

**Budget Advisory Committee**  
**February 16, 2024 – 3:00 p.m.**  
**President’s Conference Room**

<b>Members Present</b>		
Phil Oldham	Claire Stinson	Lori Bruce
Mark Wilson	Lee Wray	John Liu
Troy Perdue	Karen Lykins	Julie Baker
Tom Payne	Joseph Slater	Darron Smith
Jeff Roberts	Jennifer Shank	Sharon Holderman
Robert Wilbanks	Alfred Kalyanapu	Michael Allen
Mustafa Rajabali	Emily Wheeler	Kevin Vedder
Terri McWilliams	Emalee Hamblen	Lauren Hall
<b>Others Present</b>		
Kim York (Proxy for Cynthia Polk-Johnson)		
Elizabeth Williams (Proxy for Kevin Braswell)		
Jeremy Wendt (Proxy for Lisa Zagumny)		
Barbara Jared (Proxy for Kim Hanna)		
Sandi Smith-Andrews (Proxy for Lori Maxwell)		
Kelsey Hewitt (Proxy for Chance Hale)		
Carol Holley		
Diane Smith		
<b>Members Absent</b>		
Rob Owens	Terry Saltsman	Mike Gotcher
Matthew Trengove	Brian Seiler	Dan Warren

Dr. Stinson called the meeting to order at 3:02 p.m. and thanked everyone for their attendance. The agenda and minutes of the October 18, 2023, meeting was distributed previously via email to committee members.

**Approval of Agenda:** Dr. Stinson asked for a motion for the approval of the agenda. Mark Wilson moved to approve the agenda and Tom Payne seconded.

**Approval of Minutes:** Dr. Stinson asked for a motion to approve the minutes of the October 18, 2023, meeting. Dean Slater stated that he would like to make an amendment to the minutes, discussing how we prioritize budget needs, risk management, and he also wanted everyone to get a copy of the data that was presented in the October 18<sup>th</sup> meeting that was not distributed with the minutes. Dr. Stinson asked for a motion to approve the amended minutes. Mark Wilson moved to approve the minutes and Dean Payne seconded. Dr. Oldham stated the data could be added to the TEAMS files. *[After the meeting there was clarification that the minutes included the requested amendment therefore no amendment was made.]*

**Governor's Budget for 2024-2025:** Dr. Oldham stated the purpose of the meeting was to share information and stimulate feedback and discussion. There would be no final decisions made during the meeting. His goal was to give everyone an idea of where we are currently, and where we are heading. The Governor's Proposed Budget was released on February 5<sup>th</sup>. He emphasized that this is not necessarily the general assembly's budget. Roughly 30% of our operating annual budget comes from the state of Tennessee, while majority of the remaining 70% comes from tuition and fees. Dr. Oldham stated that while the state portion is an important piece, it is not the largest piece. Overall, the Governor's Budget is very lean.

**Capital Budget:** Data was presented showing the Governor's Budget compared to THEC's recommendation for capital (Attachment A). Our capital requests recommended from THEC were over \$12M, with only \$2.5M included on the Governor's Budget. Bryan Fine Arts auditorium upgrade was the only recommended project included.

**Operating Budget:** Dr. Oldham explained how, for the most part, this is calculated by a higher education funding formula administered by THEC. Last year we saw a reduction in graduates which goes into this calculation. Our slice of the pie is determined by our performance compared to other universities and community colleges. The Governors Operating Budget Recommendations for FY24-25 were presented (Attachment B).

**Planning for 2024-2025:** Estimated funding and costs increases information was shared (Attachment C). The tuition increase estimate is calculated using undergraduate/in-state tuition only. These estimates are very conservative and do not build in any enrollment increase. Dr. Oldham stated that we are not in the position right now for new funding requests unless units are wanting to reallocate current funding to new initiatives. Discussion was had regarding the data presented and predicted enrollment at this time. Dr. Oldham stated we have around 9,000 applicants with around 7,000 admittances so far, but all state universities are seeing an increase in applicants. Our goal is to be conservative and reasonable on the front end, so that we have a net positive. Dr. Oldham noted that after comparing to market, we have not increased out-of-state tuition in recent years, in an effort to get this rate more in line with where it should be. He further noted with the exception of UT Knoxville, we are right at the top end with other state universities tuition expense wise, and we do not want to de-value what we have here at Tennessee Tech. The goal is to balance affordability and overall value of the educational experience. He continued by stating we currently have the lowest student loan debt of any public university in Tennessee. Dr. Stinson also noted that we have utility and software cost increases to consider as well. Dean Payne responded by stating he feels the tuition increase is very modest given inflation. Dr. Wilbanks requested a 5-10 year analysis of state versus incentive amounts for Proposed, as well as 5-10 year tuition increase analysis to help illustrate the story being told. Discussion ended with Dr. Oldham emphasizing that this is an ongoing conversation, and he encouraged each member to comment and make suggestions. While it was determined that we would defer any open requests for new funding to late summer, he wanted everyone to think toward the possibility of new funding in the future, where we need to go compensation wise, and also focus on our operating budgets across the university.

Adjournment: Dr. Stinson thanked everyone for their attendance and the meeting adjourned at 4:27 p.m.



Update on Governor's Budget



## 2024-25 Governor's Budget vs. THEC Recommendation Comparison - Capital

	2024-25 THEC Recommendation						2024-25 Governor's Budget Recommendation						2024-25 Gov Budget vs THEC
	Capital	Capital			Safety &		Capital	Capital			Safety &		New Funding
Academic Formula Units	Outlay	Maintenance	Demolition	ADA	Security	Total	Outlay	Maintenance	Demolition	ADA	Security	Total	Difference
Locally Governed Institutions													
Austin Peay	\$23,055,590	\$8,490,000	-	\$3,700,000	\$896,000	\$36,141,590	-	\$2,000,000	\$0	\$0	\$0	\$2,000,000	(\$34,141,590)
East Tennessee	47,520,000	16,940,000	230,000	8,280,000	2,184,000	75,154,000	-	1,600,000	-	-	-	1,600,000	(73,554,000)
Middle Tennessee	91,579,000	17,400,000	-	8,080,000	1,876,000	118,935,000	-	2,500,000	-	-	-	2,500,000	(116,435,000)
Tennessee State	116,916,600	10,000,000	100,000	5,600,000	1,400,000	134,016,600	-	2,000,000	-	-	-	2,000,000	(132,016,600)
<b>Tennessee Tech</b>	<b>83,168,000</b>	<b>12,870,000</b>	-	<b>16,400,000</b>	<b>1,484,000</b>	<b>113,922,000</b>	-	<b>2,570,000</b>	-	-	-	<b>2,570,000</b>	<b>(111,352,000)</b>
University of Memphis	65,800,000	29,290,000	670,000	7,730,000	3,444,000	106,934,000	-	3,300,000	-	-	-	3,300,000	(103,634,000)
Subtotal	\$428,039,190	\$94,990,000	\$1,000,000	\$49,790,000	\$11,284,000	\$585,103,190	-	\$13,970,000	-	-	-	\$13,970,000	<b>(\$571,133,190)</b>



# Governor's Capital Budget Recommendations – Tennessee Tech Specific Projects FY2024-25

- **Capital Maintenance** **\$ 2,570,000**
  - Bryan Fine Arts Auditorium Upgrades **\$ 2,570,000**

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



## 2024-25 Governor's Budget vs. THEC Recommendation Comparison - Operating

	2023-24	2024-25 THEC Recommendation			2024-25 Governor's Budget Recommendation				2024-25 Gov Budget vs THEC
	Recurring	Outcomes	Share of	Total	Outcomes	Outcomes/	Health Ins	Salary	New Funding
Academic Formula Units	Appropriations	Adjustment	New Funding	Recurring	Adjustment	Productivity	Increases	Increase	Difference
Locally Governed Institutions									
Austin Peay	\$74,622,000	(\$806,500)	\$910,300	\$74,725,800	(\$720,000)	\$823,800	\$701,700	\$1,682,400	\$1,595,900
East Tennessee	97,348,300	(15,800)	1,200,300	98,532,800	98,200	1,086,300	1,290,700	2,751,300	\$2,637,300
Middle Tennessee	138,312,300	698,900	1,714,300	140,725,500	861,800	1,551,400	1,552,600	3,795,600	\$3,632,700
Tennessee State	53,322,300	(2,346,700)	628,600	51,604,200	(2,287,000)	568,900	692,400	1,751,100	\$1,691,400
<b>Tennessee Tech</b>	<b>76,988,500</b>	<b>(556,800)</b>	<b>942,600</b>	<b>77,374,300</b>	<b>(467,200)</b>	<b>853,000</b>	<b>821,100</b>	<b>1,839,600</b>	<b>\$1,750,000</b>
University of Memphis	167,759,900	1,760,000	2,090,600	171,610,500	1,958,600	1,892,000	1,636,600	4,525,500	\$4,326,900
<b>Subtotal</b>	<b>\$608,353,300</b>	<b>(\$1,266,900)</b>	<b>\$7,486,700</b>	<b>\$614,573,100</b>	<b>(\$555,600)</b>	<b>\$6,775,400</b>	<b>\$6,695,100</b>	<b>16,345,500</b>	<b>\$15,634,200</b>



## Governor's Operating Budget Recommendations – Tennessee Tech FY2024-25

Outcomes Growth (new funding)	\$853,000
Salary Pool*	\$1,839,600
Group Health Insurance	<u>\$821,100</u>
Total recommended <u>new</u> operating appropriations	\$3,513,700
THEC's Reallocation of Base Outcomes	<u>(\$467,200)</u>
Net increase in operating appropriations (recurring and non-recurring)	\$3,046,500
Non-Recurring Funds that were not extended and will impact programs:	
Rural Reimagined(non-recurring)	(\$1,000,000)
NSF Matching – CEROC (non-recurring)	(\$200,000)
*Salary pool is funded at 55% of required amount for 3% increase <i>Note: These amounts could be subject to change until Legislature passes the Governor's recommended budget.</i>	





# 5 Year History Outcomes Formula Funding

Outcomes Formula Funding					
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Proposed</u>
	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<b>New Dollars</b>	*	\$1,768,800	\$4,380,400	\$7,320,100	**\$3,513,700
<b>THEC Base Adjustment</b>	<u>404,200</u>	<u>(430,900)</u>	<u>(497,500)</u>	<u>251,900</u>	<u>(467,200)</u>
<b>Total Outcomes Distribution to TTU</b>	<b>\$404,200</b>	<b>\$1,337,900</b>	<b>\$3,882,900</b>	<b>\$7,572,000</b>	<b>\$3,046,500</b>
<p>*\$1,876,800 was originally appropriated, but then rescinded in June 2020 by Legislature.</p> <p>**Only \$385,800 resulted from outcomes formula</p>					



# Estimated Funding Increases FY2024-25

State Appropriations	\$3,046,500
Estimated 4% Tuition Increase	\$2,744,000
<b>Total estimated funding increases</b>	<b>\$5,790,500</b>



# Estimated Cost Increases FY2024-25

3% salary pool w/fringe benefits (55% provided by State)	\$3,394,500
Other Inflationary Cost Increases	\$3,380,824
<b>Total estimated cost increases</b>	<b>\$6,775,324</b>

