



Executive Committee Meeting Agenda

Austin Peay State University

317 College Street

Clarksville, TN 37040

September 19, 2019

Call to Order

Roll Call/Declaration of Quorum

Action Items

- A. Consideration of Bylaws
- B. Consideration of the Revised Presidential Base Compensation, Performance Evaluation, and Incentive Plan for Fiscal Year 2019-2020

Adjourn



Bylaws

Board of Trustees of Austin Peay State University

Amended May 19, 2017

Article I. Governance

The Board of Trustees is vested by the laws of the State of Tennessee with control of the governance and management of Austin Peay State University, subject to certain powers and duties maintained by the Tennessee Higher Education Commission.

Article II. Purpose of Bylaws

The Board adopts these Bylaws in order to establish rules for the organization and conduct of its business, as required by Tennessee Code Annotated § 49-8-201. The Bylaws are intended to establish its governance structure and to define the duties, authority limits and operating procedures for the Board and its Trustees. As the University's governing authority, the Board's Bylaws and Policies shall take precedence over any other administrative policies, guidelines, and procedures of the University. Although the Board is empowered to govern and set policy for the University, the Board's focus is one of oversight and direction. The Board entrusts responsibility for the execution of Board policy and the administration of the University to the President and responsibility for the conduct of teaching and research to the University faculty through the President.

Article III. Board of Trustees

Section 1. Powers and Duties

The Board has been conferred by the laws of the State of Tennessee with the necessary powers and duty to accomplish the following:

- A. Determine the mission of the University and ensure that the mission is kept current and aligned with the goals of Tennessee's master plan for public higher education;
- B. Select and employ the chief executive officer of the University and to confirm the appointment of administrative personnel, teachers, and other employees of the

- University and their salaries and terms of office;
- C. Prescribe curricula and requirements for diplomas and degrees in cooperation with other state university boards in the interest of maintaining alignment across state higher education;
 - D. Approve the operating budgets and set the fiscal policies for the University and its programs;
 - E. Establish policies and regulations regarding the campus life of the University, including, but not limited to, the conduct of students, student housing, parking, and safety;
 - F. Grant tenure to eligible members of the faculty upon the recommendation of the President;
 - G. Assume general responsibility for the operation of the University, delegating to the President such powers and duties as are necessary and appropriate for the efficient administration of the University and its programs;
 - H. Receive donations of money, securities, and property from any source on behalf of the University, which gifts shall be used in accordance with the conditions set by the donor;
 - I. Purchase land subject to the terms and conditions of state regulations, condemn land, erect buildings, and equip buildings for the University subject to the requirements of the State Building Commission and the terms and conditions of legislative appropriations;
 - J. Provide insight and guidance to the University's strategic direction and charge the President with leading the strategic planning process;
 - K. Ensure the University's fiscal integrity; oversee the University's financial resources and other assets; review and approve annual University budgets; and preserve and protect the University's assets for posterity;
 - L. Ensure and protect, within the context of faculty shared governance, the educational quality of the University and its academic programs; and preserve and protect the University's autonomy, academic freedom, and the public purposes of higher education;
 - M. Refrain from directing the day-to-day management and administration of the University, which is the responsibility of the President of the University; and from directing or interfering with any employee, officer, or agent under the direct or indirect supervision of the President;
 - N. Act as a body with no individual member speaking for the Board unless specifically authorized to do so by the Board; and
 - O. Exercise such other powers, not otherwise prescribed by law, that are necessary to carry out its statutory duties.

Section 2. Delegation

The Board may delegate and provide for the further delegation of any and all powers and duties, subject to limitations expressly set forth in law.

Section 3. Communications

The Board's authority is vested in the Board collectively and not in any individual member. Individual members do not speak on behalf of the Board or APSU unless authorized to do so by the Board or the Board Chair. The Chair is delegated authority to speak on behalf of the Board, unless otherwise determined by the Board.

Section 4. Membership

The Board shall consist of ten (10) members, nine (9) of which shall be voting members and one (1) member shall be a nonvoting student member. Six (6) voting members shall be residents of Tennessee. Eight (8) Board members shall be appointed by the Governor, three (3) of whom shall be graduates of the University. One (1) voting Board member shall be a faculty member of the University selected in a manner determined by the Faculty Senate. The nonvoting student member shall be appointed by the Board.

Section 5. Expectations of Individual Board Members

- A. Board members have a fiduciary obligation to the University, and must at all times act in accordance with the fiduciary duties of due care, loyalty, and good faith.
- B. Board members are expected to vote and speak according to their individual convictions, but be willing to support the majority decision of the Board and to work with fellow Board members in a spirit of cooperation.
- C. Board members are expected to review agendas and supporting materials prior to Board and committee meetings.
- D. Board members are expected to attend and actively participate in Board meetings and to serve on Board committees.
- E. Board members should be informed about the University's mission, policies, and programs.
- F. Board members should be free of any contractual, employment, or personal or familial financial interest in APSU, except as provided for by law.
- G. Board members should be free from undue influence from political, religious, or other external bodies and should protect APSU from such influence.
- H. Board members are expected to represent the interests of the entire university rather than any single constituent part.

Section 6. Terms

- A. The initial terms of Board members appointed by the Governor shall be three (3), four (4), and six (6) years. Three (3) members shall serve a (3) three-year term; three (3) members shall serve a four-year term; and two (2) members shall serve a six-year term. As the terms of the initial Board members expire, successor Board members shall be appointed for six-year terms.

- B. The faculty Board member shall serve a term of two (2) years.
- C. The nonvoting student Board member shall serve a term of one (1) year.

Section 7. Reappointment

Board members appointed by the Governor shall be eligible to serve for two (2) consecutive terms. A member who serves two (2) consecutive terms on the Board may be reappointed after at least four (4) years have elapsed since the member's last date of service.

Section 8. Resignation

Any Board member may resign at any time by submitting written notice to the Board Chair or Secretary. Such resignation shall take effect at the time specified therein or within 30 days of the date of receipt.

Section 9. Removal

- A. Conflict of Interest. It is unlawful for any Board member to be financially interested in any contract or transaction affecting the interests of the University, or to procure, or be a party in any way to procuring, the appointment of any relative to any position of financial trust or profit connected with the University. A Board member engaging in such conduct shall be subject to removal by the Governor or by the Board as provided for under its Code of Ethics.
- B. Code of Ethics. A Board member may be removed for a material violation of the Board's Code of Ethics by a two-thirds (2/3) vote of the Board membership. No vote may be taken to remove a Board member unless the accused Board member has been afforded a contested case hearing in accordance with the Uniform Administrative Procedures Act, Title 4, Chapter 5, and a finding has been made that the member violated the Board's Code of Ethics.

Section 10. Vacancies

Board vacancies occurring by death, resignation, or removal of a Board member shall be filled for the remainder of the term. A Board member whose term has expired shall continue to serve until a successor is appointed.

When a vacancy is created in the membership of the Board, the Board Secretary shall notify the Governor in the case of a vacancy among the members appointed by the Governor; the Faculty Senate in the case of a Faculty member vacancy; or the Board Chair in the case of a student representative vacancy.

Section 11. Compensation: Reimbursement of Travel Expenses

Board members receive no compensation for their services, but are entitled to reimbursement for travel expenses incurred in the performance of their official duties, in accordance with the comprehensive travel regulations promulgated by the Department of Finance and Administration and approved by the Attorney General and Reporter.

Article IV. Board Meetings

Section 1. Tennessee Open Meetings Act

A "Public Meeting" of the Board is the convening of the members of the Board for a purpose for which a quorum is required in order to make a decision or to deliberate toward a decision on any matter. All Public Meetings of the Board shall be conducted in compliance with the Tennessee Open Meetings Act, T.C.A. § 8-44-101, *et seq.* Meetings of the Board shall be open to the public, except as authorized by a statutory or judicially recognized exception to the Act. A Public Meeting does not include any on-site inspection of any project or program or the convening of Trustees for any purpose for which a quorum is not required.

Section 2. Quorum

Except as provided for in these Bylaws, or where the Board authorizes a committee to act, a quorum of the Board is required to make a decision or to deliberate toward a decision on any matter. Five (5) voting members of the Board shall constitute a quorum for the transaction of business.

Section 3. Regular Meetings

The Board shall have four (4) regular meetings each year, according to a schedule established yearly by resolution of the Board. At such meetings, any business related to the authority of the Board may be discussed and transacted.

Meetings of the Board shall be made available for viewing by the public over the internet by streaming video accessible from the University's web site. Archived videos of the Board meetings shall also be available to the public through the University's web site.

Section 4. Special Meetings

Special meetings may be held at the written request of the Board Chair, the President or any number greater than three (3) voting Board members. The Board Chair or Secretary shall send

notice of special meetings to each member of the Board, by regular mail, electronic mail, or other reasonable means, along with a statement of purpose of the meeting. Business transacted at all special meetings shall be confined to the business stated in notice.

Section 5. Notice

- A. Public Notice. Notice to the public of all regular public meetings shall be given in a manner reasonably calculated to give interested persons actual notice of the time and place of the meeting and the principal subjects anticipated to be considered at the meeting. Notice of special meetings of the Board shall be given to the news media and to the general public at least twenty-four (24) hours prior to the hour of the meeting. Notice of emergency meetings of the Board shall be such as is appropriate under the circumstances.
- B. Notice to Board Members. The Secretary shall provide Board members at least five (5) days written notice of a regular meeting of the Board. Notice of special and emergency meetings of the Board must be given to each Board member at least twenty-four (24) hours prior to the hour of the meeting.

Section 6. Remote Participation

The Board may permit any or all members to participate in a meeting by electronic or other means of communication by which all members participating may simultaneously hear each other or otherwise communicate with each other during the meeting. Participation in such a meeting by a Board member constitutes such Board member's presence in person at the meeting. All such meetings must comply with the requirements of the Tennessee Open Meetings Act, T.C.A. § 8-44-101, et seq.

Section 7. Manner of Acting

- A. Except as otherwise provided in these Bylaws or by law, a majority of votes of those voting members present at any meeting at which a quorum is achieved shall constitute an action of the Board. Voting by proxy is not permitted.
- B. All votes of the Board shall be by public vote as defined by T.C.A. § 8-44-104(b), public ballot, or public roll call. No secret votes, secret ballots, or secret roll call are allowed.
- C. A roll call vote shall be required on all motions providing for any revision of the Bylaws, the adoption of a new Bylaw or the repeal of an existing Bylaw. On any other motion, a roll call vote shall be taken if required by law or deemed desirable in the judgment of the Chair. A Board member present may request a roll call vote before the announcement of a vote otherwise taken. If any member participates in the meeting electronically, a roll call vote shall be taken for each item.
- D. Agenda.

1. An agenda for every meeting of the Board shall be prepared by the Secretary in consultation with the Chair and the President. The agenda shall list each matter to be considered at the meeting. When feasible, a copy of the agenda and copies of all reports and other material to be presented shall accompany the notice of the meeting, but when not feasible, a copy shall be provided to the Board members before the meeting date.
2. Consent Agenda
 - i. The Chair, in consultation with the President or committee chair, as appropriate, may designate items to be presented to the Board on a consent calendar.
 - ii. Any item unanimously approved by a committee may be designated by the Chair for unanimous consent at the full Board meeting.
 - iii. Such items shall be separately identified on the Board agenda as a consent agenda and shall be voted on by a single motion.
 - iv. In consultation with the Chair and the President, any member may request to remove an item from the consent agenda by notifying the Secretary prior to the meeting. The request must be approved by a majority of those voting members present and voting.
3. Matters not appearing on the agenda of a stated meeting may be considered only upon an affirmative vote of a majority of those voting members present and voting.

Article V. Board Officers

Section 1. Officers of the Board

The officers of the Board are a Chair and a Vice Chair. The Board may establish additional officers of the Board as it deems necessary. All officers of the Board must be voting Board members and serve at the pleasure of the Board. Officers have such powers and duties as set out in these Bylaws, and as may be prescribed by the Board or by law. Officers of the Board are not employees of the University by virtue of these Bylaws and are not, as such, agents of the University or authorized to bind the University.

Section 2. Chair

The Chair shall preside at all Board meetings, have the right to vote on all questions, and otherwise serve as a spokesperson for the Board. The Board chair shall serve as an ex-officio voting member of all standing committees.

Section 3. Vice Chair

In the absence of the Chair, the Vice Chair shall perform the duties of the Chair, including duties that may be assigned by the Board or Chair from time to time.

Section 4. Election and Terms

The Chair and Vice Chair shall be elected by the Board. Each Board officer shall hold office for two (2) years, or until a successor has been duly appointed and qualified or until the officer's death, resignation, or removal. The Chair and Vice Chair may serve a maximum of two full consecutive terms.

Section 5. Resignation of Officers

Any Board officer may resign at any time by submitting written notice to the Board Chair or secretary. Such resignation shall be in effect at the time specified in the notice or within 30 days of the date of its receipt.

Section 6. Removal of Officers

Any Board officer may be removed from office by a two-thirds majority vote of the voting Board members at a meeting of the Board called expressly for that purpose.

Section 7. Vacancies

Board officer vacancies may be filled through a special election at any meeting of the Board.

Article VI. University Officers

Section 1. Officers.

The officers of the University shall be the President and Secretary. The President may appoint such other officers and assistant officers as may be necessary or convenient to conduct its business. The officers shall have such powers and duties as set out in these Bylaws, and as may be prescribed by the Board and/or by law.

Section 2. President of the University.

The President is the chief executive officer of the University and is responsible for the administration and management of the University and its affairs and such other duties as assigned by the Board. The President serves at the direction and pleasure of the Board, which determines the President's compensation and terms of employment, and conducts an annual review of the President's performance. The President shall, from time to time, report to the Board all matters within the President's knowledge affecting the University that should be brought to the attention of the Board. The President may be removed from office only by a two-thirds majority of voting members then in office, provided that notice is sent to all Board

members in accordance with Article IV of these Bylaws.

Section 3. Secretary.

The Secretary is appointed by the President. The Secretary serves as a liaison between the Board and the University administration and is responsible for supporting the Board and its committees, including the giving of required notices of meetings of the Board; preparation and distribution of agendas and minutes of meetings of the Board; keeping records of all official Board communication, including but not limited to Board meeting minutes and official and/or legal organizational documents, such as bylaws and resolutions. The Secretary shall perform such other duties as assigned by the Board.

Article IX. Board Committees

Subject to the requirements of applicable law, the Board may appoint such committees as it considers appropriate or necessary from time to time and shall define the duties of such committees, committee quorum requirements, and the reporting requirements of such committees and its members. Any committee of the Board and the members of any such committee serve at the pleasure of the Board.

Each committee shall have at least three (3) voting members and a chair who shall serve a two-year term. The Board Chair shall serve as an ex officio member of all committees. Members of the committees and committee chairs shall be appointed by the Board Chair.

All committees shall meet at least quarterly during each calendar year, and may meet more frequently as deemed necessary. Meetings may be called by the Board Chair, the President of the University or the committee chair. All meetings of committees shall be open to the public except as authorized by a statutorily or judicially recognized exception to the Tennessee Open Meetings Act, T.C.A. §8-44-101, et. seq. Notice requirements shall be the same as for all regular meetings of the Board of Trustees.

A majority of the voting members of each committee shall constitute a quorum for the transaction of business. In the absence of a quorum, those attending may adjourn the meeting until a quorum is present.

Minutes shall be made of all committee meetings and provided to the Board Chair, the President of the University and the Secretary to the Board. The minutes shall be maintained as the official record of such meetings.

Article X. Conflicts of Interest

It is unlawful for any Board member to be financially interested in any contract or transaction affecting the interests of the University, or to procure, or be a party in any way to procuring, the appointment of any relative to any position of financial trust or profit connected with the University. A Board member engaging in such conduct shall be subject to removal by the Governor or the Board as provided for in Article III of these Bylaws. Board members must comply with the restrictions contained in state law, these Bylaws, and the Board's Code of Ethics

and its Conflict of Interest policy.

Board members shall disclose to the Board any actual, apparent, or possible conflict of interest at the earliest practical time. A Board member who has made such a disclosure shall abstain from voting on such matters. Subject to the Conflict of Interest Policy, the Board member may be invited by the Board to participate in the discussion. The Board meeting minutes shall reflect that a disclosure was made and note the Board member's abstention from voting. A Board member who is recused may be counted for purposes of determining the presence of a quorum at the meeting, but shall not be counted for the purpose of determining the presence of a quorum at the meeting but shall not be counted for purposes of determining the presence of a quorum for the requisite action.

Article XI. Severability

Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws.



Date: September 19, 2019

Subject: Review of Amendment to the Bylaws

Action Recommended: Adoption by Roll Call Vote

Background Information:

Public Chapter 869 (2016), also known as the Focus on College and University Success (FOCUS) Act, established that the management and governance of Austin Peay State University be vested in the University's Board of Trustees. The authority, purpose, duties, and responsibilities of the Board and Trustees are delineated in TCA § 49-8-101. The Board adopted bylaws and rules for the organization and conduct of its business at its March 30, 2017 meeting.

The Office of Legal Affairs recommends amending the bylaws to make Board chairs two-year appointments.

Proposed Implementation Date: September 20, 2019

Item Details: See attachment.



Austin Peay State University

**Presidential Base Compensation, Performance Evaluation and Incentive Plan
Effective for the Fiscal Year 2019-20 Performance Period**

Presidential Base Compensation, Performance Evaluation and Incentive Plan

I. Objectives of the Plan

- A. The objectives of the Presidential Base Compensation, Performance Evaluation and Incentive Plan is to:
 - 1. Motivate and reward achievement of performance goals aligned with the *APSU 2015 – 2025 Leading through Excellence Strategic Plan*; and
 - 2. Enhance the University's ability to attract and retain an outstanding chief executive officer by providing competitive compensation.

II. Base Compensation Plan

- A. Performance Period
 - 1. The base compensation performance period shall be a one-year period from July 1 to June 30.
- B. Purpose
 - 1. It is the goal of the Austin Peay State University Board of Trustees to attract and retain an outstanding chief executive officer by providing competitive base compensation.
- C. Methodology
 - 1. The President shall receive a salary adjustment each year that funds are available to provide salary increases to faculty and staff. The purpose of the salary adjustment is to keep the President's salary within the peer median as funds are available. Peer institutions are identified as Tennessee State University, East Tennessee State University, Tennessee Technological University, Middle Tennessee State University, the University of Memphis, the University of Tennessee at Martin, and the University of Tennessee at Chattanooga.

III. Performance Evaluation and Incentive Plan

- A. Performance and Incentive Period
 - 1. The incentive period shall be a one-year period from July 1 to June 30.
- B. Eligibility
 - 1. To be eligible for payment of the incentive amount, the President must be in active status on the day the incentive payment is approved by the Board of Trustees.

2. If the President's employment with the University terminates, either voluntarily or involuntarily, prior to the end of the incentive period, he/she will not receive any portion of the incentive amount except as follows:
 - a. If the President voluntarily terminates employment for medical reasons duly documented by a medical provider, the President will receive a pro rata portion of the incentive amount if the Executive Committee of the Board of Trustees determines that the performance of the President, with respect to the strategic performance goals, was more than satisfactory during the completed portion of the incentive period.
 - b. If the termination of employment is by reason of death of the President, a pro rata portion of the incentive amount will be paid to the executor or administrator of his/her estate if the Executive Committee determines that the performance of the President, with respect to the strategic performance goals, was more than satisfactory during the completed portion of the incentive period.
 - c. The pro rata portion to be paid will be calculated on a monthly basis.
 - d. To the extent possible, the pro rata portion will be paid to the employee or administrator of the estate within thirty (30) days of receipt of satisfactory documentation and availability of data upon which to calculate the incentive payment.
3. The incentive payment is a one-time payment and is not added to the employee's base salary.

C. Methodology for Calculating the Incentive Payment

1. The performance incentive amount for the President will be based on six (6) criteria. Each criteria is weighted with the total points equaling one hundred (100). The six (6) criteria to be met for the performance incentive plan are detailed in Appendix A and are listed below:
 - a. Enrollment 15 points
 - b. Graduation Rate 15 points
 - c. Fundraising 15 points
 - d. Program Development 15 points
 - e. Athletics 15 points
 - f. Board of Trustees Discretion 25 points
 - i. Leadership
 - ii. Culture of Excellence through Positive Relationships
 - iii. Employee Retention

D. Maximum Incentive Payment

1. Based on the President's performance each year, the President shall be considered for a lump-sum incentive payment of up to ten percent (10%) of the President's base salary as of July 1 of the incentive period.

IV. Amendment, Suspension, and Termination of the Plan

- A. The Board of Trustees reserves the right to amend, suspend, or terminate the Plan at any time.

V. General Provisions

- A. Neither the Plan nor any payment under the Plan shall be construed to confer any right to continued employment with Austin Peay State University. The President serves at the pleasure of the Board of Trustees, subject to the terms of any existing written contract of employment between the parties.
- B. Neither the Plan nor any payment under the Plan shall be construed to create a trust or to create in any security interest, in his/her personal representative or beneficiary, or other interests in any assets of Austin Peay State University.
- C. All payments under the Plan are subject to all reporting, deductions, and withholdings required by applicable law or University policy, as amended, enacted, or adopted from time to time, including but not limited to deduction for debts owed to the University.
- D. To the extent any part of the Plan fails to comply with applicable state or federal law or regulation, that part of the Plan shall not be effective.
- E. The Plan will be reviewed by the Executive Committee every year. Proposed revisions will be brought before the full Board for consideration.

Appendix A:

APSU's Presidential Performance Evaluation

Enrollment	15 points
Graduation Rate	15 points
Fundraising	15 points
Program Development	15 points
Athletics	15 points
Board of Trustees Discretion <ul style="list-style-type: none">• Leadership• Culture of Excellence through Positive Relationships• Employee Retention	25 points

Enrollment: Enrollment includes activities that increase undergraduate and graduate full-time or part-time enrollment in the areas of traditional freshmen, dual-enrollment students, international students, online students, transfer students, military-related students, high performing students, and non-traditional students.

- Enrollment will be measured by a percentage for the following year fall enrollment with a goal of a 4 percent increase in headcount enrollment and has a proportionate increase in net tuition revenue in order to meet APSU's Strategic Plan for enrollment growth.
- If the President grows headcount enrollment by at least 4 percent and has a proportionate increase in net tuition revenue, then he/she will be eligible to receive the full 15 points for the evaluation. If the President grows headcount enrollment by less than 4 percent headcount enrollment (7.5 points) and has a proportionate increase in net tuition revenue (7.5 points), then he/she will be eligible to receive a pro rata portion of the 15 points for the evaluation.

Graduation Rate: Graduation rate is measured every six years by the Tennessee Higher Education Commission. Graduation rate is defined as those students who are first-time, full-time freshmen who enrolled in summer of 2012 and returned that fall, or enrolled in fall 2012 and graduated by spring or summer of 2018.

- Graduation rate will be measured by a percentage of growth with an increase of 2 percent in order to meet APSU's Strategic Plan.
- If the President increases the graduation rate by at least 2 percent, he/she will be eligible for the full 15 points for the evaluation. If the President increases the graduation rate by less than 2 percent, then he/she will be eligible to receive a pro rata portion of the 15 points for the evaluation.

Fundraising: Fundraising is defined as all cash donations and contributions made annually to the University and Foundation by non-governmental agencies and organizations.

- a. Fundraising will be measured by a 5 percent increase in the average dollars raised, based on a three year average. This is in line with the University's Strategic Plan.
- b. If the President increases annual dollars raised by 5 percent, then he/she will be eligible to receive the full 15 points for the evaluation. If the President has an increase in annual dollars that is less than 5 percent, then he/she will be eligible to receive a pro-rata portion of the 15 points for the evaluation.

Program Development: Program development is defined as the faculty development of new academic majors, concentrations and certificates, in alignment with the University mission and THEC master plan and their subsequent approval by the appropriate entities.

- a. Program development will be measured by the President establishing new majors at the undergraduate and graduate level, new concentrations in existing undergraduate and graduate programs, and new undergraduate and graduate certificates.
- b. If the President is proactive in establishing new majors, concentrations, and undergraduate and graduate certificates, then he/she will be eligible to receive the full 15 points for the evaluation.

Athletics: Athletics is based on maintaining a successful Division I Athletics program, which includes conference championships and high academic progress rate (APR).

- a. Athletics will be measured by at least one conference championship annually and maintaining an Athletics program that meets an APR of .970 for the previous year.
- b. If the University wins at least one conference championship annually and maintains an Athletic program that meets an APR of .970 for the previous year , then the President will be eligible to receive the full 15 points for the evaluation. If the University does not win at least one conference championship annually but maintains an Athletic program that meets an APR of .970 for the previous year , then the President will be eligible to receive half (7.5 points) of the 15 points for the evaluation.

Board of Trustees Discretion: Board of Trustees discretion is based on leadership; creating a culture of excellence by maintaining positive relationships with the Board of Trustees, the community, and the state and local government; and employee retention.

- a. Board of Trustees discretion for leadership and culture of excellence will be measured by key stakeholder evaluations of the President that include evaluations conducted with his/her direct reports, members of the Board of Trustees, other community officials or as directed by the Chair of the Board of Trustees.

- b. Board of Trustees discretion for employee retention has three parts. The first part will be compensation of faculty and staff and will be measured by achieving an increase in the total salaries at a percentage equal to or higher than the Higher Education Price Index (HEPI). The second part of employee retention is turnover rate. The third part of employee retention is diversity among employees.
- c. If the President receives at least a satisfactory evaluation in the Board of Trustees discretion criteria, then he/she will be eligible to receive the full 25 points for the evaluation. If the President receives less than a satisfactory evaluation, then he/she will be eligible to receive a pro rata portion of the 25 points for the evaluation.

Scoring of the Evaluation:

All points from the evaluation will be totaled. The points totaling a certain amount will receive a certain incentive percentage, which is based on a percentage of the President's base salary,

- a. Less than 75 points = 0% incentive
- b. 76 points to 84 points = 4% incentive
- c. 85 points to 94 points = 6% incentive
- d. 95 point to 100 points = 10% incentive

At the conclusion of the evaluation, a recommendation of the incentive amount and new base salary will be made by the Executive Committee to the full Board of Trustees. The Board of Trustees will approve the incentive amount and the President's new base salary.



Date: September 19, 2019

Subject: Consideration of the Revised Presidential Base Compensation, Performance Evaluation, and Incentive Plan for Fiscal Year 2019-2020

Action Recommended: Approval by Voice Vote

Background Information:

A Presidential Base Compensation, Performance Evaluation, and Incentive Plan was developed last fiscal year. The plan aligns with the University's strategic plan. The revised plan will be used to set the base compensation for the President, evaluate the President, and set an incentive amount for fiscal year 2019 – 2020.

Proposed Implementation Date: Fiscal Year 2019 – 2020

Item Details:

See the attached revised plan.



Austin Peay State University

Presidential Base Compensation, Performance Evaluation, and Incentive Plan
Effective for the Fiscal Year 2019-20 Performance Period

Presidential Base Compensation, Performance Evaluation, and Incentive Plan

I. Objectives of the Plan

- A. The objectives of the Presidential Base Compensation, Performance Evaluation and Incentive Plan is to:
1. Motivate and reward achievement of performance goals aligned with the APSU 2015 – 2025 *Leading through Excellence Strategic Plan*; and
 2. Enhance the University's ability to attract and retain an outstanding chief executive officer by providing competitive compensation.

II. ~~Background Information for~~ Base Compensation Plan

A. Performance Period

- ~~H.1.~~ The base compensation performance period shall be a one-year period from July 1 to June 30.

B. Purpose

1. It is the goal of the Austin Peay State University Board of Trustees to attract and retain an outstanding chief executive officer by providing competitive base compensation.

C. Methodology

1. The President shall receive a salary adjustment each year that funds are available to provide salary increases to faculty and staff. The purpose of the salary adjustment is to keep the President's salary within the peer median as funds are available. Peer institutions are identified as Tennessee State University, East Tennessee State University, Tennessee Technological University, Middle Tennessee State University, the University of Memphis, the University of Tennessee at Martin, and the University of Tennessee at Chattanooga.

~~A. An evaluation of the President's current salary has revealed that her compensation is significantly lower compared to other Presidents of peer institutions, identified as Tennessee State University, East Tennessee State University, Tennessee Technological University, Middle Tennessee State University, the University of Memphis, the University of Tennessee at Martin, and the University of Tennessee at Chattanooga.~~

~~An analysis of current benchmark peer presidential salaries reveals that the median salary of APSU's President is significantly lower. It is the intent of the Board of Trustees to raise the President's salary to the peer median within a reasonable period of time.~~

~~B. _____~~

III. ~~Methodology for~~ Base Compensation

~~A. The President will receive a salary adjustment each year that funds are available to provide salary increases to faculty and staff. The first component is to provide the same performance adjustment percentage to the base salary that is provided to faculty and staff. Performance adjustments are described in the APSU Compensation Plan. The second component is to provide a market gap adjustment to bring the President's salary to the market median within a reasonable period of time as funds are available. Market gap is defined as the difference between the peer market median and current salary.~~

IV-III. Performance Evaluation and Incentive Plan-Period

A. Performance and Incentive Period

~~A.1.~~ The incentive period shall be a one-year period from July 1 to June 30. ~~The Chair of the Board of Trustees may extend or shorten the incentive period.~~

V-B. Eligibility

~~A.1.~~ To be eligible for payment of the incentive amount, the President must be in active status on the day the incentive payment is approved by the Board of Trustees.

~~B.2.~~ If the President's employment with the University terminates, either voluntarily or involuntarily, prior to the end of the incentive period, he/she will not receive any portion of the incentive amount except as follows:

~~1.a.~~ If the President voluntarily terminates employment for medical reasons duly documented by a medical provider, the President will receive a pro-rata portion of the incentive amount if the Executive Committee of the Board of Trustees determines that the performance of the President, with respect to the strategic performance goals, was more than satisfactory during the completed portion of the incentive period.

~~2.b.~~ If the termination of employment is by reason of death of the President, a pro rata portion of the incentive amount will be paid to the executor or administrator of his/her estate if the Executive Committee determines that the performance of the President, with respect to the strategic performance goals, was more than satisfactory during the completed portion of the incentive period.

~~3.c.~~ The pro rata portion to be paid will be calculated on a monthly basis.

~~4.d.~~ To the extent possible, the pro rata portion will be paid to the employee or administrator of the estate within thirty (30) days of

receipt of satisfactory documentation and availability of data upon which to calculate the incentive payment.

~~C.3.~~ The incentive payment is a one-time payment, and is not added to the employee's base salary.

~~VI.C.~~ Methodology for Calculating the Incentive Payment

~~A.1.~~ The performance incentive amount for the President will be based on six (6) criteria. Each criteria is weighted with the total points equaling one hundred (100). The six (6) criteria to be met for the performance incentive plan are detailed in Appendix A and are listed below:

1.a. Enrollment	15 points
2.b. Graduation Rate	15 points
3.c. Fundraising	15 points
4.d. Program Development	15 points
5.e. Athletics	15 points
6.f. Board of Trustees Discretion	25 points
a.i. Leadership	
b.ii. Culture of Excellence through Positive Relationships	
e.iii. Employee Retention	

~~VII.D.~~ Maximum Incentive Payment

~~A.1.~~ Based on the President's performance each year, the President shall be considered for a lump-sum incentive payment of up to ten percent (10%) of the President's base salary as of July 1 of the incentive period.

~~VIII.IV.~~ Amendment, Suspension, and Termination of the Plan

A. The Board of Trustees reserves the right to amend, suspend, or terminate the Plan at any time.

~~IX.V.~~ General Provisions

- A. Neither the Plan nor any payment under the Plan shall be construed to confer any right to continued employment with Austin Peay State University. The President serves at the pleasure of the Board of Trustees, subject to the terms of any existing written contract of employment between the parties.
- B. Neither the Plan nor any payment under the Plan shall be construed to create a trust or to create in any security interest, in his/her personal representative or beneficiary, or other interests in any assets of Austin Peay State University.

- C. All payments under the Plan are subject to all reporting, deductions, and withholdings required by applicable law or University policy, as amended, enacted, or adopted from time to time, including but not limited to deduction for debts owed to the University.
- D. To the extent any part of the Plan fails to comply with applicable state or federal law or regulation, that part of the Plan shall not be effective.
- E. The Plan will be reviewed by the Executive Committee every year. Proposed revisions will be brought before the full Board for consideration.

Appendix A:

APSU's Presidential Performance Evaluation

Enrollment	15 points
Graduation Rate	15 points
Fundraising	15 points
Program Development	15 points
Athletics	15 points
Board of Trustees Discretion <ul style="list-style-type: none">• Leadership• Culture of Excellence through Positive Relationships• Employee Retention	25 points

Enrollment: Enrollment includes activities that increase undergraduate and graduate full-time or part-time enrollment in the areas of traditional freshmen, dual-enrollment students, international students, online students, transfer students, military-related students, high performing students, and non-traditional students.

- Enrollment will be measured by a percentage for the following year fall enrollment with a goal of a 4 percent increase in headcount enrollment and has a proportionate increase in net tuition revenue in order to meet APSU's Strategic Plan for enrollment growth.
- If the President grows headcount enrollment by at least 4 percent and has a proportionate increase in net tuition revenue, then he/she will be eligible to receive the full 15 points for the evaluation. If the President grows headcount enrollment by less than 4 percent headcount enrollment (7.5 points) and has a proportionate increase in net tuition revenue (7.5 points), then he/she will be eligible to receive a pro rata portion of the 15 points for the evaluation.

Graduation Rate: Graduation rate is measured every six years by the Tennessee Higher Education Commission. Graduation rate is defined as those students who are first-time, full-time freshmen who enrolled in summer of 2012 and returned that fall, or enrolled in fall 2012 and graduated by spring or summer of 2018.

- Graduation rate will be measured by a percentage of growth with an increase of 2 percent in order to meet APSU's Strategic Plan.
- If the President increases the graduation rate by at least 2 percent, he/she will be eligible for the full 15 points for the evaluation. If the President increases the graduation rate by less than 2 percent, then he/she will be eligible to receive a pro rata portion of the 15 points for the evaluation.

Fundraising: Fundraising is defined as all cash donations and contributions made annually to the University and Foundation by non-governmental agencies and organizations.

- a. Fundraising will be measured by a 5 percent increase in the average dollars raised, based on a three year average. This is in line with the University's Strategic Plan.
- b. If the President increases annual dollars raised by 5 percent, then he/she will be eligible to receive the full 15 points for the evaluation. If the President has an increase in annual dollars that is less than 5 percent, then he/she will be eligible to receive a pro-rata portion of the 15 points for the evaluation.

Program Development: Program development is defined as the faculty development of new academic majors, concentrations and certificates, ~~which require more than 24 credit hours~~, in alignment with the University mission and THEC master plan and their subsequent approval by the appropriate entities.

- a. Program development will be measured by the President establishing new majors at the undergraduate and graduate level ~~for undergraduate and graduate programs~~, new concentrations in existing ~~for~~ undergraduate and graduate programs, and new undergraduate and graduate certificates ~~that exceed 24 credit hours in length~~.
- b. If the President is proactive in establishing new majors, concentrations, and undergraduate and graduate certificates ~~that exceed 24 credit hours in length~~, then he/she will be eligible to receive the full 15 points for the evaluation.

Athletics: Athletics is based on maintaining a successful Division I Athletics program, which includes conference championships and high academic progress rate (APR).

- a. Athletics will be measured by at least one conference championship annually and maintaining an Athletics program that meets ~~the~~ an APR of .970 for the previous year as required by the NCAA.
- b. If the University wins at least one conference championship annually and maintains an Athletic program that meets ~~the~~ an APR of .970 for the previous year as required by the NCAA, then the President will be eligible to receive the full 15 points for the evaluation. If the University does not win at least one conference championship annually but maintains an Athletic program that meets ~~the~~ an APR of .970 for the previous year as required by the NCAA, then the President will be eligible to receive half (7.5 points) of the 15 points for the evaluation.

Board of Trustees Discretion: Board of Trustees discretion is based on leadership; creating a culture of excellence by maintaining positive relationships with the Board of Trustees, the community, and the state and local government; and employee retention.

- a. Board of Trustees discretion for leadership and culture of excellence will be measured by key stakeholder evaluations of the President that include evaluations conducted with his/her direct reports, members of the Board of Trustees, other community officials or as directed by the Chair of the Board of Trustees.
- b. Board of Trustees discretion for employee retention has three parts. The first part will be compensation of faculty and staff and will be measured by achieving an increase in the total salaries at a percentage equal to or higher than the Higher Education Price Index (HEPI). The second part of employee retention is turnover rate. The third part of employee retention is diversity among employees.
- c. If the President receives at least a satisfactory evaluation in the Board of Trustees discretion criteria, then he/she will be eligible to receive the full 25 points for the evaluation. If the President receives less than a satisfactory evaluation, then he/she will be eligible to receive a pro rata portion of the 25 points for the evaluation.

Scoring of the Evaluation:

All points from the evaluation will be totaled. The points totaling a certain amount will receive a certain incentive percentage, which is based on a percentage of the President's base salary,

- | | |
|---------------------------|-----------------|
| a. Less than 75 points | = 0% incentive |
| b. 76 points to 84 points | = 4% incentive |
| c. 85 points to 94 points | = 6% incentive |
| d. 95 point to 100 points | = 10% incentive |

At the conclusion of the evaluation, a recommendation of the incentive amount and new base salary will be made by the Executive Committee to the full Board of Trustees. The Board of Trustees will approve the incentive amount and the President's new base salary.