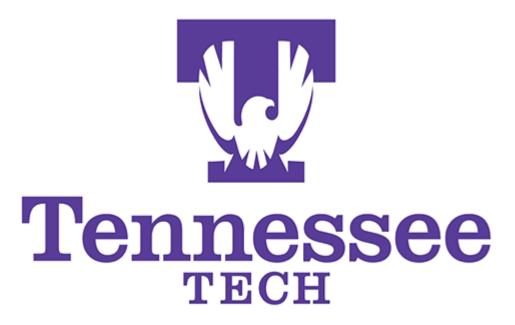


Presentation to Audit & Business Committee
Board of Trustees

March 10, 2022





Update on Governor's Budget



Governor's Capital Outlay Recommendations* FY2022-23

Johnson Hall Renovation and Foster Hall Demo \$37,610,000

• State \$36,105,600

• TTU required Match \$ 1,504,400

Advanced Construction & Manuf. Engr. Bldg. \$62,400,000

• State \$57,408,000

• TTU required Match \$ 4,992,000



^{*}These amounts could be subject to change until Legislature passes the Governor's recommended budget.

Governor's Capital Maintenance Recommendations* FY2022-23

Total Capital Maintenance

- Craft Center Generator & Fire Pump Upgrades
- Craft Center HVAC Upgrades

- \$ 550,000
- \$ 1,140,000



^{\$1,690,000}

^{*}These amounts could be subject to change until Legislature passes the Governor's recommended budget.

Capital Maintenance Proposed Distribution

<u>FY2022-23</u>	Governor's Capital Maint Budget Recommenda		Each Institution's Share based on Sherman Dergis <u>%</u>	<u>Di</u>	<u>fference</u>
APSU	\$ 3,00	00,000 3.2%	3,461,664	\$ ((461,664)
ETSU	\$ 7,55	0,000 7.8%	8,437,806	\$ ((887,806)
MTSU	\$ 7,16	0,000 6.7%	5 \$ 7,247,859	\$	(87,859)
TSU	\$ 8,00	00,000 5.0%	5,408,850	\$ 2	,591,150
TTU	\$ 1,69	90,000 5.3%	5,733,381	\$ (4,	<mark>043,381)</mark>
UofM	\$ 13,96	57,000 12.3%	13,305,771	\$	661,229
TBR	\$ 21,89	90,000 20.4%	22,068,108	\$ ((178,108)
UT	\$ 44,92	20,000 39.3%	42,513,561	\$ 2	,406,439
Total Budget Recommendation	\$ 108,17	7,000 100.0%	\$ \$ 108,177,000	\$	-



Governor's Operating Budget Recommendations FY2022-23

Outcomes Growth (new funding)	\$ 4,380,400
Salary Pool*	\$ 2,201,500
Group Health Insurance	\$ 611,100
NSF Cybersecurity (non-recurring)	\$1,200,000
Rural Reimagined (non-recurring)	\$1,000,000
Appalachian Craft Center (non-recurring)	<u>\$ 2,840,000</u>
Total recommended <u>new</u> operating appropriations	\$12,233,000
THEC's Reallocation of Base Outcomes	<u>\$ (497,500)</u>
Net increase in operating appropriations (recurring and non-recurring)	\$11,735,500
*Colory pool is funded at EEV of required amount for 10/ increase	

^{*}Salary pool is funded at 55% of required amount for 4% increase

Note: These amounts could be subject to change until Legislature passes the Governor's recommended budget.



5 Year History Outcomes Formula Funding

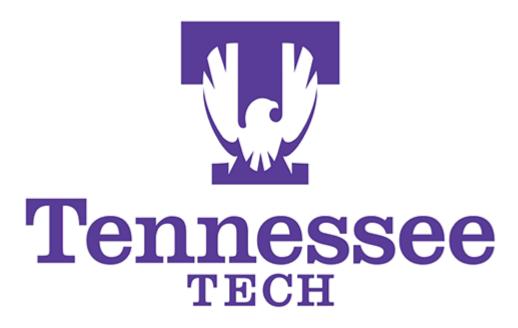
Outcomes Formula Funding										
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Proposed					
	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	2021-22	<u>2022-23</u>					
New Dollars	\$1,327,400	\$2,653,800	*	\$1,768,800	\$4,380,400					
THEC Base Adjustment	463,400	814,300	404,200	(430,900)	(497,500)					
Total Outcomes Distribution to TTU	\$1,790,800	\$3,468,100	\$404,200	\$1,337,900	\$3,882,900					
*\$1,876,800 was originally appropriated, but then del										



Estimated Cost Increases

Scholarships and graduate assistantships	\$550,000
Landscaping	\$325,000
Marketing	\$650,000
Property insurance	\$475,000
Faculty promotions	\$150,000
Utilities and operating costs for new buildings	\$427,000
Software escalation costs (3%)	\$65,000
State mandated tuition waivers	\$295,000
University match for 4% salary pool	<u>\$1,601,821</u>
	\$4,538,821





Update on Enterprise Resource Planning System (ERP)



Replacing ERP System

- Contract for Ellucian Banner system ends December 2022
 - Human Resources and Financial systems to be replace with more up-todate cloud-based system
 - Student system will remain a Banner system as part of TBR's Ellucian contract
 - Evaluation of a cloud-based system for student information to take place during 5year extension
- Non-recurring funding recommended by Governor for UT System and LGIs
 - Implementation costs \$20M for each LGI
 - Common ERP vendor with UT and other LGIs



Replacing ERP System – Human Resources and Financial Systems

Timeline

- Cloud-readiness assessment began February 2022
 - 16 weeks
- Implement policy and process improvements, data clean-up, foundational projects identified by cloud readiness assessment
 - 12 to 18 months
- Implementation of new system to begin January 2024
 - 12 to 18 months
- Both HR and Finance systems fully implemented and operational January 2026



Replacing ERP System – Human Resources and Financial Systems

Preliminary implementation costs*

	Imp	lementation	partners
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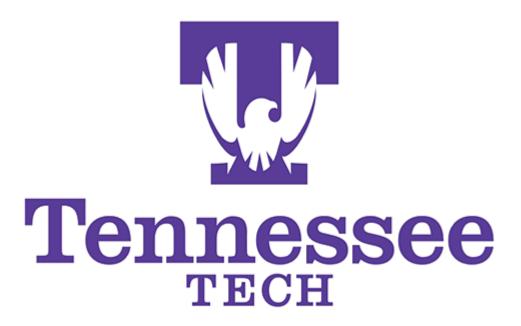
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Estimated total implementation costs



^{*}Preliminary estimates from institutions similar in size and complexity to Tennessee Tech

^{**}Contingency amount estimated at 15% of implementation cost estimates



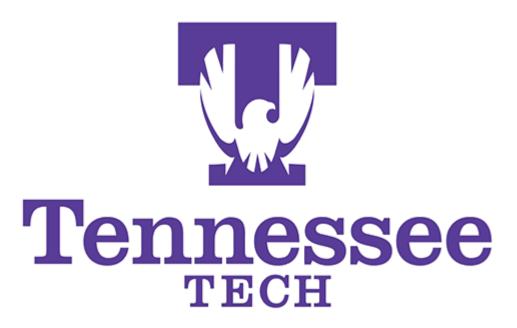
Compensation Plan



Proposed Compensation Plans (Pending Approval of Governor's Budget) FY2022-23

- 4% pool for recurring salary increases effective July 1, 2022
 - Based on performance evaluations for FY2021-22
 - Employees with satisfactory or better evaluation are eligible for raise
 - Employees who are on or were on a Performance Improvement Plan (PIP) for FY 2022 are ineligible.
 - Eligible employees hired prior to January 1, 2022 and still employed at July 1, 2022
 - Salary Range
 - Minimum of 1% to Maximum of 7%
 - Estimated cost of \$3.8M
 - Proposed state appropriation \$2.2M
 - University match \$1.6M
- Faculty promotions, job reclassifications and identified equity adjustments are handled outside of this proposal





Non-Mandatory Fees



Non-mandatory Fee Proposal 2022-23

- Non-mandatory fees are not required of all students. They are charged based on a variety of factors: residency, academic program, course selection, incidentals, participation in TN eCampus, etc.
- Non-mandatory fees are not subject to THEC binding rates
- Generally requests are reviewed and brought to the Board for approval once each year



Non-mandatory Fee Proposal - Housing Effective Fall semester 2022

- 5% increase for traditional residence halls
- Resources to cover inflationary costs
- Major maintenance and renovations to older halls
- Closer alignment of rates for all residential housing
- Residential halls occupancy
 - Fall 2021 91%
 - Spring 2022 84%

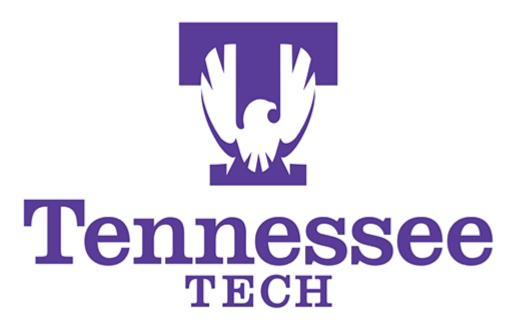


Non-Mandatory Fees - Housing

- Comparison to other universities in Tennessee
 - APSU, ETSU, MTSU, TSU, U of Memphis, UTK, UTC, UTM
 - TTU proposed rates comparable to LGIs and UT system

RES Hall Rate Comparison - Prepared Spring 2022 vs. TTU Rates proposed for Fall 2022																
		TTU		APSU		ETSU		MTSU		TSU	UofM		UTK	UTC		UTM
Single Traditional	\$	3,124	\$	3,915	\$	4,150	\$	3,061	n/a		\$ 3,330	\$	3,965	n/a	\$	2,425
Single Traditional					\$	4,550									\$	2,695
Double Traditional	\$	3,024	\$	3,130	\$	2,075	\$	2,390	\$	1,979	\$ 2,330	\$	3,060	n/a	\$	1,575
5 II + III					.	2.075						+	7.075		+	4.000
Double Traditional					\$	2,035						\$	3,875		\$	1,890



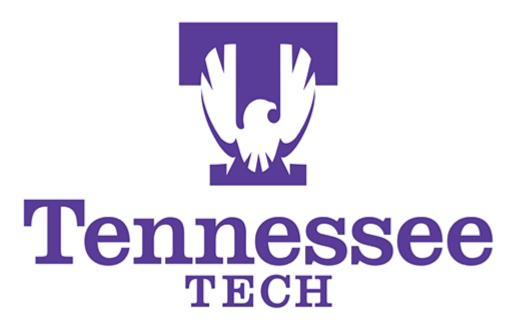


Disclosed Projects



Disclosed Projects

Fiscal Year	Project	Project Cost	Project Description
2021-22	Indoor Tennis Court Roof Replacement	\$590,000	Replace the roof, roof insulation and wall insulation.
2021-22	University Archives Improvements	\$230,000	Redesigned reading room, a processing area, digitization studio, cold storage room, office space and a classroom/conference area.
2021-22	Agricultural Technology Innovation Center	\$1,000,000	Renovate existing loafing barn at Shipley Farm to enhance agriculture engineering & technology academic program.
2022-23	Baseball and Softball Artificial Turf	\$2,260,000	Replace existing natural grass turf with artificial field turf on the baseball and softball field.
2022-23	Electrical Infrastructure Upgrades	\$2,480,000	Upgrade the campus electrical distribution system to provide two incoming services from the local utility. Remove four existing generators from service.
	Total Request	\$5,560,000	



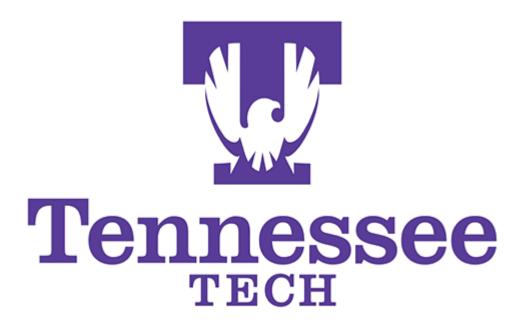
Land Acquisition



Acquisition of Property in Crossville

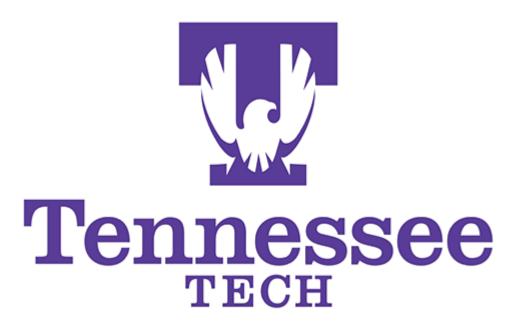
- Property located at 174 Fourth Street, Crossville, TN
 - +/- 3.68 acres of land
 - Buildings
 - Approximate square footage 130,000
 - Visually in good condition (purchase subject to inspection)
- Initially to be purchased by Foundation
 - University to purchase from Foundation when sufficient funding is identified
- Uses
 - Research, instruction
 - Lease some space to outside parties





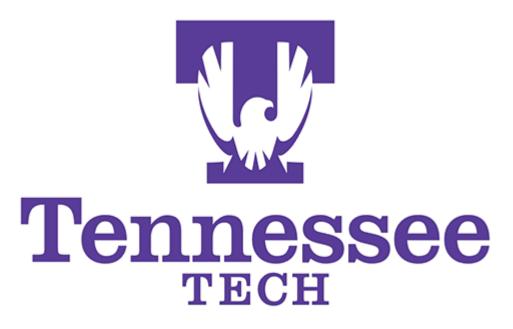
Master Plan





TTU Policy 144
Title IX Policy and Grievance Procedures





Notice of Responsibilities for Preventing, Detecting and Reporting Fraud, Waste and Abuse

