

MINUTES
BOARD OF TRUSTEES MEETING
THOMAS EDISON STATE UNIVERSITY
March 15, 2019

MEMBERS PRESENT: Frank Clyburn, Chair; Kemi Alli, Vice Chair; Merodie A. Hancock, President; Richard Arndt (via teleconference); J. Stanley Justice; Eric Lear; Brian Maloney; Gualberto (Gil) Medina; Marilyn Pearson (via teleconference); Apryl Roach (student trustee); and Monique Lewis-Hawkins (student trustee).

MEMBERS ABSENT: None.

ALSO PRESENT: Mary Chute, State Librarian; Dennis Devery, Vice President for Enrollment Management; Michael Mancini, Chief of Staff; Melissa A. Maszczak, Executive Assistant to the President and Secretary to the Board; Filomela (Phyllis) Marshall, Interim Provost for Academic Affairs; Christopher Stringer, Vice President and Chief Financial Officer; John Thurber, Vice President for Public Affairs; Robin Walton, Vice President for Community and Government Affairs.

Mr. Clyburn officially called the public meeting to order at 10:03 a.m., followed by a statement of public notice pursuant to the Open Public Meetings Act, N.J.S.A. 10:4-6 to 10:4-21.

Mr. Clyburn asked for a motion to enter into executive session. Mr. Medina made, and Mr. Lear seconded, the motion.

Mr. Clyburn reopened the public meeting at 11:17 a.m., Mr. Maloney made, and Dr. Alli seconded a motion, to reopen the meeting.

CONSIDERATION OF MINUTES

Mr. Clyburn presented the minutes of the December 14, 2018, Board of Trustees meeting for approval and adoption. Mr. Maloney made, and Mr. Medina seconded, a motion to adopt the minutes. The motion carried unanimously.

PRESIDENT'S REPORT

Dr. Hancock reflected on her first year in the presidency. The highlights included a successful commencement and inauguration ceremony, Grande Ball, and a collaborative effort across the University creating a new strategic plan. She also reported that Ralph Izzo, PSEG and Jeffrey Stokes, alumni and Foundation

Board member, also from PSEG were invited as honorees to the 2019 Grande Ball. She reported that we have two Board members whose terms are up for renewal and that their names were submitted to the Governor's Office, along with two new individuals she has recommended, to join the Board. Dr. Hancock referred to a document featuring highlights for the University that she has shared with the Governor's office, the Office of the Secretary of Higher Education and legislators. She is hopeful that the \$1 million appropriation we received last year stays in our base appropriation for this year. While this is good news, our budget remains tight.

We successfully reduced expenses with the elimination of our largest lease and shifted personnel to eliminate 20 positions, including a vice president position, while adding eight student-facing positions. Additionally, there were no manager increases this fiscal year. The CWA union has settled their contract and an increase of 2% per year over the next four years will be an unavoidable expense for the University. The University expects the AFT to follow the same pattern when it is eventually settled.

Dr. Hancock reported that the method she used to create the strategic plan was the Balanced Scorecard Approach, which measures indicators, not targets, to obtain a clear reading on what to measure.

Mr. Clyburn stated that the Board wanted to discuss the Strategic Plan in more detail and that the Executive Committee would meet prior to the next full Board meeting to discuss.

REPORT OF THE ADMINISTRATION, AUDIT AND FINANCE COMMITTEE

Mr. Clyburn introduced Mr. Lear to present the Administration, Audit and Finance Committee Report. Mr. Lear briefed the Board on the committee meeting held on February 15, 2019.

SECOND QUARTER FINANCIAL RESULTS

Mr. Lear reported that the University total revenue of \$25,713,787 was 44% of the annual budget of \$58,897,575. This was lower than the same period last year, when 45% or \$28,088,280 was earned against a budget of \$61,794,141. This represents a decrease of \$2,374,493 or 8%. Undergraduate student revenues totaled \$13,931,505 representing 40 percent of the University's undergraduate student revenue FY2019 annual budget of \$34,512,894. This percentage is lower than the same period last year, when 45 percent or \$16,099,787 was earned against an annual budget of \$35,704,290. This represents a decrease of 13 percent or \$2,168,282 compared to last year's same quarter revenue amount.

Expenses were down \$2,163,011 or 8 percent below the same quarter in the prior year. The largest decrease was \$1,027,496 in fringe benefit expenses. This

was due to an increase in the number of state-paid fringe benefit positions. In addition, nearly every category was below the prior year levels.

UPDATE ON AUDITED FINANCIAL STATEMENTS

Mr. Stringer noted that the draft FY2018 financial statements were complete with the exception of the GASB 68 entry to book the University and Library portion of their post-measurement date unfunded pension liability and the GASB 75 entries to record the University and Library portion of Other Postemployment Benefits (OPEB). Based on an opinion letter from the Office of the Attorney General, the State is responsible for payment of OPEB costs. As such, the expectation of the state colleges is a gross-up of revenue and expenses similar to the treatment of state-paid fringe benefits with no OPEB liability being recognized on the books of the state colleges.

The Division of Pensions and Benefits has not yet reported the proportionate share of the activity to the colleges and universities, but the Office of Management and Budget has indicated reporting will take place soon. Assuming proportionate share data is received within this timeframe, the final audited financial statements will be presented to the Board of Trustees in the next two weeks. The University has a hard deadline of March 31, 2019 to provide the audited financial statements to the United States Department of Education.

CONSIDERATION OF BID WAIVERS

Mr. Lear provided a summary of the proposed bid waivers, noting all were standard.

Mr. Lear presented the following resolution:

WHEREAS: The "State College Contracts Law, N.J.S.A. 18A:64-52 et seq. requires that contracts be made and awarded by the University, after public advertising, for bids for contracts in excess of \$33,300; and

WHEREAS: The State College Contracts Law, N.J.S.A. 18A:64-56, permits, in certain specified instances, that contracts may be made, negotiated, or awarded by the University by resolution of its Board of Trustees without public advertising for bids; and

WHEREAS: The Board of Trustees approved the "Thomas Edison State College Purchasing and Contracting Policy," which governs purchases and contracts for the University and Library, on June 10, 2016; and

WHEREAS: The Board of Trustees finds that the following purchases and contracts have met the criteria for award without public bidding, under the provisions of N.J.S.A. 18A:64-56; now therefore, be it

RESOLVED: That the Thomas Edison State University Board of Trustees hereby approves waivers of advertisement for the following purchases and contracts for the purposes designated:

BID WAIVER REQUESTS

The State College Contracts Law requires that contracts be made and awarded by the University only after they are publicly advertised for bids. N.J.S.A. 18A:64-56, a provision of that law, allows the Board of Trustees to waive advertising for bids in certain instances. The Board authorized the Thomas Edison State University Purchasing and Contracting Policy, by resolution dated June 10, 2016. The Policy requires that items exceeding \$3,000 be obtained through some price competition. The following proposed contracts will be processed in accordance with that Policy.

1. Mentor and Course-Construction Consultants:

N.J.S.A. 18A:64-56(a) (25) permits the University to make, negotiate, or award a contract by Board resolution for consulting services involving curricula. The mentor and course-construction consultants listed below are currently providing services to Thomas Edison State University. They are rendering services to the University's Undergraduate and Graduate School programs. The cost of these services may exceed the bid threshold of \$33,300, but will not exceed \$100,000, for fiscal year 2019. Due to the necessity of these services to the University, the University proposes to allow the below named mentors and course-construction consultants to exceed the purchasing threshold:

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|-----------------------|
| Abdel Ghany, Khaled M |
| Blanton, Miles |
| Campbell, Tina |
| Cohen, Stuart |
| Cole, Susan |
| Din, Imran |
| Dorman, Tish Scherer |

| |
|------------------------------|
| Fetterman, Harry |
| Hill, Matthew |
| Jack Lampman Online Educator |
| Jacobson, Sheri Lynn |
| McDowell, Cheryl Ann |
| Miel LLC (Charles Parker) |
| Miller, Chloe Yelena |
| Moser, Tami |
| Oguntimein, Gbekeldluwa |
| O'Neill, Patricia |

2. Online Retail Store - \$35,000

The University requests a bid waiver for management services pertaining to the operation of an online retail store on behalf of TESU, that would offer TESU-branded merchandise, for sale to alumni, students, staff and friends of the University, among others. This merchandise would be available through a TESU-branded e-commerce website (online storefront) linked to the University's main website and portal. The vendor would maintain the online store, stock branded merchandise, process sales transactions, and manage fulfillment and returns. No funds will pass directly from TESU to the vendor. Revenue from merchandise sales would cover the cost of website development and maintenance, store operations, sales promotion and inventory. The annual sales revenue is estimated to be \$35,000 based on the University's experience with a prior vendor. N.J.S.A 64-56(a)(24) permits the University to negotiate and award a contract for the management of bookstores and similar retail operations.

3. Project Coordinator for New Jersey Cultural Competency Program - \$50,000

The University requests a bid waiver to use the services of Leath and Associates, LLC as a project coordinator for New Jersey Cultural Competency and English Language Summer Institute/Mentoring Program. This project is partially funded by various corporate grants. The project coordinator will be familiar with this program model and has content expertise in early childhood education and the Program's assessment tools. The estimated cost of the consultancy will not exceed \$50,000 for the grant period from July 1, 2018 through June 30, 2019. N.J.S.A. 18A:64-56(a) (15) permits the University to make, negotiate, or award a contract by Board resolution for professional consulting.

Mr. Medina made, and Mr. Maloney seconded, a motion to adopt the resolution. Motion carried unanimously.

CONSIDERATION OF EXTERNAL AUDIT SERVICES

Mr. Lear reported that KPMG was the only Big Four accounting firm to respond to the RFQ to select an external auditor for the University and the New Jersey State Library. The quotation proposed was for \$159,025, \$165,250, and \$171,475 for fiscal years 2019 through 2021 for audit services. The rates have subsequently been reduced by later negotiations. The hourly rates were increased by less than 2 percent in FY2019 compared to the previous year. The hours have been increased due to the impact of the recent GASB pronouncements associated with Pension and Other Post Employment Benefit costs.

WHEREAS: The "State College Contracts Law, N.J.S.A. 18A:64-52 et seq. requires that contracts be made and awarded by the University, after public advertising, for bids for contracts in excess of \$33,300; and

WHEREAS: The State College Contracts Law, N.J.S.A. 18A:64-56 a (1), permits the University, by resolution of its Board of Trustees, to award a contract for professional services, without public advertising for bids; and

WHEREAS: The Board of Trustees approved the "Thomas Edison State University Purchasing and Contracting Policy," governing purchases and contracts for the University and Library, on June 10, 2016; and

WHEREAS: KPMG has executed the external audits for the University and its affiliate, the New Jersey State Library, and it has provided the University with quality services; and

WHEREAS: The University has determined that KPMG continues to meet the specifications for such services; and

WHEREAS: The Administration, Audit and Finance Committee recommends that the Board approve the selection of KPMG for a three-year contract; and

WHEREAS: KPMG audit services will be provided at an estimated cost of \$159,025, \$165,250, and \$171,475 in FY 2019 through FY 2021; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State University does hereby authorize the University to award the contract for auditing services to KPMG for the University for a three-year period.

Mr. Clyburn would like to see a short term and medium term plan regarding the financials in the spirit of full transparency. The Board would like to take an important look at the Strategic Plan because that is tied to the financials.

There being no further questions, Mr. Lear presented a motion to extend the contract for auditing services for one year. Mr. Maloney moved, and Reverend Justice seconded the motion. Motion carried unanimously.

CONSIDERATION OF LEASE STORAGE SPACE

Mr. Lear explained that though a resolution was approved by the Board of Trustees on December 14, 2018 to lease storage space, the storage space required for the excess property is greater than originally anticipated.

WHEREAS: New Jersey law, N.J.S.A. 18A:64-6(q), authorizes the Board of Trustees of Thomas Edison State University to lease real property which is necessary or desirable for University purposes; and

WHEREAS: A certain property, located on the first floor of 1980 East State Street, in the City of Trenton, County of Mercer, State of New Jersey, hereinafter "Property," is available for lease; and

WHEREAS: It is in the best interest of the University to enter into a lease of this Property for the storage of University property, consistent with the University's mission; and

WHEREAS: The University's need for storage space is greater than anticipated in December 2018, when Board approval was originally requested for a lease; and

WHEREAS: The proposed lease is for up to 4,000 square feet of space at a cost not to exceed \$2,000 per month, effective April 1, 2019, on a month-to-month basis, which will take the place of the arrangement that the Board had previously approved on December 14, 2018, now, therefore, be it

RESOLVED: That the Board of Trustees hereby approves the lease of said Property in accordance with this Resolution and the terms and conditions set forth in the lease; and be it further

RESOLVED: That the Board of Trustees hereby authorizes and directs the President, or her designee, to execute and deliver said lease, and any and all reasonable and necessary amendments thereto, and any other agreements or documents as may be necessary to enter into the lease of the Property.

Mr. Lear presented a motion to adopt the resolution. Ms. Pearson moved, and Mr. Maloney seconded the motion. Motion carried unanimously.

REPORT OF THE ACADEMIC AFFAIRS COMMITTEE

Mr. Arndt reported that the committee met by teleconference on February 12, 2019, where the Graduate Certificates in Healthcare Management, Hospitality Management and International Business Finance along with the Master of Science with an area of study in Aviation Management were presented for consideration. A memo regarding the hiatus of the Master of Science in International Business Finance and Hospitality Management was discussed.

Mr. Arndt invited Dr. Marshall to give comment. Dr. Marshall explained that the graduate certificate programs proposed are compiled of twelve credits, which can be applied towards a Master of Business Administration or a Master of Science in Management. These graduate certificates would utilize a subset of the courses from the programs going into hiatus; therefore, there is no additional cost to the University.

Mr. Arndt presented the following resolutions:

GRADUATE CERTIFICATE IN HEALTHCARE MANAGEMENT

WHEREAS: The Board of Trustees of Thomas Edison State University has the authority and the

responsibility for oversight of academic governance; and

WHEREAS: The University Academic Council has reviewed and recommended the Graduate Certificate in Healthcare Management as presented; and

WHEREAS: The Academic Affairs Committee of the Board of Trustees has reviewed and concurred with the recommendation as presented; and

WHEREAS: The President of the University recommends the proposal as presented; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State University does hereby approve the Graduate Certificate in Healthcare Management as presented and incorporated herein by reference.

Mr. Arndt presented a motion to approve the graduate certificate in healthcare management. Mr. Lear moved, and Reverend Justice seconded the motion. Motion carried unanimously.

GRADUATE CERTIFICATE IN HOSPITALITY MANAGEMENT

WHEREAS: The Board of Trustees of Thomas Edison State University has the authority and the responsibility for oversight of academic governance; and

WHEREAS: The University Academic Council has reviewed and recommended the Graduate Certificate in Hospitality Management as presented; and

WHEREAS: The Academic Affairs Committee of the Board of Trustees has reviewed and concurred with the recommendation as presented; and

WHEREAS: The President of the University recommends the proposal as presented; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State University does hereby approve the Graduate Certificate in Hospitality Management as presented and incorporated herein by reference.

Mr. Arndt presented a motion to approve the graduate certificate in hospitality management. Reverend Justice moved, and Mr. Maloney seconded the motion. Motion carried unanimously.

GRADUATE CERTIFICATE IN INTERNATIONAL BUSINESS FINANCE

WHEREAS: The Board of Trustees of Thomas Edison State University has the authority and the responsibility for oversight of academic governance; and

WHEREAS: The University Academic Council has reviewed and recommended the Graduate Certificate in International Business Finance as presented; and

WHEREAS: The Academic Affairs Committee of the Board of Trustees has reviewed and concurred with the recommendation as presented; and

WHEREAS: The President of the University recommends the proposal as presented; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State University does hereby approve the Graduate Certificate in International Business Finance as presented and incorporated herein by reference.

Mr. Arndt presented a motion to approve the graduate certificate in international business finance. Dr. Alli moved, and Mr. Lear seconded the motion. Motion carried unanimously.

MASTER OF SCIENCE WITH AN AREA OF STUDY IN AVIATION MANAGEMENT

WHEREAS: The Board of Trustees of Thomas Edison State University has the authority and the responsibility for oversight of academic

governance; and

WHEREAS: The University Academic Council has reviewed and recommended the Master of Science with an Area of Study in Aviation Management as presented; and

WHEREAS: The Academic Affairs Committee of the Board of Trustees has reviewed and concurred with the recommendation as presented; and

WHEREAS: The President of the University recommends the proposal as presented; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State University does hereby approve the Master of Science with an Area of Study in Aviation Management as presented and incorporated herein by reference.

Dr. Marshall explained that six courses will be developed for this program. Mr. Arndt presented a motion to approve the Master of Science with an area of study in aviation management. Mr. Maloney moved, and Ms. Pearson seconded, the motion. Motion carried unanimously.

MEMO REGARDING HIATUS OF THE MASTER OF SCIENCE IN INTERNATIONAL BUSINESS FINANCE AND MASTER OF SCIENCE IN HOSPITALITY MANAGEMENT

The Board of Trustees of Thomas Edison State University has the authority and the responsibility for oversight of academic governance. The University Academic Council has reviewed and recommended the hiatus of two programs due to low enrollments: the Master of Science in International Business Finance Degree and the Master of Science in Hospitality Management Degree.

Courses in each program will be used to create Graduate Certificate programs in International Business Finance and in Hospitality Management.

If enrollments in the Graduate Certificate programs are strong, re-activating the Master of Science in International Business Finance and/or the Master of Science in Hospitality Management will be revisited.

There is no action needed by the Board at this time.

CONSIDERATION OF CANDIDATES FOR DEGREE

Mr. Clyburn presented the candidates for degree.

Mr. Arndt presented the following resolution:

The Board of Trustees of Thomas Edison State University does hereby approve the awarding of the appropriate degrees to those March 15, 2019, candidates cited on the lists provided and incorporated herein by reference.

The action herein taken is pursuant to a certification by the President that the aforementioned candidates have satisfied all relevant degree requirements as recommended by the Academic Council and as established by the Board of Trustees.

Mr. Maloney made, and Mr. Lear seconded, a motion to adopt the resolution. Motion carried unanimously.

CONSIDERATION OF CONTRACT RENEWALS

Mr. Clyburn presented the following resolution:

WHEREAS: The Board of Trustees of Thomas Edison State University is authorized to approve and act on contract renewal recommendations for employees of the University, pursuant to N.J.S.A. 18A: 64-6(h) and (i), as well as for State Library employees, pursuant to N.J.S.A. 18A: 73-34; and

WHEREAS: The President has made the contract recommendations as indicated on the lists provided and incorporated herein by reference; and

WHEREAS: The action taken herein is pursuant to an evaluation of each employee's work performance; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State University does hereby approve the contract recommendations as indicated on the lists provided and incorporated herein by reference.

Mr. Medina made, and Mr. Arndt seconded, the motion to adopt the resolution. Motion carried unanimously.

CONSIDERATION OF PERSONNEL ACTIONS

Mr. Clyburn presented the following resolution:

WHEREAS: The Board of Trustees of Thomas Edison State University is authorized to approve and act on contract renewal recommendations for employees of the University, pursuant to N.J.S.A. 18A: 64-6(h) and (i), as well as for State Library employees, pursuant to N.J.S.A. 18A: 73-34; and

WHEREAS: The President has made the contract recommendations as indicated on the lists provided and incorporated herein by reference; and

WHEREAS: The action taken herein is pursuant to an evaluation of each employee's work performance; now, therefore, be it

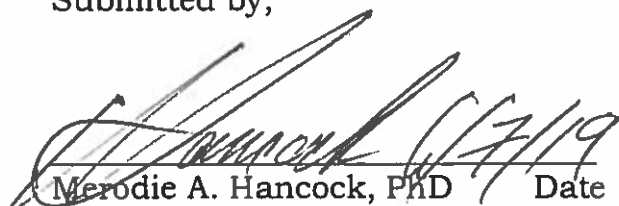
RESOLVED: That the Board of Trustees of Thomas Edison State University does hereby approve the contract recommendations as indicated on the lists provided and incorporated herein by reference.


Mr. Maloney made, and Mr. Lear seconded, a motion to adopt the resolution. Motion carried unanimously.

There being no further business, the meeting adjourned at 12:13 p.m.

Submitted by,

Approved by,


Merodie A. Hancock, PhD Date
Secretary of the Board

 6/7/19

Frank Clyburn Date
Chair