March 2018 UofM Governance and Finance Committee Meeting

Schedule
Wednesday, March 07, 2018, 11:00 AM — 11:45 AM CST
Venue
University Center Fountain View Suite - UC 350
Organizer
Jean Rakow

Agenda

1. Call to Order  

2. Roll Call  

3. Approve Minutes of the December, 2017 Committee Meeting  
   For Approval - Presented by Alan Graf  
   December 7 2017 Governance and Finance Meeting Minutes Final.doc

4. State of Athletic Department  
   Presentation - Presented by Tom Bowen  
   UofM Agenda Item UofM Athletics.docx  
   17-18MemphisAth BOT - Feb 9 2018.pptx

5. Network Upgrade  
   Presentation - Presented by Robert Jackson  
   UofM Agenda Item - ITS Network Presentation-20180307.docx  
   2018 ITS Network Upgrade - 20180212.pptx

6. Residence Life Housing Rate Increase  
   For Approval - Presented by Darrell Ray  
   UofM Agenda Item SA Residence Hall rates rev jhr.docx  
   March BOT Approval FY2019 Student Housing fees rev jhr.rev 2.20 B.pptx

7. UM Global Rate Increase  
   For Approval - Presented by Richard Irwin
<table>
<thead>
<tr>
<th></th>
<th>Agenda UM Global rate 3-7-18.docx</th>
<th>40</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>March BOT UofM Global Uniform Rate.pptx</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>8. <strong>Strategic Planning Update</strong>&lt;br&gt;For Discussion - Presented by M. David Rudd</td>
<td>49</td>
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<td></td>
<td><img src="" alt="UofM Agenda Strategic Planning Update.docx" /></td>
<td>50</td>
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<td></td>
<td>9. <strong>Administrative Efficiency</strong>&lt;br&gt;For Discussion - Presented by M. David Rudd</td>
<td>51</td>
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<td><img src="" alt="UofM Agenda Administrative Efficiency.docx" /></td>
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<td>10. <strong>Affordability</strong>&lt;br&gt;For Discussion - Presented by M. David Rudd</td>
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<td><img src="" alt="UofM Agenda Affordability.docx" /></td>
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<td><img src="" alt="MDR BOT Meeting Affordability March 2018.pptx" /></td>
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<td>11. <strong>Folds of Honor Scholarship</strong>&lt;br&gt;For Approval - Presented by M. David Rudd</td>
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<td></td>
<td><img src="" alt="UofM Agenda Folds of Honor Scholarship.docx" /></td>
<td>59</td>
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<td></td>
<td>12. <strong>Additional Committee Business</strong></td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>13. <strong>Adjournment</strong></td>
<td>61</td>
</tr>
</tbody>
</table>
1. Call to Order
2. Roll Call
3. Approve Minutes of the December, 2017 Committee Meeting

For Approval

Presented by Alan Graf
University of Memphis Governance and Finance Committee Meeting
December 7, 2017
Lambuth, Tennessee
Meeting Minutes

The University of Memphis Governance and Finance Committee Meeting was held at 10:15 a.m. CDT, on Thursday December 7, 2017, on the Lambuth campus of the University of Memphis in Jackson, Tennessee.

I. CALL TO ORDER/ROLL CALL/DECLARATION OF QUORUM
Chair Graf called the meeting to order and welcomed the attendees. University Counsel and Acting Board Secretary Melanie Murry called the roll. The following Governance and Finance Committee members were present: Trustee Graf, Trustee Johnson, Trustee Schaffzin, Trustee Springfield, and Trustee Mayfield (via telephone). Trustee Edwards and Trustee Roberts (via telephone) were also in attendance.

It was announced that a quorum was present. Members of the administrative staff, students, guest speakers and the media were present.

II. Approval of Minutes
It was moved by Chair Graf properly seconded to approve the minutes from the October 4, 2017 Governance and Finance Committee meeting. A voice vote was taken and the motion passed.

III. Ad Hoc Public Policy Committee
Chair Graf recognized Trustee Johnson. Trustee Johnson reported on the Ad Hoc Public Policy Committee. The Ad Hoc Public Policy Committee met via telephone on Friday, November 17, 2017. Trustee Johnson discussed the composition and role of committee. Trustee Johnson indicated that other universities will be going to the Tennessee General Assembly, some turnover will take place in the General Assembly, and a new governor will be elected. The University of Memphis needs to identify what we need to do to be competitive at the state level. He indicated we must consider the general impression of the University of Memphis from legislative representatives from other parts of the state and to make sure that Memphis’ lobbying efforts are coordinated. The Ad Hoc Public Policy Committee plans to work with President Rudd and the Governor’s office regarding a research expansion request of $60M and an $11M request for a capital project for Lambuth nursing. President Rudd indicated that the RISE initiative made an initial presentation to the Governor and, if supported, the Board of Trustees will be asked to back the initiative. Further, he indicated that capital support for Lambuth nursing was not ranked high enough to get support this year, but work is underway to obtain private funding and the UofM is looking into maintenance funds for one of the buildings. Trustee Johnson stated that the General Assembly will move quickly this session because this is an election year. Chair Graf asked Trustee Johnson to make remarks on this topic during the full board meeting. Trustee Johnson agreed.
IV. Fundraising Priorities
Chair Graf recognized Chief Development Officer Prince to discuss fundraising priorities. Bobby Prince discussed formal and informal processes utilized to identify fundraising priorities. He indicated that Development works with numerous groups including each college and dean to assist them with fulfilling their vision; the Provost and President to vet priorities; national funders to target and fund initiatives; and community partners. Ongoing initiatives includes core recurring priorities such as need and merit scholarships, fellowships, support for faculty, and emergency funds for students.

Bobby Prince discussed strategic projects and emergent opportunities that have a timeline: iIMPACT, Opportunity Scholarships, Autism/Behavior/Communication Project, First Scholars (whose retention rate is 94% versus 76% for other first generation students not in the first scholars program), University of Memphis Lambuth Campus, River City Partnership, Natatorium/Pool renovation, School of Accountancy (establish the Ph D program), College of Engineering building expansion, the creation of a Faculty Alumni House, Pedestrian Bridge, and events surrounding MLK50. Additionally, Mr. Prince also mentioned that Dr. King’s speech that first referenced “We Shall Overcome” will be loaned to University of Memphis by Avron Fogelman and will be on display at the University of Memphis the two weeks before and after April 3rd. Lastly Bobby Prince shared plans for the kick-off study for the upcoming campaign.

V. Revised Budget Fiscal Year 2017-2018
Chair Graf recognized Interim Vice President Jeannie Smith to discuss the revised budget based on enrollment numbers. Ms. Smith provided a brief overview of the changes to budget that included:

- Tuition and Fees adjusted based on expected enrollment
- Changes to state appropriations incorporates one time activities (such as Conference and Institute events & internships) as well as resources available from prior year operations
- Other adjustments as needed

Interim VP Smith explained that the revenue budget increased $9 million and that the University of Memphis revenues in the FY2018 Revised Budget totalled $508.3 million.

Interim VP Smith further explained that a minor change in expenditures was a result of a reporting change related to student services and scholarships due to a reclassification of Athletic Scholarships ($8.2M). The expenditures were previously reported in Student Services and are now reported in the Scholarship function based on guidelines from the State. Additionally, $1.3M in budget allocations were included for new scholarship programs and increased awards.

Interim VP Smith stated that full spending authority has been budgeted but is not expected to be utilized in the current year. The budget presented includes all resources available including current year revenues as well as one-time activities and resources available from prior year operations. The FY2018 Revised Budget is within available resources and complies with all applicable policies and guidelines.
Trustee Martin moved to approve the FY2018 Revised Budget as detailed in the meeting materials. The motion was properly seconded. A voice vote was taken and the motion passed. Acting Secretary Murry noted for the record that Trustee Martin had entered the room and was present for the vote.

VII. TBR Severance of Procurement, Capital Projects Planning and Management

Chair Graf recognized Interim VP Smith to discuss TBR severance of procurement and capital projects planning and management. Interim VP Smith reviewed slides that presented information on the THEC requirements for severance and the University of Memphis’ plan to meet each requirement. Trustee Edwards suggested keeping the Audit Committee informed on changes to policies and procedures related to severance. Chair Graf indicated severance is a big deal since it provides a mechanism for representing university interests directly to these state agencies. President Rudd mentioned that THEC approval will be required and we will keep the Board informed of the status of the approval documents. Trustee Johnson mentioned that severance was the major issue when the FOCUS Act was discussed.

Trustee Johnson moved to approve severance of procurement and capital project planning and management from TBR. The motion was properly seconded. A voice vote was taken and the motion passed.

VIII. International Student Merit Scholarship

Chair Graf recognized Chief Innovation Officer Jasbir Dhaliwal. Dr. Dhaliwal requested Rebecca Laumann, Director of the Center for International Education Services, to come forward to join him. Dr. Dhaliwal discussed a merit-based scholarship for international undergraduate students with a GPA of 3.0. Students who qualify for this scholarship would pay a reduced out-of-state tuition at a fixed cost of $3,000 annually in addition to in-state tuition and program fees. Financial analysis shows that a merit based scholarship for international undergraduate students with a 3.0 GPA or higher will not have a significant impact on existing revenue. It was estimated that 10 additional paying students are needed to recoup $81,000 of revenue as a result of this program and thus this program would not have a large financial impact on the institution. Additionally, per Chief Innovation Officer Dhaliwal, every 100 new students bring in an additional $1M of revenue. The President has authority to approve the scholarship without Board approval however Chair Graf recommended the Board support the initiative.

At the March Board of Trustee meeting, President Rudd will present a model for expansion of 250R nationally for consideration by the Board.
**IX. Directors and Officers Insurance**

Chair Graf recognized Counsel Murry to discuss directors and officers insurance.

Counsel Murry explained that Trustees are considered state employees and would be covered under the state under its self insurance program. Counsel Murry indicated that she believes it prudent to purchase directors and officers insurance and recommends that the Board takes out $35,356 for Directors and Officers and $65,757 for Employment Practices Liability Insurance. The proposed insurance gives the UofM the freedom to select its own attorneys should specific specializations be necessary, and also covers settlement. Counsel Murry indicated that the University of Memphis does not get sued a lot with only four open lawsuits and last year paid out approximately $500,000.

Trustee Springfield moved to approve the purchase of directors and officers insurance. The motion was properly seconded. A voice vote was taken and the motion passed.

**X. Naming of the Music Center**

Chair Graf recognized President Rudd.

President Rudd presented the recommendation to name the new music center The Scheidt Family Music Center in recognition of the family’s role in funding the center and for a decade and half of supporting this effort in Memphis and state-wide.

Trustee Johnson moved to approve naming of the new music center as *The Scheidt Family Music Center*. The motion was properly seconded. A voice vote was taken and the motion passed.

**11. Land acquisition**

Chair Graf recognized Assistant Vice President Tony Poteet. AVP Poteet reviewed maps of various acquisition plans on the Main Campus of the University of Memphis. He discussed the focus areas of the acquisition plan. The acquisition plan solidifies the neighborhood surrounding the Main Campus. AVP Poteet indicated that we often need to move quickly to acquire property and would like Board approval of the overall plan so for properties located within the approved acquisition plan we do not have to come back to the Board each time we are approached by a home owner interested in selling their property to the University. AVP Poteet also reviewed the land acquisition plan for the Lambuth Campus. AVP Poteet requested a delegation of authority to the President to proceed with acquisition of properties in the Campus Masterplan.

President Rudd mentioned the land acquisition fund is already established for these purchases and this is not a request for additional funds. Discussion ensued regarding proactive plans to acquire property, debt repayment plans, and current acquisitions in process.
Trustee Johnson to approve the land acquisition plan and delegation of authority. The motion was properly seconded. A voice vote was taken and the motion passed.

X. ADDITIONAL COMMITTEE BUSINESS

Online eRate
Chair Graf recognized President Rudd. President Rudd discussed plans to perform modeling of eRates and if it is at or above revenue, then will recommend a flat eRate. Currently if a student takes a class online it costs $300 more than a face-to-face class which makes the institution noncompetitive. The $300 rate has been extended from year to year and now it is now appropriate to review that rate. The model will review what the rate should be to remain competitive and recommend a uniform eRate for online classes. Funds from the rate will still support academic departments. Trustee Schaffzin inquired whether the flat eRate is per credit or per course and if there would be one flat eRate. Dr. Rudd explained that it would be one rate; however, there could be exceptions for professional courses like law school courses, which currently do not have online courses. President Rudd requested approval to move forward with a financial modeling on a uniform eRate, to set the eRate based on the model, and to move forward with implementation once the rate is set prior to the next Board meeting.

Trustee Springfield moved to approve moving forward with the financial model for the uniform eRate, establish the eRate and implement the rate once the rate is established. The motion was properly seconded. A voice vote was taken and the motion passed.

ADJOURNMENT
A motion was made to adjourn the meeting which was properly seconded. Chair Graf adjourned the meeting.
4. State of Athletic Department

Presentation

Presented by Tom Bowen
Presentation to the Board of Trustees

The University of Memphis Board of Trustees
Presentation
For Information

Date: March 7, 2018

Committee: Governance and Finance

Presentation Title: State of Athletic Department

Presented by: Tom Bowen, Athletic Director

Background:
This presentation presents an overview of the financial landscape of Memphis Athletics and also provides comparisons to institutions within the American Athletic Conference and those affiliated with other national conferences.
FINANCIAL LANDSCAPE
OF MEMPHIS ATHLETICS
March 2018 UoM Governance and Finance Committee Meeting

4. State of Athletic Department

FY17 American Athletic Conference Financial Statements

Source: Provided by AAC Finance Officers/Unpublished NCAA Financial Statements

FY17 Athletic Revenues

FY17 Athletic Expenses
FY16 Student Fees/University Support/Athletic Department Revenue

<table>
<thead>
<tr>
<th></th>
<th>Student Fees</th>
<th>University Support*</th>
<th>Athletic Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Florida</td>
<td>$22,447,191</td>
<td>$4,391,175</td>
<td>$32,541,087</td>
</tr>
<tr>
<td>South Florida</td>
<td>$17,032,220</td>
<td>$6,370,829</td>
<td>$23,757,770</td>
</tr>
<tr>
<td>East Carolina</td>
<td>$14,249,768</td>
<td>$4,647,262</td>
<td>$25,716,054</td>
</tr>
<tr>
<td>UConn</td>
<td>$8,280,611</td>
<td>$26,990,210</td>
<td>$43,958,454</td>
</tr>
<tr>
<td>Houston</td>
<td>$7,546,458</td>
<td>$17,609,027</td>
<td>$26,313,812</td>
</tr>
<tr>
<td>Memphis</td>
<td>$7,387,557</td>
<td>$10,976,828</td>
<td>$31,662,956</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>$0</td>
<td>$24,892,123</td>
<td>$34,170,033</td>
</tr>
</tbody>
</table>

*University Support includes Direct and Indirect Institutional Subsidy (Athletic Facilities' share of general University expenses)
Division I Landscape

• 130 NCAA Football Bowl Subdivision Institutions (FBS)

• 65 Autonomy Schools
  (ACC, Big Ten, Big 12, Pac-12, SEC)

• 65 Non-Autonomy Schools
  (American Athletic Conference, Conference-USA, Mid-American Conference, Sun Belt Conference, Mountain West Conference)
FY17 Average TV Media Rights Distribution Per School
Source: Forbes, USA Today Sports

FY17 Annual TV Media Rights Per Conference
Source: Forbes, USA Today Sports
10yr Analysis of Volatility in Revenues

- MBB Individual Ticket Sales
- Football Individual Ticket Sales
- FB Season Ticket Sales
- Gift-In-Kind
- MBB Season Ticket Sales
- Contributions

March 2018 UoM Governance and Finance Committee Meeting
4. State of Athletic Department
Student Athlete Academic Success

**Athletics Graduation Success Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>81%</td>
</tr>
<tr>
<td>2013</td>
<td>84%</td>
</tr>
<tr>
<td>2014</td>
<td>84%</td>
</tr>
<tr>
<td>2015</td>
<td>85%</td>
</tr>
<tr>
<td>2016</td>
<td>85%</td>
</tr>
<tr>
<td>2017</td>
<td>87%</td>
</tr>
</tbody>
</table>

**Athletics GPA by Semester**

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<th></th>
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</thead>
<tbody>
<tr>
<td>Fall</td>
<td>2.85</td>
<td>2.9</td>
<td>2.95</td>
<td>3.0</td>
<td>3.05</td>
</tr>
<tr>
<td>Spring</td>
<td>3.1</td>
<td>3.15</td>
<td>3.2</td>
<td>3.25</td>
<td>3.3</td>
</tr>
</tbody>
</table>

**Tigers Named to the American Athletic Conference All-Academic Team (GPA of 3.0 or Higher)**

- 2013-14: 153
- 2014-15: 180
- 2015-16: 185
- 2016-17: 204
Strategic Vision

• Increase Ticket Sales
  • Football Pricing Plan and 2018 Goals
  • Men’s Basketball Ticket Marketing Plan

• Increase Donations
  • Diversify TSF across multiple sports
  • Associate gifts with specific positions and naming opportunities
  • Ambassador/True Blue Donor Enhancement Program
  • Gift-In-Kind/Trade Agreement

• Conference Television Media Rights
  • Current Negotiations

• Community Engagement
  • All Coaches and staff devoted to engagement with Shelby County and City of Memphis
  • Local community groups (churches, non-profits, etc.)
  • Local businesses and vendors
  • Educational Forums, Clinics, Camps
5. Network Upgrade

Presentation

Presented by Robert Jackson
Presentation to the Board of Trustees

The University of Memphis Board of Trustees
Presentation
For Information

Date: March 7, 2018
Committee: Governance and Finance

Presentation Title: Network Upgrade Project
Presented by: Robert Jackson, Chief Information Officer

Synopsis:
This presentation will present an overview of the upcoming network upgrade scheduled to begin in 2018. Information will be presented regarding need, scope, vendor selection, fiscal impact, and timeline.
2018 Network Upgrade Project

Governance and Finance Committee

Robert Jackson
Chief Information Officer

March 7, 2018
University Center
Project Description and Scope

The University network is upgraded as needed to ensure our students, faculty, staff, and guests receive the best experience.

This network upgrade will improve the network experience in all buildings at all campuses by:

- increasing wired and wireless speeds
- improving reliability and security
- enhancing manageability for emerging technology needs and challenges, and
- building capacity for future growth.
Project Benefits – Better Performance at Lower Cost

- Improved wireless coverage and speed by **increasing access points from 2,500 to 3,600**
- Standardized minimum speed (10 gigabits) for all buildings
- Increased maximum speed (40 gigabits) in selected locations in preparation for upcoming core upgrade (FY2020)
- Enhanced management of access to the university network, improving security

And

- Decreased annual network maintenance and licensing costs, saving hundreds of thousands of dollars over the life of the equipment
Vendor Information – Building on Our Partnership with Aruba

Aruba is a strong company

- A leader in the wired/wireless LAN access layer worldwide market
- Placed in the “Magic Quadrant for the Wired and Wireless LAN Access Infrastructure” (Gartner, 2017)
- The leader in “Critical Capabilities for Wired and Wireless LAN Access Infrastructure” (Gartner, 2017)

And a valued partner

- Our existing partnership with Aruba for wireless network equipment in residence halls resulted in significantly fewer service complaints
- Aruba leverages open standards that support integration with other infrastructure components
- Local Aruba personnel enhance the University’s ability to leverage technology solutions
# Project Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPE/Aruba Wireless Refresh</td>
<td>$2,565,802.00</td>
</tr>
<tr>
<td>HPE/Aruba Edge/Distribution Refresh</td>
<td>$3,016,083.15</td>
</tr>
<tr>
<td>HPE/Aruba Clearpass (Network Access Controller)</td>
<td>$250,658.00</td>
</tr>
<tr>
<td><strong>Subtotal HPE Aruba</strong></td>
<td><strong>$5,832,543.15</strong></td>
</tr>
<tr>
<td>UPS cost for data closets</td>
<td>$323,323.00</td>
</tr>
<tr>
<td>UPS software</td>
<td>$26,034.00</td>
</tr>
<tr>
<td>Project Implementation</td>
<td>$370,000.00</td>
</tr>
<tr>
<td><strong>Total cost</strong></td>
<td><strong>$6,551,900.15</strong></td>
</tr>
</tbody>
</table>
Tentative Project Timeline

- January 2018 – Review purchase options
- February 2018 – Finalize statement of work, begin procurement process
- March 2018 – Begin deployment
- August 2018 – End deployment
- September 2018 – Post-implementation review and follow-up

*Stakeholders from throughout the University will be consulted to coordinate implementation activities.*
Thank you
6. Residence Life Housing Rate Increase
For Approval
Presented by Darrell Ray
Recommendation to the Board of Trustees

The University of Memphis Board of Trustees
Recommendation

Date: March 7, 2018

Committee: Governance and Finance

Recommendation: Approval of Housing Rates Recommendations

Presented by: Darrell C. Ray, Vice President for Student Affairs

Background:

Residence Life is a fully self-supporting operation.

Residence Life is requesting a FY19 rate increase of 5% for traditional student housing. The increase is necessary to fund auxiliary operations including debt payments, programmatic operations, and maintenance of aging facilities. FY19 will be the first year with a full debt payment for the newest residence hall, Centennial Place.

Also we are proposing rate reductions for the Park Avenue apartments and housing at the Lambuth Campus. These reductions will allow us to be more price competitive in those markets. Projected increase in occupancy should offset these rate reductions.

We project the proposed rate adjustments will provide a positive financial impact of $585,000, enabling us to meet the anticipated fiscal demands of this self-supporting operation.

Committee Recommendation:

The Governance and Finance Committee recommends approval of the proposed changes in residence hall rates as contained in the meeting materials.
Approval of Student Housing Fees

Government Relations

March 7, 2018
University Center
• Housing is a stand alone auxiliary

• $17M budget

• Revenues fund:
  • 100% of operating costs
  • All debt service on $92.5M in outstanding bonds
  • All facilities maintenance and repairs
  • $500K annual allocation toward University services provided (FY17)
  • 5% renewal and replacement annual contribution
  • 2.5% land use annual contribution
  • Working capital and contingency reserves
A 5% rate increase is proposed to cover the increasing operating costs and future debt payments.

<table>
<thead>
<tr>
<th>Housing Fees</th>
<th>Current (per semester)</th>
<th>Proposed (per semester)</th>
<th>Increase/Decrease (per semester)</th>
<th>Estimated Annual Incremental Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence Halls</td>
<td>$2,220 - $3,280</td>
<td>$2,330 - $3,440</td>
<td>$110-$160</td>
<td>$425,000</td>
</tr>
<tr>
<td>Apartments*</td>
<td>$3,280 - $4,620</td>
<td>$2,950-$4,440</td>
<td>$150</td>
<td>$150,000</td>
</tr>
<tr>
<td>Summer Sessions</td>
<td>$890 - $1,210</td>
<td>$930-$1,270</td>
<td>$40-$60</td>
<td>$10,000</td>
</tr>
<tr>
<td>Lambuth Hall</td>
<td>$2,540-$3,200</td>
<td>$1,365-$2,100</td>
<td>($1,175-$1,100)</td>
<td>Offset by increased occupancy</td>
</tr>
<tr>
<td>Lambuth Summer</td>
<td>$830-$1,040</td>
<td>$450-$690</td>
<td>($350-$380)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Prior Year Rate Increases

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018</td>
<td>5%</td>
</tr>
<tr>
<td>FY2017</td>
<td>3%</td>
</tr>
<tr>
<td>FY 2016</td>
<td>1-4%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>0-2%</td>
</tr>
</tbody>
</table>

March 2018 UoM Governance and Finance Committee Meeting
University of Memphis does not have a mandatory on-campus living requirement. Rate increases will impact the 2,400 or 12% of University students choosing to live on campus.

Housing operations are performing at a high level:

- Projected FY 18-19:
  - 95% Fall Occupancy
  - 85% Spring Occupancy
- Previous Years:
  - FY 17-18
    - Fall: 90%
    - Spring: 77%
  - FY 16-17
    - Fall: 93%
    - Spring: 81%
  - FY 15-16
    - Fall: 88%
    - Spring: 76%

We are competitive with off-campus facilities.
What we offer that off campus housing does not:

- Professional full time staff members in each building
- 45 undergraduate student Resident Advisors
- Front desks in most buildings to aid with safety & security as well as customer service. Carpenter and Graduate Student Family Housing have gated access. (Over 100 undergraduate student desk assistants are employed.)
- Programming opportunities to aid in personal, academic and community development
- Structured faculty interactions through Living Learning Community collaborations & Resident Advisor programming
- Evening & weekend opportunities for engagement and resources
Questions/Comments
7. UM Global Rate Increase
For Approval
Presented by Richard Irwin
Recommendation to the University of Memphis Board of Trustees

Agenda Item

Recommendation

Date: March 7, 2018
Committee: Governance and Finance
Topic: FY2019 uniform UofM Global tuition rate
Presented by: Dick Irwin, Dean UofM Global and Vice Provost, Academic Innovation & Support Services

Background:
The University is requesting the following:

- Approval of a uniform UofM Global tuition rate for Undergraduate and Graduate enrollments.
  
  **Undergraduate rate - $420 per credit hour**
  
  **Graduate rate - $603 per credit hour**

- Elimination of the UM Global pilot rate.

  In June 2017, the Board of Trustees approved continuation of a pilot rate for undergraduate enrollment in four UofM Global programs. Approval of the new uniform rate negates the need to continue the pilot rate program.

Committee Recommendation:
The Governance and Finance Committee recommends the approval of the uniform UofM Global tuition rate as contained in the meeting materials.
UofM Global Tuition Rate

Governance and Finance Committee

Dr. Richard Irwin

March 7, 2018
University Center
Proposed UofM Global Fee Rates

The University of Memphis is proposing a **change in our UofM Global tuition fee rates** for the following reasons.

- Provide our Global students with an **easy-to-understand** rate structure.
- Offer an attractive and **competitive rate to out-of-state students**.
- Simplify **marketing**.
- Capture a **larger portion** of the online market.

© Flickr Image by PresseBox.de
Current & Proposed Rates

Current UG Rate

| Undergraduate | Instate | 320 |
|               | OOS     | 160 |
|               | Total   | 480 |

Online OOS rate

Current GR Rate

| Graduate       | Instate | 503 |
|                | OOS     | 252 |
|                | Total   | 755 |

Online in-state rate

Global Rates

Undergraduate Global Rate $420

Graduate Global Rate $603

Goal: To provide uniform competitive rate in online growth market
Fully Online Global Enrollments

Global Fully Online Student Growth

Historical 2014 - 2018
Projected 2019 - 2022

137% Increase

March 2018 UoM Governance and Finance Committee Meeting
Online Total Credit Hours Attempted

UofM Global Fully Online Credit Hours Attempted

- 14,125
- 14,504
- 14,561
- 15,484
- 18,444

19% Increase

Spring Semesters

2014 2015 2016 2017 2018

Total Credit Hours

14,125 14,504 14,561 15,484 18,444
• Fully online out-of-state students are currently paying instate tuition and an OOS tuition supplement.

• Approximately 180 students currently pay the out-of-state rate and would transition to the new Uniform Global tuition rates.

• There is a $300,000 revenue risk if no incremental enrollment increase.
  • Less than 100 students is needed to breakeven.

• We conservatively anticipate FY19 online enrollment growth of 10% (260 students)
1. Approval of a uniform UofM Global tuition rate for Undergraduate and Graduate enrollments:
   - Undergraduate rate - $420 per credit hour
   - Graduate rate - $603 per credit hour

2. Eliminate UofM Global pilot rate.
8. Strategic Planning Update
For Discussion
Presented by M. David Rudd
Report to the Board of Trustees

The University of Memphis Board of Trustees
Report

Date: March 7, 2018
Committee: Governance and Finance Committee
Topic: Strategic Planning Update
Presented by: M. David Rudd, President
9. Administrative Efficiency
For Discussion
Presented by M. David Rudd
Recommendation to the Board of Trustees

The University of Memphis Board of Trustees

Recommendation

Date: March 7, 2018
Committee: Governance and Finance Committee
Topic: Administrative Efficiency
Presented by: M. David Rudd, President
10. Affordability

For Discussion

Presented by M. David Rudd
Report to the Board of Trustees

The University of Memphis Board of Trustees
Report

Date: March 7, 2018
Committee: Governance and Finance Committee
Topic: Affordability
Presented by: M. David Rudd, President
17 year Historical Tuition % Change

7.4% average increase over the previous 17 years
2.1% average increase over the last 4 years
UofM In State Rate Comparison to Tennessee Peers
Fall 2017 - Spring 2018
Undergraduate Maintenance & Mandatory Fees

<table>
<thead>
<tr>
<th></th>
<th>TN State</th>
<th>APSU</th>
<th>UT CHAT</th>
<th>TTU</th>
<th>MTSU</th>
<th>ETSU</th>
<th>Peer Avg</th>
<th>UT MAR</th>
<th>UofM</th>
<th>UT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>7,776</td>
<td>8,225</td>
<td>8,664</td>
<td>8,873</td>
<td>8,948</td>
<td>9,015</td>
<td>9,268</td>
<td>9,236</td>
<td>9,701</td>
<td>12,970</td>
</tr>
</tbody>
</table>

APSU - Austin Peay University
Peer Avg - Peer Average
UofM - The University of Memphis
UT - University of Tennessee - Knoxville
ETSU - East Tennessee State University
TN State - Tennessee State University
MTSU - Middle Tennessee State University
UT CHAT - University of Tennessee - Chattanooga
TTU - Tennessee Tech University
UT MAR - University of Tennessee - Martin

March 2018 UofM Governance and Finan... 10. Affordability
Highlighting student success initiatives that the University invests funds in leading to shorter time to degree

Does not directly speak to affordability, but it does speak to results-driven University spending that has shown a realized outcome

<table>
<thead>
<tr>
<th>Cohort</th>
<th>Average Time to Degree</th>
<th>Average Cost of Degree</th>
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</thead>
<tbody>
<tr>
<td>2007</td>
<td>5.14</td>
<td>34,293</td>
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<tr>
<td>2008</td>
<td>5.10</td>
<td>36,439</td>
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<tr>
<td>2009</td>
<td>4.94</td>
<td>37,590</td>
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<tr>
<td>2010</td>
<td>4.79</td>
<td>38,675</td>
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<tr>
<td>2011</td>
<td>4.69</td>
<td>39,965</td>
</tr>
<tr>
<td>2012</td>
<td>4.42</td>
<td>39,131</td>
</tr>
</tbody>
</table>

Only First Time, Full Time Freshman considered
11. Folds of Honor Scholarship
For Approval
Presented by M. David Rudd
Recommendation to the Board of Trustees

The University of Memphis Board of Trustees

Recommendation

Date: March 7, 2018

Committee: Governance and Finance Committee

Topic: Folds of Honor Scholarship

Presented by: M. David Rudd, President

Background:

Folds of Honor is an organization whose mission it is to provide educational scholarships to spouses and children of America’s fallen and disabled service-members. Scholarships are used to subsidize the costs of tuition, school books, fees, on-campus room and board, approved educational tutoring, and other approved educational expenses that a student’s school may deem appropriate.

Folds of Honor will provide scholarships for family members of those killed in action in Afghanistan and Iraq.

Recommendation:

The Governance and Finance Committee recommends that the University accepts funds from the Folds of Honor Foundation for scholarships for family members of those killed in action in Afghanistan and Iraq as payment in full for Tennessee students.
12. Additional Committee Business
13. Adjournment