VI. Tuition Model and Rates Update (*Information Item*)**

Mr. VanZomeren presented information on the tuition setting process, policy considerations, and the fiscal year 2025 tuition and mandatory fee schedules.

Committee members asked questions, and a discussion was held.

**VII. Capital Outlay Process Update (*Information Item*)**

Dr. Steven Gentile, Executive Director, presented information on the fiscal year 2025-26 capital process meeting calendar, rubric changes to focus on a more straightforward process with more transparency, plans to address individual facility needs, the institutional need to submit more projects, and the need for predictability in capital planning.

Committee members asked questions, and a discussion was held.

**VIII. Other Business**

There was no other business discussed.

The meeting adjourned at 2:47 p.m.

**NEXT FINANCE AND OPERATIONS COMMITTEE MEETING:**

November 2024

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**Chairman David H. Lillard, Jr.**