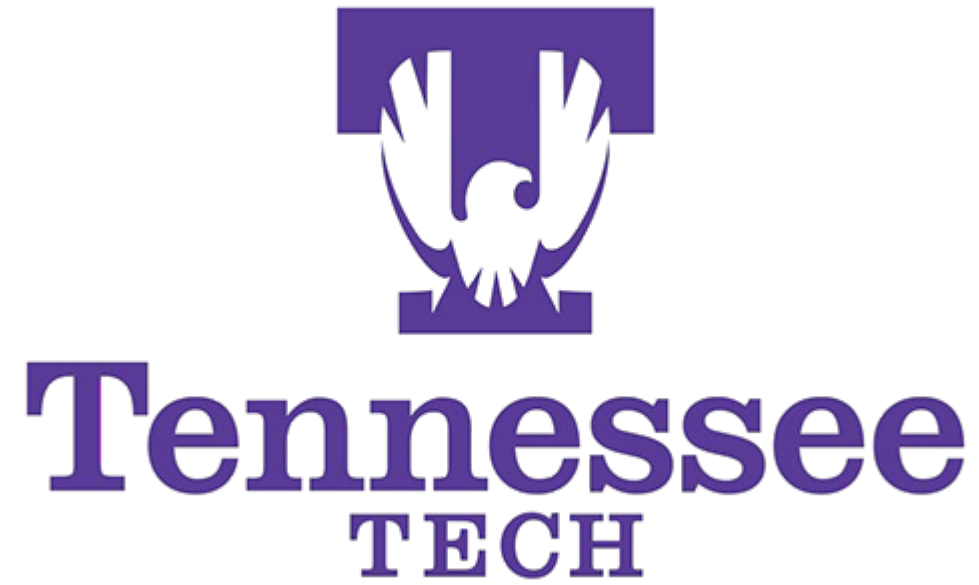




Presentation to Audit & Business Committee  
Board of Trustees

June 22, 2023





## Maintenance (Tuition) and 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 3% for FY 2023-2024
  - Comparison to peer institutions, competitor institutions, other LGIs
    - Other Tennessee schools are considering between 1.81% and 3% increases
  - Higher Education Price Index
    - 5.1% for fiscal year July 2021-June 2022 (latest data)\*
  - Consumer Price Index
    - 4.9% 12-month percent change, April 2023 (latest data)\*

\*Commonfund 2022 HEPI Data Released, December 2022

\*U.S. Bureau of Labor Statistics



# Proposed Fee Increase

<b>Proposed Increase in Maintenance (Tuition) and Mandatory Fee</b>	<b>2.93%</b>
Maintenance Fees (flat-rate tuition) increase*	2.92%
Mandatory Fees increase	2.96%

\*Students grandfathered in under old tuition model 2.93% increase.  
 for 12 credit hours or less \$334 per credit hour  
 for >12 hours \$70 per credit hour

Tuition Increase Comparison @ 15 Hours			
Fee Type	Current Amount	Increase	New Amount
Flat Rate Tuition	\$4,260.00	\$135.00	\$4,755.00
Base/Over Base Tuition	\$4,098.00	\$120.00	\$4,218.00



# Proposed Mandatory Fee Increase

Program Service Fee Increase Comparison @ 15 Hours			
Fee Type	Current Amount	Increase	New Amount
Program Services Fee	\$641.00	\$19.00	\$660.00

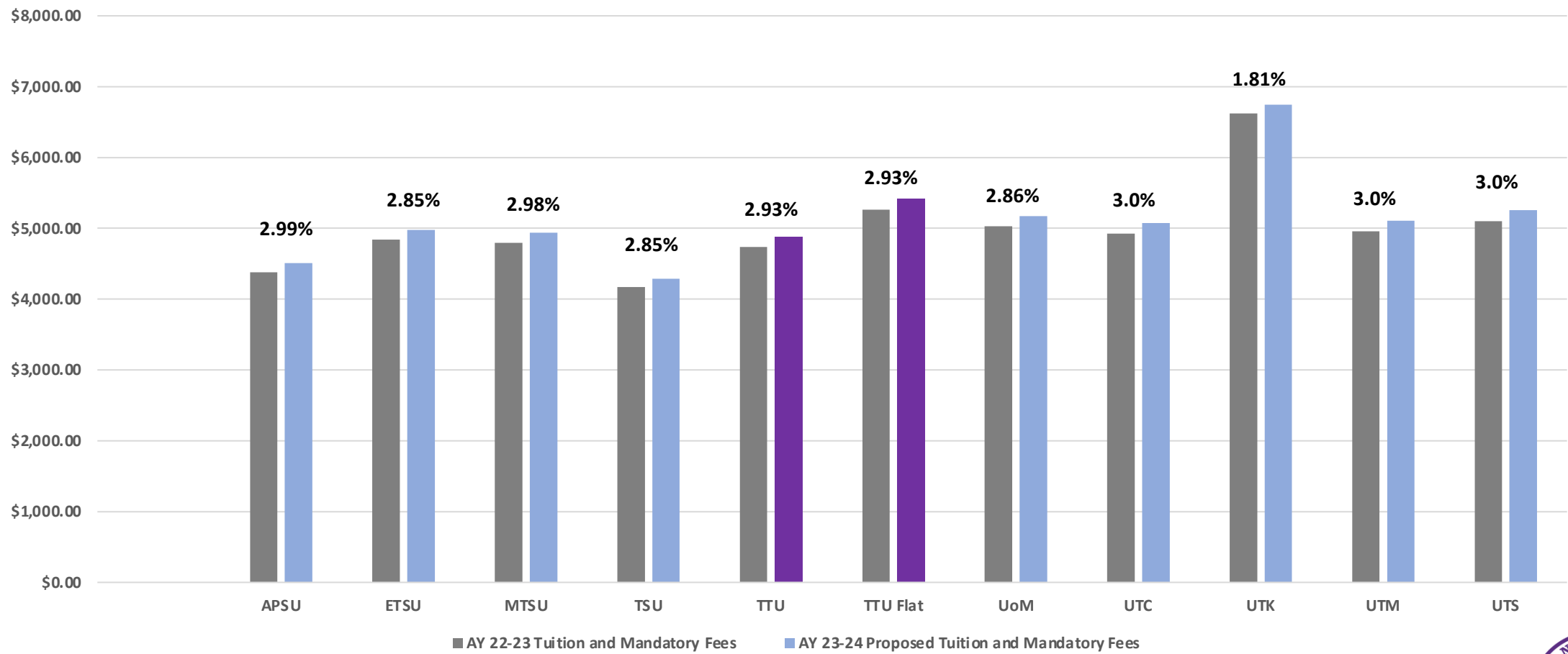
- Program Service Fee proposed to increase from \$641 per semester to \$660 per semester.
  - Increase of \$19 per student per semester.
  - Facilities fee component proposed to increase from \$51 a semester to \$70 a semester
  - Fee will be used to help fund development of facilities



# Comparison of Maintenance (Tuition) & Mandatory Fees

## Tennessee Public Universities

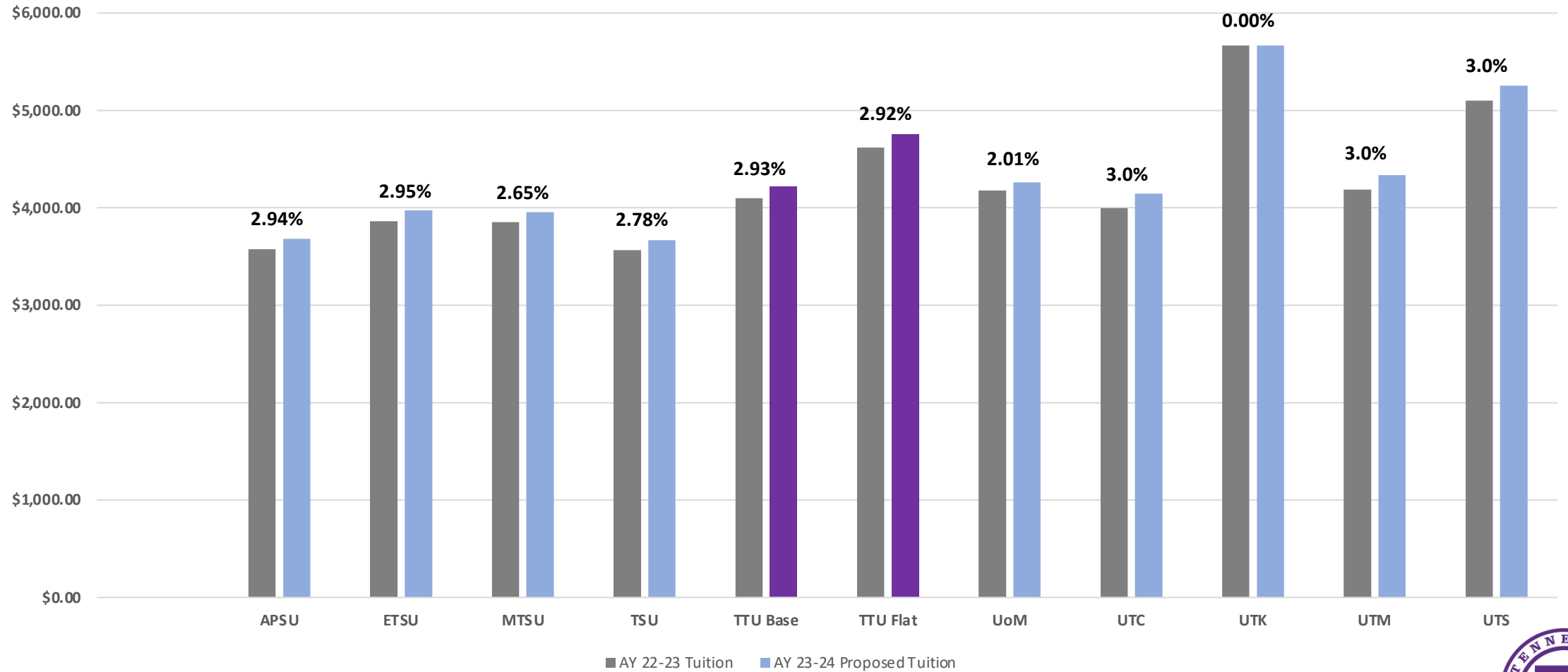
Undergraduate In-State Tuition and Mandatory Fees Per Student FTE Per Semester Comparison



# Comparison of Maintenance (Tuition) Fees

## Tennessee Public Universities

Undergraduate In-State Tuition Per Student FTE Per Semester Comparison

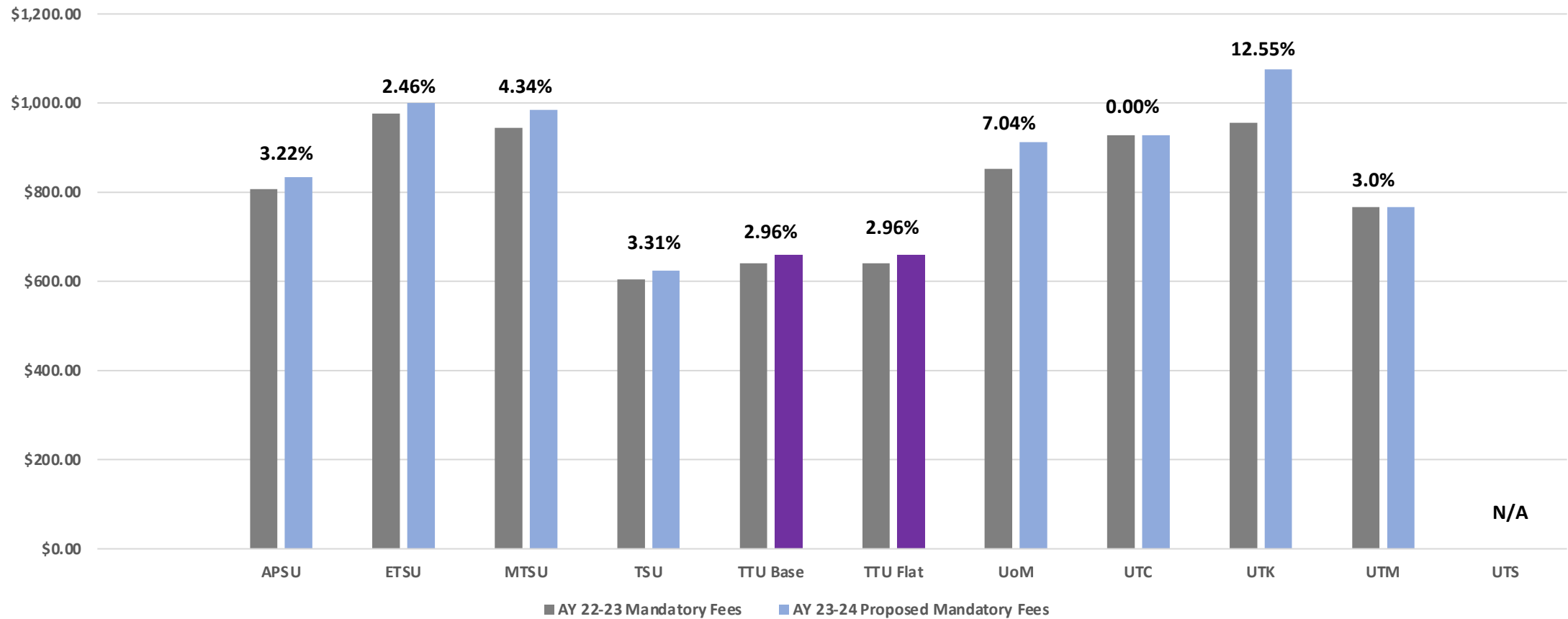




# Comparison of Mandatory Fees

## Tennessee Public Universities

Mandatory Fees Per Student FTE Per Semester Comparison





Non-Mandatory Fee



# Non-mandatory Fee Proposal – Craft Center Housing Effective Fall Semester 2023-24

- Objectives supporting Craft Center housing rate increase
  - Provide resources for maintenance of housing units
  - Build reserves to fund major renovations/upgrades to units
  - Bring rates for housing at Craft Center into closer alignment with current on-campus rates
- Includes 4 units with sleeping capacity of 64
- Transportation is provided to student between main campus and Craft Center campus
- Craft Center housing is an auxiliary operation and must be self supporting

\*Non-mandatory fees are not subject to THEC binding rates

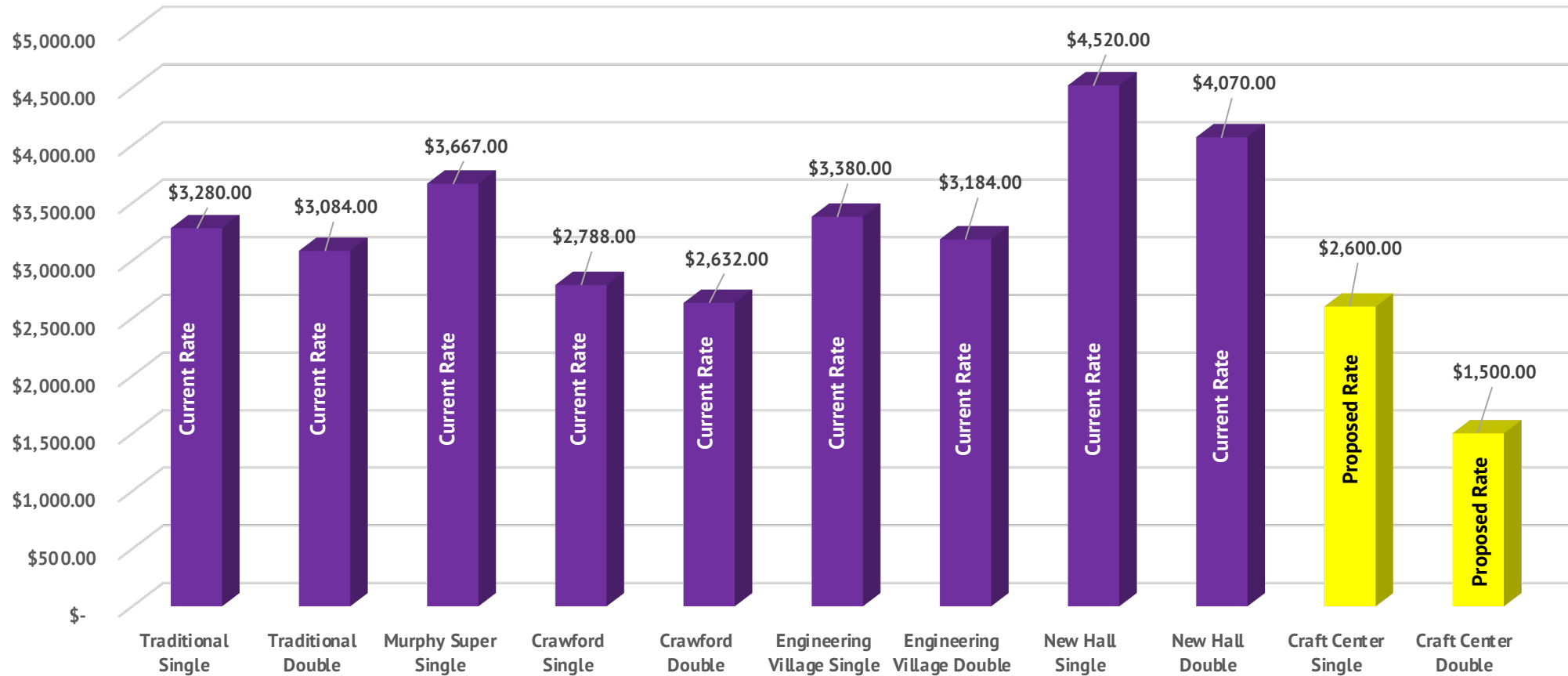


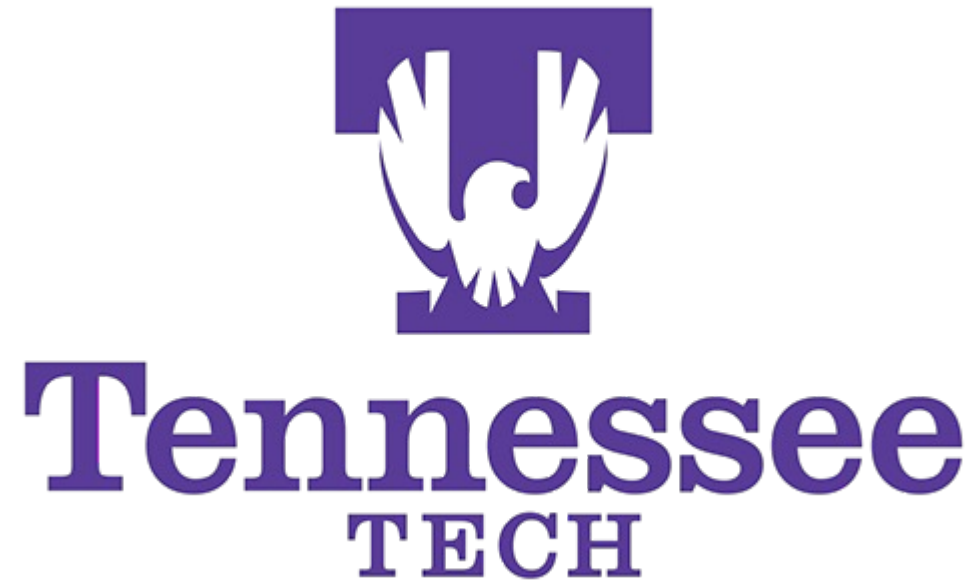
# Non-mandatory Fee Proposal - Craft Center Housing Effective Fall Semester 2023

- Proposal for Craft Center housing rates:
  - Increase single occupancy rates from \$2,250 to \$2,600 per semester
    - \$350 increase per semester
  - Increase double occupancy rates from \$1,175 to \$1,500 per semester
    - \$325 increase per semester



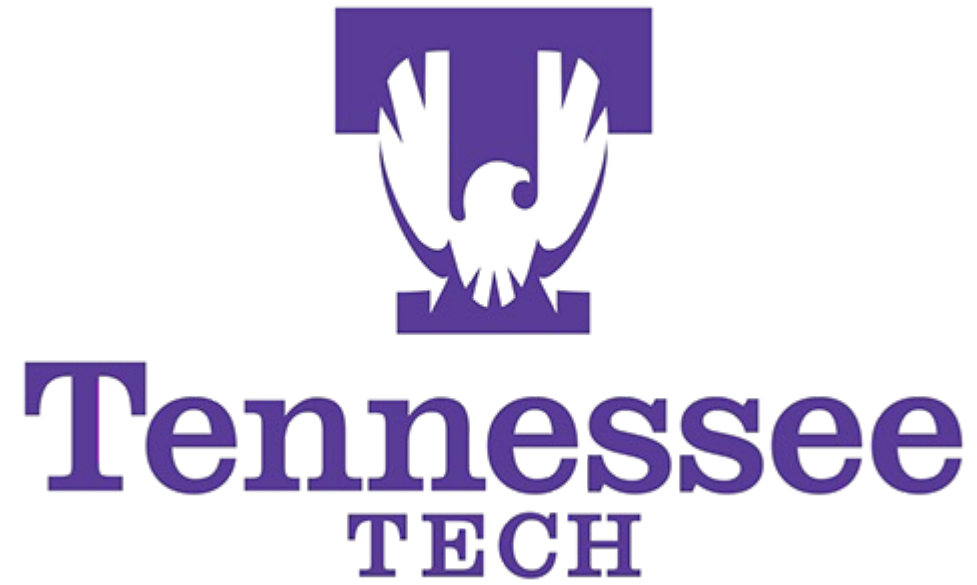
### TTU On-Campus Housing vs. Craft Center Proposed Rates





## FY2022-23 Estimated & FY2023-24 Proposed Budget





## FY2022-23 Estimated Budget



# Changes in E&G Revenues

	October Revised Budget BOT Approved December 2022  FY2022-23	Current Estimate Presented for Approval June 2023  FY2022-23	Difference
Tuition & Fees	\$100,544,000	\$103,087,100	\$2,543,100
State Approp	\$79,920,600	\$79,920,600	\$0
Other	\$12,949,300	\$16,356,000	\$3,406,700
<b>Total E&amp;G Revenues</b>	<b>\$193,413,900</b>	<b>\$199,363,700</b>	<b>\$5,949,800</b>





# Revised FY23 vs. Current Estimate FY23

## Reconciliation of Changes in E&G Revenues

- Tuition and Fees
  - Conservative estimate in enrollment driven maintenance (tuition) and fees \$2,293,278
- Other
  - Increase in interest income revenue \$2,200,000
  - Increase in Athletics income \$511,650
  - Increase non-mandatory fees \$250,000
  - Indirect Cost increase \$175,000
  - Career Services income \$118,000
  - Salvage income \$70,000

# Changes in E&G Functional Expenses

	October Revised Budget BOT Approved December 2022  FY2022-23	Current Estimate Presented for Approval June 2023  FY2022-23	Difference
Instruction	\$87,781,500	\$87,655,700	(\$125,800)
Research	\$6,972,900	\$7,314,000	\$341,100
Public Service	\$3,297,200	\$3,113,100	(\$184,100)
Academic Supp.	\$17,641,500	\$17,929,600	\$288,100
Student Serv.	\$23,825,400	\$24,680,800	\$855,400
Institutional Supp.	\$18,128,200	\$18,404,000	\$275,800
Maint & Oper.	\$18,274,500	\$17,750,900	(\$523,600)
Scholarship	\$19,154,100	\$19,146,600	(\$7,500)
<b>Total E&amp;G Functional Expenses</b>	<b>\$195,075,300</b>	<b>\$195,994,700</b>	<b>\$919,400</b>



# Revised FY23 vs. Current Estimate FY23

## Reconciliation of Changes in E&G Functional Expenses

- Instruction
  - Reallocation of university-wide managed benefits (\$125,000)
- Research
  - Rural Reimagined transferred to research \$144,076
  - Reallocation of university-wide managed benefits \$125,000
- Public Service
  - Rural Reimagined transferred to research (\$144,076)
- Academic Support
  - TAF increase due to conservative fall budget \$109,750
  - Reallocate portion of College online fee to Provost for course development \$31,942
  - IT ERP Project Manager position \$125,271
- Student Services
  - Athletics – revenue adjustment \$514,653
  - RUC Coordinator position - \$55,906
  - International Education - \$79,822
  - Disability Services \$32,000
  - Police adjustments \$63,923
- Inst. Support/Maint. & Operation
  - Mercer Comp Study \$300,000
  - Property insurance savings (\$1,000,000)
  - Utilities increase \$175,000
  - Crossville TAP \$200,000
  - Market adjustments \$117,434



# Changes in E&G Natural Expenses

	October Revised Budget BOT Approved December 2023  FY2022-23	Current Estimate Presented for Approval June 2023  FY2022-23	Difference
Salary and Wages	\$87,736,836	\$86,423,769	(\$1,313,067)
Fringe Benefits	\$33,379,952	\$33,901,020	\$521,068
Travel	\$2,075,850	\$2,715,462	\$639,612
Operating & Utilities	\$51,385,055	\$52,190,073	\$805,018
Scholarships & Fellowships	\$19,682,220	\$19,713,840	\$31,620
Capital	\$815,104	\$1,050,657	\$235,553
<b>Total E&amp;G Natural Expenses</b>	<b>\$195,075,017</b>	<b>\$195,994,821</b>	<b>\$919,804</b>

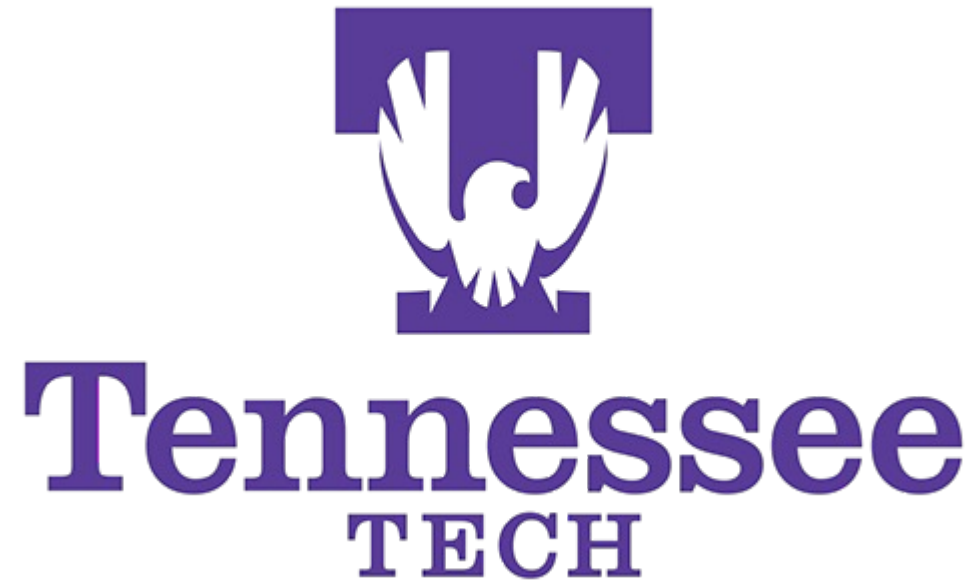


# Revised FY23 vs. Current Estimate FY23

## Reconciliation of Changes in E&G Natural Expenses

- Salary and Wages
  - Lapse Strategic Investment Pool (\$2,016,821)
  - Chair and Department stipends \$289,000
  - IT Project Manager, EHS Coordinators, International Education \$262,000
  - Market adjustments – Police & Facilities \$151,405
- Benefits
  - New positions - \$148,150
  - Health Services \$55,200
  - Funds transferred to cover GA fee waivers \$318,000
- Travel
  - Units transferred dollars from operating or temporary wages to cover travel expenditures \$639,00
- Operating & Utilities
  - Lapse invested back at College/VP level \$1,101,947
  - Transfer funds for positions (\$213,371)
- Scholarships
  - Funds added to cover state fee wavier mandates \$31,620
- Capital
  - Funds transferred to cover infrastructure \$235,553





FY2023-24 Proposed Budget



## Changes in Permanent E&G Revenues – FY23 to FY24

	July Proposed Budget BOT Approved June 2022  FY2022-23	July Proposed Budget Presented for Approval June 2023  FY2023-24	Difference
Tuition & Fees	\$100,785,900	\$105,062,800	\$4,276,900
State Appropriations	\$73,823,600	\$80,803,800	\$6,980,200
Other	12,798,400	13,136,800	\$338,400
<b>Total E&amp;G Revenues</b>	<b>\$187,407,900</b>	<b>\$199,003,400</b>	<b>\$11,595,500</b>
State Appropriations – One Time (Special Initiatives)	\$5,040,000	\$1,350,000	(\$3,690,000)
<b>Adjusted Total E&amp;G Revenues</b>	<b>\$192,447,900</b>	<b>\$200,353,400</b>	<b>\$7,905,500</b>



# Proposed FY23 vs. Proposed FY24 Reconciliation of Changes in Permanent E&G Revenues

- Tuition and Fees
  - Maintenance and Out-of-State increase adjusted at Current Estimate FY23 \$1,855,000 from conservative Revised Budget
  - Fee increase adjusted to actuals at Current Estimate FY23 \$335,400 from conservative Revised Budget
  - Maintenance and Out-of-State increase at Proposed FY24 based on estimated Fall 2023 student enrollment \$1,873,000
  - Fee increase at Proposed FY24 based on estimated Fall 2023 student enrollment \$213,500
- State Appropriations
  - Base adjustment – Outcomes Formula \$251,900
  - Outcomes Funding & Inflationary Cost \$2,285,100
  - Formula Salary Pool – Partial 5% \$2,920,000
  - CEROC - \$1,000,000
  - Group Health Adjustments \$287,600
  - UAAL (Unfunded Actuarial Accrual liability) Allocation, OPEB, TCRS Rate Adjustment, Risk Management Premiums \$235,600
- Other
  - Indirect Cost \$150,000
  - Parking Permits \$162,250
  - Departmental revenues (band camp, workshops, application fees, etc.) \$26,150
- State Appropriations – One Time (Special Initiatives)
  - Water Center \$150,000 – New in FY24
  - Appalachian Craft Center (\$2,840,000) – FY23 not repeated in FY24
  - CEROC (\$1,000,000) – shift to permanent state appropriations in FY24



## Changes in Permanent E&G Functional Expenses – FY23 to FY24

	July Proposed Budget BOT Approved June 2022 FY2022-23	July Proposed Budget Presented for Approval June 2023 FY2023-24	Difference
Instruction	\$78,441,400	\$81,436,000	\$2,994,600
Research	\$2,750,800	\$3,162,900	\$412,100
Public Service	\$2,056,600	\$2,056,400	(\$200)
Academic Supp.	\$14,308,000	\$15,728,000	\$1,420,000
Student Serv.	\$22,823,600	\$24,140,900	\$1,317,300
Institutional Supp.	\$19,915,000	\$20,367,400	\$452,400
Maint & Oper.	\$16,319,900	\$19,049,300	\$2,729,400
Scholarship	\$17,536,300	\$20,628,000	\$3,091,700
<b>Total E&amp;G Expenses</b>	<b>\$174,151,600</b>	<b>\$186,568,900</b>	<b>\$12,417,300</b>
State Appropriations – One Time (Special Initiatives)	<b>\$8,540,000</b>	<b>\$1,350,000</b>	<b>(\$7,190,000)</b>
<b>Adjusted Total E&amp;G Expenses</b>	<b>\$182,691,600</b>	<b>\$187,918,900</b>	<b>\$5,227,300</b>



# Proposed FY23 vs. Proposed FY24 Reconciliation of Changes in E&G Functional Expenses

- Instruction
  - FY24-Salary Pool & Benefits - \$2,620,163
  - FY24-Faculty Promotions \$250,000
  - FY24-Lab Science contracts \$350,000
  - SAF & Online Fee adjustments \$295,108
  - Chair stipends \$289,000
  - Benefit reallocation-university wide (\$800,000)
- Research
  - FY24-Salary Pool & Benefits - \$33,131
  - FY23-Office of Research funding shift (\$46,077)
  - CEROC permanent funding - \$480,000
  - Benefit reallocation-university wide (\$55,000)
- Public Service
  - FY24-Salary Pool & Benefits - \$29,361
  - Benefit reallocation-university wide (\$30,000)
- Academic Support
  - FY24-Salary Pool & Benefits - \$614,648
  - ITS maintenance contracts \$300,000
  - IT ERP Project Manager position \$125,271
  - Library \$150,000
  - FY23-Office of Research funding shift \$46,077
  - Online Fee adjustments \$187,920
- Student Services
  - FY24-Salary Pool & Benefits - \$701,557
  - Athletics inflationary cost \$224,425
  - Athletics positions \$189,000
  - RUC Coordinator position - \$55,906
  - International Education position & reclass - \$79,822
  - Disability Services \$30,000
  - CourseDog software \$100,113
  - Benefit reallocation-university wide (\$60,000)
- Institutional Support
  - FY24-Salary Pool & Benefits - \$1,164,290
  - FY24-State Appropriation Group Health \$352,400
  - Crossville TAP Property \$552,000
  - New positions & adjustments - \$186,310 (HR Specialist, 2- EHS Coordinators)
  - Benefit reallocation-university wide (\$1,800,000)
- Maintenance & Plant
  - FY24-Salary Pool & Benefits - \$307,368
  - FY24-Utilities-anticipated ACME online \$447,400
  - Police & Facilities positions & critical adjustments \$343,629
  - FY23-Loss of TVA reimbursement \$260,000
  - FY23-Inflationary cost increase of utilities \$1,736,069
  - Utilities reallocated to Auxiliary due to increase (\$330,000)
- Scholarships
  - Presidential Scholars - 1st year FY23 - \$1,240,400
  - Athletic scholarships FY23 - \$170,480
  - Presidential Scholars – 2nd year FY24 - \$1,481,400
  - TCA mandated scholarships \$200,000
- State Appropriations – One Time (Special Initiatives)
  - Water Center \$150,000
  - Appalachian Craft Center (\$2,840,000)
  - CEROC (\$1,000,000) – shift to permanent state appropriations
  - Crossville TAP (\$3,500,000)-shift to permanent state appropriations



## Changes in Permanent E&G Natural Expenses – FY23 to FY24

	July Proposed Budget BOT Approved June 2022 FY2022-23	July Proposed Budget Presented for Approval June 2023 FY2023-24	Difference
Salary and Wages	\$85,226,460	\$91,107,638	\$5,881,178
Fringe Benefits	\$37,031,366	\$36,643,520	(\$387,846)
Travel	\$1,584,615	\$2,068,849	\$484,234
Operating & Utilities	\$31,854,442	\$35,232,106	\$3,377,664
Scholarships & Fellowships	\$18,093,623	\$21,185,287	\$3,091,664
Capital	\$361,094	\$331,500	(\$29,594)
<b>Total E&amp;G Expenses</b>	<b>\$174,151,600</b>	<b>\$186,568,900</b>	<b>\$12,417,300</b>
State Appropriations – One Time (Special Initiatives)	<b>\$8,540,000</b>	<b>\$1,350,000</b>	<b>(\$7,190,000)</b>
<b>Adjusted Total E&amp;G Expenses</b>	<b>\$182,691,600</b>	<b>\$187,918,900</b>	<b>\$5,227,300</b>



# Proposed FY23 vs. Proposed FY24 Reconciliation of Changes in E&G Natural Expenses

- Salary & Wages
  - FY24-5% Salary Pool & Benefits - \$3,792,968
  - New faculty position, promotions and critical adjustments (COB-Lecturer, Psy Professor, Engineering critical adjustments, FY23 additional promotions) - \$517,980
  - Chair stipends \$289,000
  - Academic Support positions (ITS) \$118,219
  - Student Services positions & adjustments (RUC Coordinator, International Education Coordinator) - \$383,000
  - Institutional Support positions & adjustments (HR Specialist, 2-EHS Coordinators) - \$186,310
  - Police and Facilities positions & critical adjustments \$343,629
  - FY24-Faculty promotions \$250,000
- Benefits
  - FY24-Salary Pool Benefits - \$1,137,891
  - Benefits for new positions - \$302,631
  - FY24-State Appropriation Group Health \$523,200
  - Benefit adjustment-University wide reallocated to utilities (\$2,352,000)
- Travel
  - Athletics inflationary cost \$138,073
  - Funds reallocated from operating \$350,000
- Operating & Utilities
  - Crossville TAP Property \$500,000
  - Athletics inflationary cost \$86,352
  - Disability Services \$30,000
  - CourseDog software \$100,113
  - Library \$150,000
  - FY24-Utilities-anticipated ACME online \$447,400
  - FY23-Loss of TVA reimbursement \$260,000
  - FY23-Inflationary cost increase of utilities \$1,736,069
  - FY24-Lab Science contracts \$350,000
  - SAF & Online Fee adjustments \$483,028
  - CEROC perm funding - \$480,000
  - Funds reallocated from capital \$30,000
  - Funds reallocated to travel (\$350,000)
  - Funds reallocated to salaries (\$478,487)
  - Funds reallocated to benefits (new positions) (\$116,200)
  - Utilities reallocated to Auxiliary due to increase (\$330,000)
- Scholarships
  - Presidential Scholars-1st year FY23 - \$1,240,400
  - Athletic scholarships FY23 - \$170,480
  - Presidential Scholars – 2nd year FY24 - \$1,481,400
  - TCA mandated scholarships \$200,000
- Capital
  - Funds reallocated to operating (\$30,000)
- State Appropriations – One Time (Special Initiatives)
  - Water Center \$150,000
  - Appalachian Craft Center (\$2,840,000)
  - CEROC (\$1,000,000) – shift to permanent state appropriations
  - Crossville TAP (\$3,500,000)-shift to permanent state appropriations





Disclosed Projects FY2023-24



# Disclosed Projects FY2023-24

Fiscal Year	Project	Project Cost	Project Description
2023-24	JJ. Oakley Innovation Center and Residence Hall	\$70,240,000	Construct a new residence hall complex that will provide 400 beds and ground-level space dedicated to a learning community for entrepreneurship and technology.
2023-24	Student Event Center	\$41,000,000	Student Event Center will house a welcome center, university bookstore, dedicated banquet hall space and satellite food court.
	<b>Total Request</b>	<b>\$111,240,000</b>	





## Capital Budget FY2024-25



# Capital Outlay Request FY2024-25

## Requested for State Funding

Fiscal Year	Project	Project Cost	Project Description
2024-25	Academic Classroom Building	75,100,000	Demolish Matthews Daniel and Crawford. Construct new building to support Colleges of Education and Arts & Sciences. Administrative Offices for Communications and Marketing, Research and Development.
<b>Funding sources:</b>			
<b>State capital appropriations</b>		<b>\$69,092,000</b>	
<b>Match required</b>		<b>\$6,008,000</b>	





# Capital Maintenance Projects Request FY2024-25

## Requested for State Funding

Priority	Project	Project Cost	Project Description
1	Bryan Fine Arts Auditorium Upgrades	\$2,570,000	Upgrade MEP systems, stage lighting, sound systems and seating for ADA code.
2	Roof Replacements	\$1,210,000	Replace the shingle roofs on Bell Hall and Ray Morris Hall and all related work.
3	Air Handler Replacement	\$1,130,000	Replace the outside air handlers at Henderson Hall and T.J. Farr building.
4	Utility Infrastructure Upgrades Phase 1.1	\$3,210,000	Replacement and repair of utilities campus wide including but not limited to underground steam, steam condensate, chilled water, sanitary sewer, storm sewer, telecom fiber, gas, electric, manholes and all related work.



# Capital Maintenance Projects Request FY2024-25

## Requested for State Funding

Priority	Project	Project Cost	Project Description
5	Utility Infrastructure Upgrades Phase 1.2	\$1,740,000	Replacement and repair of utilities campus wide including but not limited to underground steam, steam condensate, chilled water, sanitary sewer, storm sewer, telecom fiber, gas, electric, manholes and all related work.
6	Power Monitoring System	\$500,000	Provide a power monitoring system for main campus
7	Bryan Fine Arts Building Exterior Repairs	\$1,280,000	Clean, tuckpoint, caulk, repair and waterproof brick walls, stone coping, brick patios, windowsills, stone caps, retaining walls, concrete expansion joints, seating areas and all related work.
8	University Services Building Mechanical Upgrades	\$1,230,000	Replace the air handling unit, VAV boxes, piping and all related equipment.
<b>Total Requested</b>		<b>\$12,870,000</b>	





## Emeritus President Contract





## Tech Farm Operating Agreement





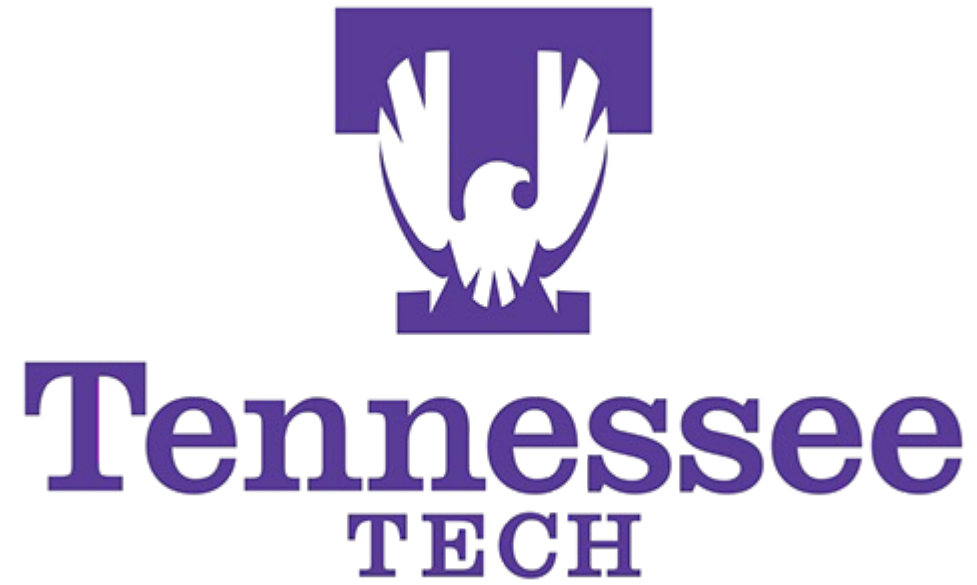
## Faculty Promotions





## Tenure Recommendations





## Internal Audit Quality Assessment Review

