

# ***Audit & Business Committee***

October 7, 2021



# Tennessee TECH

## Financial Update



# Update FY2020-21 EOY Status

## Operating Budget

|   |                     |
|---|---------------------|
| <b>Fund balance (2%)</b>                  | <b>\$3,435,908</b>  |
| <b>Unspent budgets carryforwards</b>      | <b>\$7,150,712</b>  |
| <b>Special fees carryforward</b>          |                     |
| • <b>Specialized Academic Course Fees</b> | <b>\$1,882,526</b>  |
| • <b>Online Course Fees</b>               | <b>\$1,375,119</b>  |
| • <b>Student Activity Fees</b>            | <b>\$ 142,834</b>   |
| • <b>Technology Access Fees</b>           | <b>\$ 1,723,100</b> |
| • <b>Research Indirect Cost</b>           | <b>\$ 1,073,150</b> |
| • <b>Engineering Special Allocation</b>   | <b>\$ 2,945,867</b> |

Federal CARES/HEERF funds are not included in these numbers



# Tuition and Fee Revenues Exceeding Budget FY21-22

- Fall 2021 revised revenue estimates (compared to July Proposed Budget)
  - Summer school \$ 232,154
  - Regular academic year \$ ( 73,982)
  - TNeCampus (including out-of-state) \$ 35,081
  - Out-of-state summer school \$ 194,182
  - Out-of-state regular academic year \$ (433,995)
  - Out-of-state DMBA, MACC, MSN \$ ( 29,294)
  
- Impact of 2% tuition increase \$1,324,680
- Impact of flat-rate tuition model \$5,523,394
- Impact of reduced out-of-state domestic tuition (headcount)
  - UG non-athlete +20 UG athlete +10
  - GR non-athlete +326 GR athlete +138





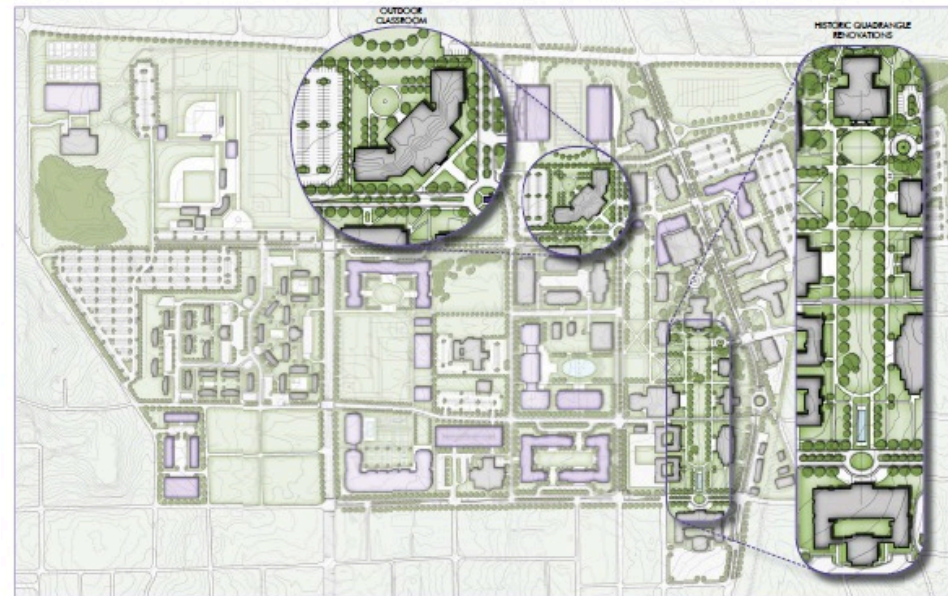
**Tennessee**  
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*Capital Projects  
Overview*



# Capital Projects 101

- State Funded Projects
  - Capital Outlay (new construction/major renovation)
  - Capital Maintenance (renovation and/or maintenance)
- University Funded Projects
  - Disclosed Projects (new/renovation/maintenance)
- Master Plan
  - Progress/guidelines for projects all guided by master plan





# FY23 Capital Outlay Requests

## 1. Johnson Hall Renovation & Foster Hall Demolition (June BOT)



## 2. Advanced Construction and Manufacturing Engineering Building

- Address State Workforce Needs
- Community Engagement

*Pending THEC recommendation and upcoming legislative session*



# FY23 Capital Maintenance Requests

- Requested Maintenance Projects (Est. \$9 million-June BOT)
  - Craft Center HVAC Upgrades, Generator and Fire Pump Upgrades
  - Foundation Hall Upgrades
  - Roaden University Center HVAC Upgrades
  - Elevator Upgrades
- Subject to state appropriation





# Future Disclosed Projects

- Self-funded
  - University funds
  - Private gift funds
  - TSSBA Bond Financing
- Pro formas to Board of Trustees in October
- Request for Approval December Meeting



# Future Disclosed Projects

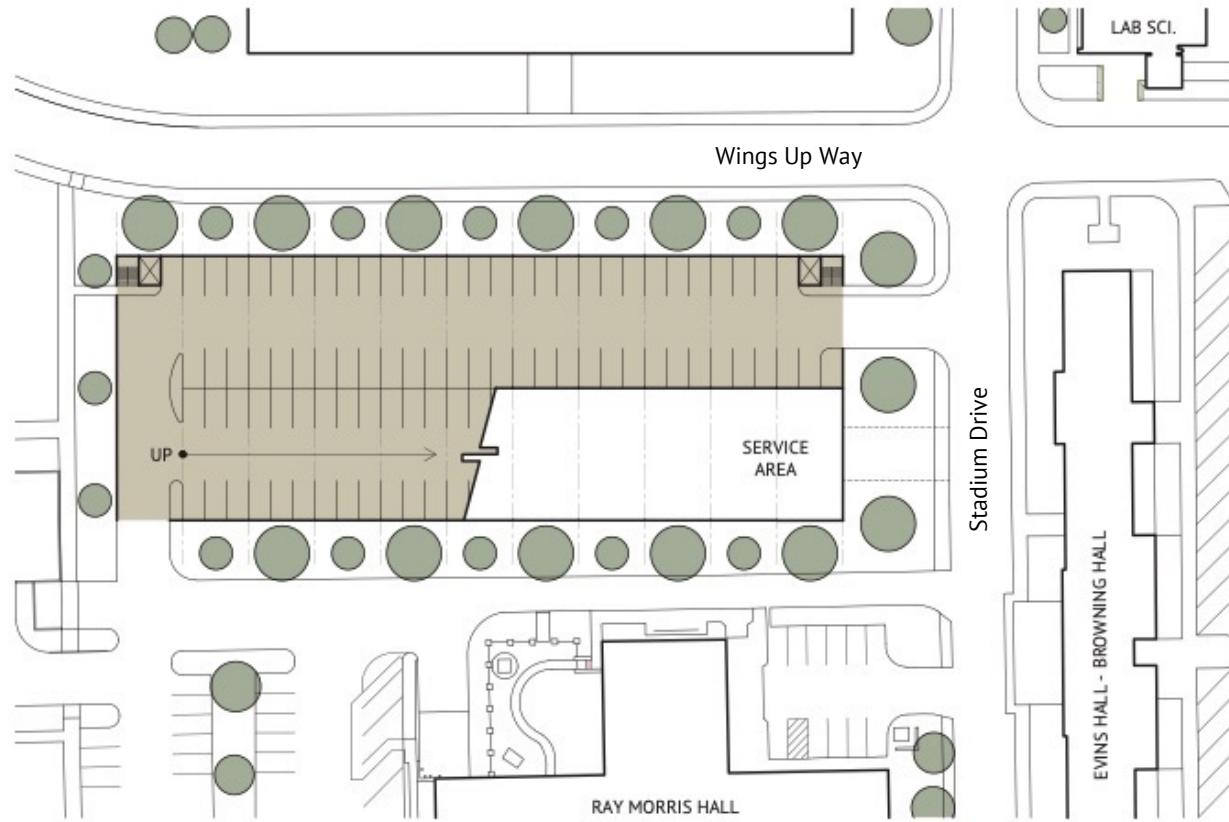
## West Tucker Stadium (est. \$30 million)



# Future Disclosed Projects

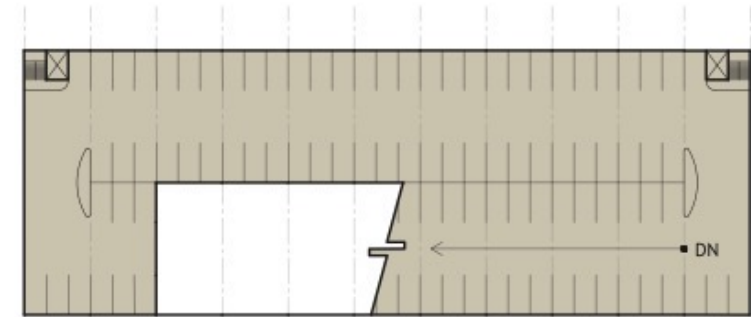
## Wings Up Way Parking Garage

(3-level 420 space structure located behind Ray Morris Hall; est. \$14 million)

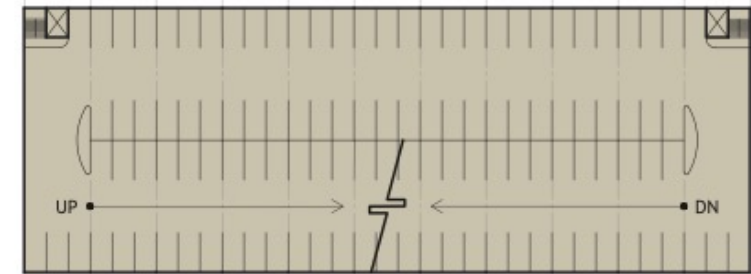


GRADE LEVEL SITE PLAN - 112 SPACES

TOTAL GARAGE PARKING - 412 SPACES



TOP LEVEL PLAN - 68 SPACES



LEVEL 02 / 03 PLAN - 116 SPACES / EA.



# Tennessee TECH

Disclosed Project FY2021-22



# Disclosed Project FY2021-22

## Campus Funded Projects

| Fiscal Year | Project                            | Project Cost     | Project Description   |
|-------------|------------------------------------|------------------|---|
| 2021-22     | Lewis Hall Transformer Replacement | \$150,000        | Replace the transformers and underground feeder cables that provide electric service to Lewis Hall. |
|             | <b>Total Request</b>               | <b>\$150,000</b> |   |







## Approval of Capital Budget FY2022-23 Outlay Revision





# Capital Outlay FY2022-23 (2<sup>nd</sup> Project)

## Request for State Funding

| Fiscal Year  | Project  | Project Cost        | Project Description  |
|--|--|---------------------|--|
| 2022-23  | Advanced Construction and Manufacturing Engineering Building | \$62,400,000        | New 80,000 square foot building and demolition of Lewis Hall and Foundry |
| Funding sources:   |  |                     |  |
| State capital appropriations                                   |  | \$57,408,000        |  |
| Gift match (1/3 of match must be from gifts)                   |  | \$1,647,360         |  |
| Additional match to make 8% (can be gifts or university funds) |  | \$3,344,640         |  |
| <b>Total Request</b>   |  | <b>\$62,400,000</b> |  |





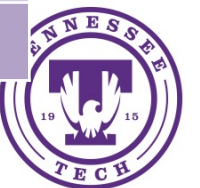
## Update Capital Budget Maintenance FY2022-23



# Capital Maintenance Projects FY2022-23

## Request for State Funding

| Priority | Project                                       | Project Cost From June | Project Cost Updated | Project Description  |
|----------|---|------------------------|----------------------|--|
| 1        | Craft Center HVAC Upgrades                    | \$1,140,000            | \$1,140,000          | Replace air handlers, fan coil units and pipe insulation.  |
| 2        | Craft Center Generator and Fire Pump Upgrades | \$500,000              | \$550,000            | Install a generator to provide power to sprinkler system. Relocate fire pump and bring up to code. |
| 3        | Foundation Hall Upgrades                      | \$6,000,000            | \$6,000,000          | Provide building systems and related space upgrades.   |
| 4        | Roaden University Center HVAC Upgrades        | \$500,000              | \$900,000            | Replace air handlers.  |
| 5        | Elevator Upgrades                             | \$750,000              | \$738,000            | Upgrades to several elevators on campus.   |
| 6        | Stormwater System Repairs                     | \$500,000              | \$0                  | Repair underground piping west of Willow   |
|          | <b>Total Request</b>                          | <b>\$9,390,000</b>     | <b>\$9,328,000</b>   |  |





## Anticipated Disclosed Projects FY2022-23



# Anticipated Disclosed Projects FY2022-23

## Tennessee Secondary School Bond Authority (TSSBA) & Campus Funded Projects

| Fiscal Year | Project                     | Project Cost        | Project Description   |
|-------------|-----------------------------|---------------------|---|
| 2022-23     | Football Stadium Project    | \$29,900,000        | The project includes demolition of existing west stadium and replacement of stadium with an updated facility in support of football program.                  |
| 2022-23     | Wings Up Way Parking Garage | \$13,925,600        | Construct a 4-level above grade parking garage. The garage will be cast-in-place concrete with brick and limestone/precast detailing with 412 parking spaces. |
|             | <b>Total Request</b>        | <b>\$43,825,600</b> |   |





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## Performance Evaluation Analysis





# Staff (Non-Faculty) Performance Evaluation Process

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- **Year 6 of Performance Evaluation Process**
- **Staff evaluations**
  - Focus on individual employee performance
  - Ensure employees have a voice in their evaluation
  - Allow for specific goals and achievements to be recognized
  - Stress job specific performance
  - Include a self-evaluation component



# Continuing the Change of Non-Faculty Performance Evaluation Culture

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- **Core competencies aligned to TTU Strategic Plan objectives**
  - Academic Excellence
  - Student Success
  - Community Engagement
  - Meaningful Innovation
  - Supportive Environment
  - Value Creation



# Continuing the Change of Non-Faculty Performance Evaluation Culture

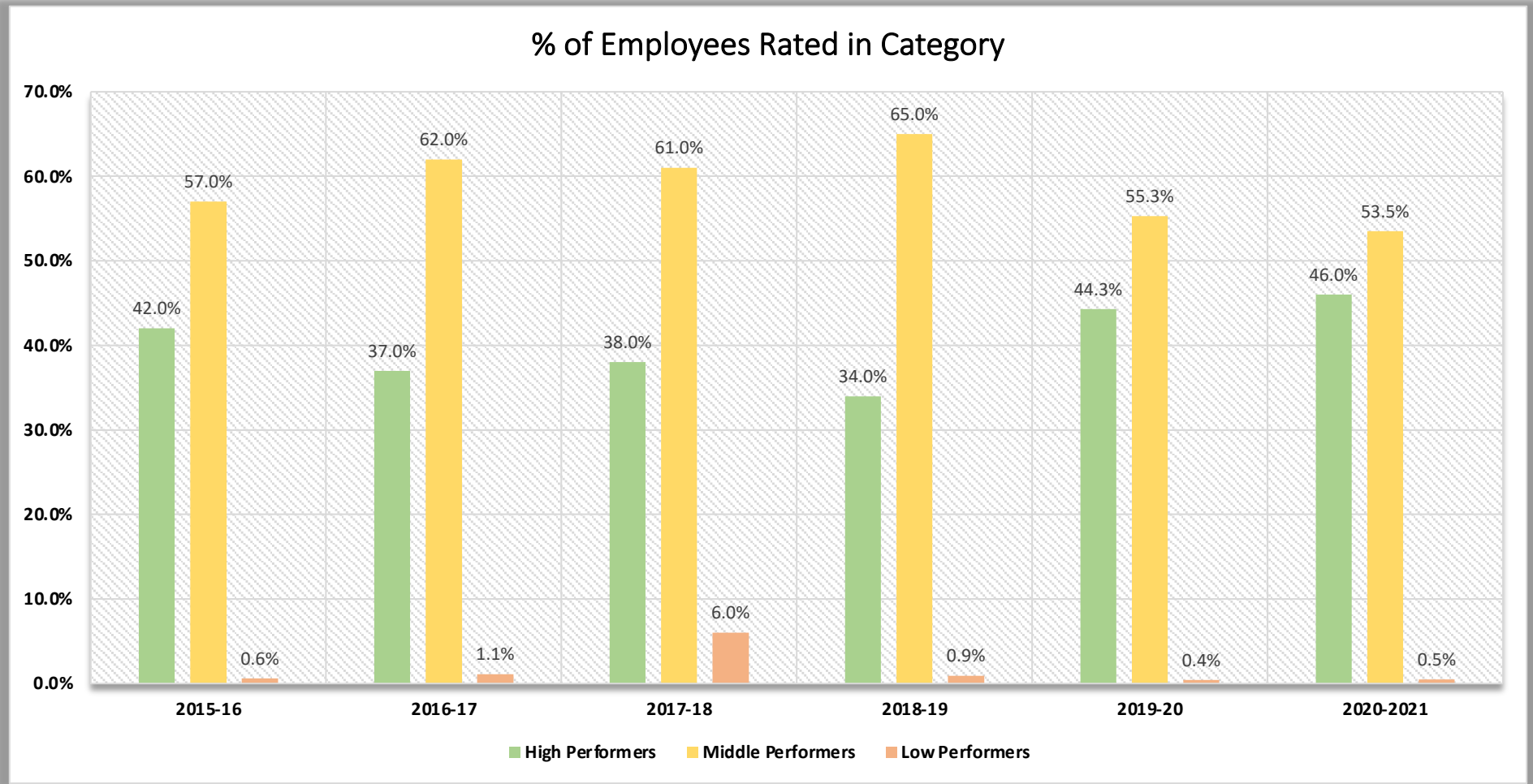
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- **Evaluations scores tie directly back to actual job responsibilities**
  - Annually employees and supervisors review job duties prior to evaluation to ensure accurate reflection of duties
  - Employee is rated on their specific job duties
- **Employee goals are set for high performance and departmental growth**
  - Annually evaluate accomplishments towards goals



# Staff (Non-Faculty)

## % of Employees Rated in Performance Category



# Faculty Performance Evaluation Process

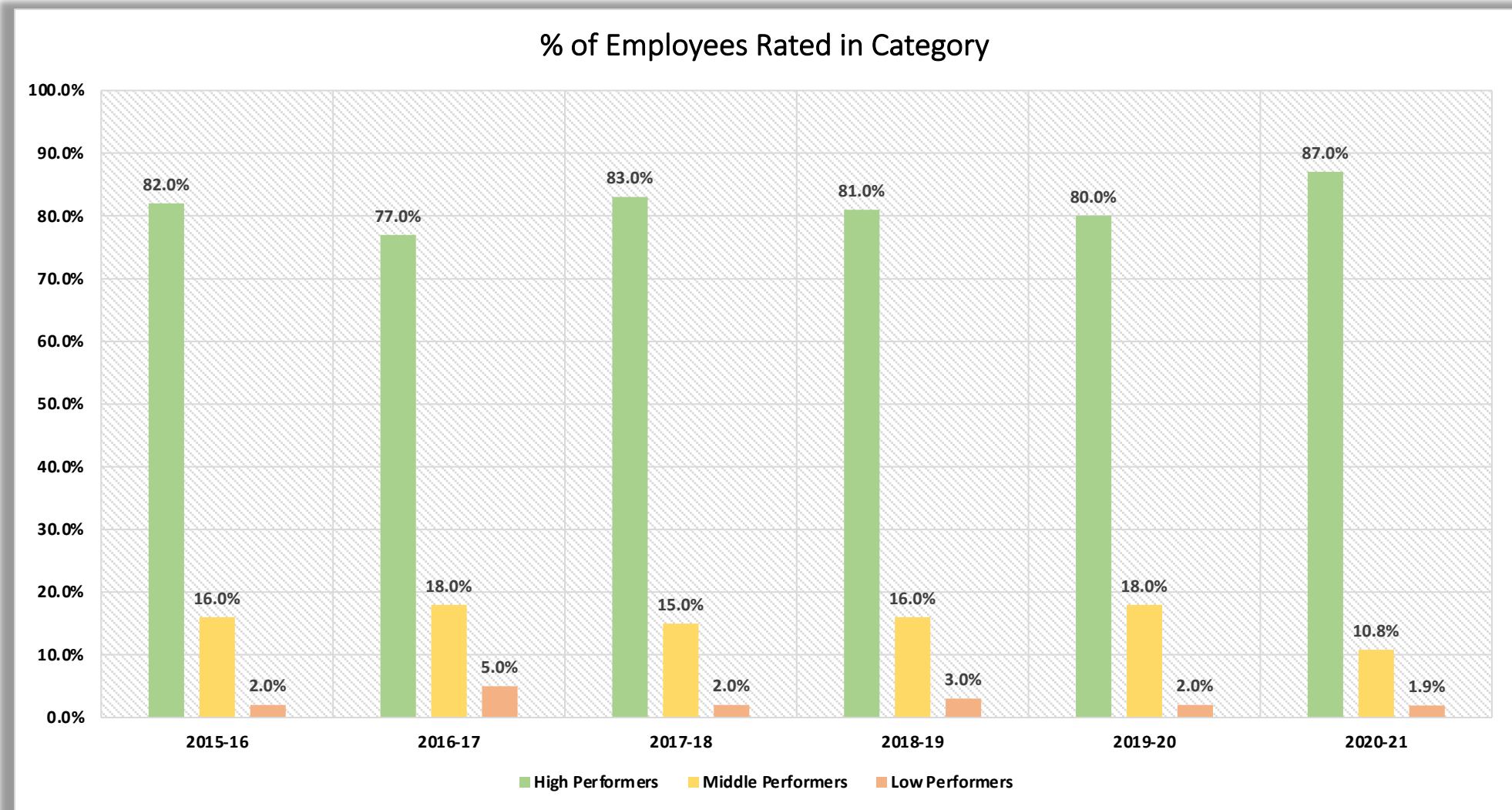
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- **All faculty, both tenured and non-tenured, are evaluated annually by the department chairperson and the college dean**
  - Teaching
  - Advisement
  - Research/Scholarship/Creative Activity
  - Service/Outreach
  - Administration
  - Other (as assigned and detailed)



# Faculty

## % of Employees Rated in Performance Category







## Performance Based Compensation



# Performance Based Compensation Model

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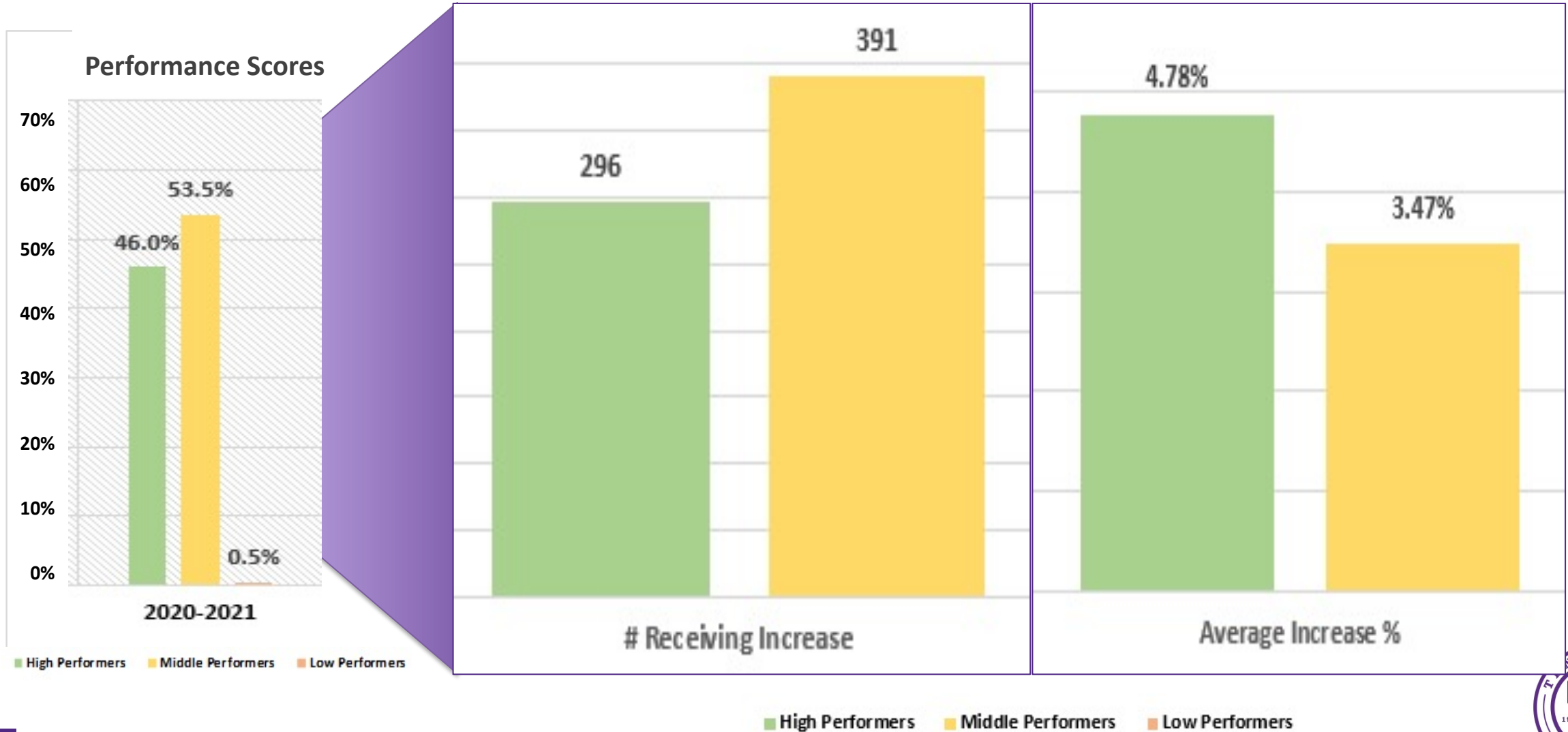
- **4% Pool for Performance Base Salary Increase**

- **Eligibility**

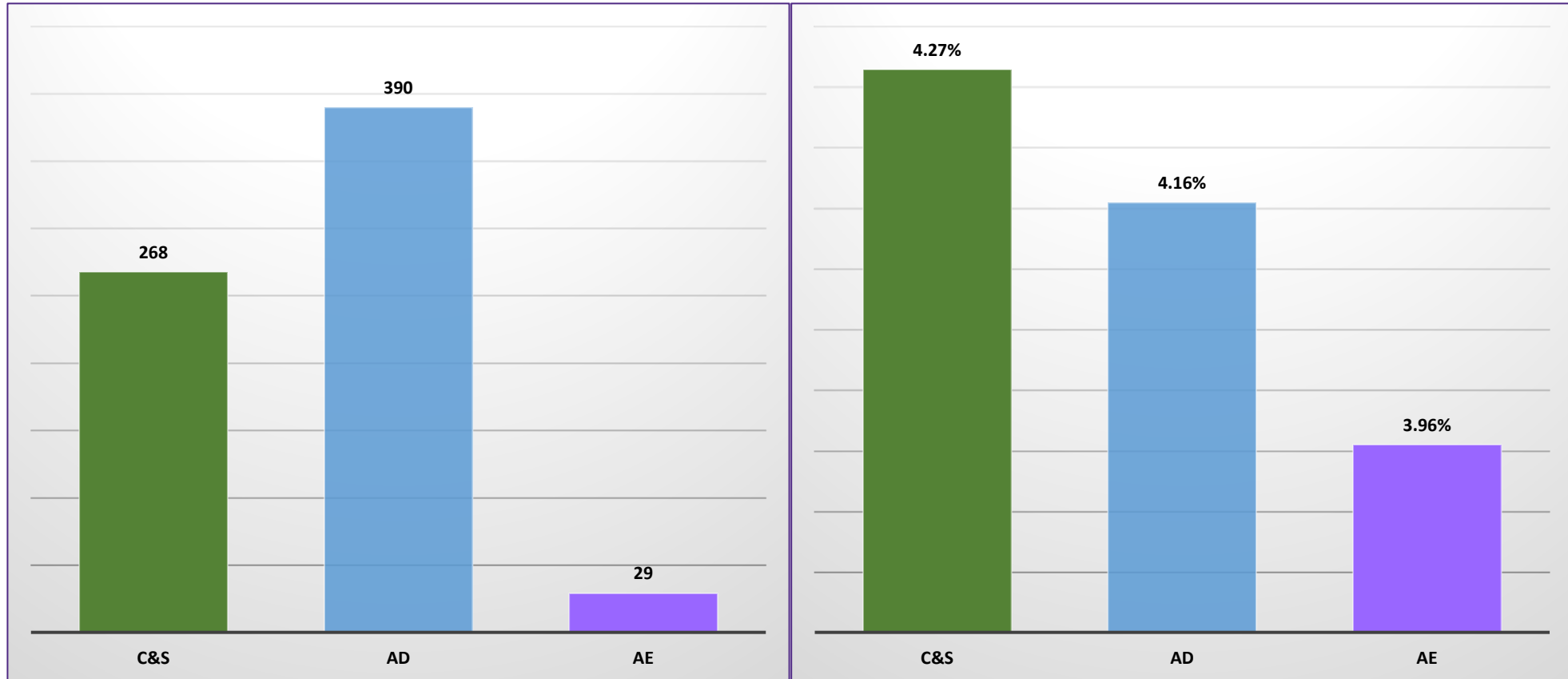
- **Faculty** = 2020 & 2021 Performance Evaluation Scores of acceptable or better rating
    - **Staff** = 2020 & 2021 Performance Evaluation Scores of meets expectations or better rating
    - Hire date on or before January 1, 2021
    - Minimum award = 1%
    - Maximum award = 7%



# Staff – Distribution of Base Salary Increase By Category

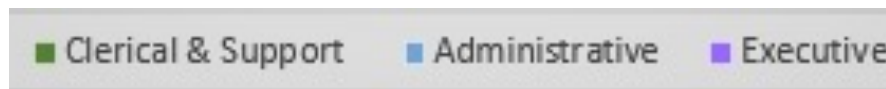


# Staff – Distribution of Base Salary Increase (By Classification)

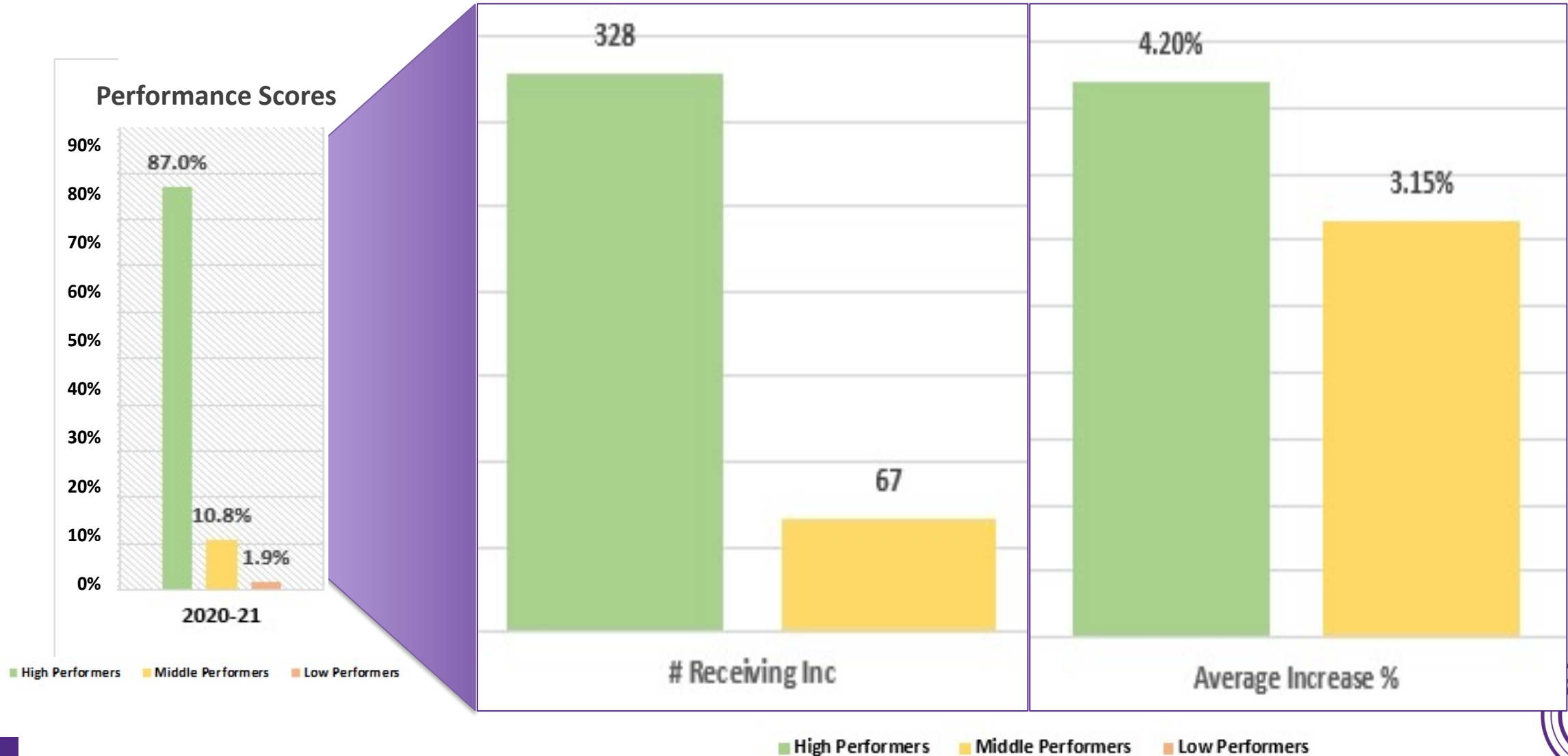


# Receiving Increase

Average Increase %

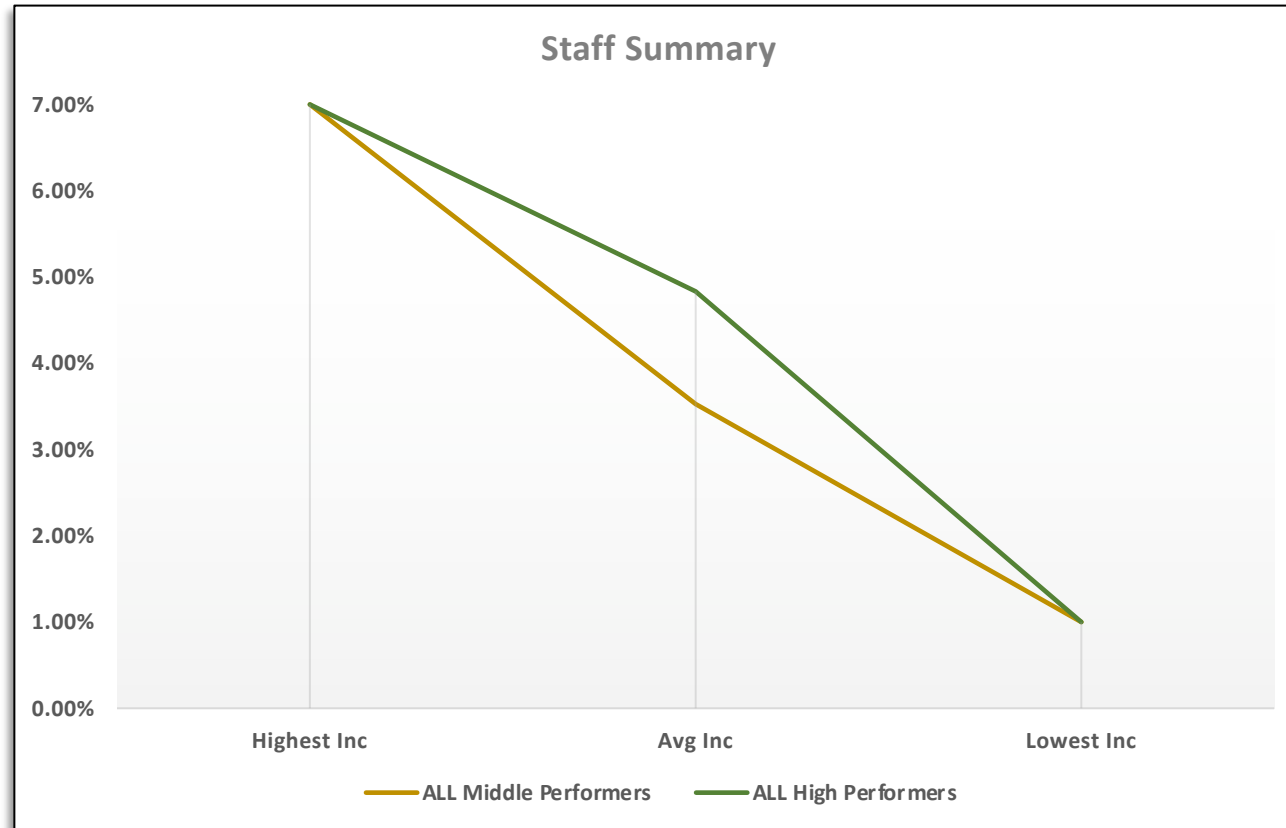


# Faculty - Distribution of Base Salary Increase By Category

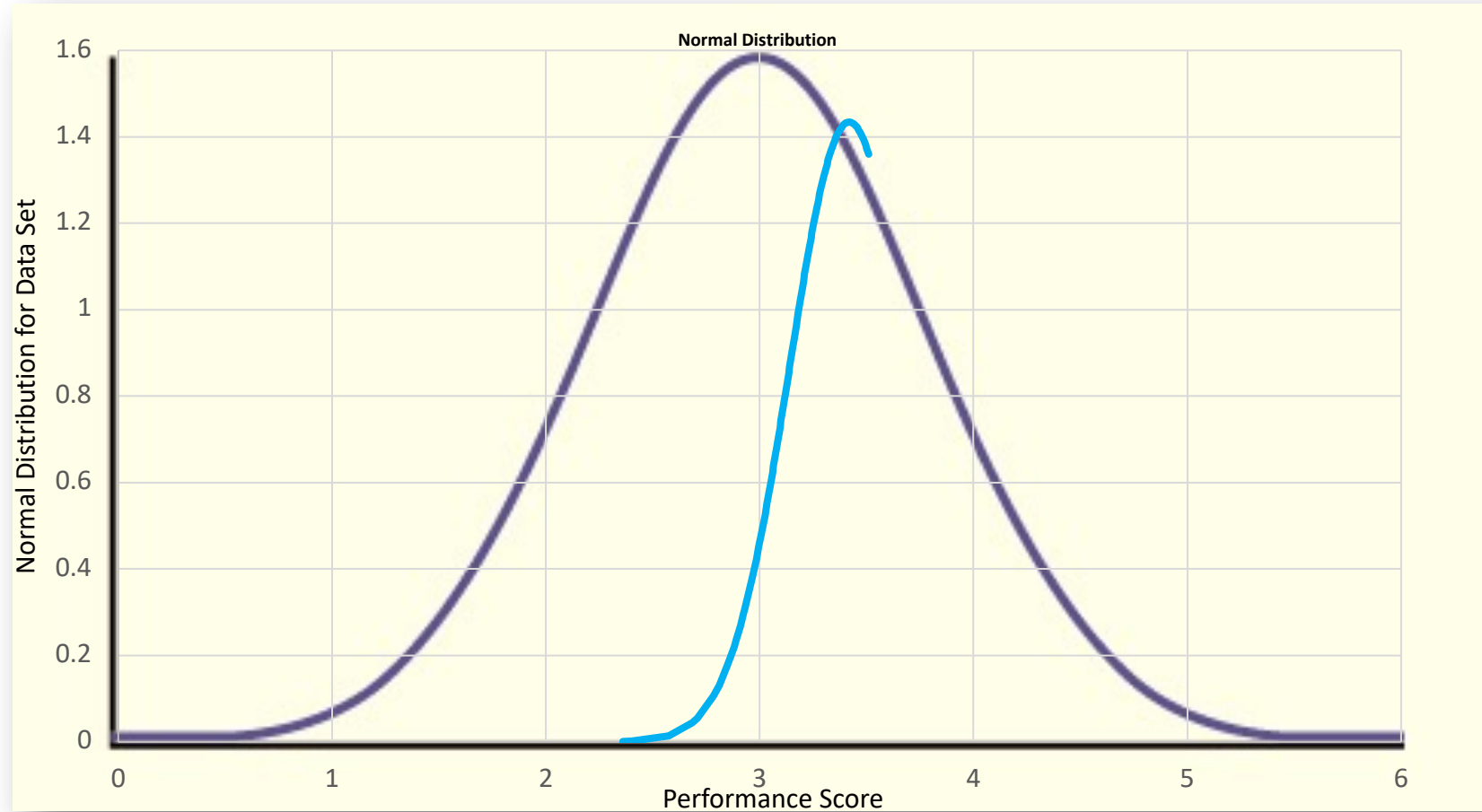


# Staff Summary

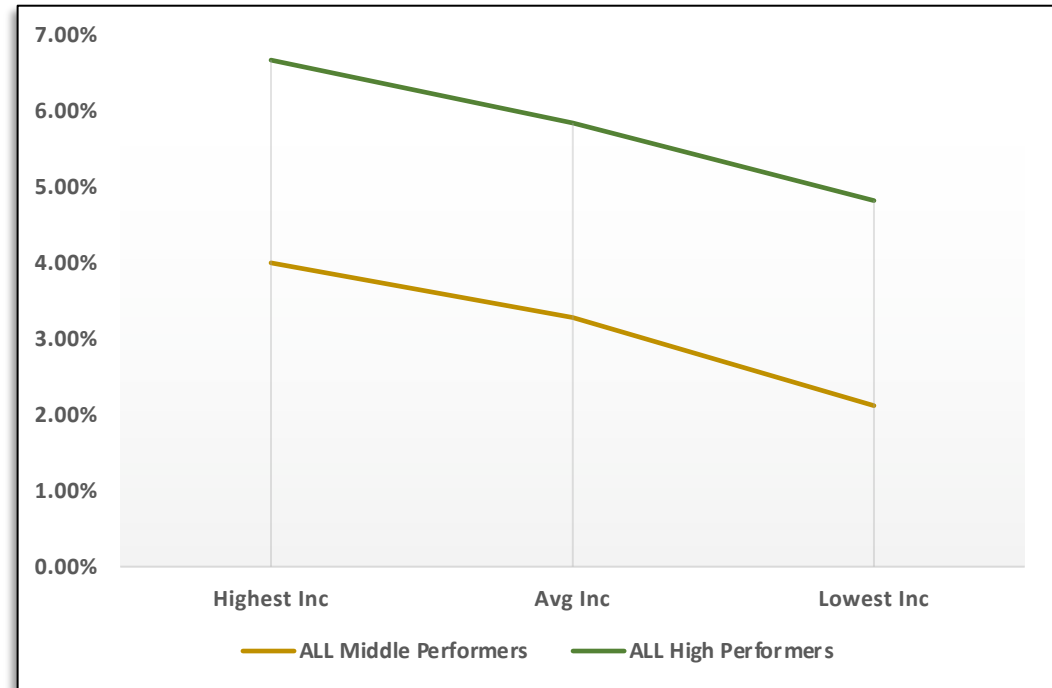
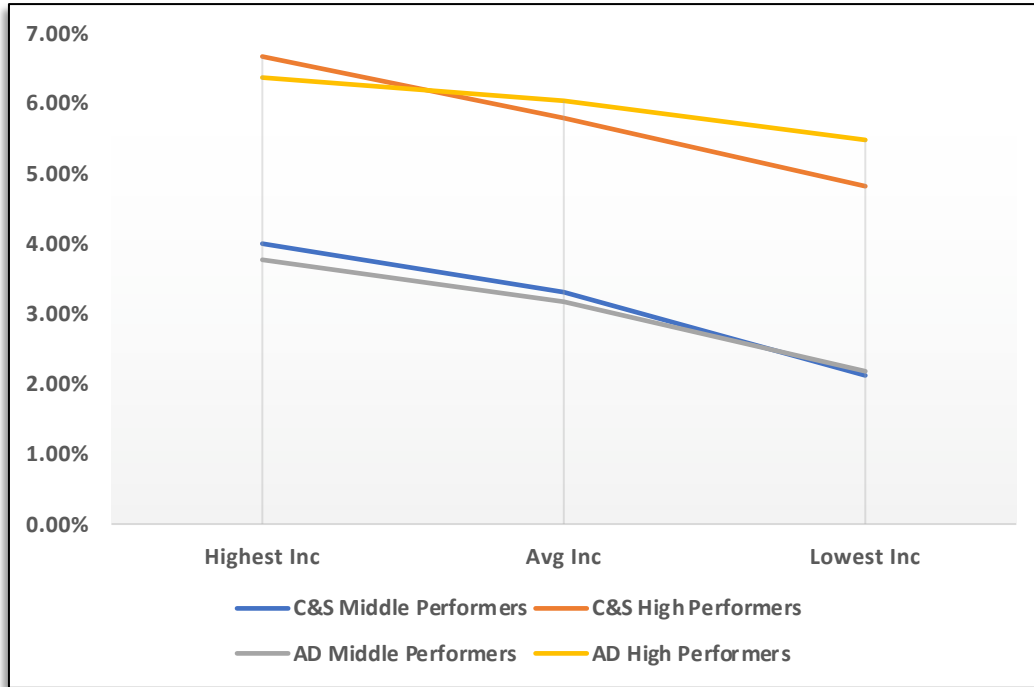
## Performance Increase Distribution



# Staff FY21 Performance Score Distribution

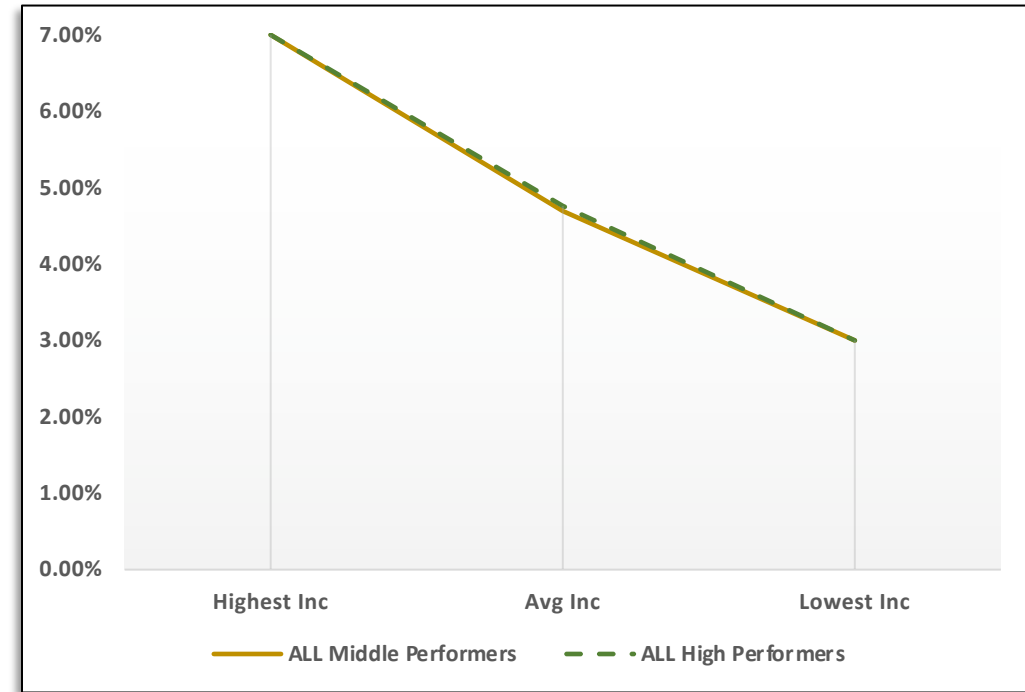
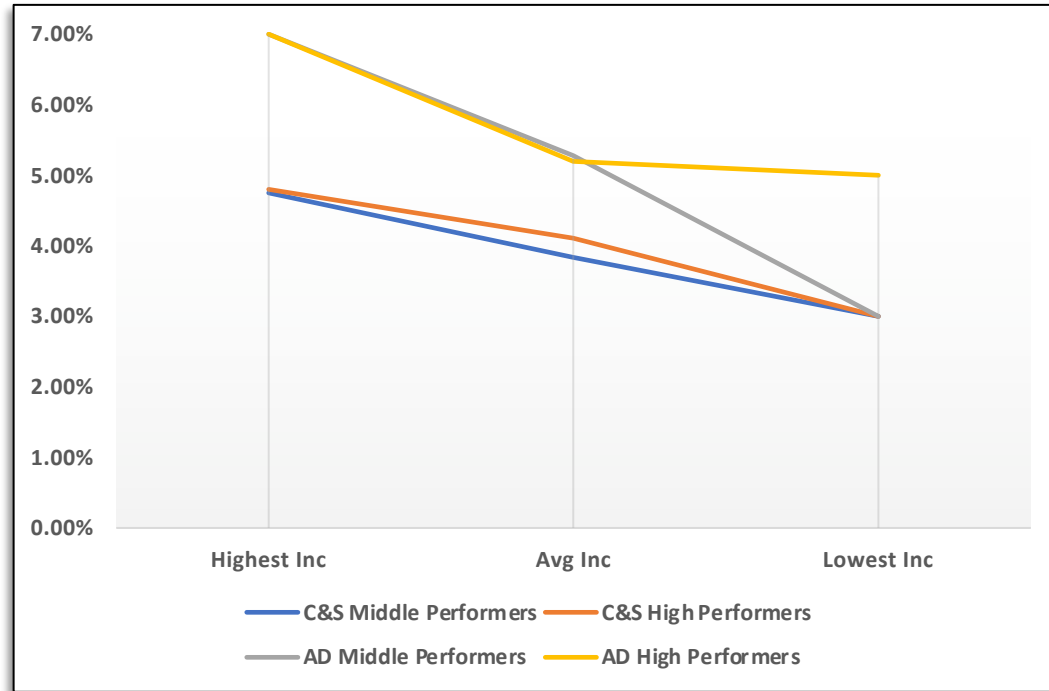


# Example – Staff “Good Distribution”



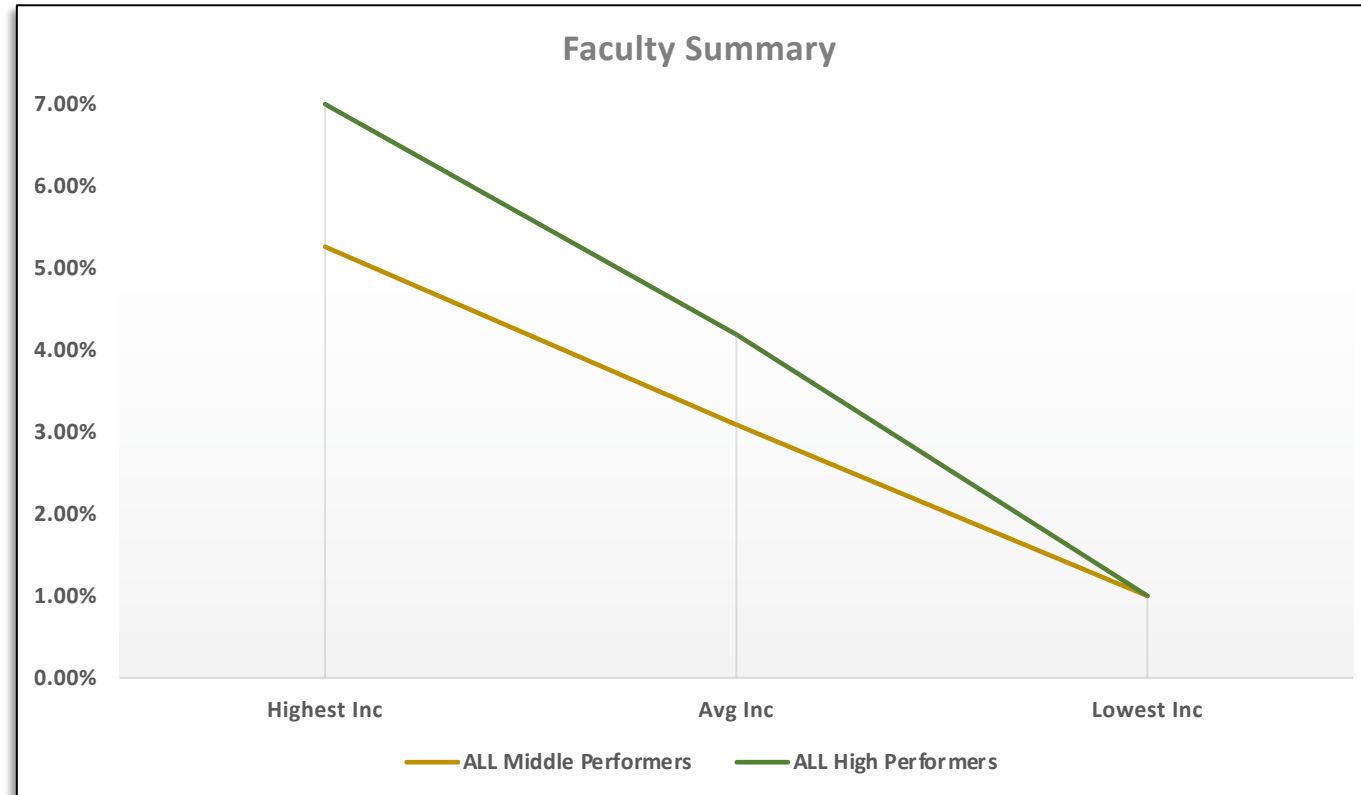


# Example – Staff “Needs Improvement”

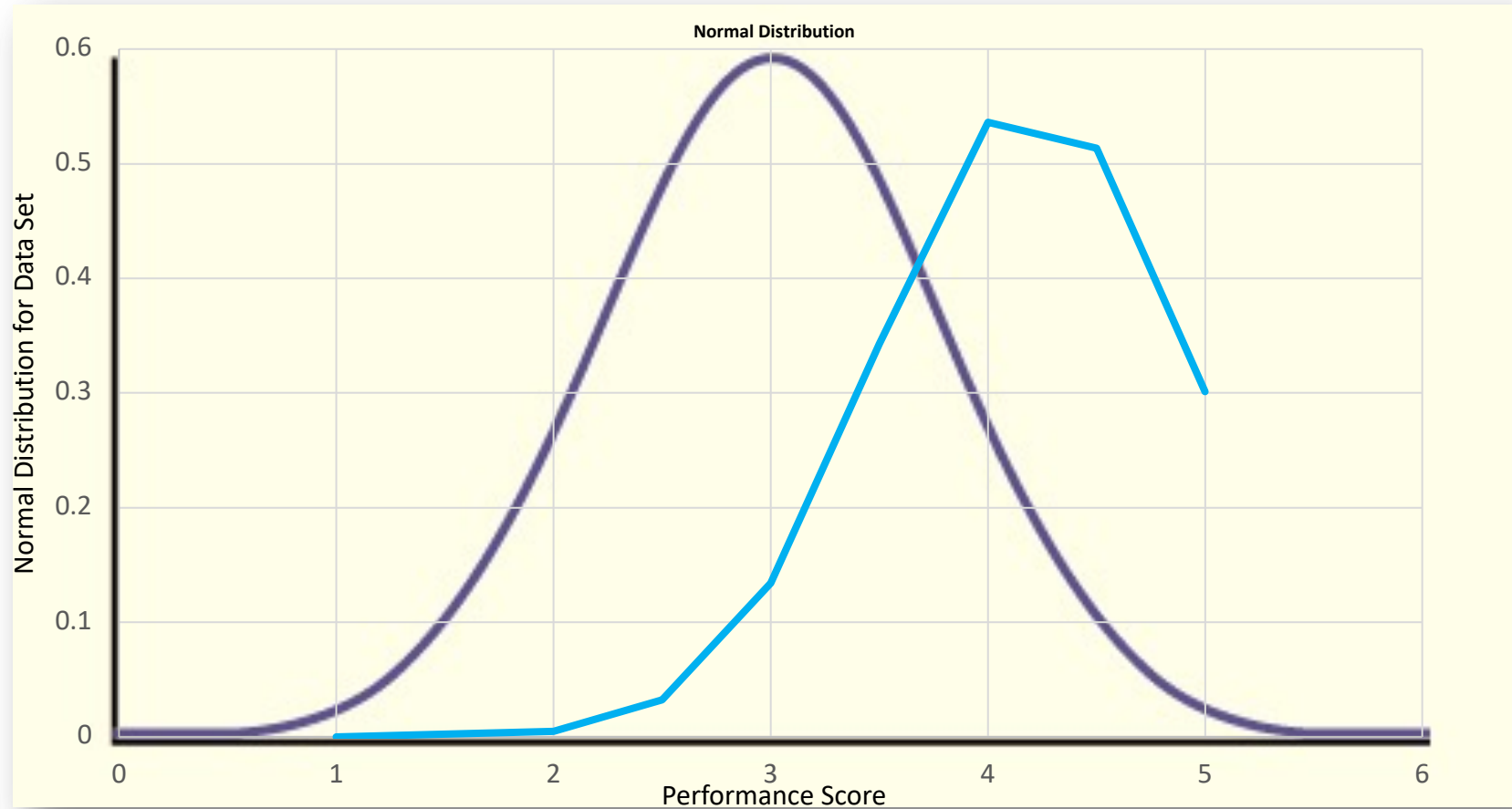


# Faculty Summary

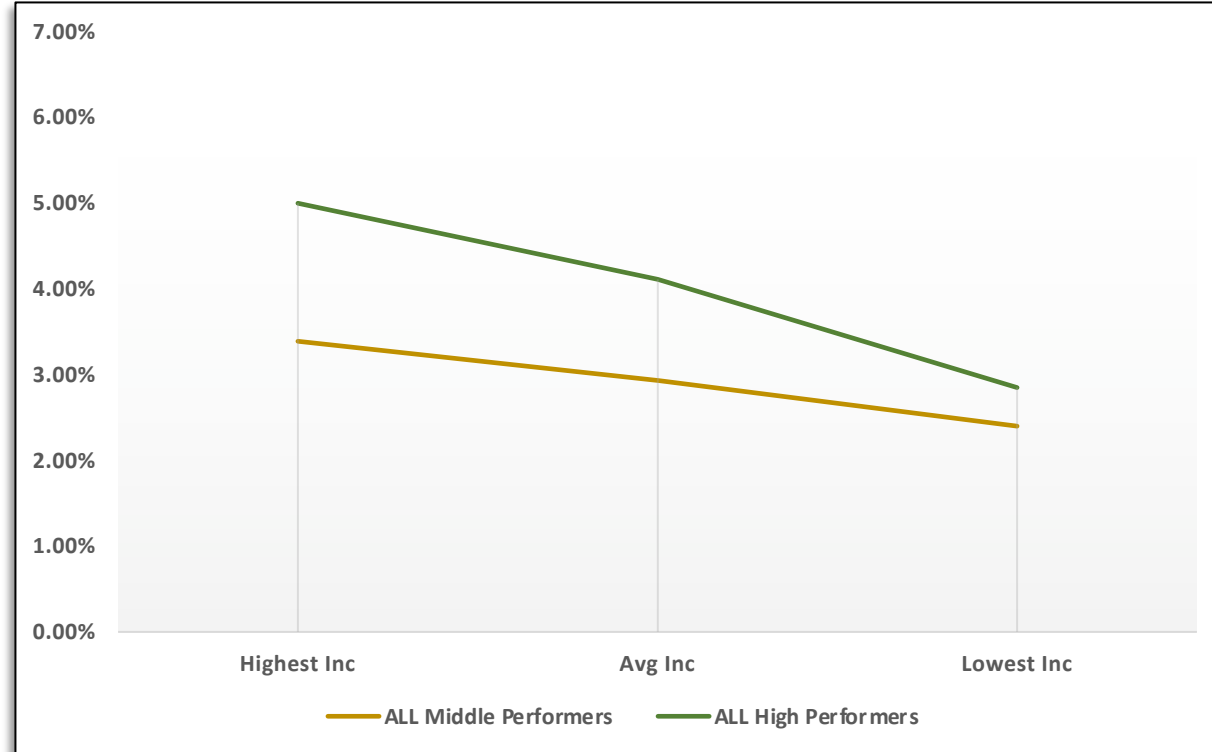
## Performance Increase Distribution



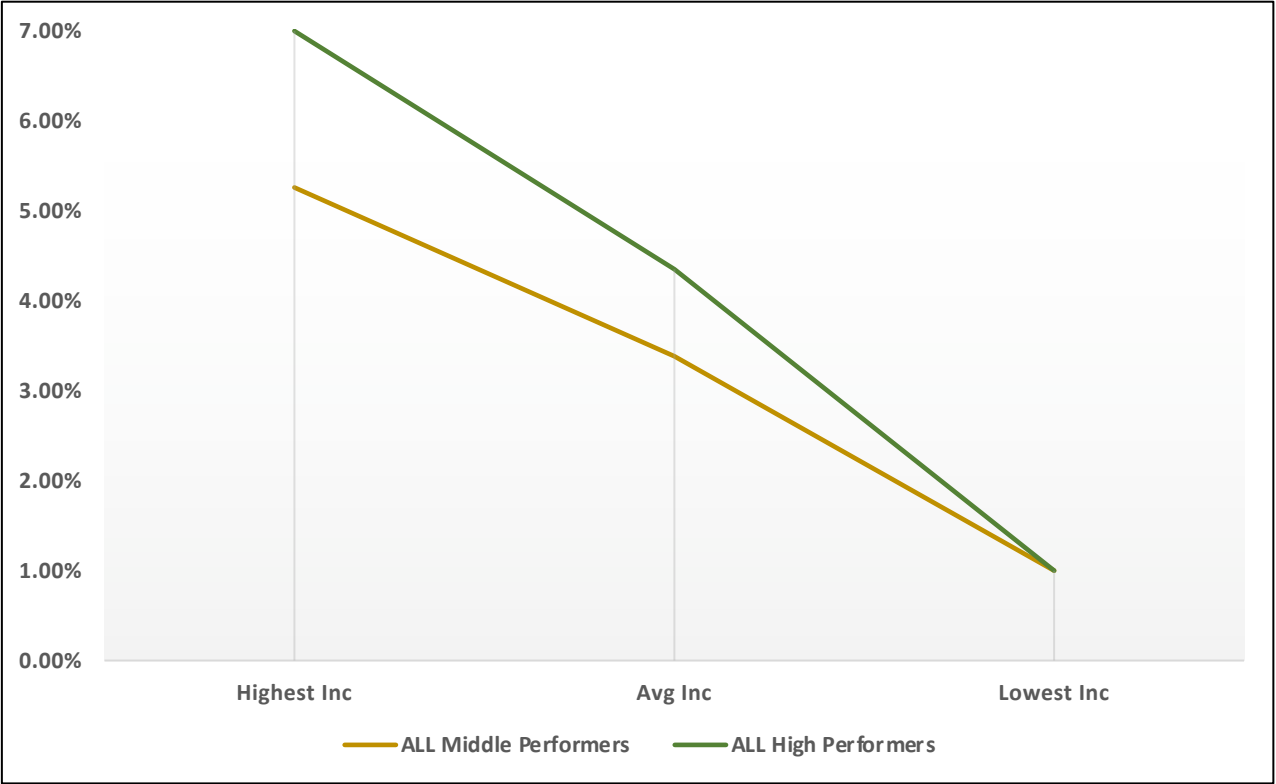
# Faculty FY21 Performance Score Distribution



# Example – Faculty “Good Distribution”



# Example – Faculty “Needs Improvement”



# Observations

- Annual evaluations conducted March-May
- Raise recommendations submitted June
- Raises were generally correlated with evaluation scores
- Evaluation scores were not normally distributed
- Supervisor training is needed to improve score and raise distributions
- Evaluation forms need further review and revision





## Edmonds Estate Quasi-Endowment





Tenure Upon Appointment Recommendation





