

Audit & Business Committee

June 24, 2021



Tennessee
TECH

***FY2020-21 Estimated & FY2021-22 Proposed
Budget***



Reconciliation of Changes in E&G revenues

	October Revised Budget FY2020-21	Current Estimate FY2020-21	Difference	July Proposed Budget FY2021-22	Difference
Tuition & Fees	\$97,464,900	\$98,752,800	\$1,287,900	\$98,296,000	(\$456,800)
State Approp.	\$60,227,700	\$60,227,700	\$0	\$63,514,400	\$3,286,700
Other	\$10,743,400	\$11,355,100	\$611,700	\$11,758,700	\$403,600
Total E&G	\$168,436,000	\$170,335,600	\$1,899,600	\$173,569,100	\$3,233,500



E&G Revenues Reconciliation of Difference

Revised vs. Current Estimate

- Tuition and Fees
 - Conservative estimate in enrollment driven maintenance and fees \$1,287,900
- Other
 - Increase in sales and services revenue \$611,700
 - Child Development Lab \$233,377
 - Athletics \$305,420
 - Traffic Fines \$ 66,250

Current Estimate vs. Proposed

- Tuition and Fees
 - Reduction in E-Campus (\$495,500)
 - Out-of-state increase \$280,000
 - SACF and mandatory fee decline (\$236,280)
- State Appropriations
 - Outcomes adj. (\$430,900)
 - Share of new funding \$1,768,800
 - Matching Cybersecurity Grant (\$500,000)
 - Insurance adjustment \$343,600
 - Salary Pool \$2,105,200



Change in Expenses

	October Revised Budget FY2020-21	Current Estimate FY2020-21	Difference	July Proposed Budget FY2021-22	Difference
Instruction	\$85,825,800	\$83,072,400	(\$2,753,400)	\$77,398,100	(\$5,674,300)
Research	\$4,354,200	\$4,476,000	\$121,800	\$1,984,500	(\$2,491,500)
Public Service	\$2,285,600	\$2,437,200	\$151,600	\$2,014,100	(\$423,100)
Academic Support	\$14,093,200	\$14,463,900	\$370,700	\$13,049,300	(\$1,414,600)
Student Services	\$21,884,500	\$22,504,600	\$620,100	\$21,290,300	(\$1,214,300)
Institutional Support	\$17,974,000	\$18,440,100	\$466,100	\$18,218,200	(\$221,900)
Maint. & Oper.	\$16,154,100	\$16,389,500	\$235,400	\$15,514,700	(\$874,800)
Scholarship	\$15,698,400	\$15,697,100	(\$1,300)	\$16,194,300	\$497,200
Total E&G	\$178,269,800	\$177,480,800	(\$789,000)	\$165,663,500	(\$11,817,300)



Reconciliation of Change in Expenses

Revised vs. Current Estimate

- Instruction
 - Reallocate Multi-year Strategic Funds to Transfer account (\$3,000,000)
 - \$1,000 Spring Bonus \$585,000
- Research
 - \$1,000 Spring Bonus \$91,000
 - Director of Research Position \$120,504
- Public Service
 - \$1,000 Spring Bonus \$12,000
 - Child Development Lab \$100,108
- Academic Support
 - TAF increase due to conservative fall budget \$251,500
 - \$1,000 Spring Bonus \$152,000
- Student Services
 - \$1,000 Spring Bonus \$ 201,000
 - Athletics \$105,449
 - CAD & RMS Software (Police) \$96,020
 - Unfreeze VP of Student Affairs \$167,000
- Institutional Support/Maint. & Oper.
 - \$1,000 Spring Bonus \$215,000
 - Fringe benefits & reclasses \$343,365
 - Add fund for COVID expenses \$200,000

Current Estimate vs. Proposed

- Faculty promotions \$150,346
- One-time carryforward removed
 - Instruction (\$9,711,228)
 - Research (\$1,772,206)
 - Academic Support (\$911,931)
 - Public Service (\$188,478)
 - Student Services (\$932,082)
 - Institutional Support (\$120,029)
 - Plant (\$1,096,203)
- Institutional Support –increase health insurance \$343,600
- Student Services – Police \$14,000; Campus Logic \$104,960
- Research – CEROC (\$500,000)
- Plant – increase utilities \$213,500; Project Design Manager \$109,329
- Unfreeze Positions \$323,176
- Salary increase 4% plus fringe benefits - \$3,699,500



Change in Natural Expenses

	October Revised Budget FY2020-21	Current Estimate FY2020-21	Difference	July Proposed Budget FY2021-22	Difference
Salary and Wages	\$78,360,800	\$81,195,200	\$2,834,400	\$81,849,100	\$653,900
Fringe Benefits	\$35,520,300	\$35,921,000	\$400,700	\$36,609,900	\$688,900
Travel	\$1,652,400	\$1,664,500	\$12,100	\$1,638,900	(\$25,600)
Operating & Utilities	\$45,806,800	\$41,372,800	(\$4,434,000)	\$29,039,800	(\$12,333,000)
Scholarships & Fellowships	\$15,698,400	\$15,697,100	(\$1,300)	\$16,194,300	\$497,200
Capital	\$1,231,100	\$1,630,200	\$399,100	\$331,500	(\$1,298,700)
Total E&G	\$178,269,800	\$177,480,800	(\$789,000)	\$165,663,500	(\$11,817,300)



Reconciliation of Change in Natural Expenses

Revised vs Current Estimate

- Salary and Wages
 - Lapse Strategic Investment Pool - (\$1,041,590)
 - \$1,000 Spring Bonus \$1,256,000
 - Units transferring operating dollars to salary
 - \$276,000 – Summer Pay
 - \$391,000 – Adjuncts
 - \$1,178,796 - GA's, and
 - \$335,000 -Temporary Labor
- Benefits
 - Increase budget for benefits related to bonus \$376,000
- Operating & Utilities
 - Lapse invested back at College/VP level \$416,000
 - Operating dollars transferred to Salary and Wages (\$2,180,000)
 - Strategic Investment Pool \$600,000
 - Reallocate Multi-year Strategic Funds to Transfer account (\$3,000,000)

Current Estimate vs Proposed

- Salary and Wages
 - Faculty promotions \$150,346
 - Salary increase 4% and Fringe Benefits \$2,807,000
 - Re-establish lapse salaries \$1,041,590
 - Remove temporary operating transfer to salary and wages (\$2,180,000)
 - Remove Temporary Spring \$1,000 bonus (\$1,256,000)
- Fringe Benefits
 - TCRS and Health Insurance adjustment \$343,600
 - Estimated FB for 2% salary increase \$982,000
 - Remove temporary one-time bonus benefits (\$376,000)
- Operating & Utilities
 - Remove temporary budgets for carryforwards (\$14.7M)
 - Add back operating temp transferred to salary & wages \$2,180,000
- Scholarships
 - Re-establish International Scholarships \$400,000





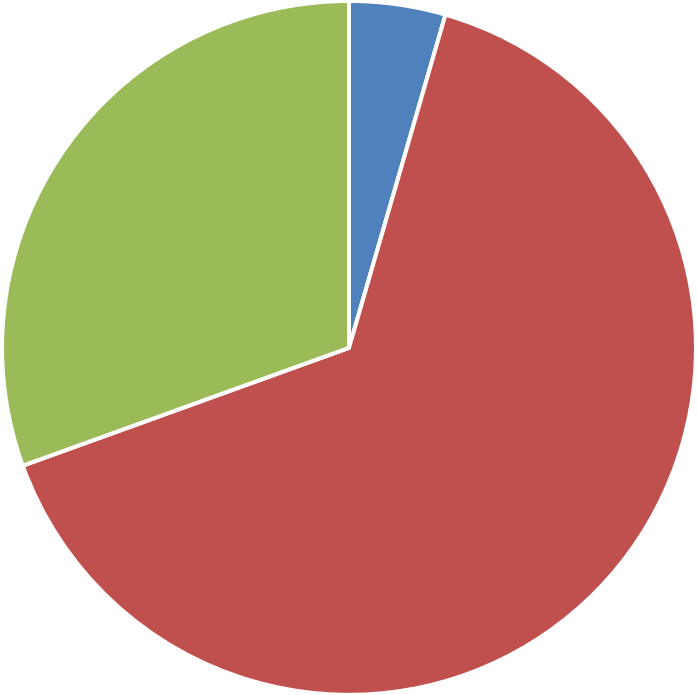
Tennessee
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Disclosed Projects FY2021-22



Capital Budget Categories

Capital Budget



■ Disclosed Project 21-22

■ Capital Outlay Requested of State 22-23

■ Capital Maintenance Requested of State 22-23



Disclosed Projects FY2021-22

Campus funded projects

Fiscal Year	Project	Project Cost	Project Description
2021-22	Hooper Eblen Center Restroom Upgrade	\$500,000	Upgrade the restrooms and bring them up to present day codes. Replace fixtures, finishes and equipment.
2021-22	New Hall South HVAC Upgrade	\$880,000	Upgrade existing fan coil units so they can operate in dehumidification mode. This will include controls and control valve upgrades with wireless DDC controls.
	Total Request	\$1,380,000	





Tennessee TECH

Capital Budget



Capital Outlay FY2022-23

Request for State Funding

Fiscal Year	Project	Project Cost	Project Description
2022-23	Johnson Hall Renovation and Demolition of Foster Hall	\$20,000,000	Complete renovation of Johnson Hall, demolition of Foster Hall and relocation/upgrade of associated utilities and underground infrastructure.
	Total Request	\$20,000,000	



Capital Maintenance Projects FY2022-23

Request for State Funding

Priority	Project	Project Cost	Project Description
1	Craft Center HVAC Upgrades	\$1,140,000	Replace air handlers, fan coil units and pipe insulation.
2	Craft Center Generator and Fire Pump Upgrades	\$500,000	Install a generator to provide power to sprinkler system. Relocate fire pump and bring up to code.
3	Foundation Hall Upgrades	\$6,000,000	Provide building systems and related space upgrades.
4	Roaden University Center HVAC Upgrades	\$500,000	Replace air handlers.
5	Elevator Upgrades	\$750,000	Upgrades to several elevators on campus.
6	Stormwater System Repairs	\$500,000	Repair underground piping west of Willow Ave.
	Total Request	\$9,390,000	





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Maintenance & Mandatory Fees



Maintenance (Tuition) and Mandatory Fees Increase

- Mandatory factors to consider (T.C.A. 49-7-1603)
 - Level of state support
 - Total cost of attendance
 - Efforts to mitigate the financial effect on students



Maintenance (Tuition) and Mandatory Fees Increase

- Additional factors adopted by BOT to consider:
 - THEC mandatory tuition and fee ranges
 - 0% to 2% for FY 2021-2022
 - Comparison to peer institutions, competitor institutions, other LGIs
 - Other Tennessee schools are considering between 1.45% and 2% increases
 - Higher Education Price Index
 - 1.9% for fiscal year July 2019-June 2020 (latest data)*

*Commonfund 2020 HEPI Data Released, December 28, 2020



Proposed Fee Increase

Overall Increase in Maintenance and Mandatory Fee	1.78%
Maintenance Fees (flat-rate tuition) increase*	1.99%
Mandatory Fees increase	.31%
Specialized Academic Course Fee (Non-mandatory fees eliminated)	(2.83%)
Overall, students pay less on average for maintenance and course fees	(.84%)
Maintenance Fees – graduate increase	1.95%

*Students grandfathered in under old tuition model
 1.94% increase for 12 credit hours or less (\$325 per credit hour)
 2% increase for >12 hours (\$66 per credit hour)



Examples of Impact on Student Cost of Attendance

Freshman with lab science course			
	Current	Proposed	Difference
Tuition	\$ 4,530	\$ 4,620	
Mandatory fees	\$ 639	\$ 641	
SACF – lab science	\$ 100	\$ -	
	\$ 5,269	\$ 5,261	\$ (8)
Freshman with art or music course			
Tuition	\$ 4,530	\$ 4,620	
Mandatory fees	\$ 639	\$ 641	
SACF – art or music	\$ 60	\$ -	
	\$ 5,229	\$ 5,261	\$ 32
Freshman with both lab science and art or music			
Tuition	\$ 4,530	\$ 4,620	
Mandatory fees	\$ 639	\$ 641	
SACF - lab science	\$ 100	\$ -	
SACF - art or music	\$ 60	\$ -	
	\$ 5,329	\$ 5,261	\$ (68)



Proposed Mandatory Fee Increase

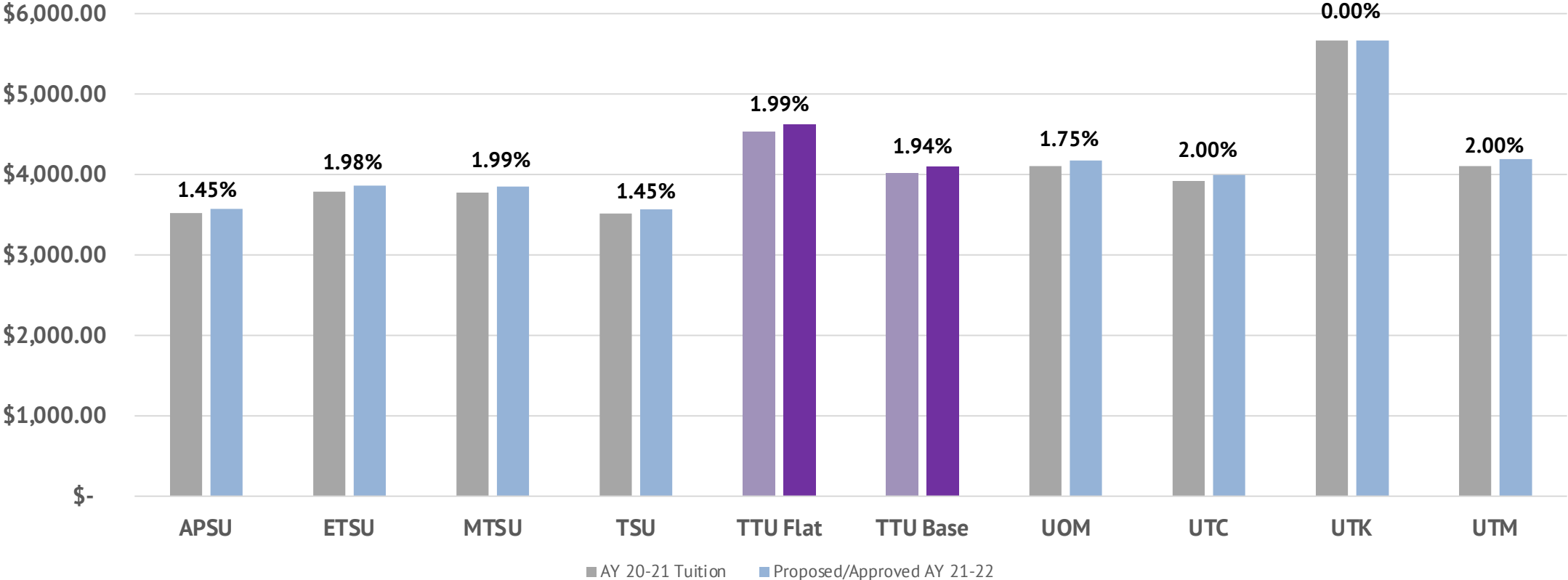
- Program Service Fee proposed to increase from \$639 per semester to \$641 per semester.
 - Student Mental Health and Wellness component proposed to increase from \$3 a semester to \$5 a semester
 - The fee increase was proposed by the Student Government Association (SGA). Members of the SGA are elected by the student body to represent students' interests on campus
 - Fee will be used to add psychiatric services as a part of counseling center services
 - Psychiatric nurse practitioner; supervision by psychiatrist; operating expenses



Comparison of Maintenance Fees

Tennessee Public Universities

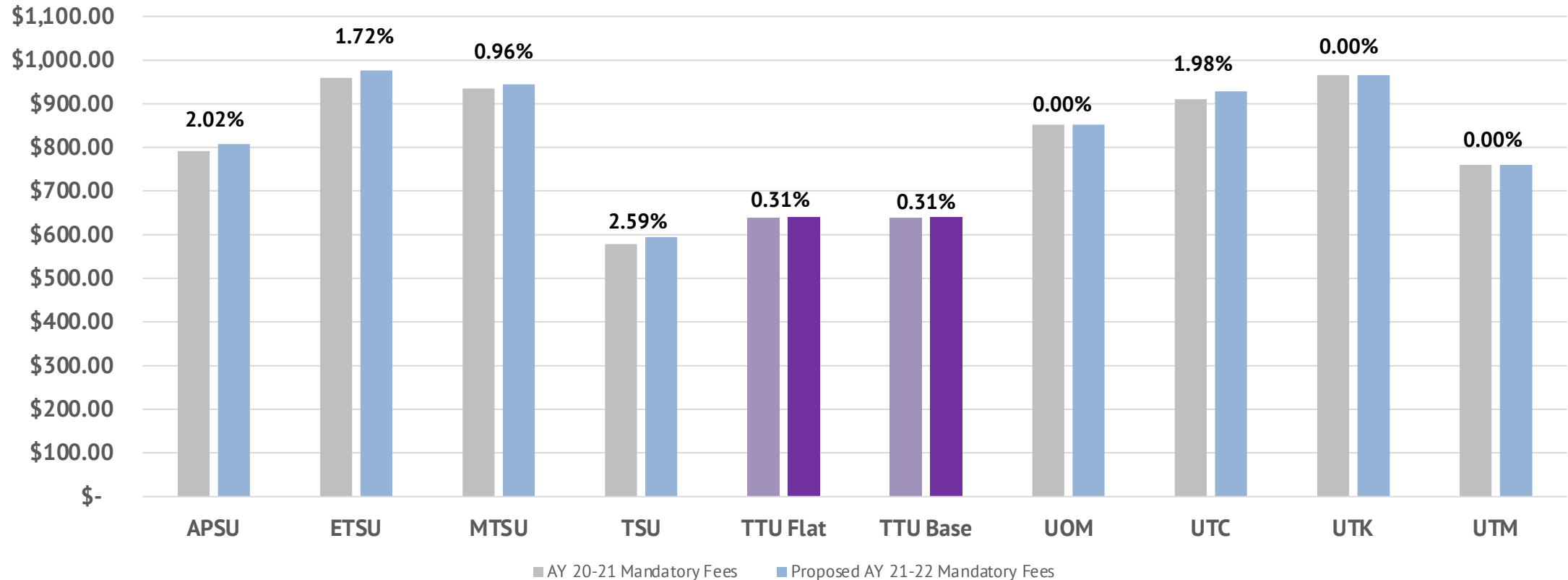
Undergraduate In-State Tuition Per FTE Per Semester Comparison



Comparison of Mandatory Fees

Tennessee Public Universities

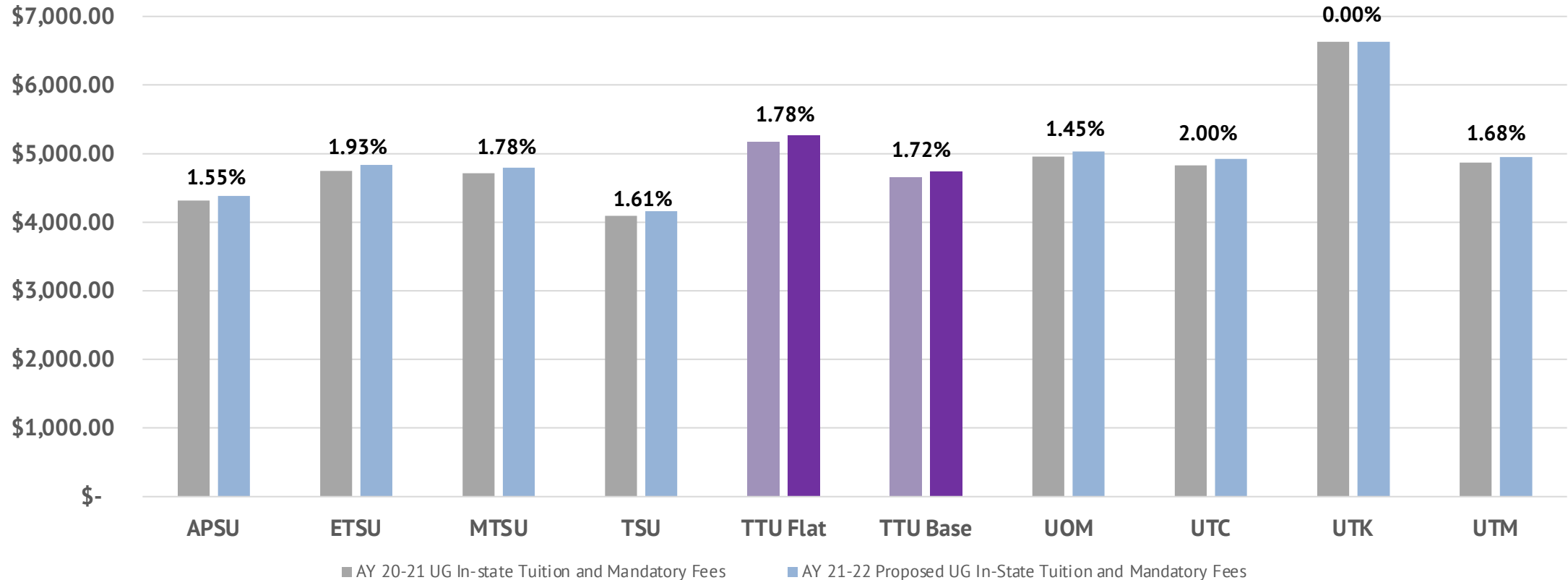
Mandatory Fees Per FTE Per Semester Comparison



Comparison of Maintenance & Mandatory Fees

Tennessee Public Universities

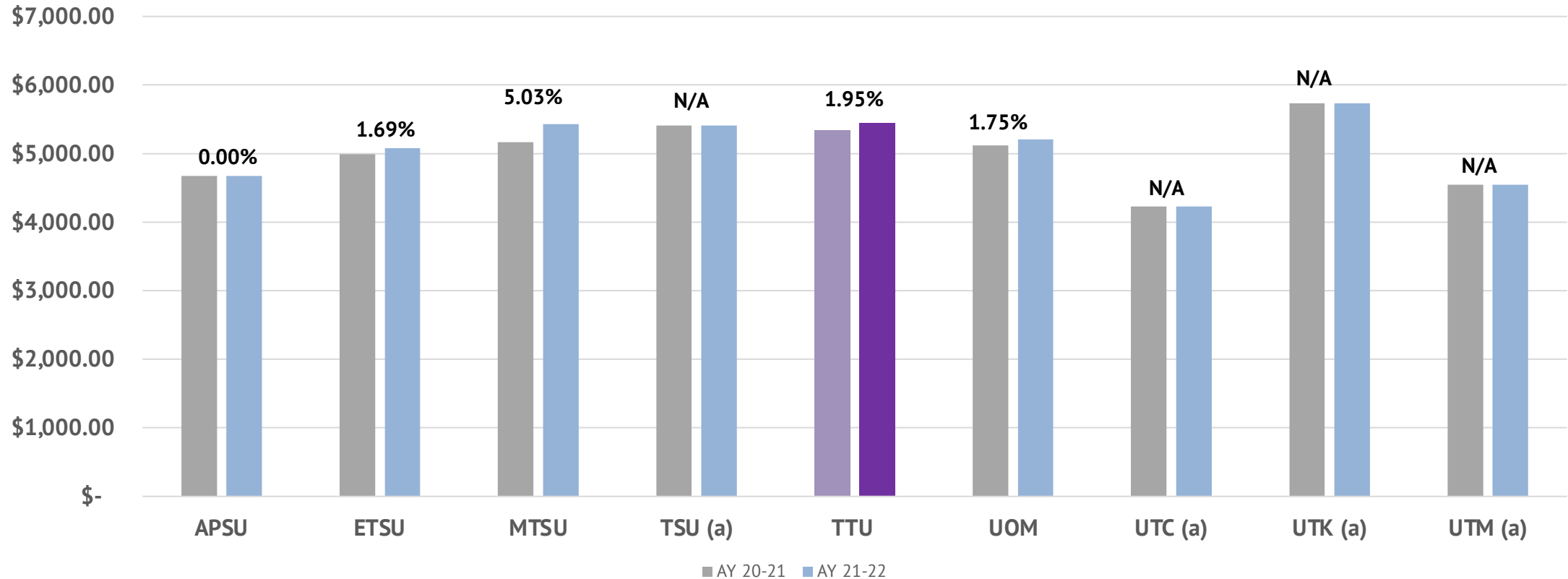
Undergraduate In-State Tuition and Mandatory Fees Per FTE Per Semester Comparison



Comparison of Graduate Fees

Tennessee Public Universities

Graduate In-State Tuition Per FTE Per Semester Comparison



(a) No information available on these schools for graduate tuition increase





Non-Mandatory Fees



Non-Mandatory Fee Modification

- Modify Engineering, Business, Nursing and Education Ready-to-Teach specialized academic course fees
 - Fee will be assessed each semester at a flat-rate per major rather than per course
 - Students will pay a smaller amount each semester rather than have a large increase in fees at their junior and senior years
 - Change will be resource neutral to extent possible
 - Rename fee to Specialized Academic Fee



Proposed Per Semester Specialized Academic Fee

Level	College	Full-Time Per Semester	Part-Time <12 Hours Per Credit Hour
Bachelors	Business	\$425	\$36
	Engineering	\$500	\$42
	Nursing	\$650	\$55
	Education	\$165	\$14
Masters and EdS	Business	\$425	\$43
	Engineering	\$650	\$65
	Nursing	\$650	\$65
	Education	\$165	\$17
Doctorate	Engineering (Bachelors to Doctorate)	\$650	\$65
	Engineering (Masters to Doctorate)	\$650	\$65



Examples of Impact on Student Cost of Attendance

Business Major	Annual Credits	Current Annual Cost	Proposed Annual Cost	Difference	Proposed per Semester Cost
Freshman	6	\$ 240	\$ 850		\$425
Sophomore	15	\$ 600	\$ 850		\$425
Junior	30	\$ 1,200	\$ 850		\$425
Senior	27	\$ 1,080	\$ 850		\$425
Total (assuming 8 semesters to graduate)		\$ 3,120	\$ 3,400	\$ 280	

Engineering Major	Annual Credits	Current Annual Cost	Proposed Annual Cost	Difference	Proposed per Semester Cost
Freshman	6	\$ 390	\$ 1,000		\$500
Sophomore	13	\$ 845	\$ 1,000		\$500
Junior	25	\$ 1,625	\$ 1,000		\$500
Senior	23	\$ 1,495	\$ 1,000		\$500
Total (assuming 8 semesters to graduate)		\$ 4,355	\$ 4,000	\$ (355)	

Notes:

- Bachelors – 8 semesters (*Nursing 4 semesters)
- Masters – 4 semesters
- Doctorate (bachelors) – 8 semesters
- Doctorate (masters) – 4 semesters





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Emeritus President Contract





TTU Policy 131 (Preventing and Reporting Fraud, Waste or Abuse)





Tennessee TECH

Audit Committee Charter





Tennessee TECH

Faculty Promotions





Tennessee TECH

Tenure Recommendations



