

TENNESSEE HIGHER EDUCATION COMMISSION

Finance and Operations Committee

Minutes of the Finance and Operations Committee

WebEx Meeting

May 10, 2024

Treasurer Lillard called the meeting to order at 9:06 a.m.

Member	PRESENT	ABSENT
Commissioner Evan Cope		X
Chairman David H. Lillard, Jr.	X	
Chairwoman Pam Koban	X	
Commissioner Jimmy Matlock		X
Commissioner Jay Moser	X	
Comptroller Jason Mumpower	X	
Commissioner Vernon Stafford, Jr.		X

At the start of the meeting there were four (4) voting members participating electronically, constituting a quorum.

Statement of Necessity

Board Secretary Rachel Hitt read the following statement of necessity:

Committee Members,

All 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 May 16, 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 Koban seconded the motion. A roll call vote was taken, and the motion passed unanimously.

Adoption of Agenda

Treasurer Lillard made a motion to approve the agenda. Commissioner Moser seconded the motion. A roll call vote was taken, and the motion passed unanimously.

Public Comment

There were no public comments.

Approval of Minutes: January 24, 2024, Meeting

Commissioner Moser made a motion to approve the January 24, 2024, Finance and Operations Committee Meeting Minutes. Commissioner Koban seconded the motion. A roll call vote was taken, and the motion passed unanimously.

I. 2024-25 Binding Tuition and Fees Ranges (*Action Item*)

Ms. Amanda Klafehn, Chief Strategy Officer, provided an overview of the approved budget of \$17.2 million outcomes-based funding and an additional \$41 million for the state portion of a three percent (3%) salary increase, along with an overview of the adopted Commission-based guiding range of zero to four percent (0-4%) at the November 2023 Commission meeting. Ms. Klafehn then gave an overview of the new federal Fair Labor Standards Act Rules, which increases the salary level for overtime exempt employees, and how this could impact institutions.

Committee members asked questions, and a discussion was held.

Representatives from the Tennessee Board of Regents, Austin Peay State University, and the University of Tennessee (Alisha Fox, Shahrooz Roshparvar, and David Miller, respectively) spoke on the impact of the Fair Labor Standards Act on their institutions.

Committee members engaged in further discussion.

Comptroller Mumpower made a motion to revise the guiding range from zero to four percent (0-4%) to zero to six percent (0-6%). Treasurer Lillard seconded the motion. Committee members held a discussion. Treasurer Lillard then proposed an amendment to the motion, suggesting a guiding tuition and fees range recommendation of zero to five-point-five percent (0-5.5%). Comptroller Mumpower agreed, and the amended motion was made. Commissioner Koban seconded the motion. A roll call vote was taken, and the motion passed unanimously.

II. Other Business

Dr. Steven Gentile, Executive Director, stated that THEC staff are looking at the calendar for next year and will be moving the Binding Tuition and Fees Ranges item to earlier in the year to allow for more time for institutional budget planning.

Treasurer Lillard made a motion to adjourn the meeting. Commissioner Koban seconded the motion. A roll call vote was taken, and the motion passed unanimously.

The meeting adjourned at 10:03 a.m.

NEXT FINANCE AND OPERATIONS COMMITTEE MEETING:

August 2024

Chairman David H. Lillard, Jr.