

Budget Town Hall Meeting



FY 2018-19 Operating Budget Proposal

Chancellor Steven Angle & EVC Richard Brown

Factors Impacting the FY 2019 Budget

- **UTC #1 University in CCTA Metrics for Fourth Year in a Row!**
- **Large Amount of Carry Forward Funds prevented a HEPI (2%) Tuition Increase**
- **Student Success and Quality of the Academic Experience Remain Our Top Priority.**

FY 2019 Budget

- **Overall, UTC is in good Financial Health**
- **No Tuition Increase Planned for 2018/19**
FY2019 (July 2018 – June 2019) will be
“tight” but no cuts required
- **FY2020 (July 2019 – June 2020) looks**
much better. New 15/4 Tuition Model for
2019/20 and Planned HEPI Tuition
Increase .

Budget Process Goals

- Align budget priorities to strategic goals
- Budget understanding – Transparency of process
- Build upon strong prior financial stewardship and fiscal position
- Broaden inclusion with fiscal planning
- Work closely with the University Planning and Resource Advisory Council to collaboratively make budget decisions

Strategy & Issues Going Forward

- 15 & 4 tuition model implementation
- Out-of-state tuition benchmarking
- Tuition environment moving forward
- THEC Focus Universities (LGI) – TN CCTA
- Compensation planning – equity vs. market
- Campus safety
- Quarterly budget meetings
- Budget 101 training sessions

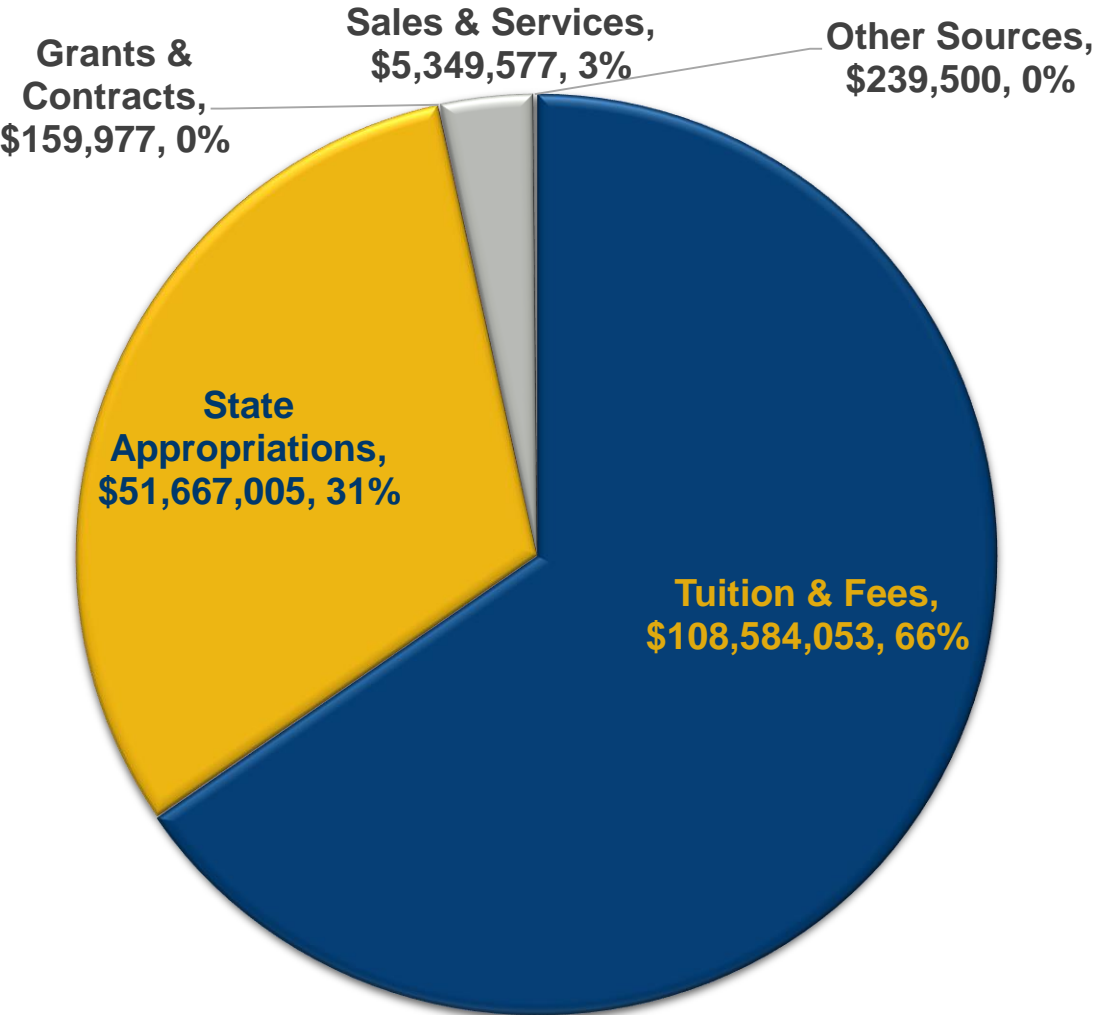
Strategic Plan Goals

- **Goal 1:** Transform lives through meaningful learning experiences.
- **Goal 2:** Inspire, nurture and empower scholarship, creativity, discovery, innovation and entrepreneurial initiatives.
- **Goal 3:** Ensure stewardship of resources through strategic alignment and investments.
- **Goal 4:** Embrace diversity and inclusion as a path to excellence and societal change.

FY 2019 Budget Planning Timeline

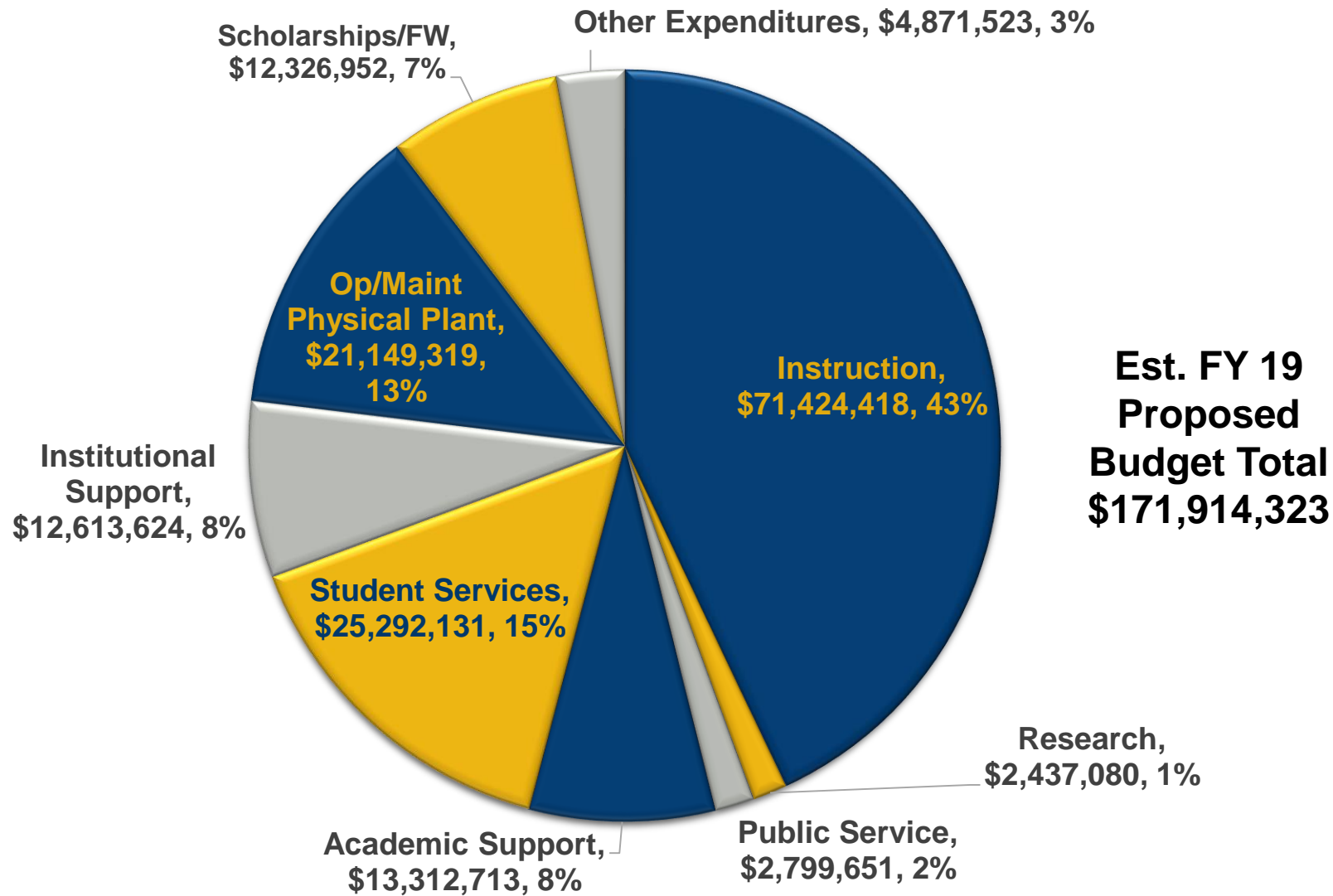
Date	Action
October 2017 (mid)	Campus units begin the grassroots budget planning process.
December 15, 2017	Unit and department requests due to division leaders.
January 31, 2018	Division leaders finalize budget requests.
February 15, 2018	Executive Leadership Team meets and develops investment priorities.
February 2018 (late)	UPRAC meets to discuss investment priorities proposed by the Executive Leadership Team.
March 2018 (early)	Budget priorities presented to the Chancellor.
March 2018 (mid)	Executive Leadership Team finalizes proposed budget.
April 2, 2018	Chancellor hosts town hall meeting to share proposed budget with the campus community.
April 11, 2018	System to Campus Budget Meeting

FY 18 E&G Revised Budget - Revenue



**Est. FY 19
Proposed
Budget Total
\$171,980,903**

FY 18 E&G Revised Budget - Expense



FY 19 E&G Proposed New Revenue

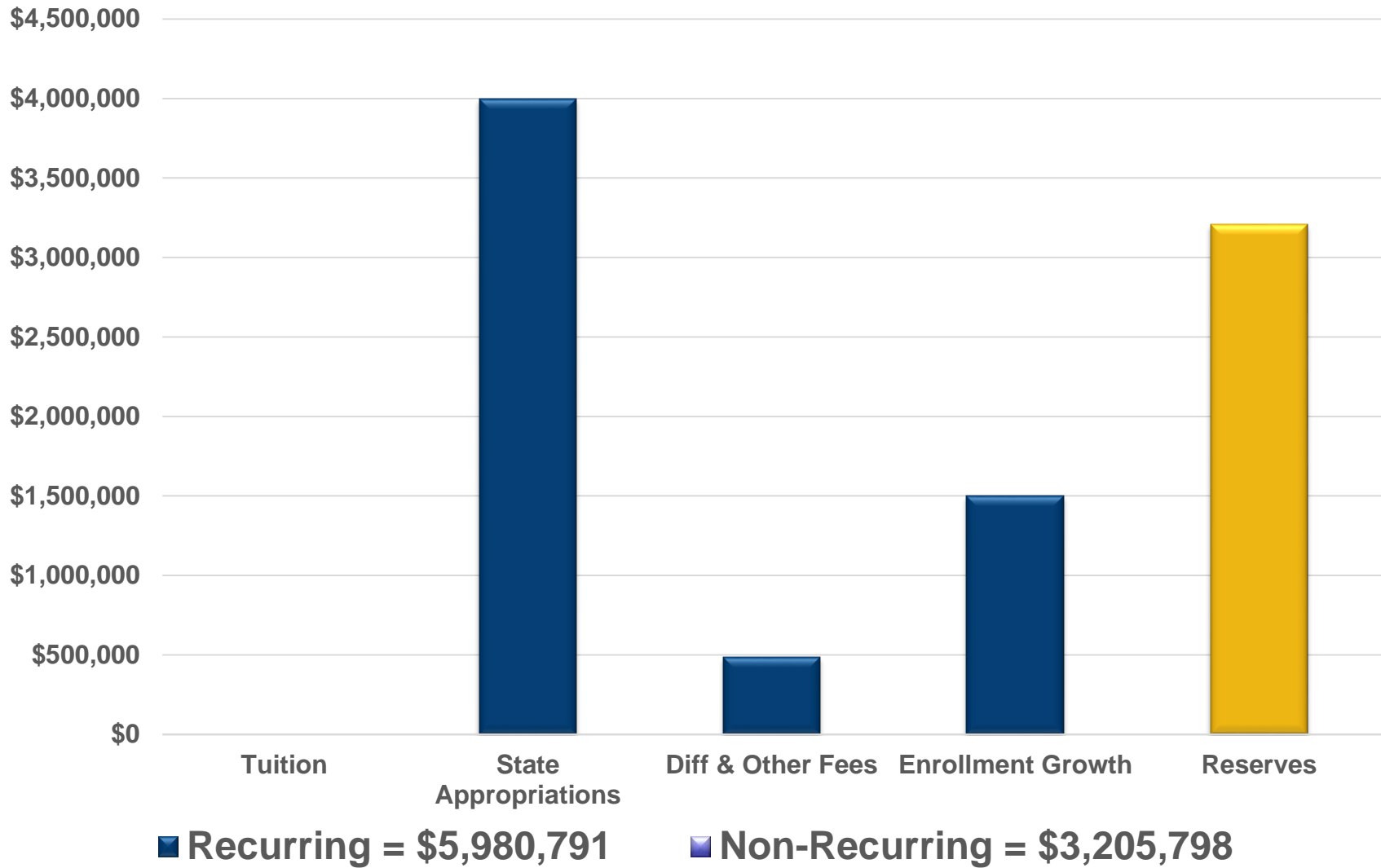
Source	Description	Revenue
Tuition	No Increase	0
Differential Tuition	Expansion of PT & OT Cohorts	90,720
State Appropriation	CCTA Outcome Productivity Growth	1,458,200
State Appropriation	CCTA Outcome Productivity Growth-Salary	1,433,000
State Appropriation	CCTA Outcome Productivity Rebalancing	842,200
State Appropriation	Group Health Insurance Increase	263,300
Fees	Lab Fees, Seat Fees, Program Fees	393,371
Enrollment Growth	Fall 2017 & Spring 2018 FTE Increase	1,500,000
Reserves	Non-Recurring Investments	3,205,795
Total		9,186,586

Total division requests in excess of \$16 million.

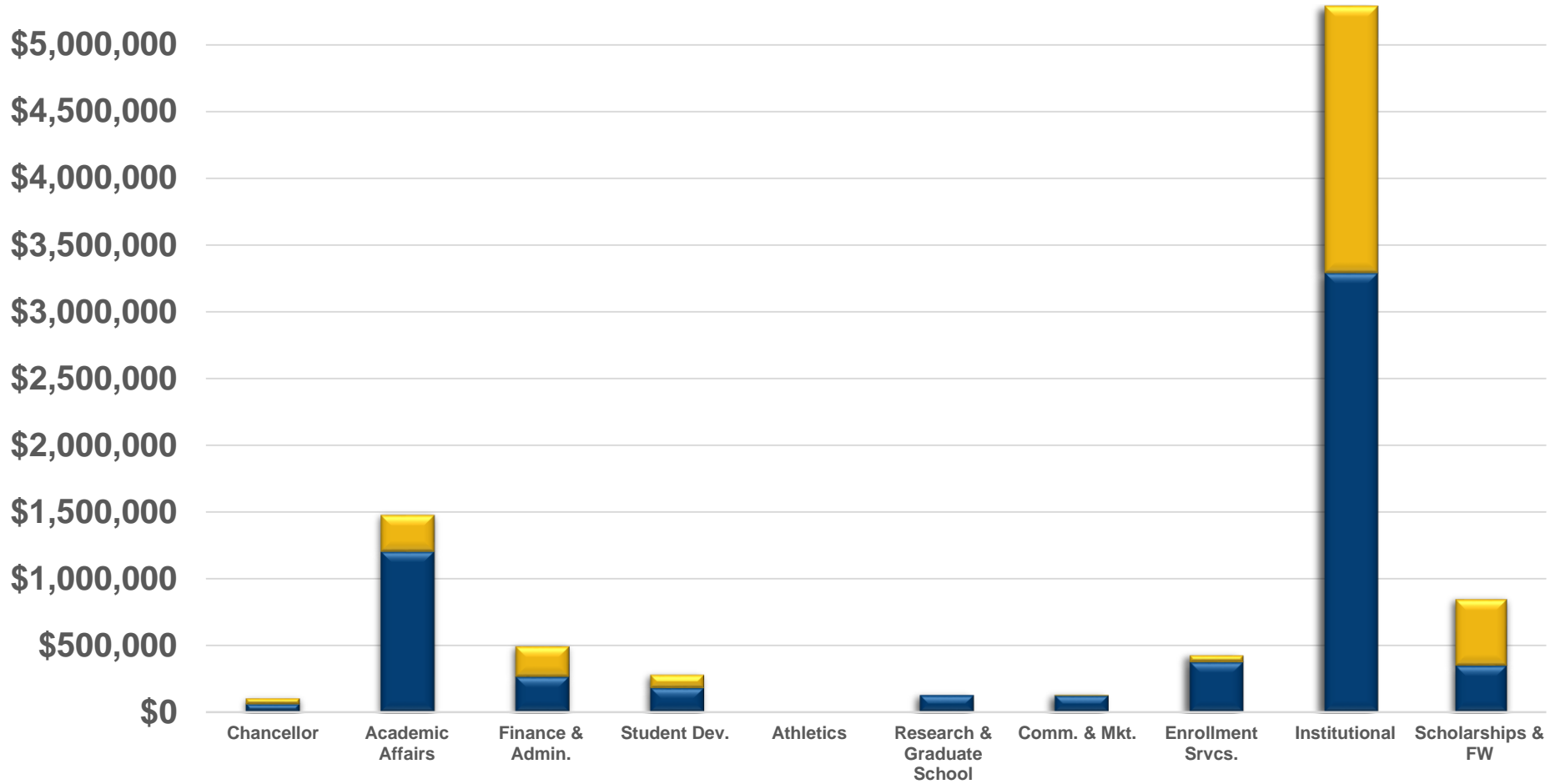
Mandatory Fees

Fee	FY 18 Current	FY 19 Proposed
Student Activity	\$240	\$240
Debt Service	\$300	\$300
Health Services	\$120	\$120
Athletics	\$480	\$480
Green	\$20	\$20
Technology	\$250	\$250
Library	\$50	\$50
Transportation	\$96	\$96
Facilities	\$200	\$200
International	\$20	\$20
Total	\$1,776	\$1,776

FY 19 E&G Proposed New Revenue



FY 19 E&G Proposed New Expenses



■ Recurring = \$5,980,791

■ Non-Recurring = \$3,205,795

Institutional includes all centrally funded compensation pools.

Division Request Summaries

Division	Original Request	Reduction	Current Request
Chancellor	174,395	-71,180	103,215
Athletics	723,920	-723,920	0
Finance & Administration	1,611,105	-1,114,400	496,705
Academic Affairs	3,960,573	-2,479,461	1,481,112
Research & Graduate Sch.	295,985	-170,500	125,485
Enrollment Management	1,229,210	-800,390	428,820
Student Development	1,164,171	-881,584	282,587
Communications & Mkt.	277,963	-148,200	129,763
Institution	6,945,987	-807,088	6,138,899
Total	16,383,309	-7,196,723	9,186,586

FY 2019 Proposed Budget - Chancellor

New Budget Allocations

- Recurring \$103,215
- Non-Recurring \$ -
- **Total** **\$103,215**

Highlights

- Title IX - Trainer
- Title IX - Training for Title IX Team
- Title IX - Promotions and Publications

FY 2019 Proposed Budget – Academic Affairs

New Budget Allocations

Highlights

- Current Faculty Positions (3)
- Social Work Faculty Positions (2) per Accreditation Obligation
- Current Library Position
- Transition Engineering Faculty Positions to E&G Funding
- Student Success Center Advising Positions (2)
- Ph.D. Graduate Assistantships (4)
- Library Funding to Accommodate Increased Hours of Operations

**Non-Recurring items will be funded on an as needed basis and if resources are available.*

FY 2019 Proposed Budget – Research & Grad.

New Budget Allocations

Highlights

- Fully Fund GIS Positions (2)
- Fully Fund Current Assistant Dean Position

**Non-Recurring items will be funded on an as needed basis and if resources are available.*

FY 2019 Proposed Budget – Finance & Admin.

New Budget Allocations

Highlights

- Campus Safety - Police Officers (2)
- Assistant Director of Arena Operations Position
- Custodial and M&O Operating

**Non-Recurring items will be funded on an as needed basis and if resources are available.*

FY 2019 Proposed Budget – Enrollment Mgmt.

New Budget Allocations

- | | |
|------------------|------------------|
| • Recurring | \$376,520 |
| • Non-Recurring* | \$52,300 |
| • Total | \$428,820 |

Highlights

- Director of Student Success Position
- Admissions Counselor Position
- Travel Funding for Admissions Recruitment
- Technology and Software Funding for Financial Aid, Career Placement, Records and Mocs One Center
- Study Abroad Program Coordinator Position
- Divisional Budget Manager Position
- CRM Support Specialist Position
- Veterans Certification Position

**Non-Recurring items will be funded on an as needed basis and if resources are available.*

FY 2019 Proposed Budget – Stud. Development

New Budget Allocations

- | | |
|------------------|------------------|
| • Recurring | \$182,587 |
| • Non-Recurring* | \$100,000 |
| • Total | \$282,587 |

Highlights

- Divisional Budget Manager Position
- Asst. Director for NPHC Advisor Position
- Development Officer Position
- UC Operating for Building Improvements
- Emergency Housing Availability

**Non-Recurring items will be funded on an as needed basis and if resources are available.*

FY 2019 Proposed Budget – Comm. & Marketing

New Budget Allocations

Highlights

- Lead Web Administrator Position
- Website Redesign
- Magazine Printing and Shipping

**Non-Recurring items will be funded on an as needed basis and if resources are available.*

FY 2019 Proposed Budget – Institutional

New Budget Allocations

Highlights

- 2.5% Compensation Pool
- Faculty Promotions, UCF Rollovers, and Senior Lecturers
- Staff Market Equity and Promotions
- Arena Addition Debt Service Payment
- Group Health Insurance Rate Increase
- Utilities for Additional Square Footage

**Non-Recurring items will be funded on an as needed basis and if resources are available.*

FY 2019 Proposed Budget – Scholarships & FW

New Budget Allocations

Highlights

- Scholarship Restructure and Investment
- Reallocation of Current Funds

**Non-Recurring items will be funded on an as needed basis and if resources are available.*

Fall 2018 Graduate Out-of-State Reduction

- In FY 2019, domestic out-of-state graduate students would pay 50% of current out-of-state tuition (plus maintenance fee and mandatory fees)
- International students would pay an additional \$8,000
- Approximately 45 out-of-state FTE would be required for the program to breakeven (\approx \$800,000)
- Total tuition & fees for domestic out-of-state graduate students would drop to 105% of the THEC peer average

Fall 2018 Graduate Out-of-State Reduction

Fee	Current	Fall 2018
Maintenance Fee	\$8,244	\$8,244
Mandatory Fees	1,776	1,776
Total Domestic In State	\$10,020	\$10,020
Out-of-State Tuition	16,118	8,064
Total Domestic Out-of-State	\$26,138	\$18,084

**International students will be assessed an additional \$8,000.*

Fall 2019 New Undergraduate Tuition Model

- **No change for current students**
- Take 15, graduate in 4
- No additional cost for 15+ hours
- Implementation in Fall 2019
- Full year to communicate
- Supported by THEC
- Limit maintenance fee increases to HEPI rate

Fall 2019 New Tuition Model Success Metrics

- Decrease time to degree for students
- Increase in first-year retention rates
- Elimination of barrier courses
- Increase in progression metrics
- Increase in average number of student credit hours

Fall 2019 New Tuition Model Comparison

15/4 Models	% Increase	Assessment	Implemented
UT Knoxville	25%	New Students	Fall 2013
UT Martin	11%	< 60 Hrs.	Fall 2016
UT Chattanooga	11%	New Students	Fall 2019

Fall 2019 New Tuition Model Comparison

	Current Rate	Full 15/4 Assessment	Proposed Assessment
Full-time Maximum Maintenance Fee	\$6,888	\$8,610	\$7,646
\$ Increase to Student		\$1,722	\$758
% Increase to Student		25.00%	11.00%
Maintenance & Mandatory Fees (\$1,776)	\$8,664	\$10,386	\$9,422
\$ Increase to Student		\$1,722	\$758
Net % Increase to Student		16.58%	8.05%

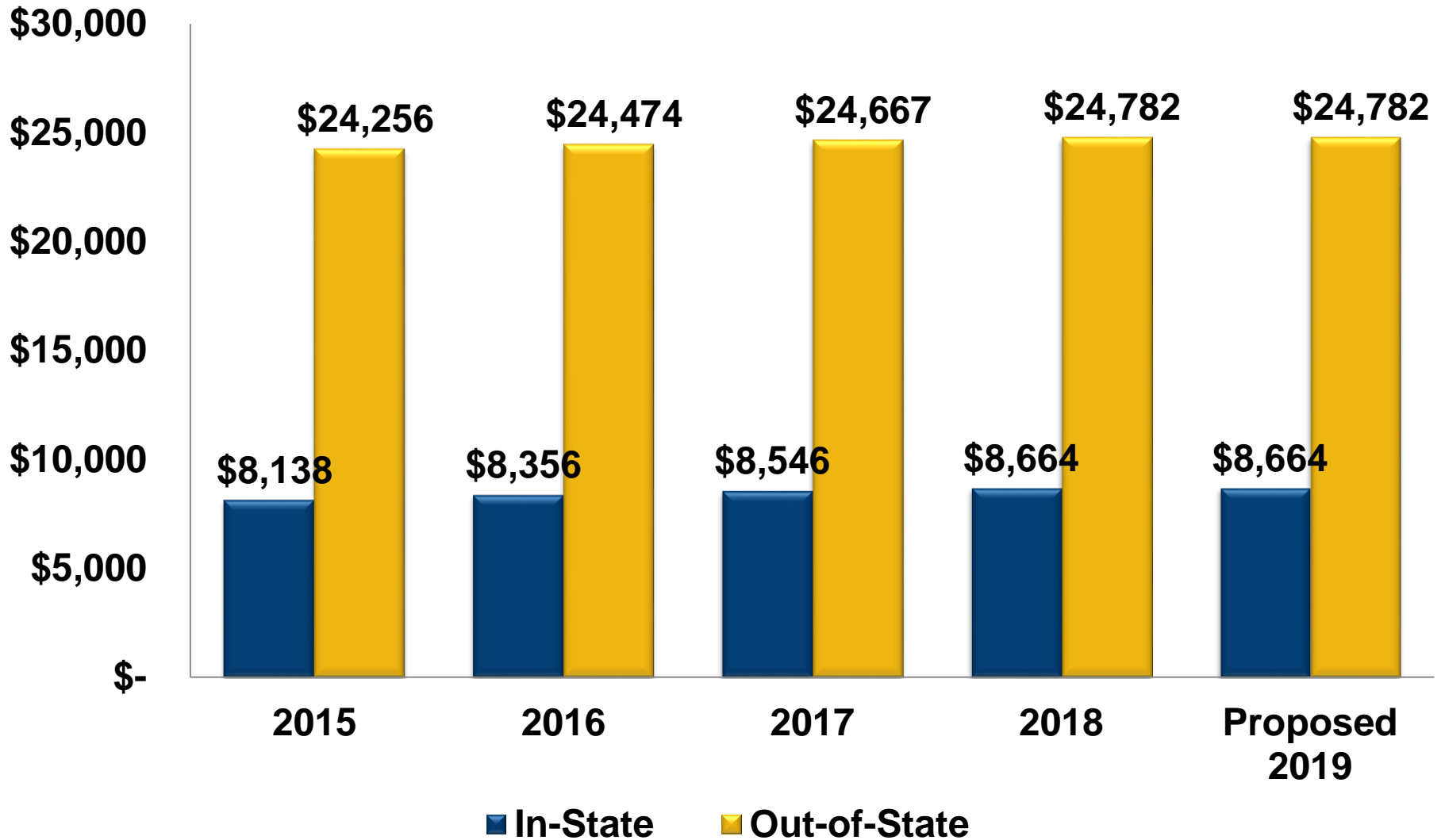
For illustration purposes, proposed assessment assumes no HEPI increase for Fall 2019.

Fall 2019 Probable Market Analysis

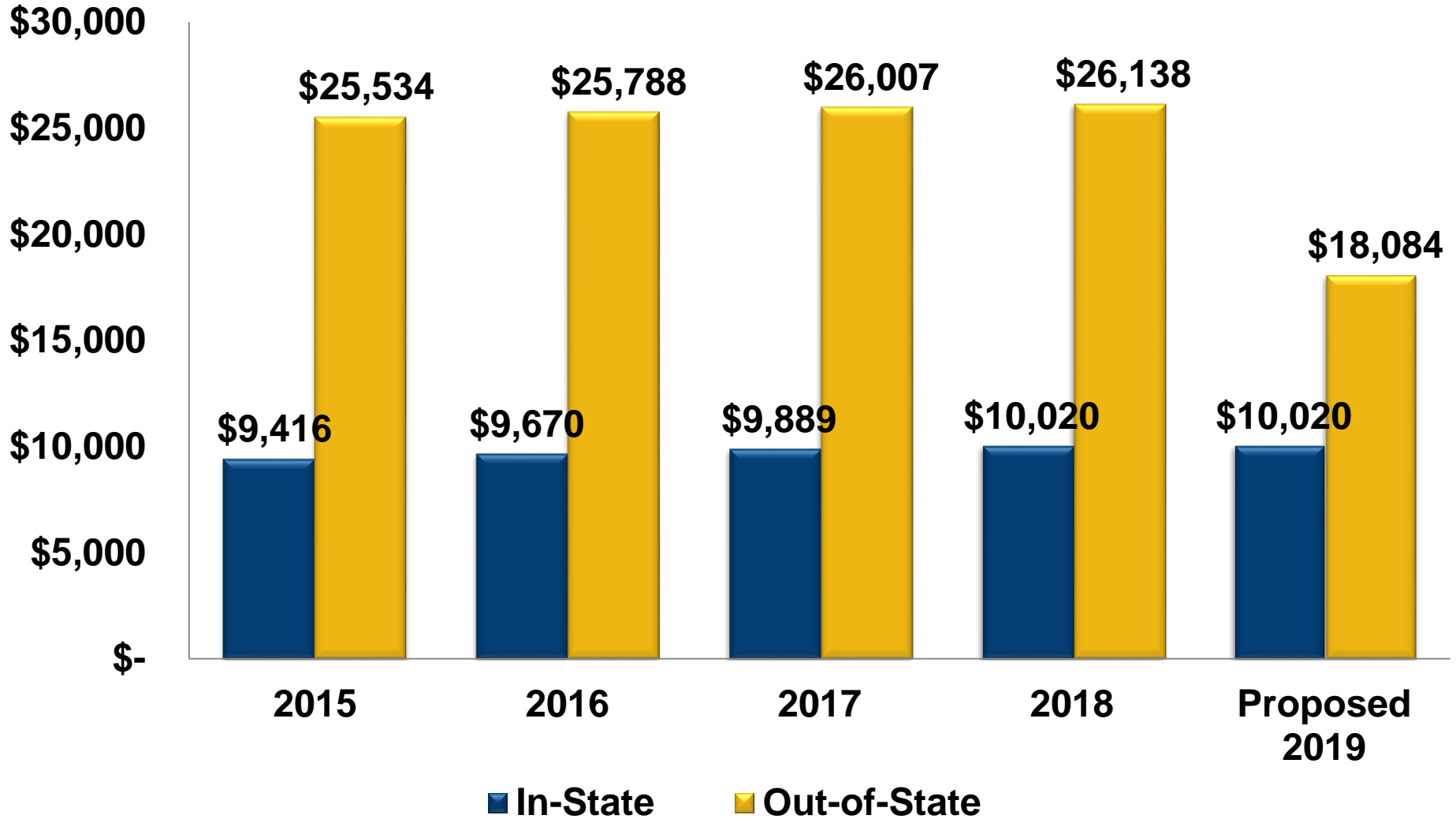
University	Total Mandatory Fees	Undergraduate Maintenance Fees	Total Undergraduate Resident
Tennessee State	\$1,050	\$6,998	\$8,048
Austin Peay	\$1,529	\$6,967	\$8,496
UTC (current)	\$1,776	\$6,888	\$8,664
Tennessee Tech	\$1,217	\$7,965	\$9,182
Middle Tennessee	\$1,772	\$7,466	\$9,238
East Tennessee	\$1,791	\$7,516	\$9,307
UTC (15/4)	\$1,776	\$7,646	\$9,422
UT Martin	\$1,404	\$8,134	\$9,538
University of Memphis	\$1,637	\$8,390	\$10,027
UT Knoxville	\$1,860	\$11,110	\$12,970

Analysis assumes 2% HEPI increase at all institutions in Fall 18 and Fall 19, except UTC and UTK.

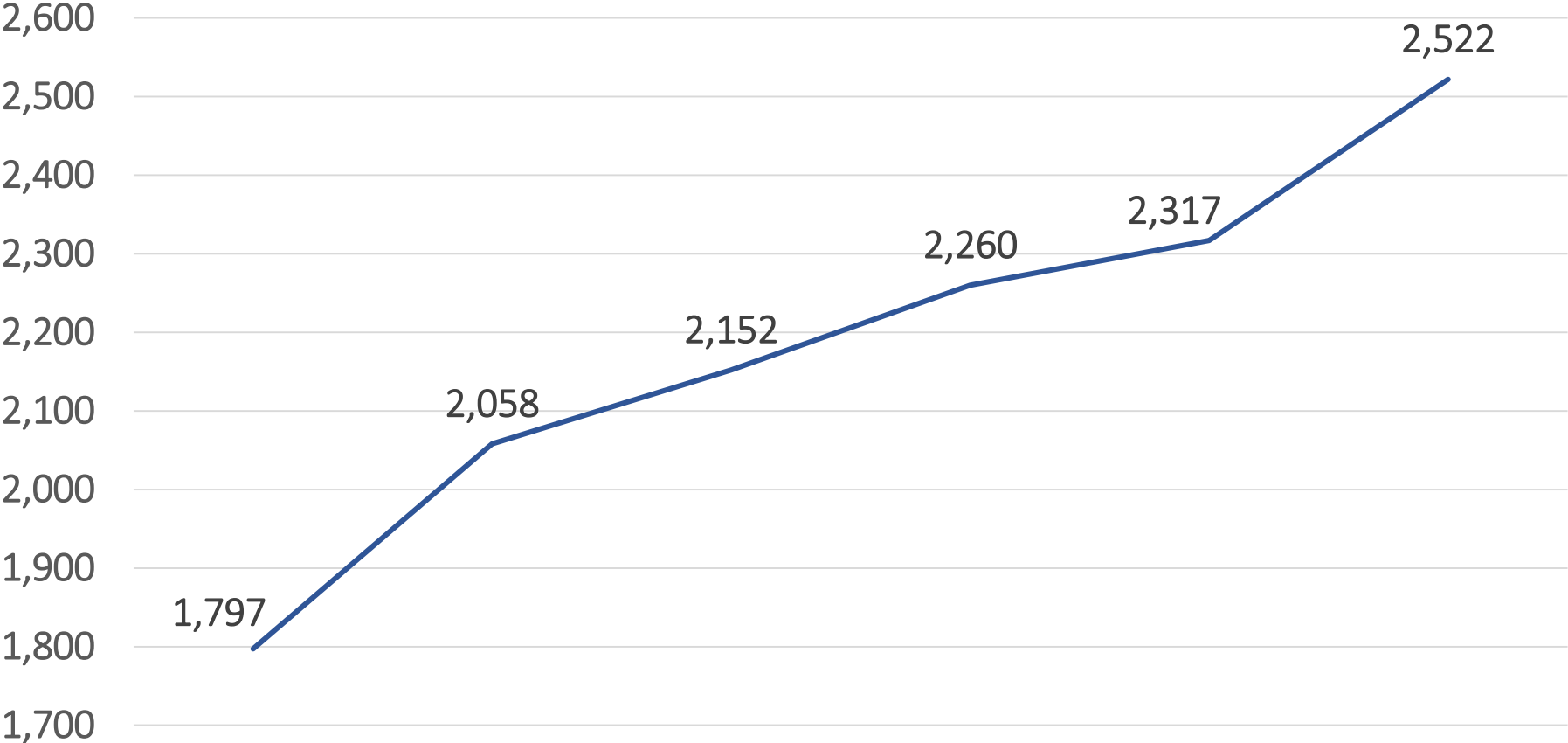
FY 15-19 Undergraduate Tuition & Fees



FY 15-19 Graduate Tuition & Fees

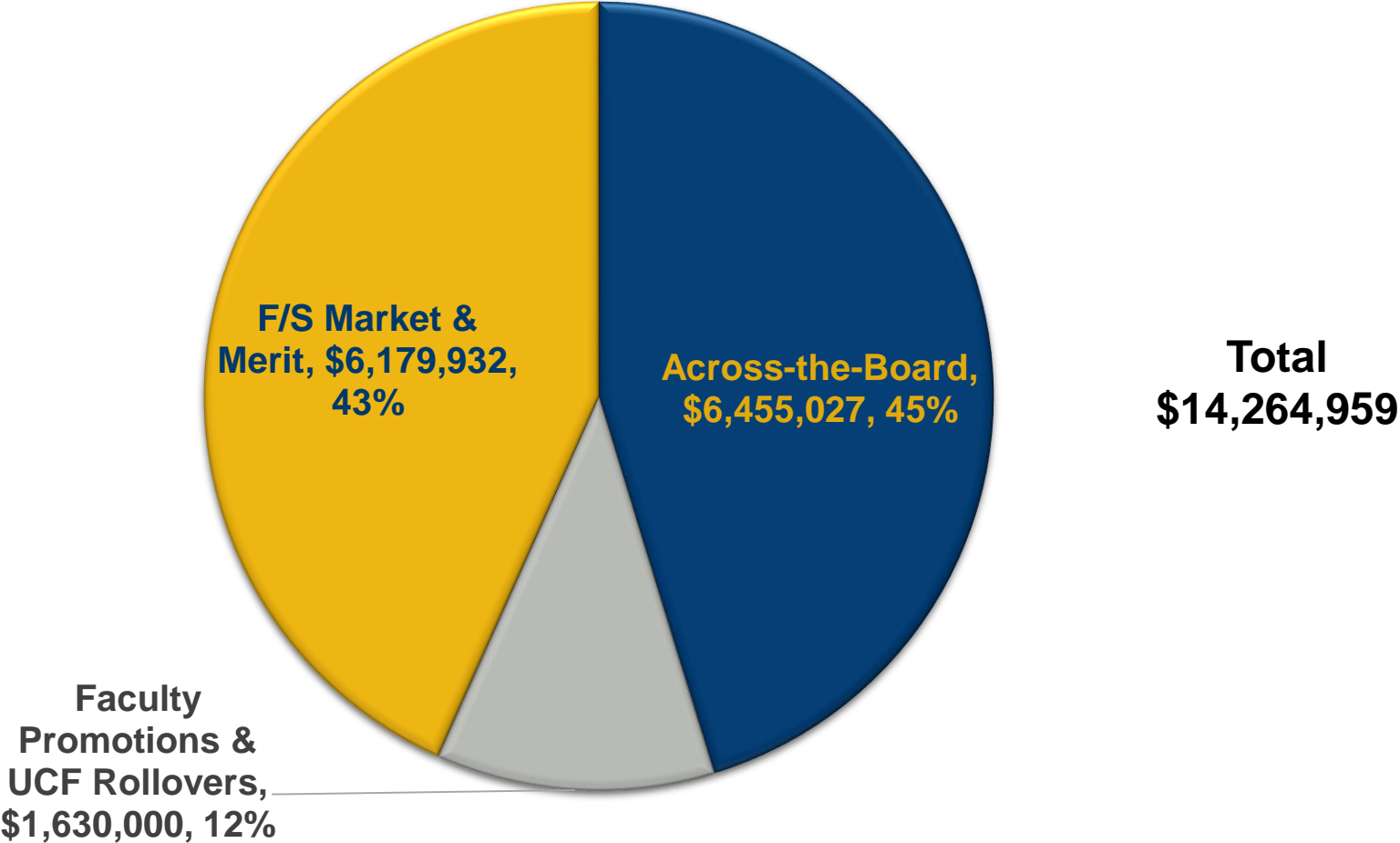


Degrees Awarded



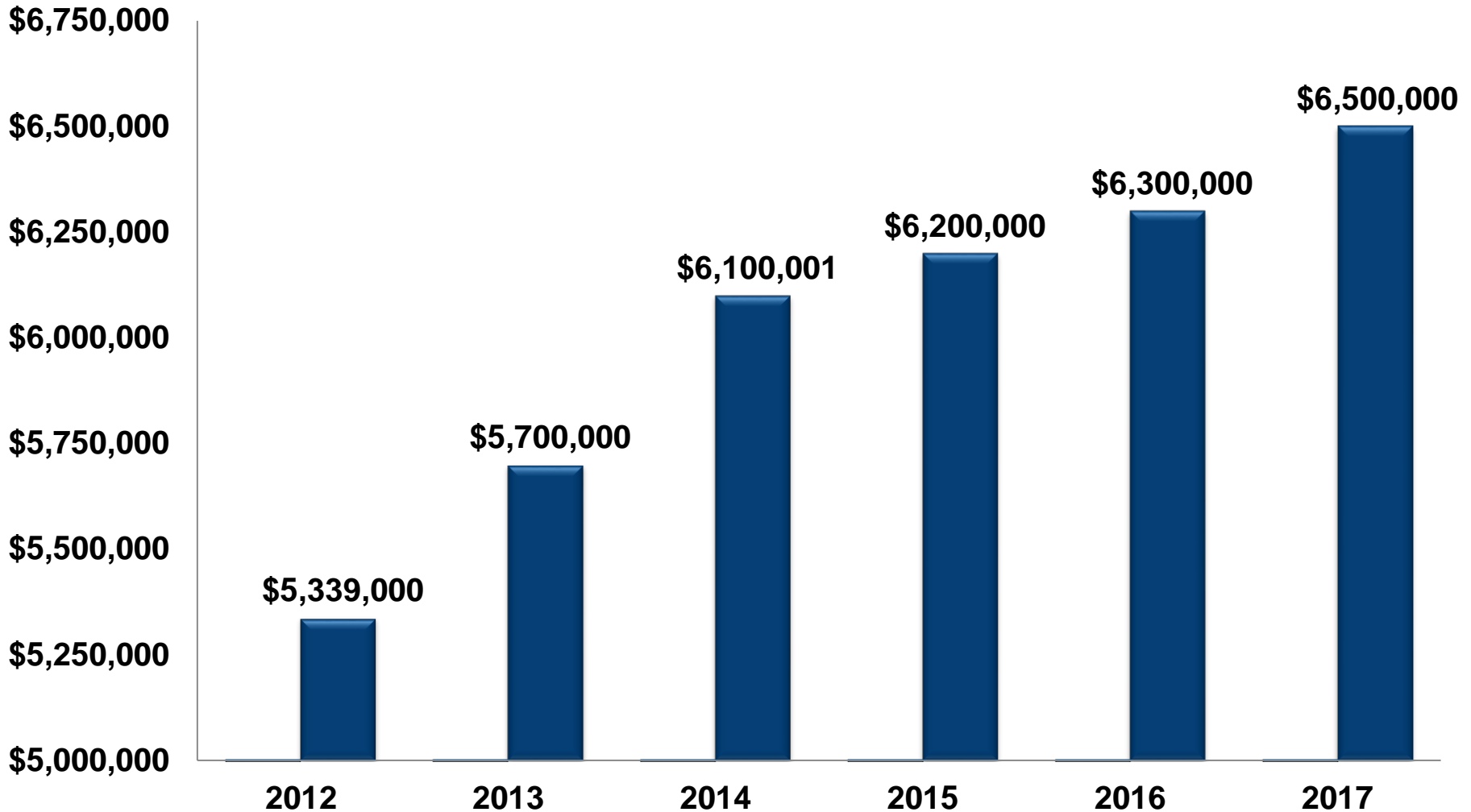
	2011	2012	2013	2014	2015	2016
E&G Expenditures	\$112.8M	\$120.5M	\$127.8M	\$134.1M	\$140.4M	\$143.5M

FY 13-19 Institutional Compensation Investment



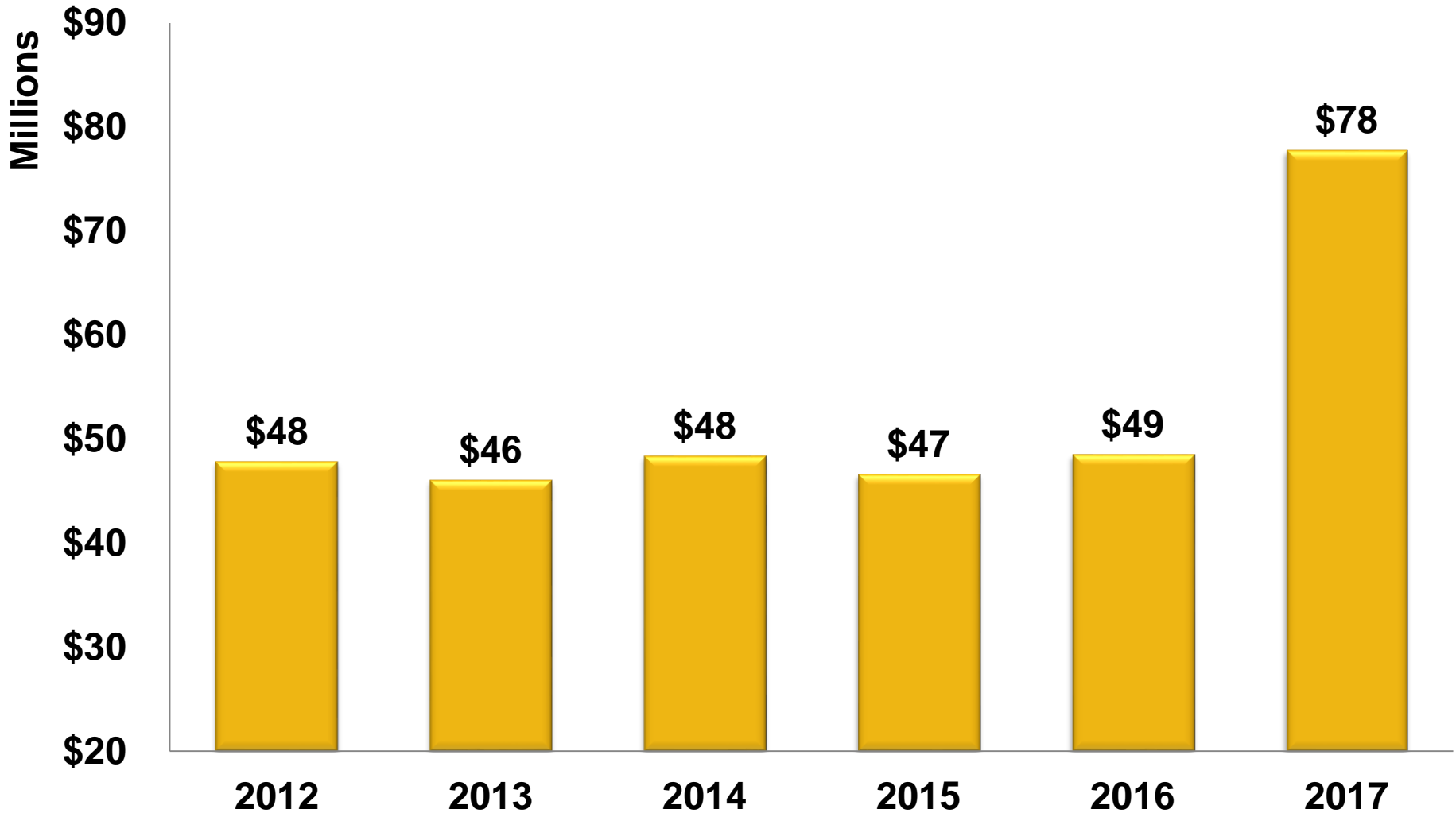
Graph includes FY 19 proposed compensation plans.

E&G Fund Balance



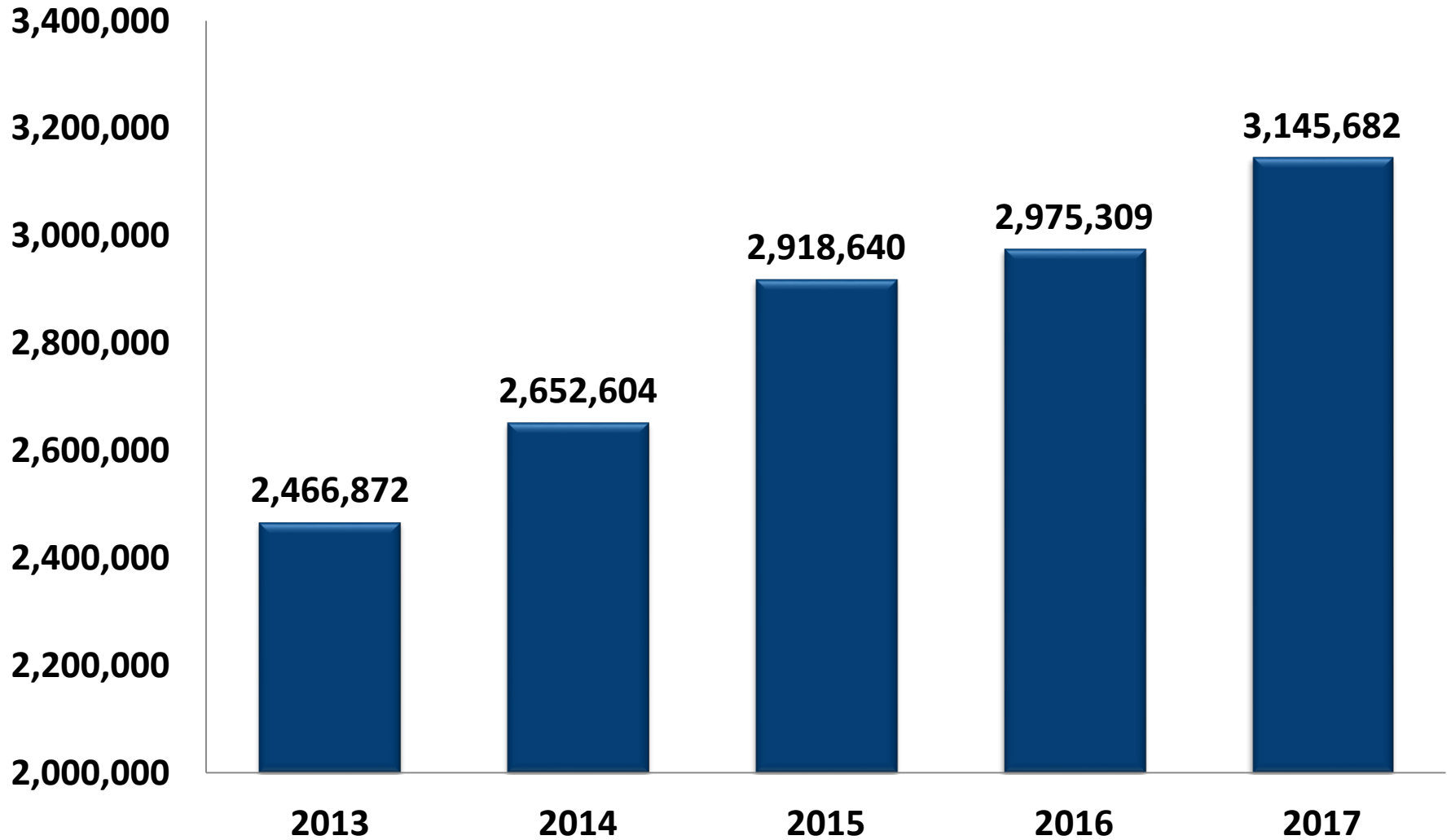
The fund balance represents 4.04% of unallocated expenditures and transfers.

FY 12-17 Notes & Bonds Payable

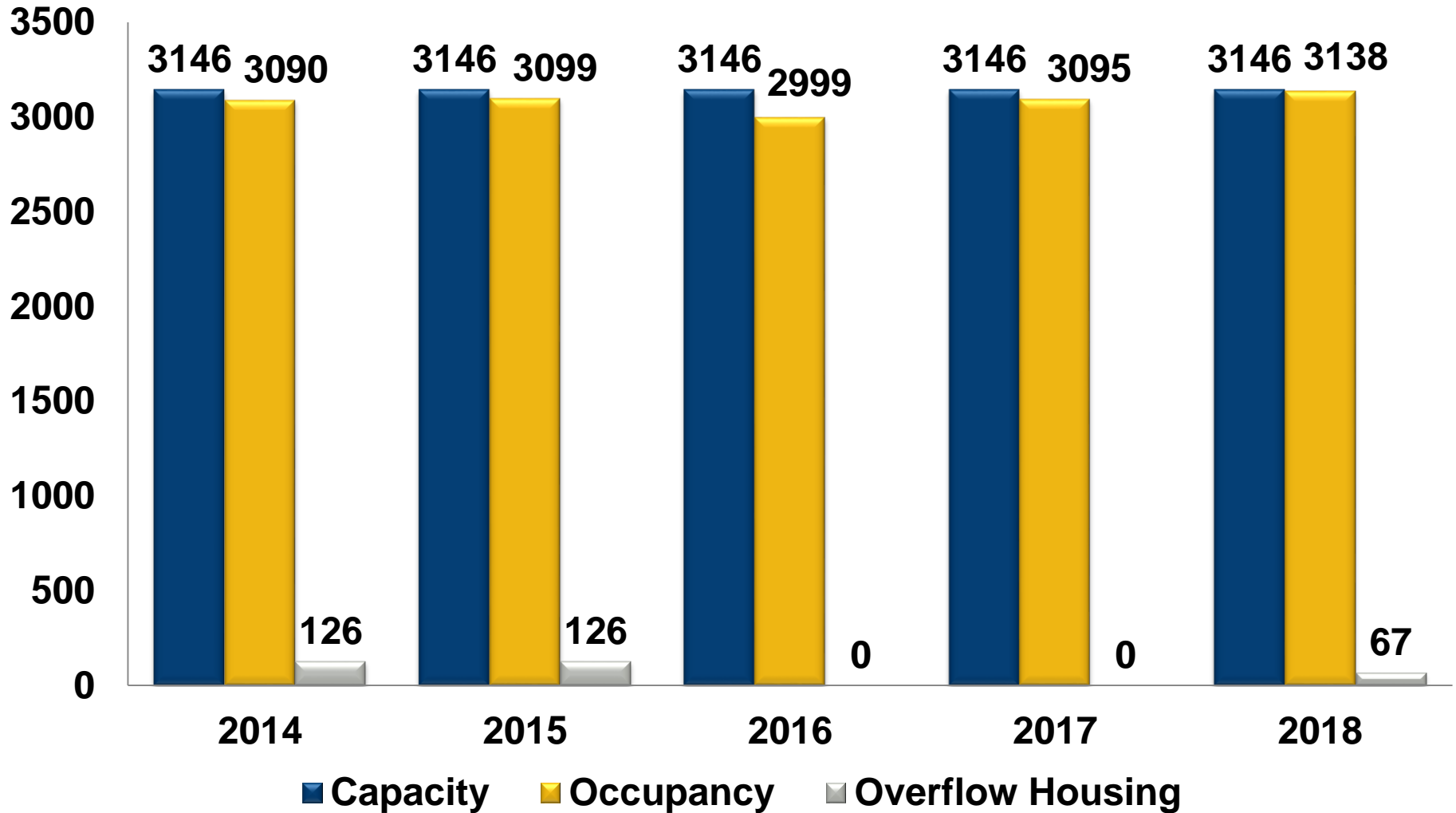


The West Campus Housing & Parking Garage project will add an additional estimated \$30 MM in FY 2019.

FY 13-17 Physical Plant Square Footage



FY 14-18 Residence Hall Occupancy Rates



UC Foundation Investment

• Endowment Value (2/28/18)	\$137,701,320
• Temporary Funds (2/28/18)	\$10,692,042
• FY 2018-19 Disbursements	
• Main Endowment	\$1,891,086
• Academic Programs	\$1,038,671
• Professorships	\$560,696
• Scholarships	\$1,165,242
• Faculty Development	<u>\$26,926</u>
• Total	\$4,682,621