

Budget Town Hall

Brent Goldberg

Vice Chancellor for Finance & Administration

April 30, 2024



FY 2025 Budget Planning Overview

Budget Process Goals

- Align budget priorities to strategic goals
- Budget understanding and transparency
- Budget decisions made collaboratively with campus input, the ELT, and the Budget Council
- Support the Campus Master Plan through financial planning
- Build upon strong prior financial stewardship

Strategic Plan 2021 - 2025

- **Teaching & Learning** – recruit and grow diverse student population, improve student performance, define distinctive experience and programs
- **Diversity & Inclusion** – build essential community that cultivates diversity, internationalize, expand inclusive access, and increase engagement
- **Research & Innovation** – expand research capacity, invest resources, community collaboration, engage in mentoring, creative and entrepreneurial endeavors
- **Stewardship & Resources** – expand resource base and revenue streams, physical transformation, transparency, improve technology and web utilization

Core Focus Areas

Creating the MOCS Experience

Leveraging Our Special Place as Chattanooga's University

Cultivating a Culture of Innovation

Operating with Excellence

FY 2025 Budget Process

Budget Preparation (October - December)

- Campus wide budget input sessions.
- Initial Budget Council meeting to discuss budget outlook and budget process for upcoming fiscal year.
- Departmental development of budget priorities and discussions within division or college.

Budget Planning (January – March)

- Divisions submit budget requests.
- State of TN Governor's Budget releases proposed State Appropriation amounts.
- ELT collaborates to develop proposed budget allocations based on priorities.
- Proposed budget reviewed by Budget Council, Division Budget Managers, and governance committees.

Budget Proposal (April– June)

- Chancellor approves final proposal.
- Campus wide Townhall.
- TN General Assembly vote to approve state appropriations budget.
- Campus Advisory Board recommendation.
- UT Board of Trustees approves budget.

FY 2025 Budget Planning Timeline

DATE	ACTION
October 2023	Campus wide budget Information sessions (6 open, 2 targeted)
October – December 2023	Campus units begin the budget planning process.
December 2023	Budget Council meeting on info session results, FY25 projections, and budget priorities.
January 2024	Division leaders finalize and submit budget requests.
January 2024	State of Tennessee Governor's state appropriation budget released.
February 2024	Executive Leadership Team meets and prioritizes new investments.
February 2024	Budget Council meets to discuss requests, priorities and proposed budget.
March 2024	Chancellor and ELT finalizes proposed budget.
April 2024	General Assembly passes state appropriation budget.
April 2024	University budget town hall meeting to share proposed budget with campus.
May 2024	UTC Advisory Board makes recommendation on proposed budget.
June 2024	UT Board of Trustees approves proposed budget.

FY 2025 Budget Preparation

Continued Campus Initiatives

- Quantum/Data/AI
- R2 Designation
- New Strategic Plan
- Total Organizational Health
- Teacher Education
- Entrepreneurship
- DASH – ERP & SIS
- Student Recruitment
- University Marketing
- Employee Compensation
- QEP – “A Moc’s First Year”
- Building Envelope Maintenance
- Capital Outlay Projects
 - New Residence Hall
 - Health Sciences Building
 - Fletcher Addition
 - UC Renovation
 - 540 McCallie Renovation

Financial Planning Variables

Resources

- State appropriations outcomes
- Tuition and fee increase
- Reallocations

Environment

- Enrollment and student retention
- Admission changes in UT System
- Federal changes to financial aid packages
- Inflation costs and interest rates
- Capital projects and debt service
- THEC recommendation on tuition increases

Internal

- System wide initiatives and projects
- Institutional reserve management
- Reallocation opportunities

Budget Input Session Themes

1. Academic Programming

- Investment in high academic growth programs
- Summer school evaluation and review
- Review current academic programs for cost/benefit effectiveness

2. Compensation and Benefits

- Compression and market competition
- Flexible scheduling, working environment
- Merit increases and alignment with performance evaluations

3. Departmental General Operating Expenses

- DASH staffing needs
- Library publications and databases expenses
- Travel budget and faculty research costs

4. Parking Improvements

- Optimize parking system
- Incentive based parking Engel Stadium
- Faculty/staff parking/sliding-scale parking analysis
- Visitor parking

5. Student Recruitment

- Undergraduate new freshmen
- Undergraduate transfers / non-traditional
- Graduate students
- Part-time students

6. Student Programming

- Enhance dining options
- Expand housing needs
- Student mental health and wellness support
- Student academic advising and support

7. University Infrastructure and Maintenance

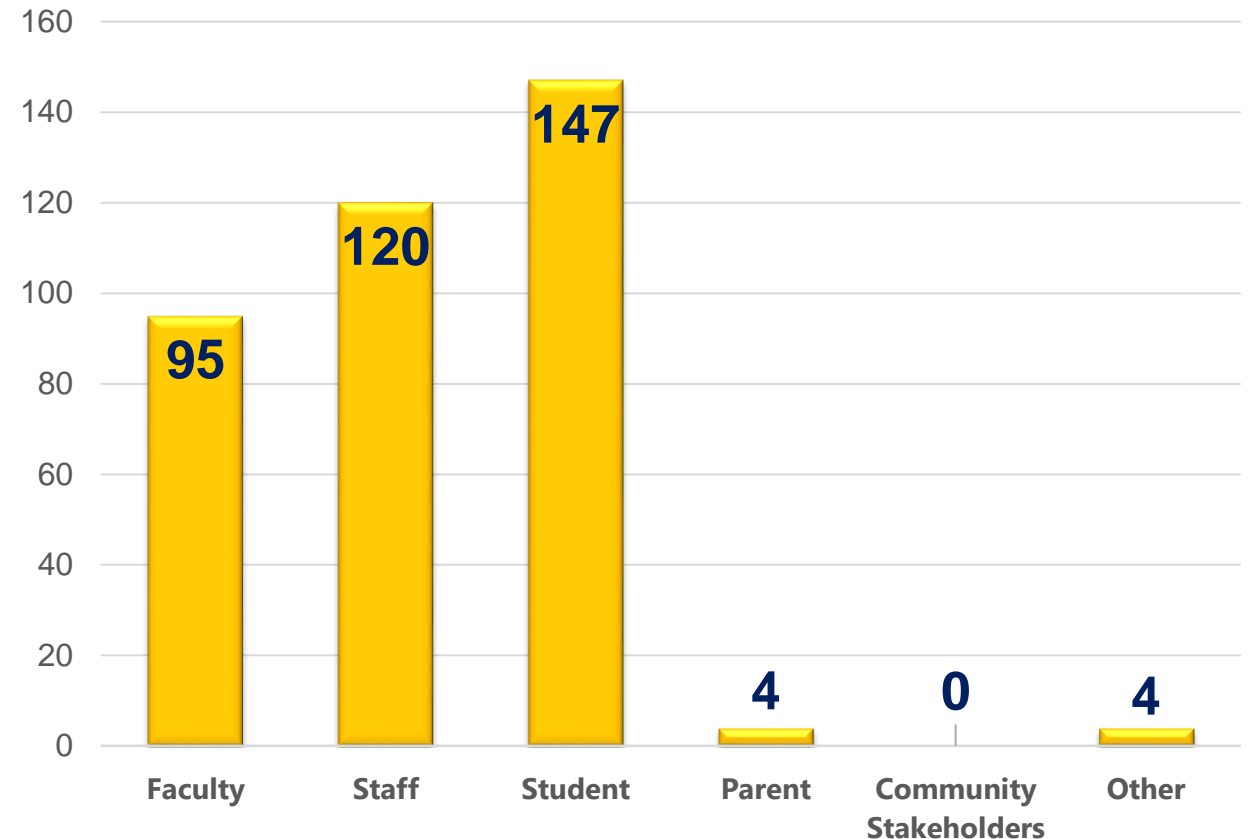
- Building/grounds maintenance budgets
- Technology maintenance and upgrades
- Align staffing levels with campus growth
- Equipment useful life refresh

Post Budget Input Session Survey – Data Points

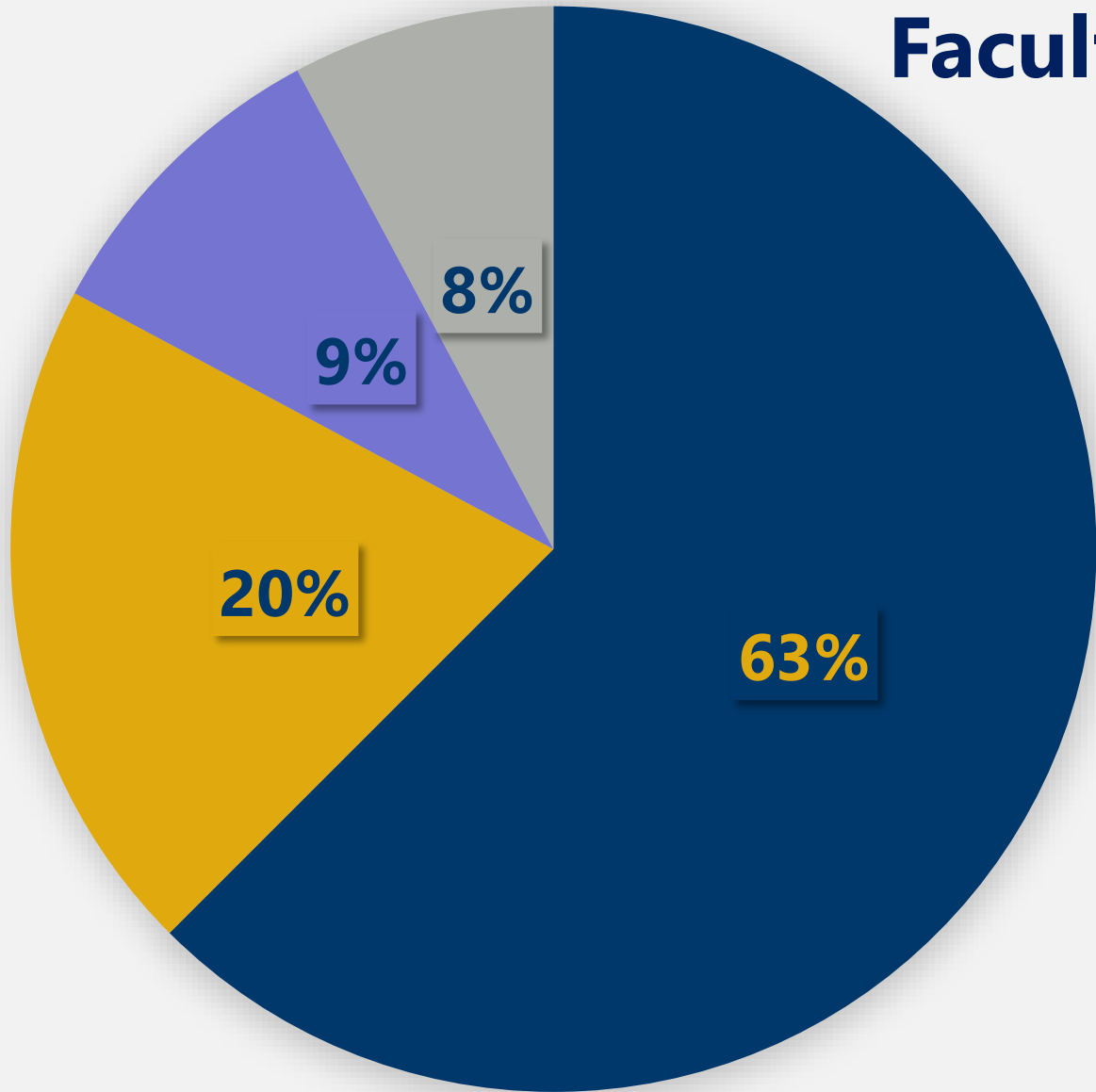
Survey Categories

- Academic Programming
- Campus Safety
- Compensation & Benefits
- Dept. General Operating Expenses
- Parking Improvements
- Student Programming
- Student Recruitment
- Summer School Courses & Scheduling
- University Infrastructure & Maintenance

Post Budget Input Session Responses



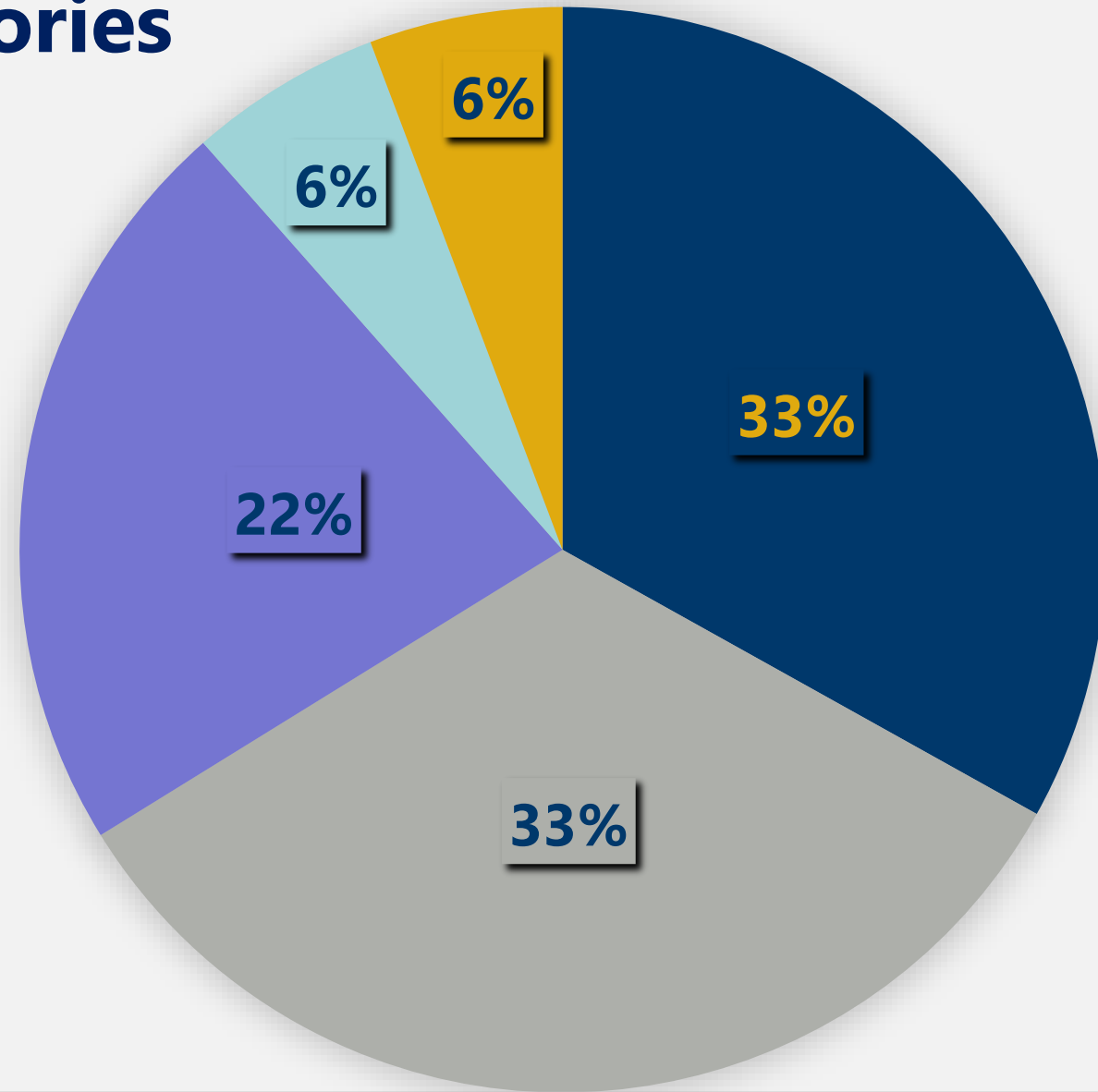
Faculty/Staff First Priority Categories



- Compensation and Benefits
- Academic Programming
- Campus Safety
- Departmental General Operating Expenses

Students First Priority Categories

- Parking Improvements
- Academic Programming
- Campus Safety
- University Infrastructure and Maintenance
- Departmental General Operating Expenses



FY 2025 Budget Planning

FY 2025 New Revenue

Source	Description	Recurring Revenue
State Appropriation	Formula and Productivity	\$1,447,200
State Appropriation	3% Salary Pool	2,219,800
State Appropriation	Health Insurance Adjustments	950,400
Tuition	2.75% Maintenance Fee	2,574,242
Tuition	3.3% Differential Fees	183,365
Fees	4.10% Mandatory Fees (Debt & Transportation)	788,377
Fees	Mandatory Fees – Consolidate (Green & Student Activity)	-
Auxiliaries	4% Housing, 4% Meal Plans and 0% Parking	1,186,863
Total		\$9,350,247

FY 2025 New Recurring Expense Budgets

Division	Recurring Requested	Recurring Proposed	Reallocation
Chancellor	-	-	265,000
Advancement	-	-	-
Academic Affairs	2,209,210	1,428,057	114,000
Access & Engagement	229,580	-	-
Athletics	1,854,598	154,598	1,225,880
Communications & Marketing	650,000	-	-
Enrollment Management & Student Affairs	765,331	213,725	73,320
Finance & Administration	220,652	-	313,570
Information Technology	1,200,000	-	-
Research	454,563	154,563	-
Institutional	7,802,691	6,212,441	546,000
Auxiliary	1,186,863	1,186,863	-
Total	\$16,573,488	\$9,350,247	\$2,537,770

Division amounts include fee increases, previously committed funding and awarded requests. Non-recurring funding is not included.

New Recurring Expense Budgets by Division

Institutional	Amount
3% Salary Pool – Across the Board Distribution	\$ 3,142,385
Faculty Promotions & Other Adjustments	392,040
Quality Enhancement Plan - FY24 Unfunded Item	275,540
ERP System Implementation - FY24 Unfunded Item	100,000
System Charge Increase	228,693
State Appropriations – Insurance Premiums	950,400
Scholarships - Tuition 2.75% Increase	335,006
Scholarships – Reallocation	-546,000
Scholarships – UT Promise Changes and FAFSA Changes	546,000
Mandatory Fees – 4.1% Increase (Debt and Transportation)	788,377
Total	\$ 6,212,441

*All expenses shown are projected recurring expenses. Non-recurring and auxiliary are not included.
All salary pool funds include benefits at the projected fully funded 3% increase from state appropriations.*

New Recurring Expense Budgets by Division

Academic Affairs	Amount
CHEPS – LEAP Advisor & Operations (THEC Commitment)	\$ 59,528
CHEPS – Nursing Faculty (State Capital Outlay Commitment)	830,349
CHEPS – Physical Therapy – NTT Faculty – Cohort Growth	55,750
RCOB – Management Master of Science Faculty & Operations (THEC Commitment)	206,300
Graduate School – GA 2.75% Tuition Increase and Adjustment	92,765
Differential Fee – 3.3% Increase	183,365
Total	\$ 1,428,057

Research	Amount
Research – Director of Grant Accounting (Partial Funding for Current Position)	\$ 37,533
Research – Export Control New Position	117,030
Total	\$ 154,563

All expenses shown are projected recurring expenses. Non-recurring and auxiliary are not included.

New Recurring Expense Budgets by Division

Enrollment Management & Student Affairs	Amount
Student Recruitment (Power C Tours, Prospective Students & Materials)	\$ 152,386
Coordinator of Off Campus Housing	61,339
Reallocation	-73,320
Center for Wellbeing – Asst Director - Substance Abuse Ed and Prevention	73,320
Eliminate Green Fee	-230,000
Student Activity Fee	230,000
Total	\$ 213,725

Athletics	Amount
Reallocation – Institutional McKenzie funding	\$ -1,225,880
Operations	1,225,880
Grant-in-Aid – 2.75% Tuition Increase	154,598
Total	\$ 154,598

All expenses shown are projected recurring expenses. Non-recurring and auxiliary are not included.

New Recurring Expense Budgets by Division

Chancellor's Office	Reallocation
Funding Available from Administrative Cost Savings	\$ -265,000
Innovation Fund	100,000
Director of Economic Development	115,000
Staff and Faculty Recognition	50,000
Total	\$ -

Finance & Administration	Reallocation
Funding Available from Administrative Cost Savings	\$ -313,570
Associate Vice Chancellor for Public Safety/Police Chief	160,000
Academic Affairs Safety (Lab)	50,000
Police Officer	50,000
Security Officer	34,000
Operating Expenses	19,570
Total	\$ -

FY 2025 Proposed Tuition & Fees

FY 2024 TN Undergraduate Market Position

Tennessee Public Institutions	In-State Maintenance	Mandatory Fees	Total Undergraduate Resident
Tennessee State	\$7,332	\$1,248	\$8,580
Austin Peay State	\$7,356	\$1,667	\$9,023
Middle Tennessee State	\$7,908	\$1,970	\$9,878
East Tennessee State	\$7,950	\$2,000	\$9,950
UT Chattanooga	\$8,232	\$1,912	\$10,144
UT Martin	\$8,546	\$1,662	\$10,208
University of Memphis	\$8,520	\$1,824	\$10,344
UT Southern	\$9,270	\$1,236	\$10,506
Tennessee Tech	\$9,510	\$1,320	\$10,830
UT Knoxville	\$11,332	\$2,152	\$13,484

All tuition and fee amounts are reported for full-time student credit hours for fall and spring semesters.

FY 2025 Proposed Fee Changes

Approval	Fee	Current	Proposed	Change	%	Annual Revenue
Board	UG Maintenance Fee	\$ 8,232	\$ 8,458	\$ 226	2.75%	\$ 2,316,818
Board	GR Maintenance Fee	\$ 8,876	\$ 9,120	\$ 244	2.75%	\$ 257,424
Board	Mandatory Fees	\$ 1,912	\$ 1,990	\$ 78	4.10%	\$ 788,377
Board	Differential Fees	\$60 / \$105	\$62 / \$108	\$2 / \$3	3.3%	\$ 183,365
Board	Residence Halls	Varies	Varies	Varies	4.0%	\$ 1,137,863
Board	Meal Plans	Varies	Varies	Varies	4.0%	\$ 49,000
Campus	Parking Decals	Varies	Varies	Varies	0.0%	\$ -

Mandatory Fees Comparison

Fee	Current	Proposed	Change	%
Student Activity	\$ 168	\$ 188	\$ 20	11.9%
Debt Service	\$ 430	\$ 504	\$ 74	17.2%
Health Services	\$ 130	\$ 130	-	-
Athletics	\$ 514	\$ 514	-	-
Green	\$ 20	-	\$ -20	-100%
Technology	\$ 260	\$ 260	-	-
Library	\$ 50	\$ 50	-	-
Transportation	\$ 120	\$ 124	\$ 4	3.3%
Facilities	\$ 200	\$ 200	-	-
International	\$ 20	\$ 20	-	-
Total	\$1,912	\$1,990	\$ 78	4.1%

FY 2025 Proposed Undergraduate Tuition & Fees

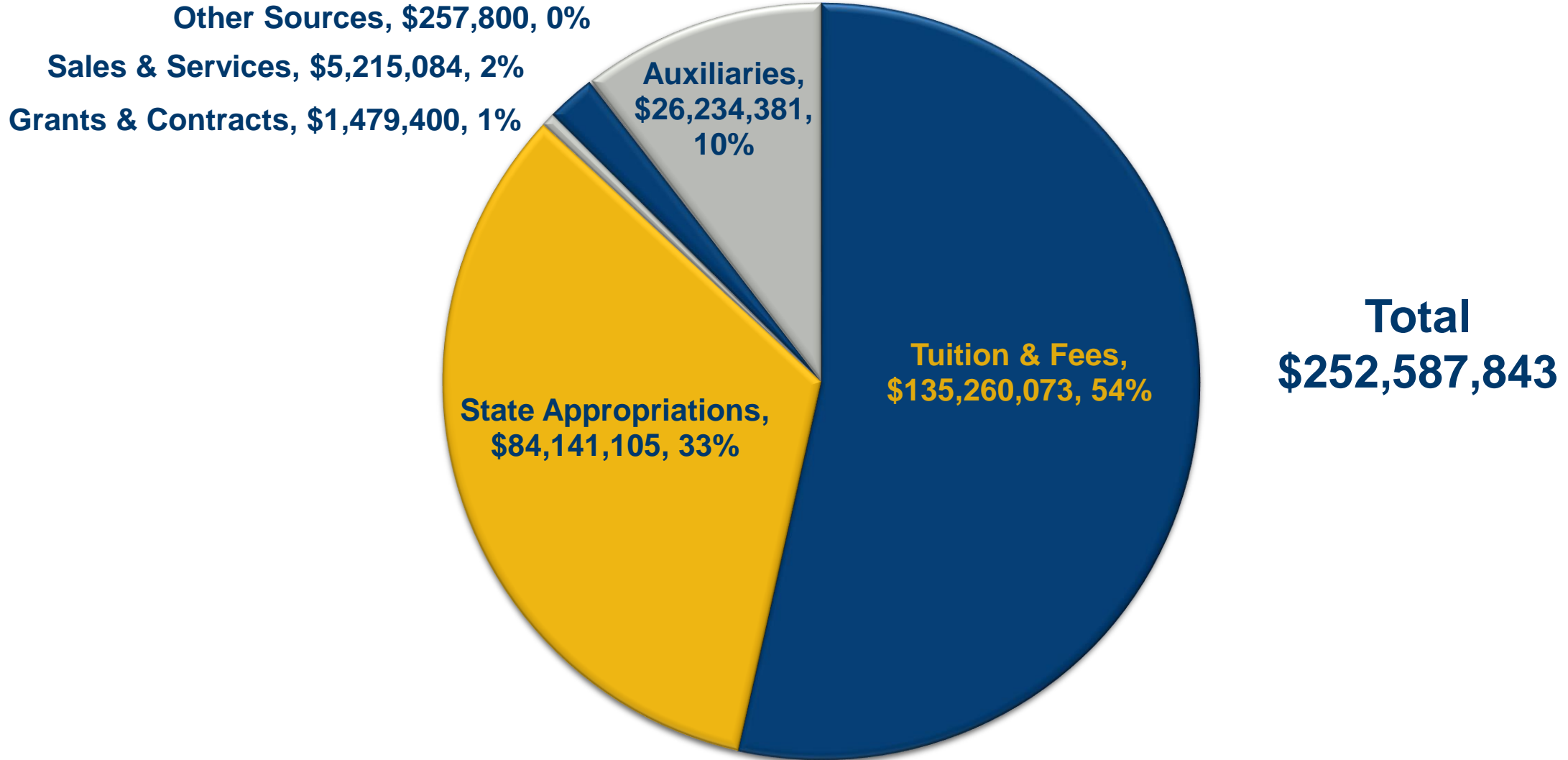
UG Students	Maintenance Fees	Mandatory Fees	Out of State Tuition	Total Cost	Total Change	Cost Change
In-State	\$ 8,458	\$ 1,990	N/A	\$ 10,448	3.0%	\$ 304
Out-of-State	\$ 8,458	\$ 1,990	\$ 8,064	\$ 18,512	1.7%	\$ 304
International	\$ 8,458	\$ 1,990	\$ 16,064	\$ 26,512	1.2%	\$ 304

FY 2025 Proposed Graduate Tuition & Fees

GR Students	Maintenance Fees	Mandatory Fees	Out of State Tuition	Total Cost	Total Change	Cost Change
In-State	\$ 9,120	\$ 1,990	N/A	\$ 11,110	3.0%	\$ 322
Out-of-State	\$ 9,120	\$ 1,990	\$8,064	\$ 19,174	1.7%	\$ 322
International	\$ 9,120	\$ 1,990	\$16,064	\$ 27,174	1.2%	\$322

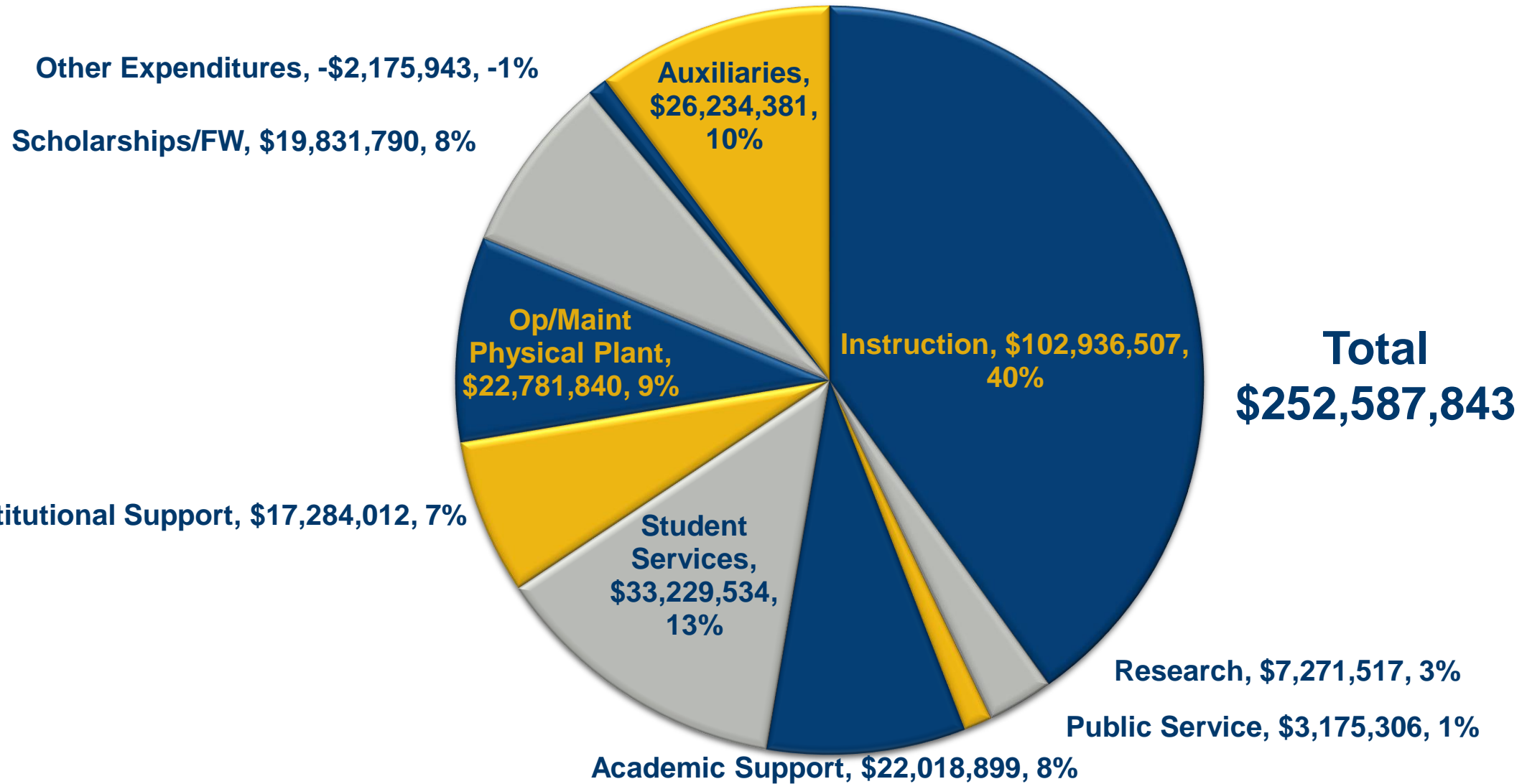
FY 2025 Proposed Budget

FY 2025 E&G & Aux. Proposed Budget - Revenue



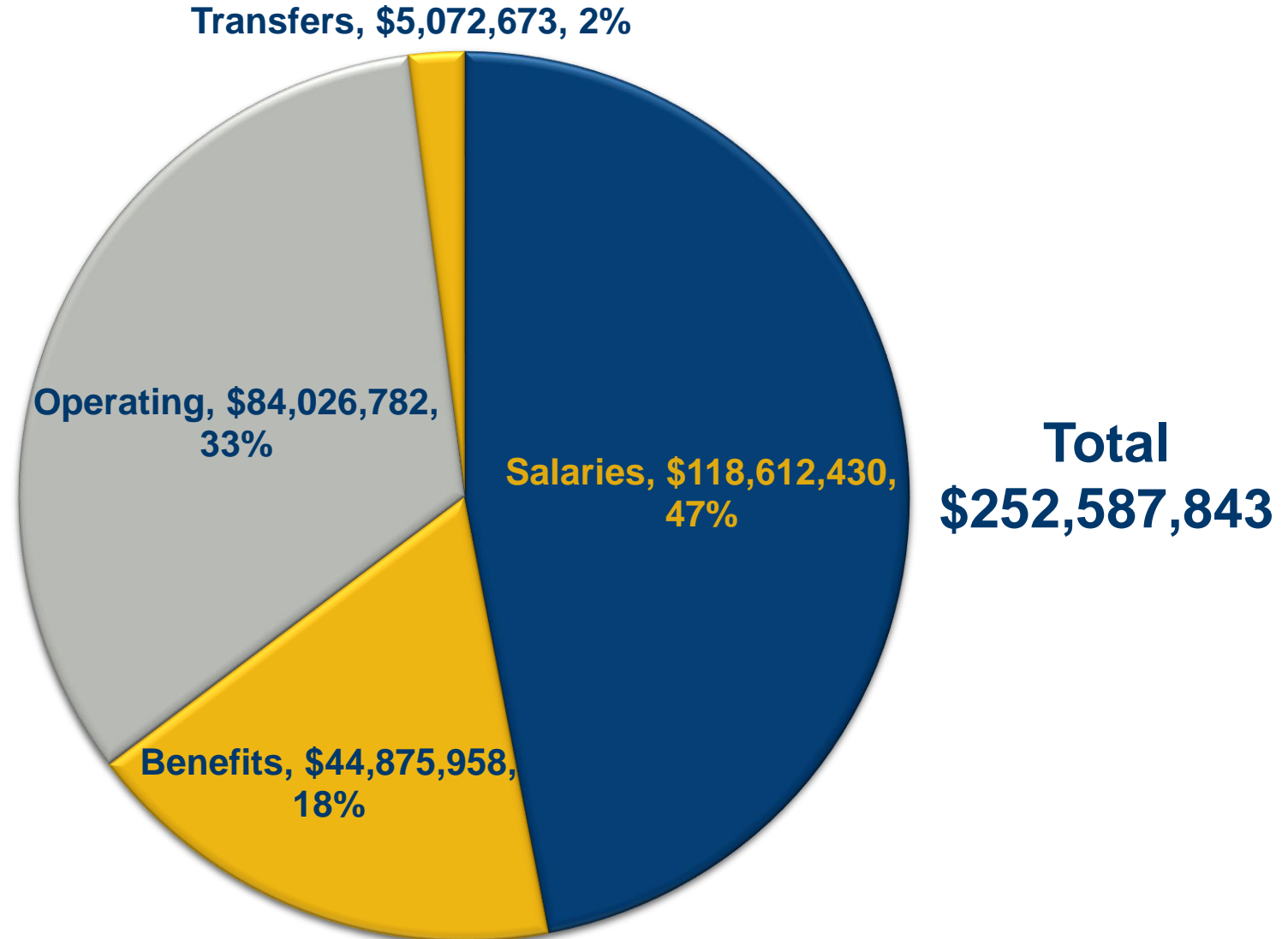
Amounts may change slightly due to possible adjusting entries within the proposed budget period.

FY 2025 Proposed Budget – Functional Area



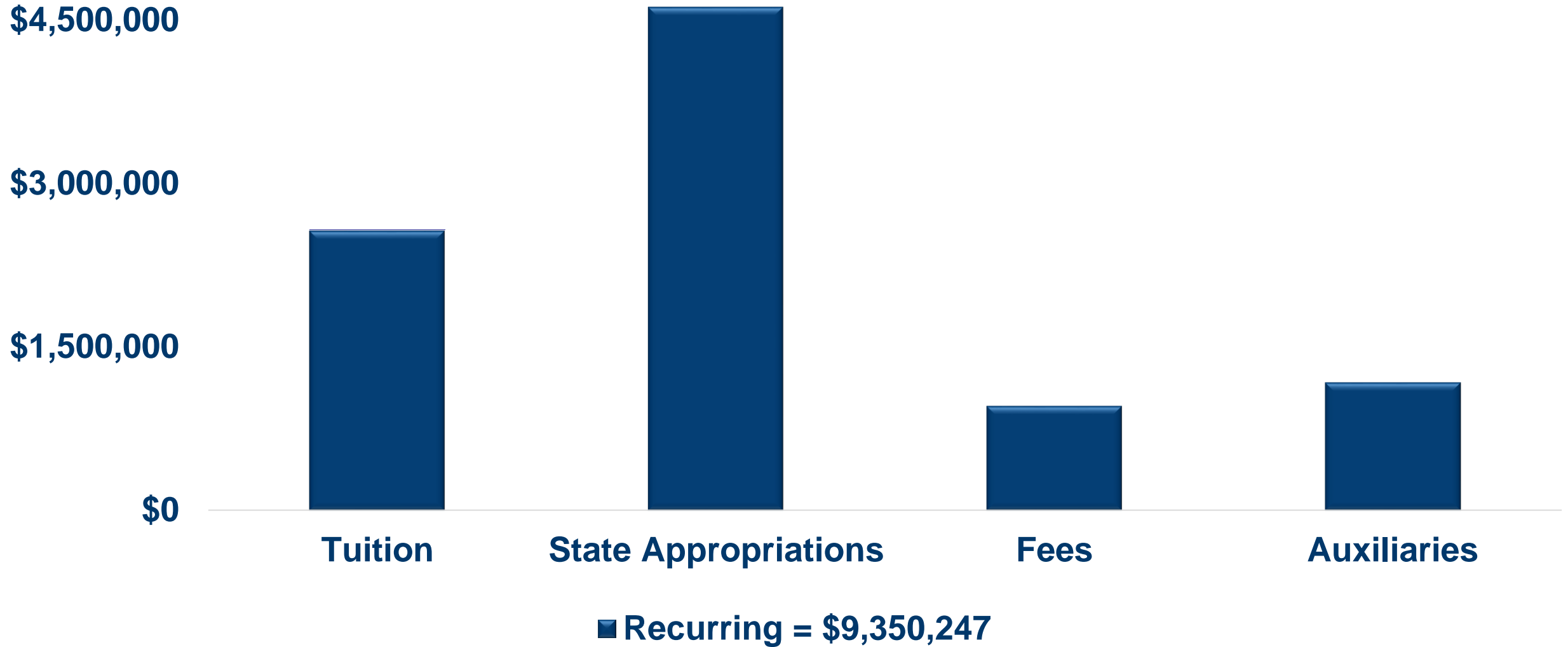
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FY 2025 Proposed Budget – Natural Classification

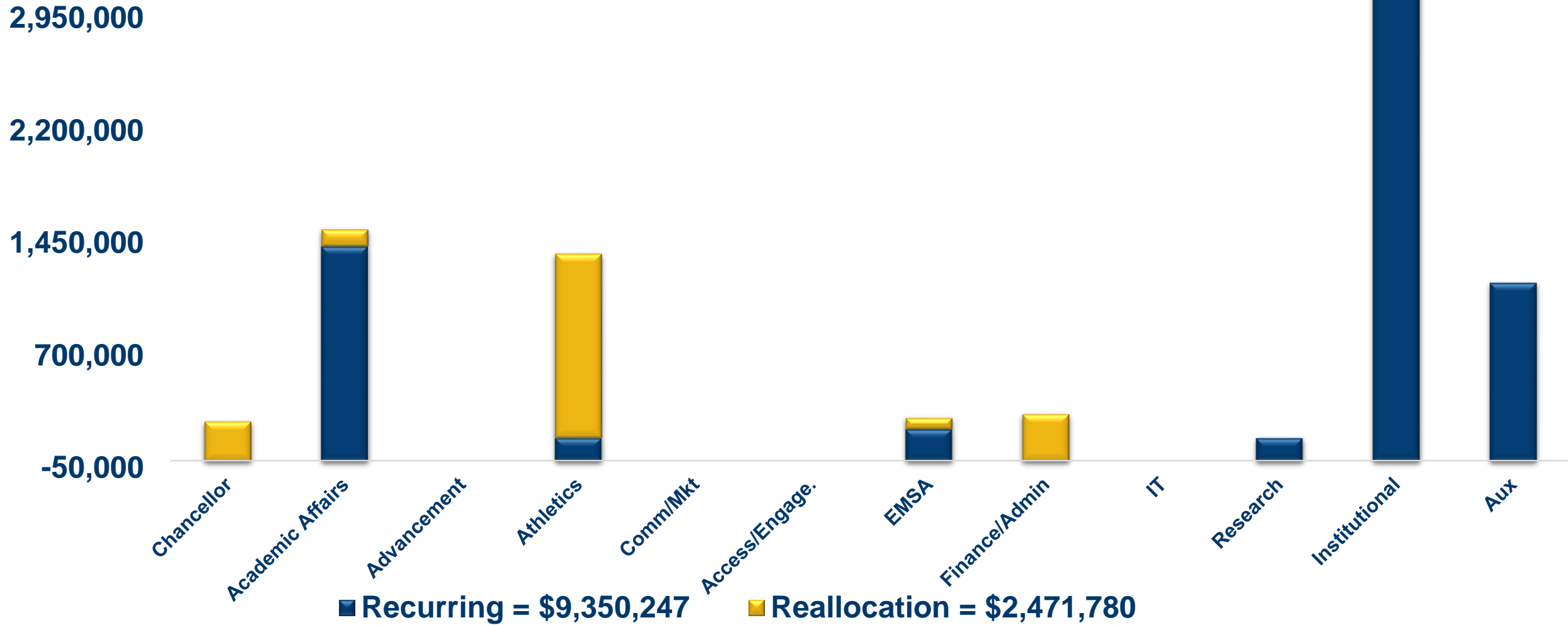


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FY 2025 Proposed New Revenue



FY 2025 Proposed New Expenses



Institutional includes all centrally funded compensation pools.

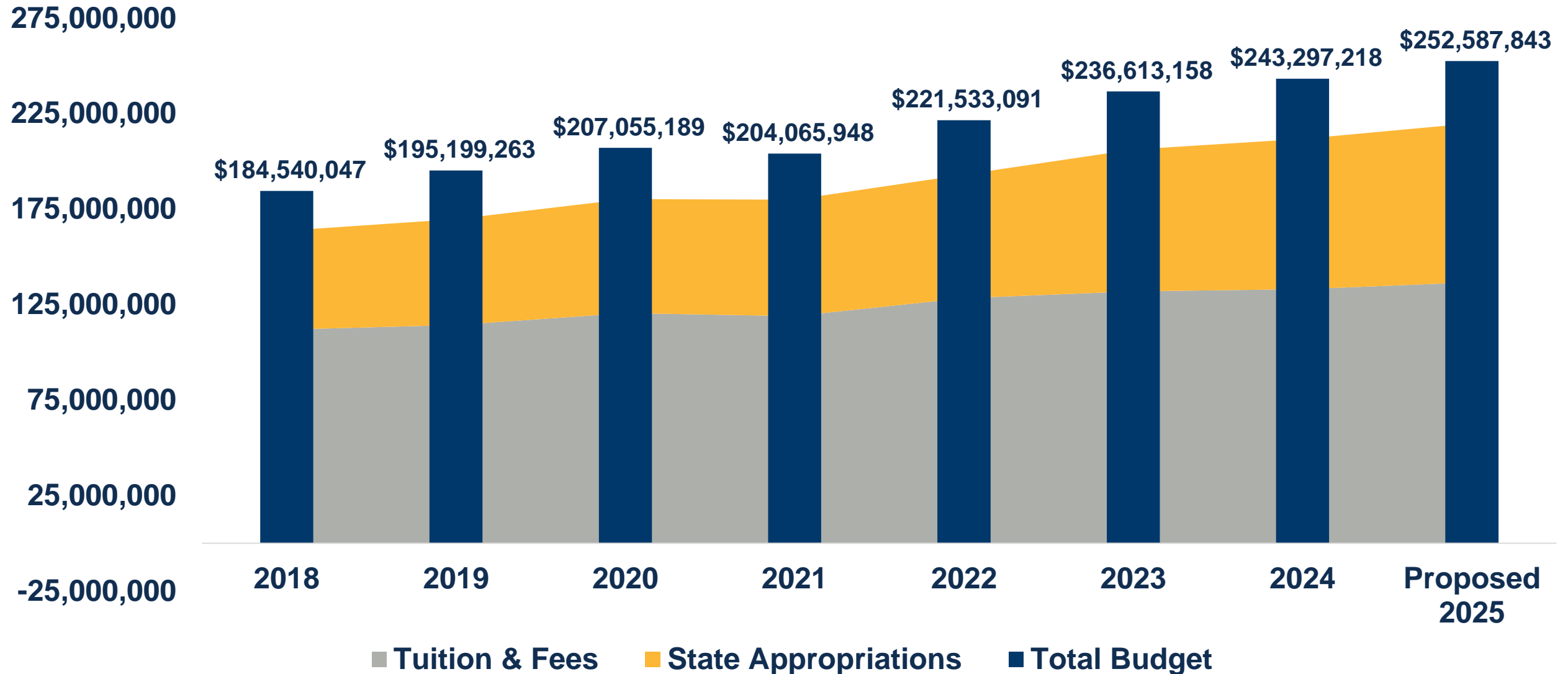
Fletcher Hall Addition



- Total Project: = \$98.6M
- Gift Match: \$30.0M expected minimum
- Size/Location: 81,688 sq. ft new/16,987 sq. ft. existing along Douglas Street
- Occupant: Rollins College of Business
- Highlight: Classrooms, specialty labs, auditorium, executive education space, community space, incubator space, expanded student success

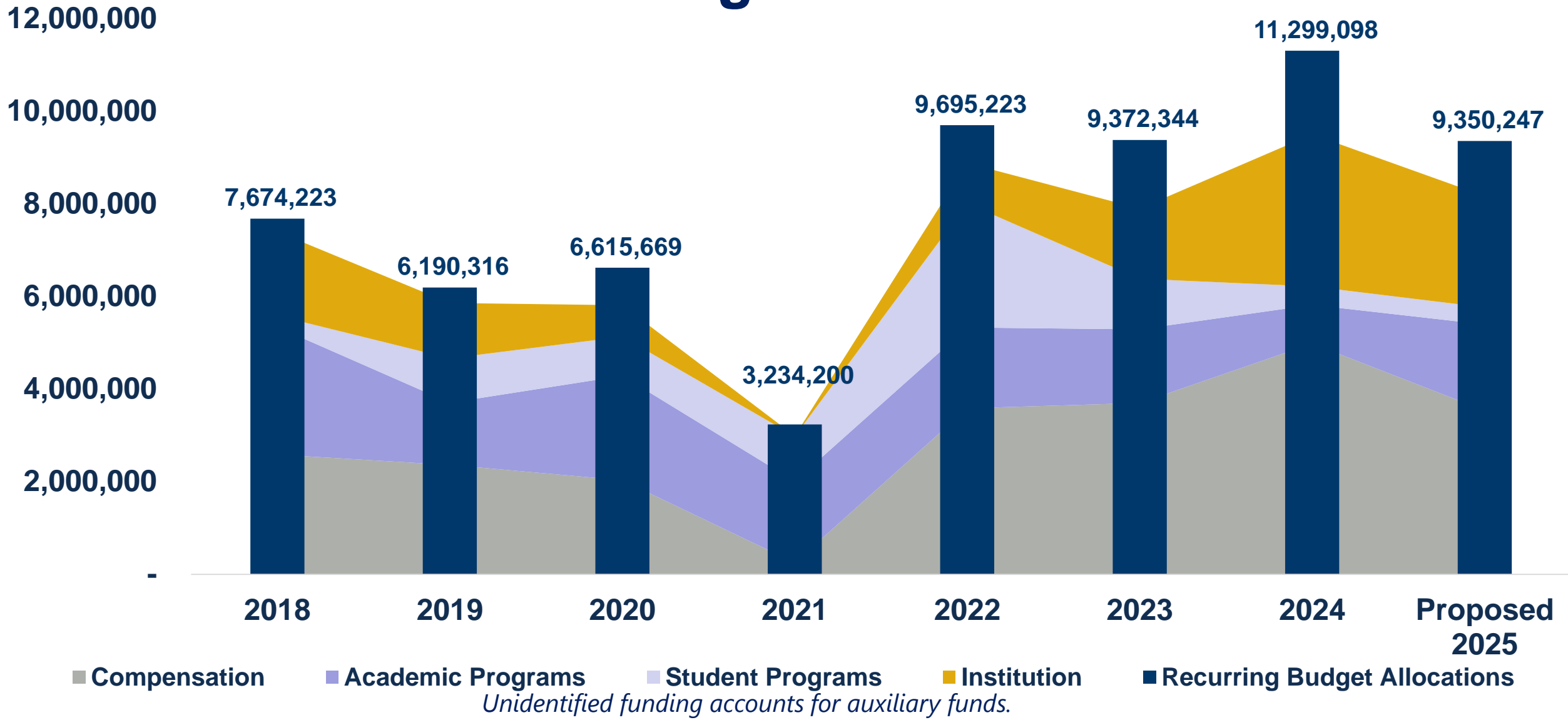
Financial Health Indicators

Revenue Trends



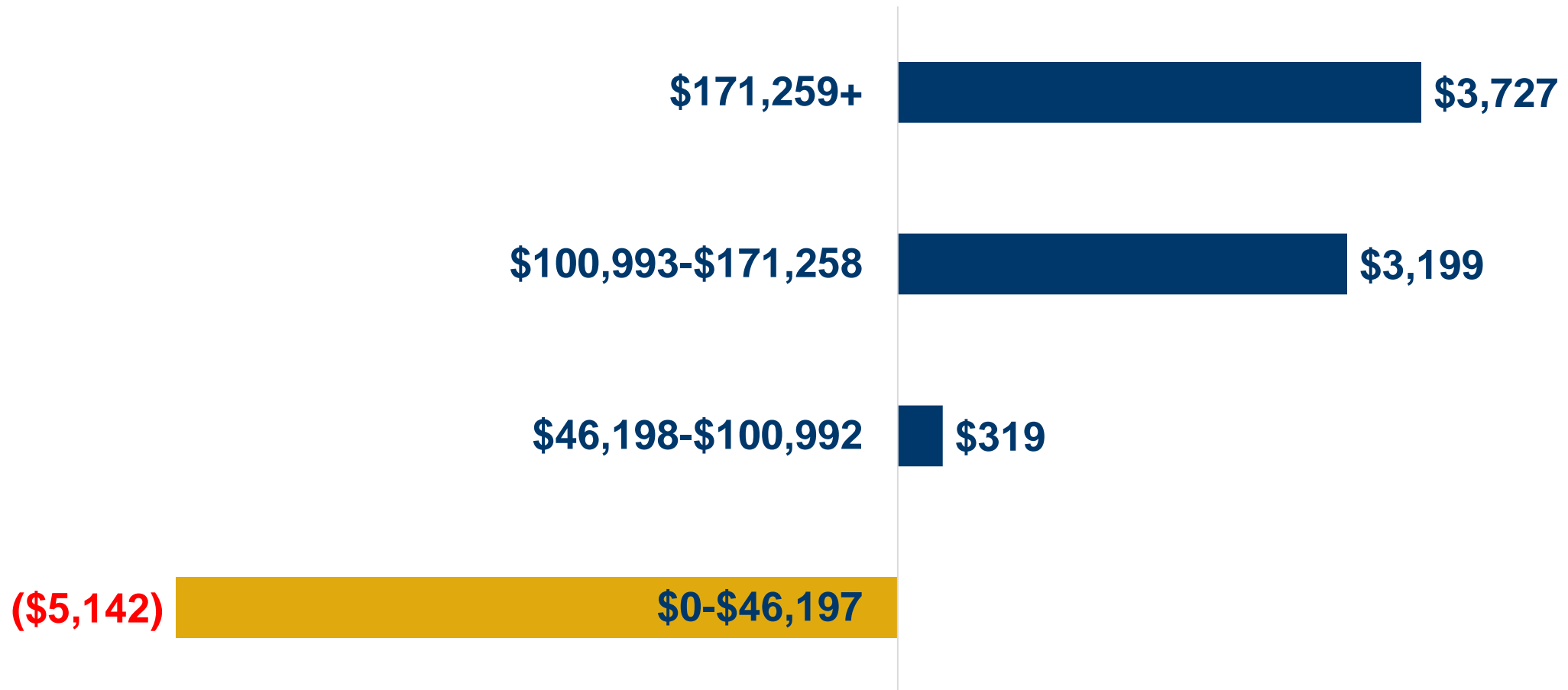
Additional funding includes state/federal grants and contracts and auxiliary funds.

Incremental Budget Allocation Trends



FY 2024 Net Price Summary

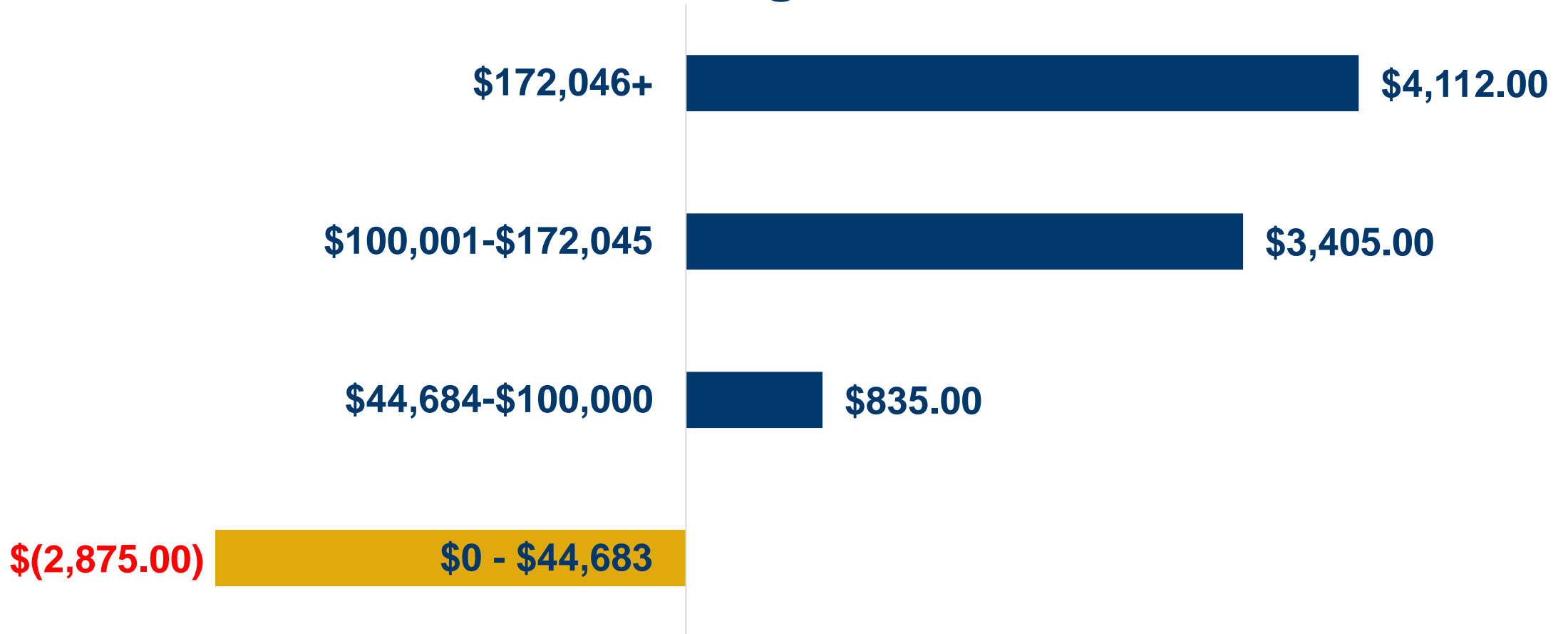
Freshmen



In-state undergraduate freshmen average net price by family income quartiles

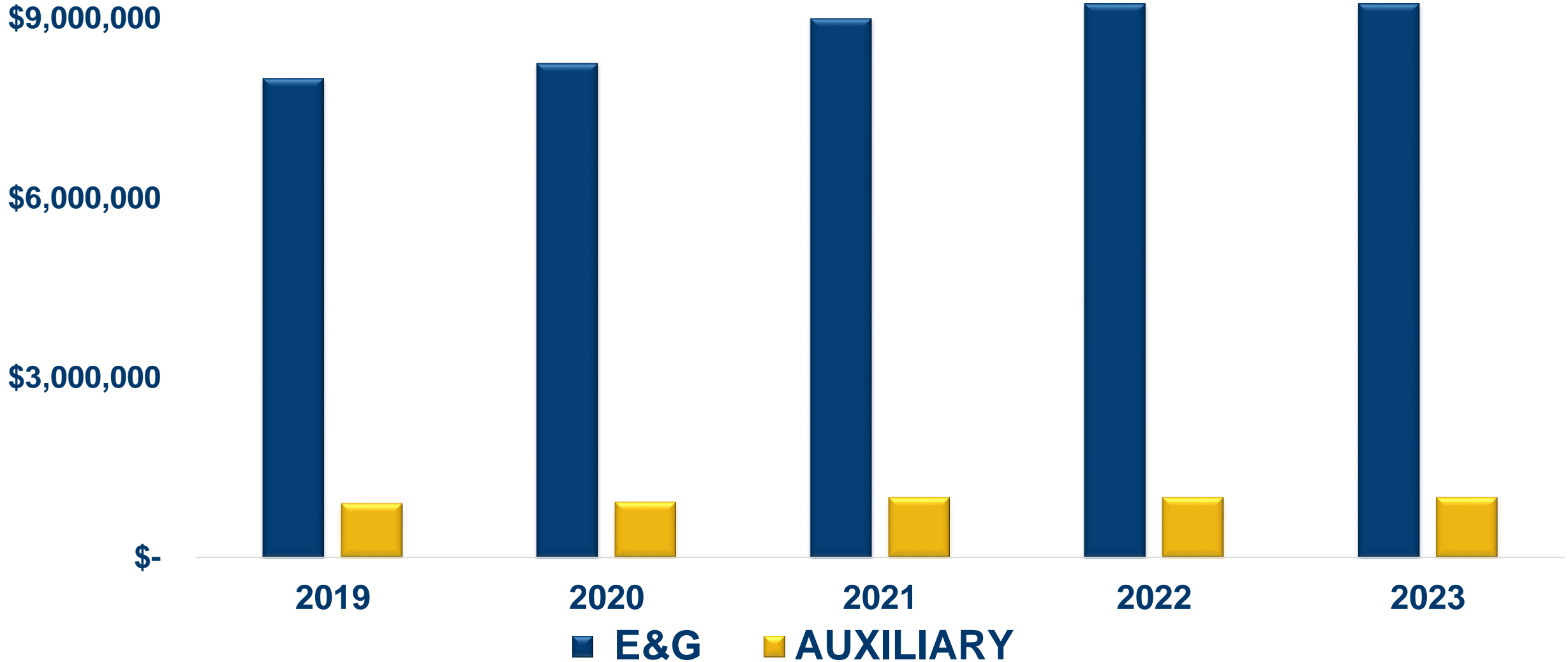
FY 2024 Net Price Summary

Undergraduates



In-state undergraduates average net price by family income quartiles

FY 2019-2023 Fund Balances



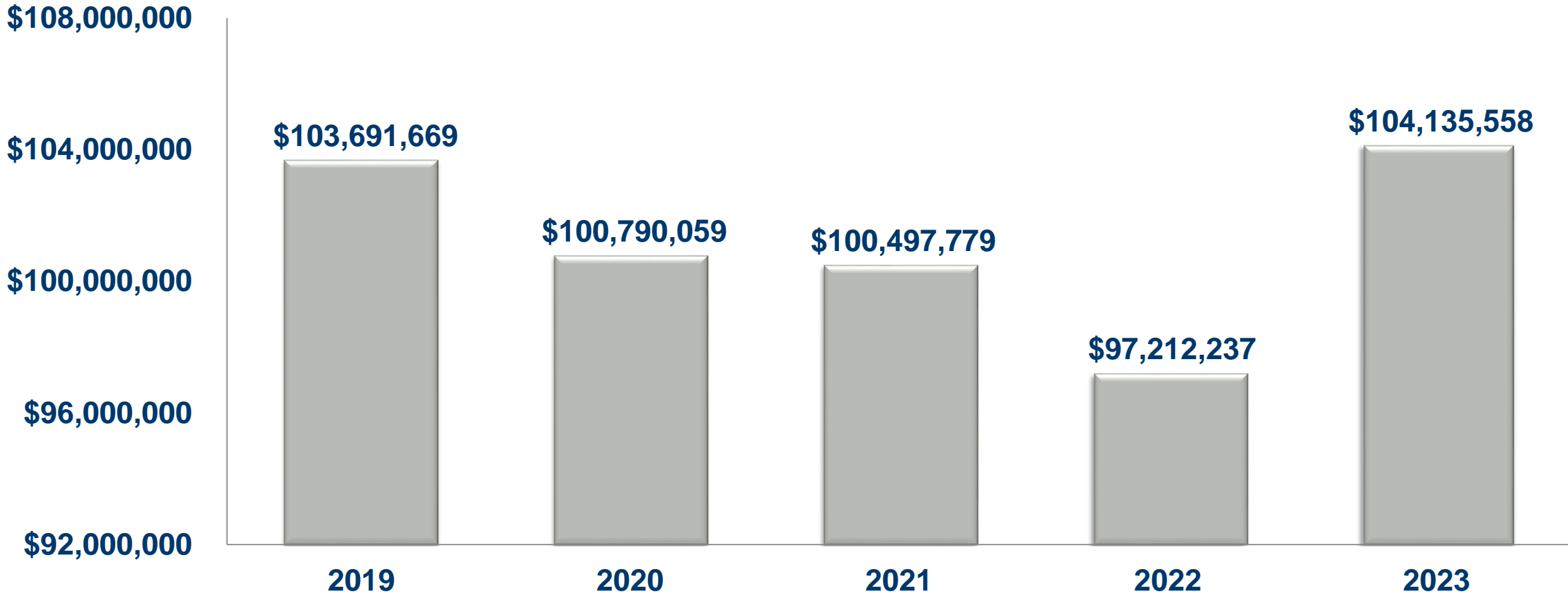
THEC mandates a percentage of unallocated expenditures and transfers. E&G = 4.59% and Auxiliary = 4.71%

Reserve Funds Summary

Reserves	Balance	Obligations	Available
Campus Reserves	24,393,346	(22,769,992)	1,623,354
Mandatory Fees	12,023,938	(11,952,963)	70,975
Division & College	13,499,271	(576,413)	12,922,858
Auxiliaries	19,737,459	(14,575,766)	5,161,693
Fund Balances	10,250,000	-	10,250,000
Totals	79,904,014	(49,875,134)	30,028,880

Obligation amounts include approved and planned projects, future obligations and potential shortfalls.

FY 2019-2023 Notes & Bonds Payable



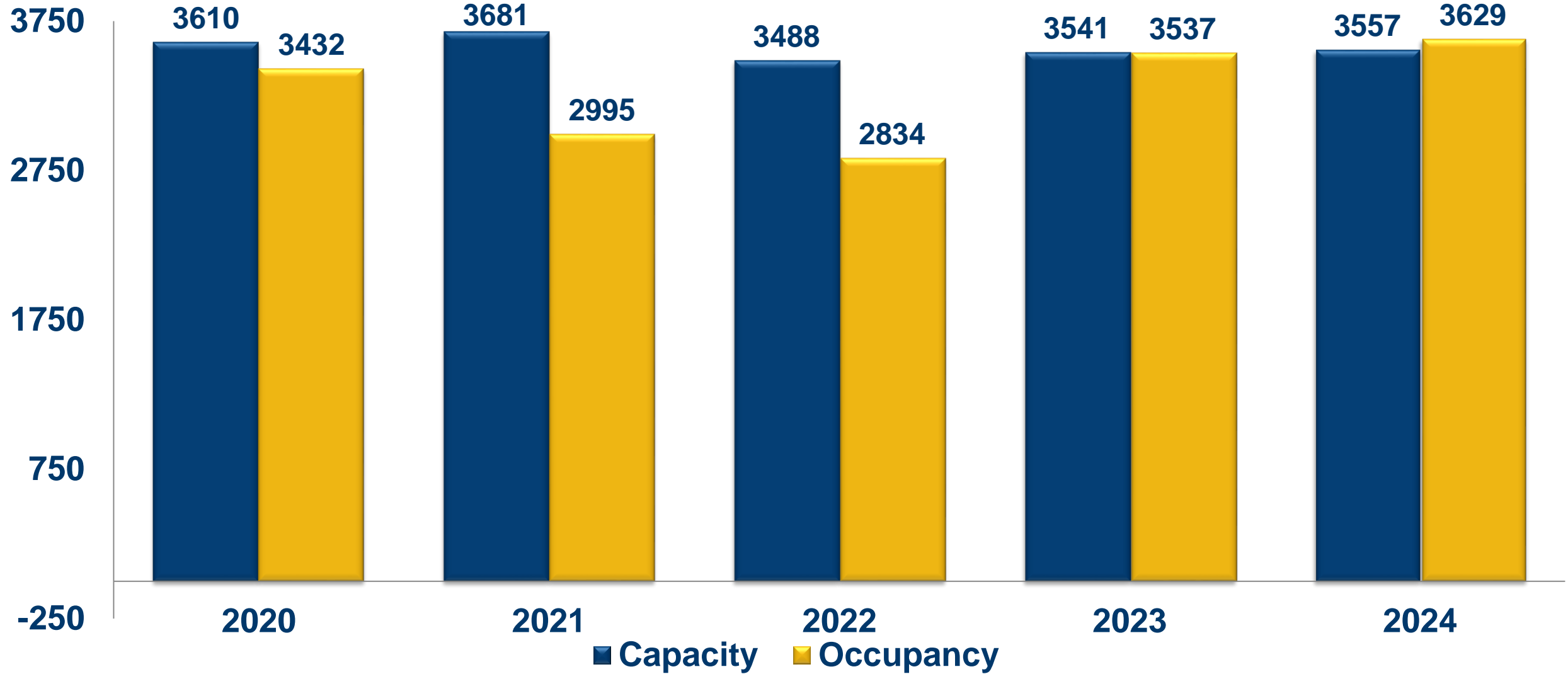
Increase in 2023 reflects bonds issued for the Wolford Athletic Center.

FY 2023 Notes & Bonds Payable

Division/Building	Balance	Est. Annual Payment	Source
Residence Halls (North Campus)	\$51,001,151	\$3,914,287	Housing Fees
Parking	13,356,626	1,101,254	Transportation Fee
Finley Stadium	746,559	162,433	Athletics Fee
University Center	1,049,568	1,049,568	Debt Service Fee
Aquatic Rec Center	15,093,257	1,157,213	Debt Service Fee
Engel Intramural Complex	3,331,699	315,677	Debt Service Fee
Wolford Athletic Center	10,869,532	602,085	Debt Service Fee
Campus Landscaping	198,370	71,251	Facility Fee
Pedestrian Mall	1,858,389	164,212	Facility Fee
Retrofit State Office Building	2,463,149	224,253	Facility Fee
Campus Site Improvements	2,067,238	195,870	Facility Fee
Lighting Upgrades	2,100,020	58,437	Facility Fee
Total	\$104,135,558	\$9,016,540	

Expected to add bonds issued in FY25 for Wolford Athletic Center and the UC Renovation. All debt has a revenue source.

FY 2020-2024 Residence Hall Occupancy Rates



UC Foundation Endowment

Endowment Breakdown	Value – 3/31/24
Unrestricted/Institutional Support	\$ 64,229,458
Scholarships	43,841,596
Academic Support	74,859,642
Professorships	18,995,196
Faculty Development	1,028,165
Total Endowment Value	\$ 202,954,057

FY 2025 UC Foundation Planned Distribution

Distribution Category	Distribution
Unrestricted/Institutional Support	\$ 179,553
Unrestricted/Advancement Operating	2,298,575
Scholarships	1,573,876
Academic Support	2,545,847
Professorships	710,002
Faculty Development	38,797
Total FY 2025 Planned Disbursements	\$ 7,346,650

Questions