

Budget Town Hall Meeting



FY 2020-21 Operating Budget Proposal
Chancellor Steven Angle & EVC Richard Brown

Executive Leadership Team

- Essential to the budget planning process and maintaining overall financial health of the campus.
- Dr. Steven Angle
- Dr. Richard Brown
- Ms. Terry Denniston
- Ms. Vicki Farnsworth
- Dr. Yancy Freeman
- Dr. Jerry Hale
- Mr. George Heddleston
- Dr. Joanne Romagni
- Mr. Mark Wharton
- Mr. Lofton Stuart

FY 2021 Budget Planning Overview

Financial Variables

- Tuition and fees recommendation (0-1.5%)
- State appropriations post COVID-19
- Tennessee's economic position
- Undergraduate and graduate enrollment impact
- Social distancing requirements
- COVID-19 lab protocols
- Online instruction enhancements
- Serving online and adult students
- Housing occupancy levels
- Fundraising demands

Red Flag Challenges

- Financial impacts
 - Face to face verses online tuition and fees
 - Auxiliary enterprises
 - Continuing and executive education
 - Athletics
- Benchmarking instructional support
- UT System ERP integration

COVID-19 Financial Response

- Students
 - Refunded housing, meal plans, and parking decals
 - Invested in Student Emergency Fund
 - Altered Summer 2020 Fee Assessments
- Faculty/Staff
 - Avoided furloughing regular employees

COVID-19 Financial Response

- FEMA Reimbursements To-Be-Determined
- CARES Act Distributions
 - \$4.76 Million to Student Aid
 - \$4.76 Million to Student Aid/Institutional Relief
- Financial Health
 - Continuously Assessing Financial Position
 - Selective Hiring Freeze
 - Emphasizing Conservative Spending

Budget Process Goals

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

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 21 Budget Planning Timeline

DATE	ACTION
October 2019	Campus units begin the budget planning process.
November 2019	Unit and department requests due to division leaders.
Nov. - Dec. 2019	Chancellor hosts "Conversations with the Colleges".
January 2020 (mid)	Division leaders finalize budget requests.
January 2020 (late)	State of Tennessee Governor's budget released.
February 2020 (mid)	Executive Leadership Team meets and prioritizes new investments.
February 24, 2020	UPRAC meets to discuss investment priorities proposed by ELT.
April 2020 (mid)	Executive Leadership Team finalizes proposed budget.
April 30, 2020	Chancellor hosts town hall meeting to share proposed budget with campus.
May 7, 2020	UTC Advisory Board makes recommendation on proposed budget.
June 26, 2020	UT Board of Trustees approves proposed budget.

**FY 2021
Tuition & Fee
Recommendation**

FY 20 TN Undergraduate Market Position

Tennessee Public Institutions	In-State Maintenance	Mandatory Fees	Total Undergraduate Resident
Tennessee State	\$7,026	\$1,158	\$8,184
Austin Peay State	\$7,044	\$1,583	\$8,627
Tennessee Tech	\$8,040	\$1,278	\$9,318
Middle Tennessee State	\$7,554	\$1,870	\$9,424
East Tennessee State	\$7,572	\$1,919	\$9,491
UT Chattanooga	\$7,836	\$1,820	\$9,656
UT Martin	\$8,214	\$1,520	\$9,734
University of Memphis	\$8,208	\$1,704	\$9,912
UT Knoxville	\$11,332	\$1,932	\$13,264

All tuition and fee amounts are reported for 15 student credit hours for fall and spring semesters.

FY 21 Proposed Undergraduate Tuition & Fees

UG Students	Maintenance Fees	Mandatory Fees	Out of State Tuition	Total Cost	Total Change	Cost Change
In-State*	\$7,836	\$1,834	N/A	\$9,670	0.1%	\$14
Bordering State	\$7,836	\$1,834	\$8,064	\$17,734	NEW	NEW
Out-of-State	\$7,836	\$1,834	\$16,118	\$25,788	0.1%	\$14

**In-State rates reflect assessments of new students cost based on the Soar in Four fee schedule.*

FY 21 Proposed Graduate Tuition & Fees

GR Students	Maintenance Fees	Mandatory Fees	Out of State Tuition	Total Cost	Total Change	Cost Change
In-State	\$8,450	\$1,834	N/A	\$10,284	0.1%	\$14
Out-of-State	\$8,618	\$1,834	\$8,064	\$18,516	0.1%	\$14
International	\$8,618	\$1,834	\$16,064	\$26,516	0.1%	\$14

FY 21 Proposed Fee Changes

Approval	Fee	Current	Proposed	Change	%	Annual Revenue
Board	Student Health Fee	\$120	\$126	\$6	5.00%	\$71,250
Board	Debt Service Fee	\$300	\$308	\$8	2.67%	\$80,000
President	Lab and Course Fees					\$17,190
Chancellor	International Orientation Fee	\$0	\$100	\$100	100.00%	\$5,000
Chancellor	Physical Therapy Seat Fee	\$500	\$1,000	\$500	100.00%	\$1,500

Mandatory Fees Comparison

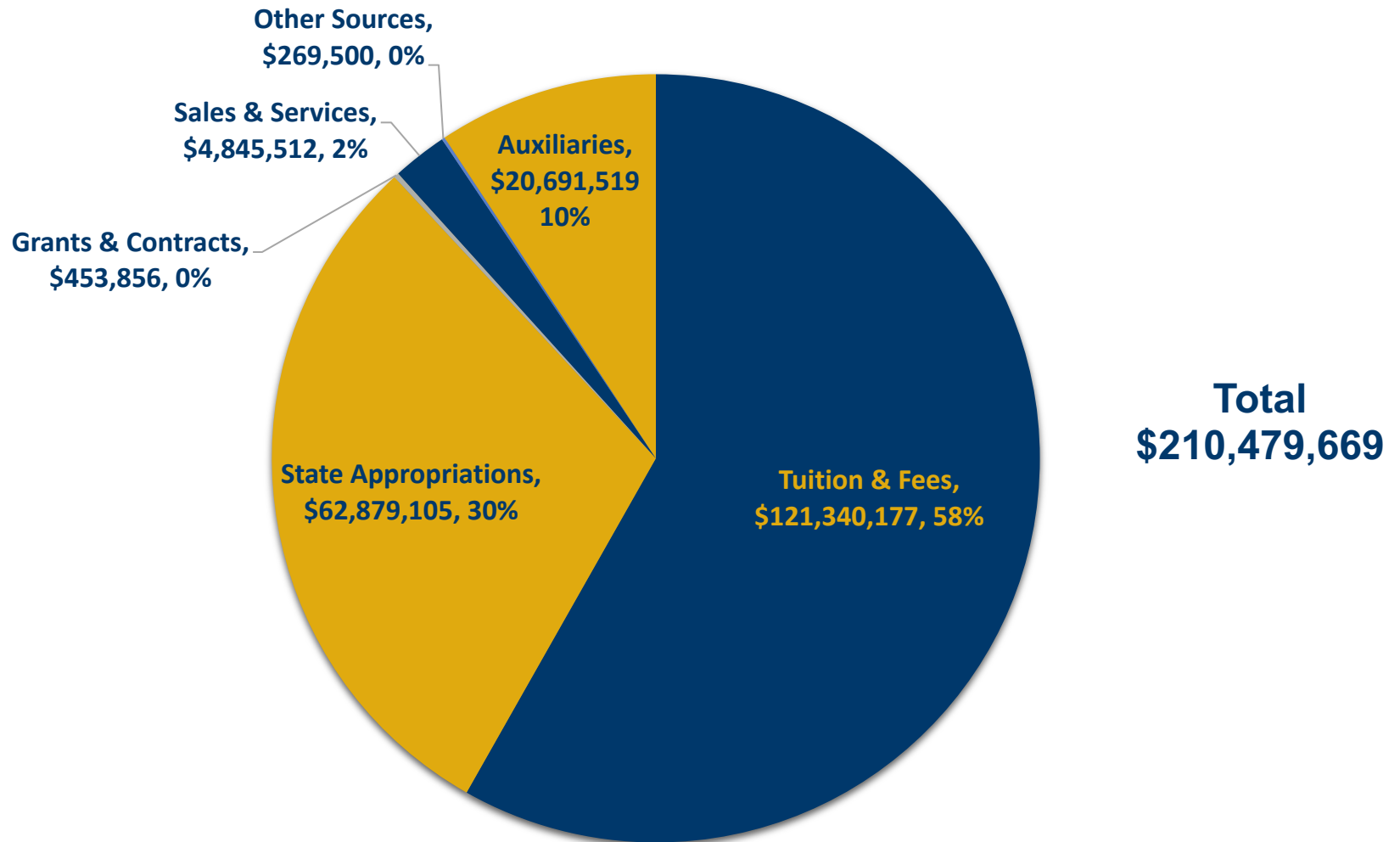
Fee	FY20 Current	FY21 Proposed	Change	%
Student Activity	\$240	\$240	-	-
Debt Service	\$300	\$308	\$8	2.67%
Health Services	\$120	\$126	\$6	5.00%
Athletics	\$514	\$514	-	-
Green	\$20	\$20	-	-
Technology	\$260	\$260	-	-
Library	\$50	\$50	-	-
Transportation	\$96	\$96	-	-
Facilities	\$200	\$200	-	-
International	\$20	\$20	-	-
Total	\$1,820	\$1,834	\$14	0.77%

FY 2021 Proposed Budget Recommendation

FY 21 E&G Proposed New Revenue & Transfers

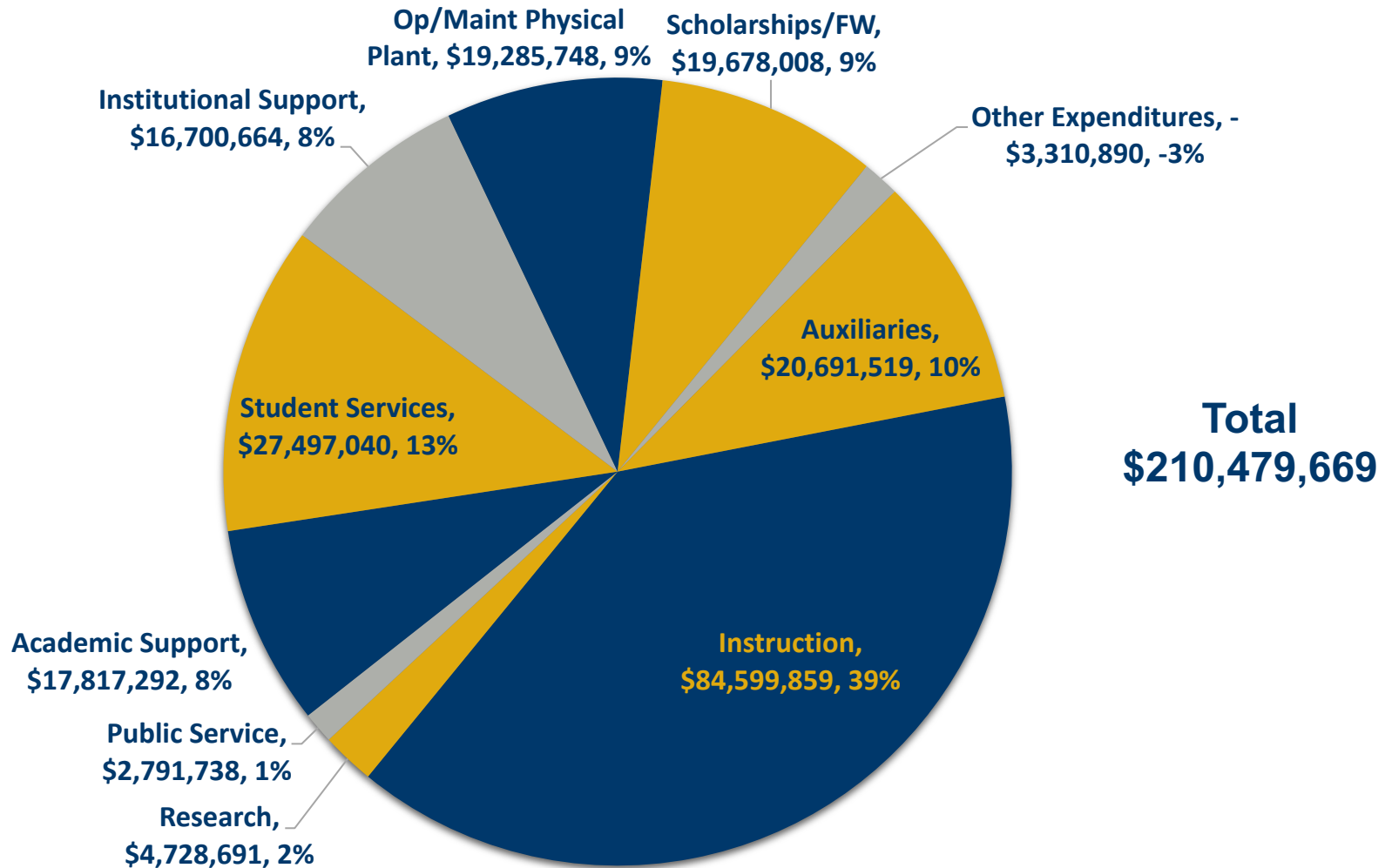
Source	Description	Revenue
Tuition	Soar In Four New Tuition Funds and Reallocation	\$2,366,600
State Appropriation	Formula, Salary Pool, and Benefits	3,311,500
Fees	Mandatory, Orientation, and Seat Fees	174,940
Enrollment Growth	Fall 2019 and Spring 2020 FTE Increase	400,000
Enrollment Decline	Graduate Out-of-State Tuition Reduction	-400,000
Reallocation	Physicians Assistant Program	430,100
Reserves	Institutional and Debt Service	5,934,186
Grant's Program	Institution, UC Foundation and Tennessee Tomorrow	1,968,288
Total		\$14,185,614

FY 21 E&G & Aux. Proposed Budget - Revenue



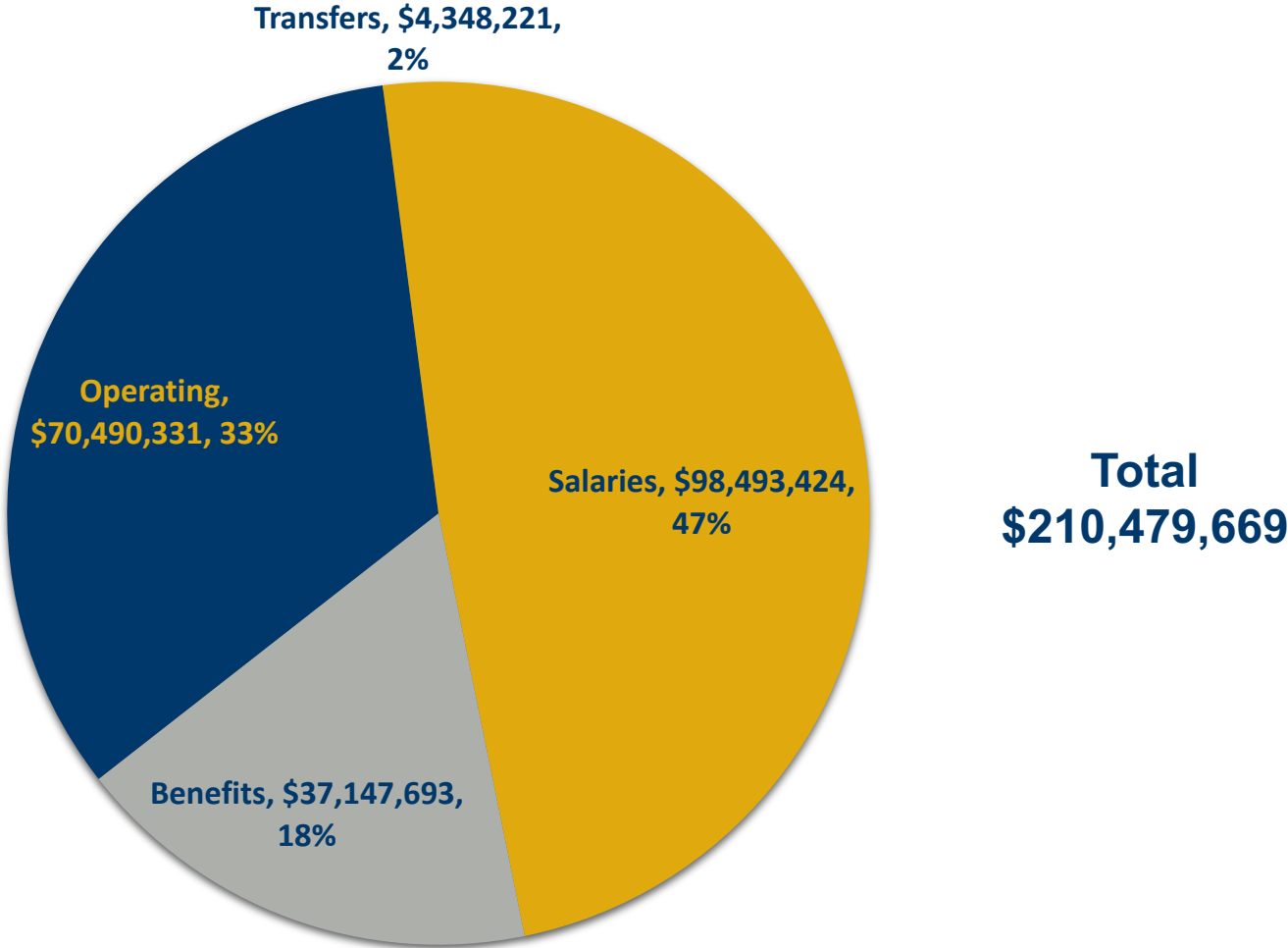
Amounts may change slightly due to possible adjusting entries within the proposed budget period.

FY 21 E&G & Aux. Proposed Budget - Expense



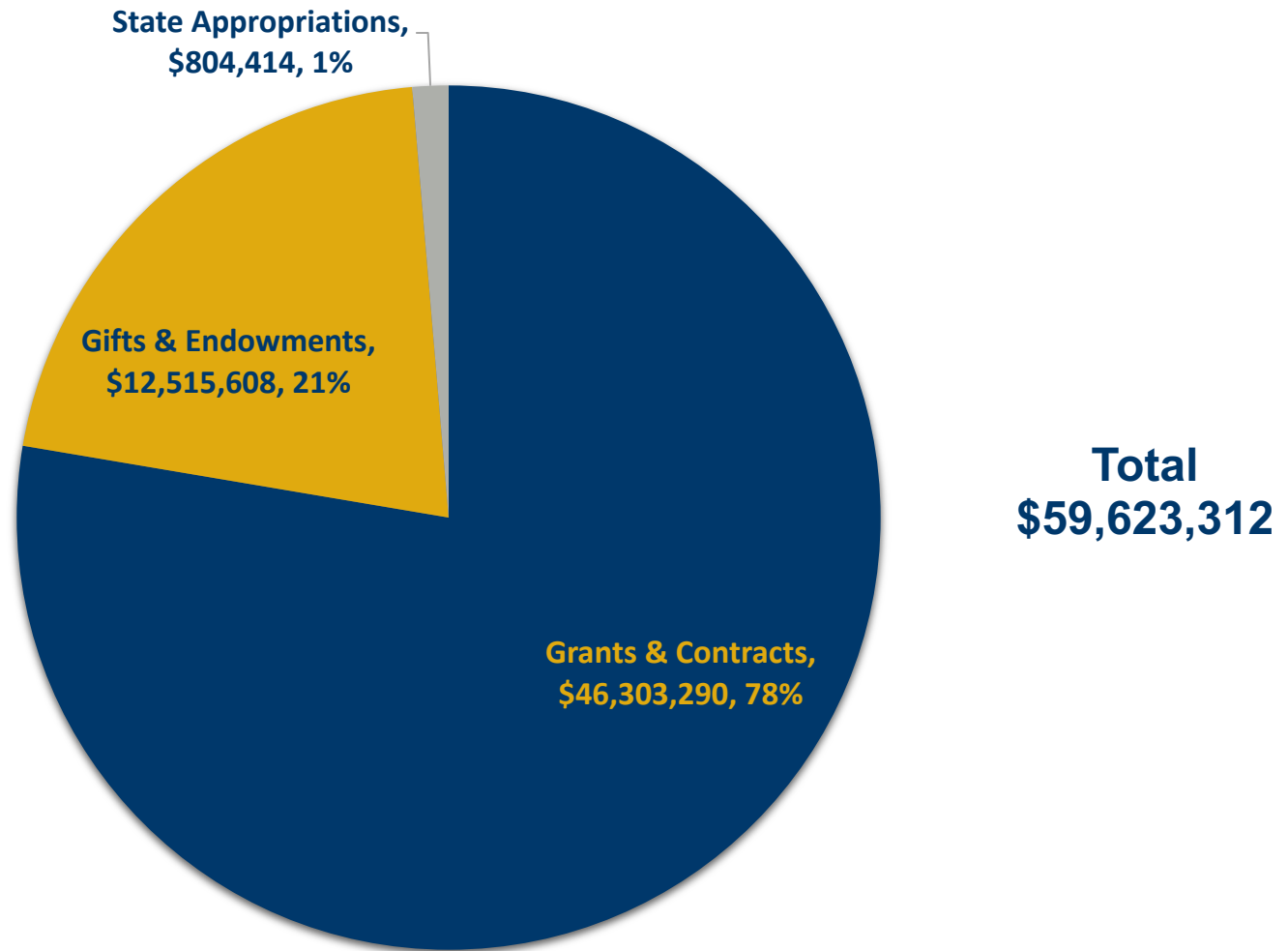
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FY 21 E&G & Aux. Proposed Budget - Expense



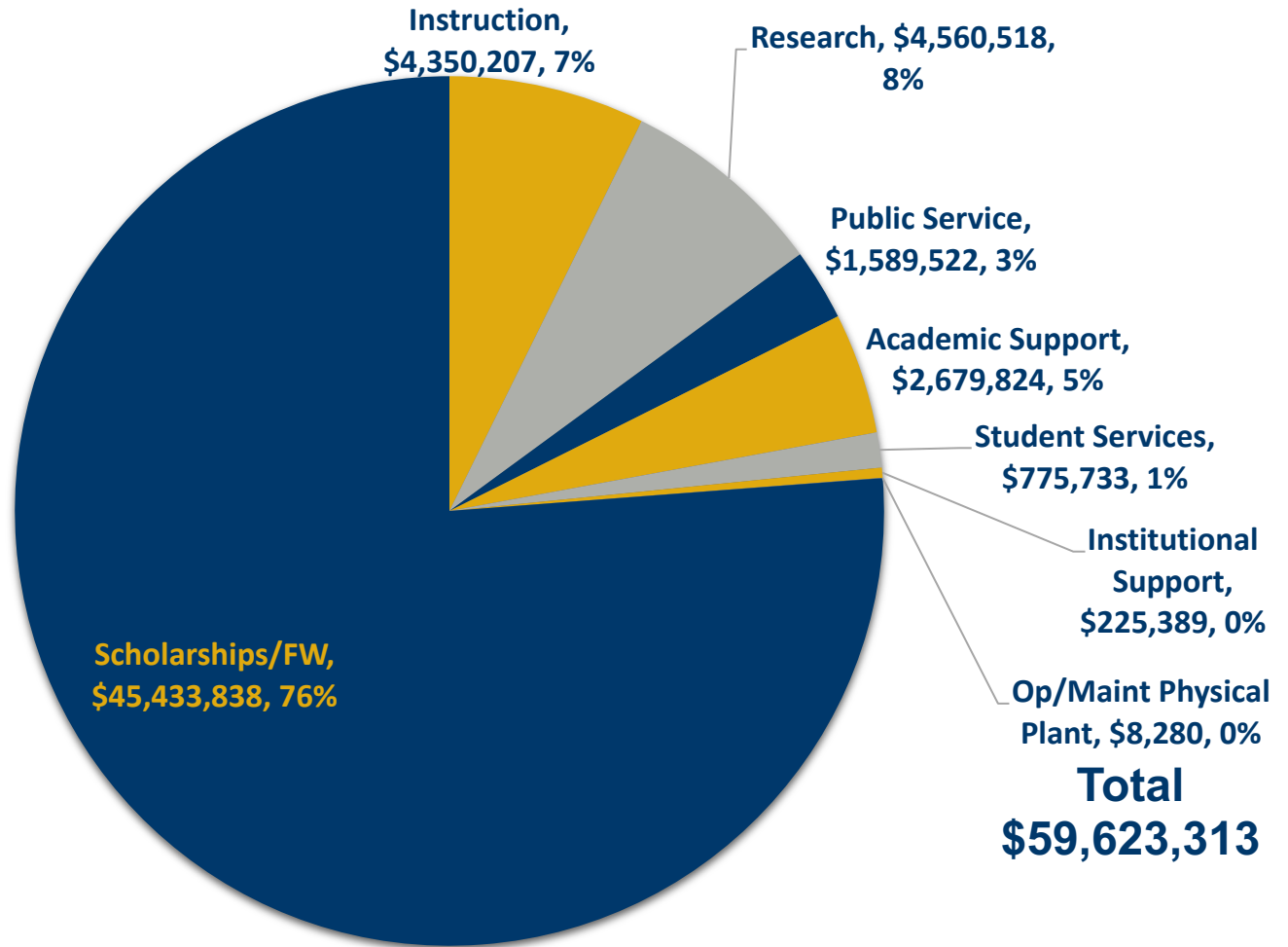
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FY 21 Restricted Proposed Budget - Revenue



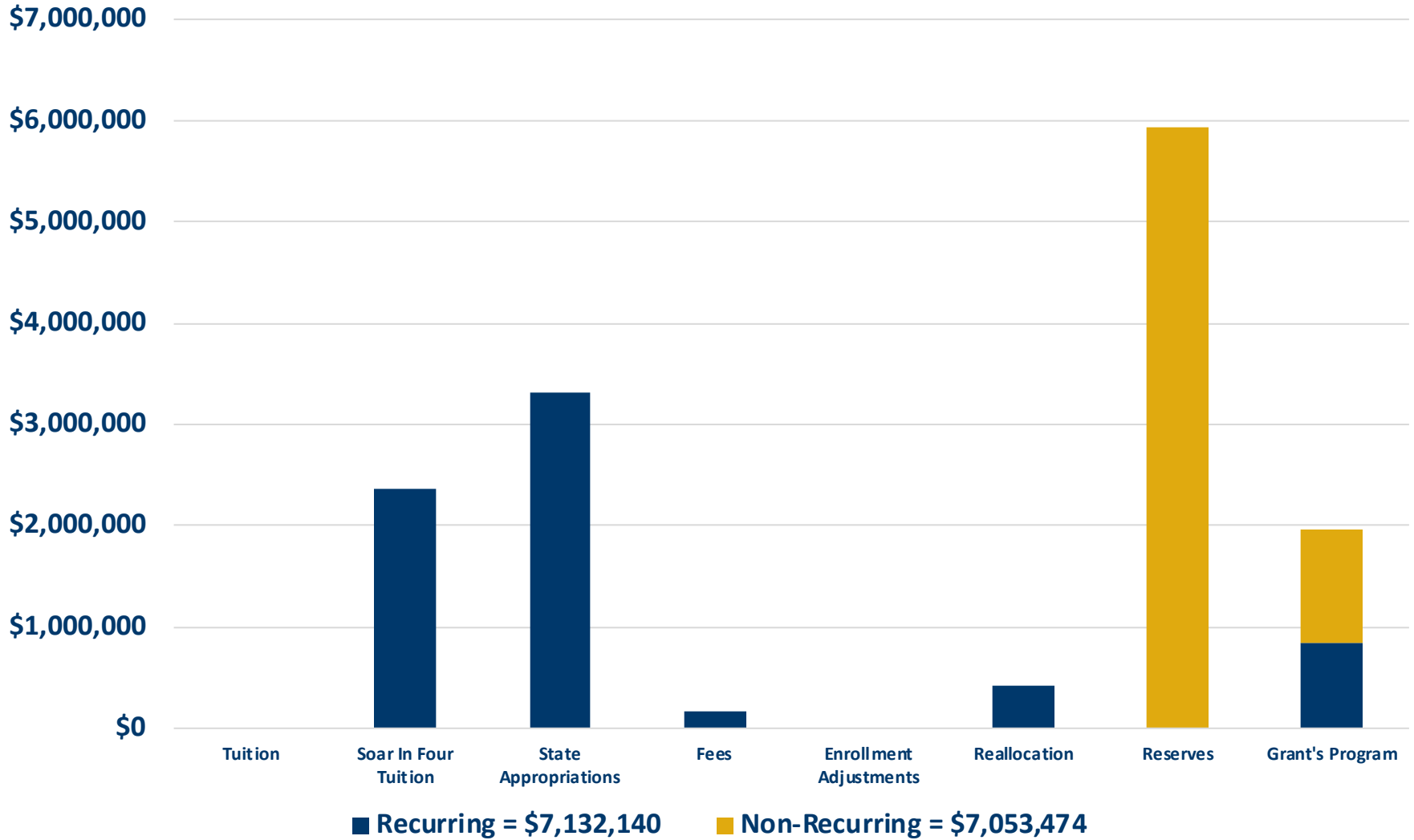
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FY 21 Restricted Proposed Budget - Expense

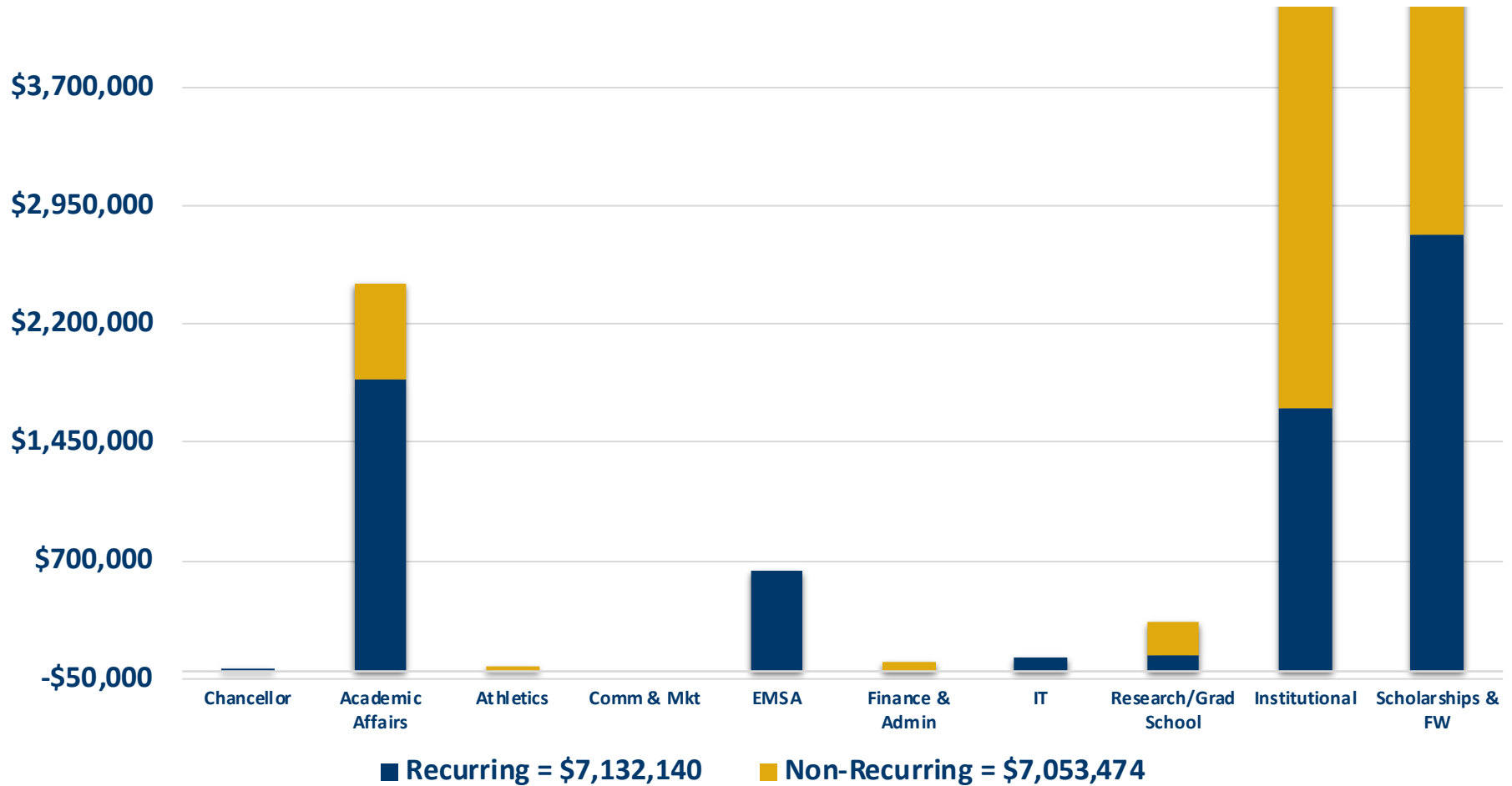


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FY 21 E&G Proposed New Revenue



FY 21 E&G Proposed New Expenses



Original requests, inclusive of all funding source options, totaled \$16,321,788.
 Institutional includes all centrally funded compensation pools.

FY 2021 Proposed Budget - Chancellor

New Budget Allocations

Highlights

- UC Foundation Chancellor's Discretionary Fund

FY 2021 Proposed Budget – Academic Affairs

New Budget Allocations

Highlights

- Lecturers for additional sections in roadblock courses
- Additional academic advisors in colleges
- Summer school instructional support
- Reallocation of Physician Assistant Program faculty and staff
- Limited prior commitments for new tenure-track faculty
- Professorships
- Tennessee Tomorrow investments in faculty and departmental operations

FY 2021 Proposed Budget – Athletics

New Budget Allocations

Highlights

- Mental health counselor shared with Counseling Center

FY 2021 Proposed Budget – Comm. & Marketing

New Budget Allocations

- Recurring \$ -
- 15/4 Recurring \$ -
- Non-Recurring \$ -
- Grant's Program \$ -
- **Total** \$ -

Highlights

FY 2021 Proposed Budget – EMSA

New Budget Allocations

Highlights

- Records Office graduation specialist position
- Strategic enrollment technology specialist position
- Tutoring and academic support services
- International student orientation services
- EMSA facilities director (auxiliary and fee funded)
- Counseling Center clinical case manager and operating support

FY 2021 Proposed Budget – Finance & Admin.

New Budget Allocations

Highlights

- Human Resources total compensation specialist position

FY 2021 Proposed Budget – Information Tech.

New Budget Allocations

Highlights

- Banner Office systems analyst position

FY 2021 Proposed Budget – Research & Grad.

New Budget Allocations

Highlights

- Research deputy vice chancellor position
- Graduate School recruitment and marketing coordinator position
- Graduate School grant's program graduate assistantship funding

FY 2021 Proposed Budget – Institutional

New Budget Allocations

Highlights

- 1.5% compensation pool with a \$600/annual minimum increase
- Faculty promotions, UCF rollovers, and lecturer promotions
- Staff market equity and promotions
- Group health insurance adjustment
- Realignment of graduate assistant budget to FY19 actuals
- Institutional strategic emergency fund
- Information Technology contractual services

FY 2021 Proposed Budget – Scholarships & FW

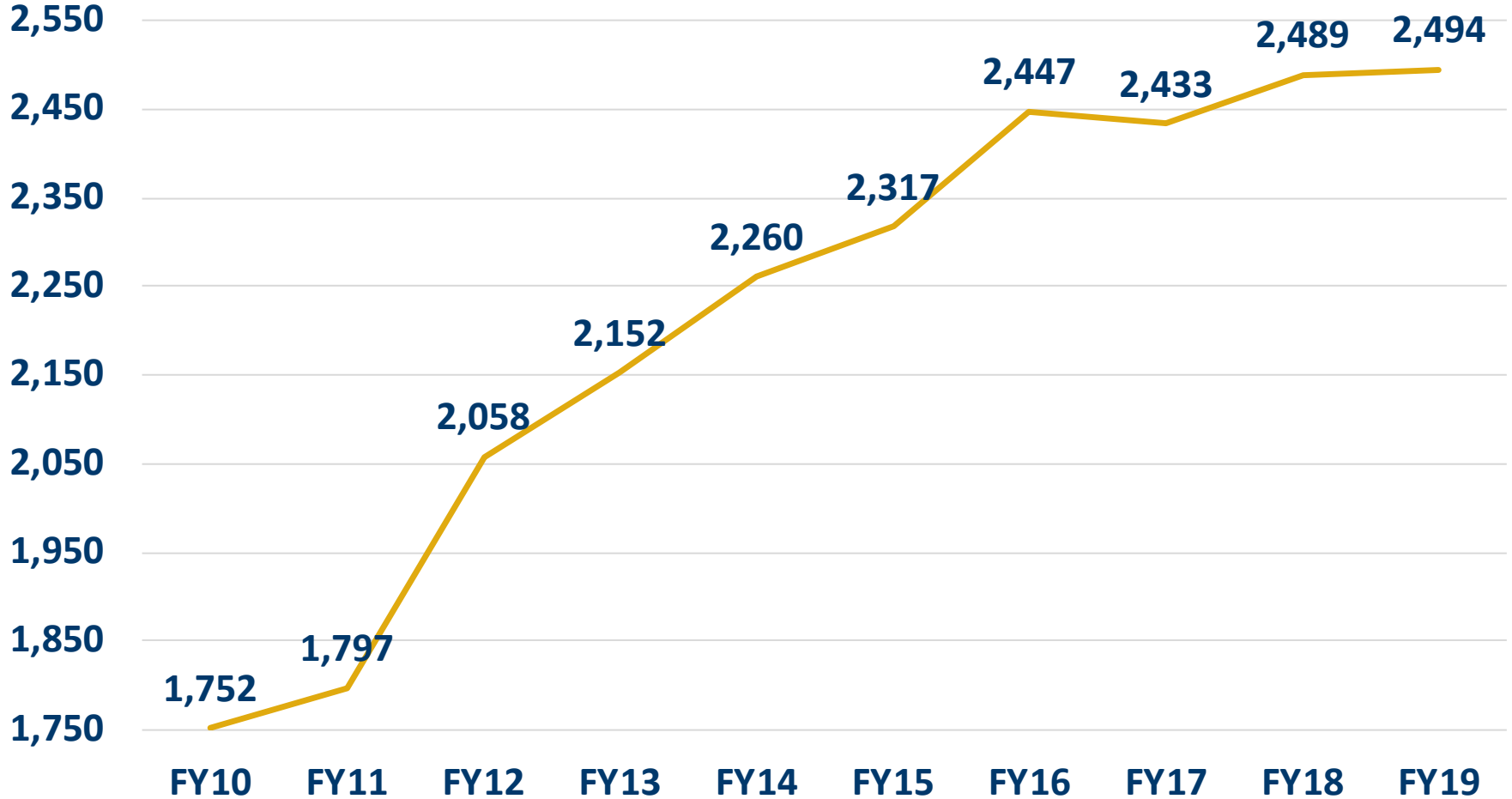
New Budget Allocations

Highlights

- Scholarship funding gap
- Need based scholarships
- UT Promise
- Athletics grant-in-aid
- Institutional strategic emergency aid fund
- Grant's program investment in Honor's College, Athletics, International Studies, and institutional scholarships

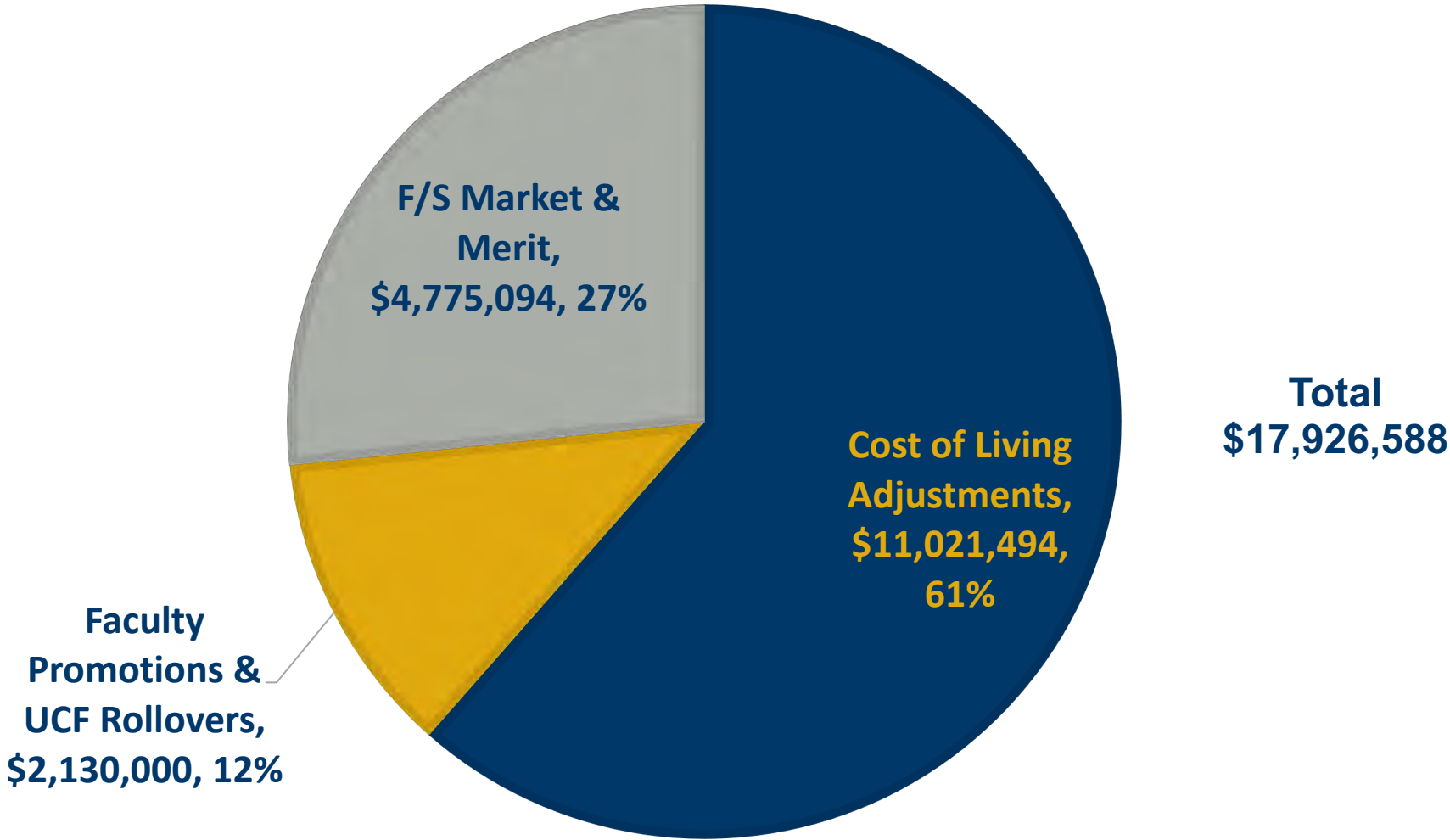
Financial Health Indicators

FY 10-19 Degrees Awarded



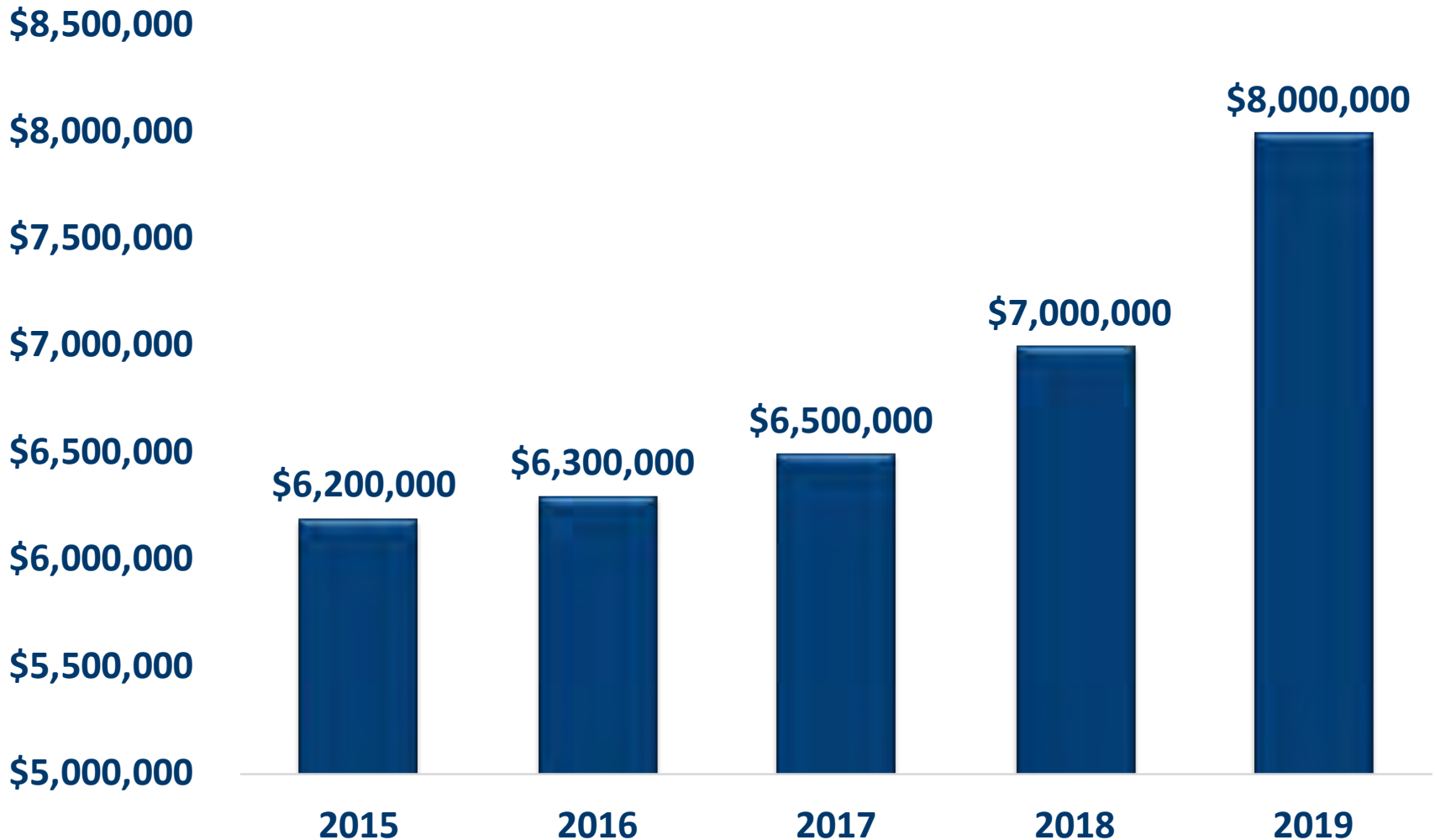
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
E&G Expenditures in millions	\$113	\$121	\$128	\$134	\$140	\$144	\$153	\$161	\$169	\$179

FY 13-21 Institutional Compensation Investment



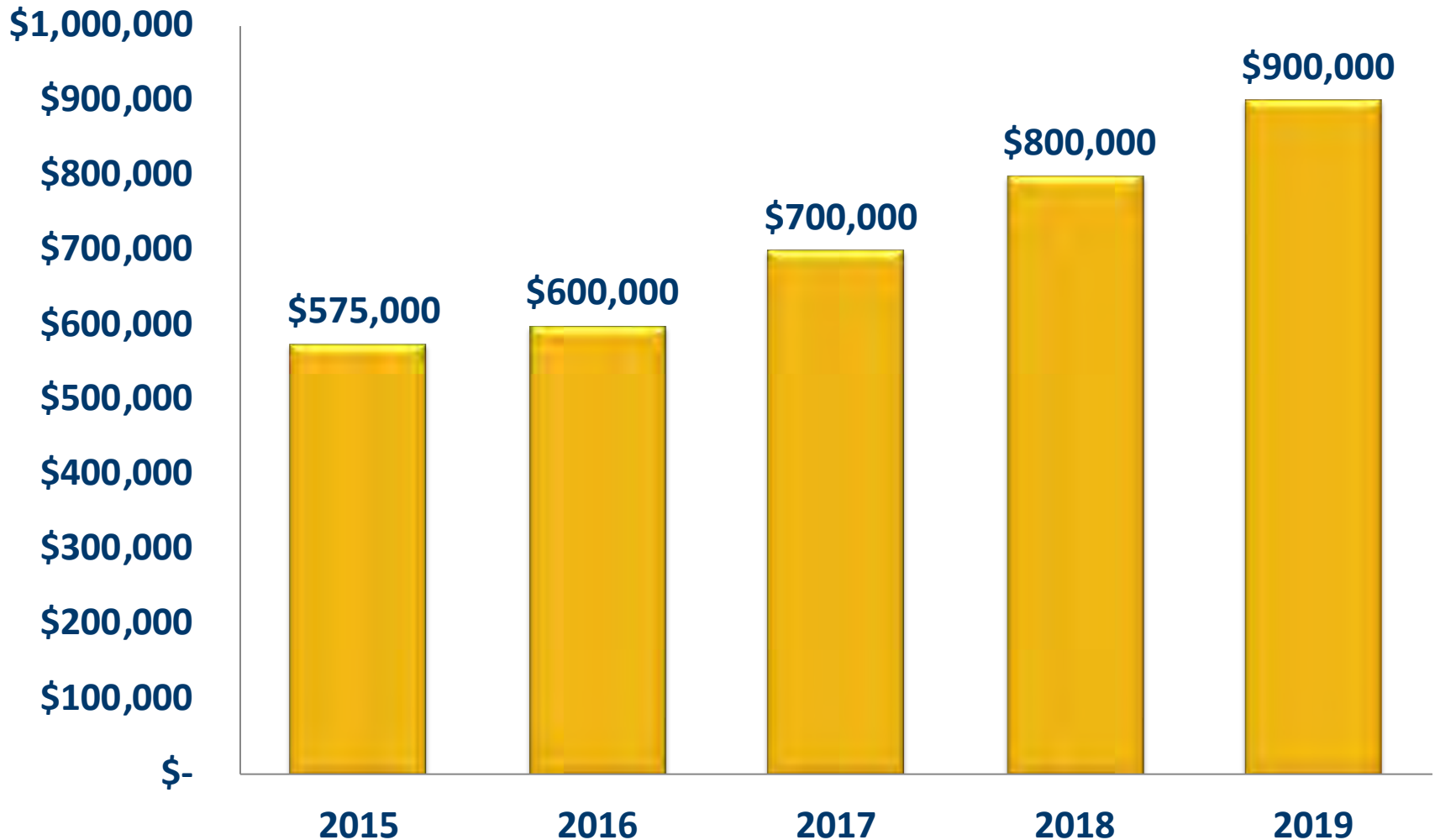
Graph includes FY 21 proposed compensation plans.

FY 15-19 E&G Fund Balance



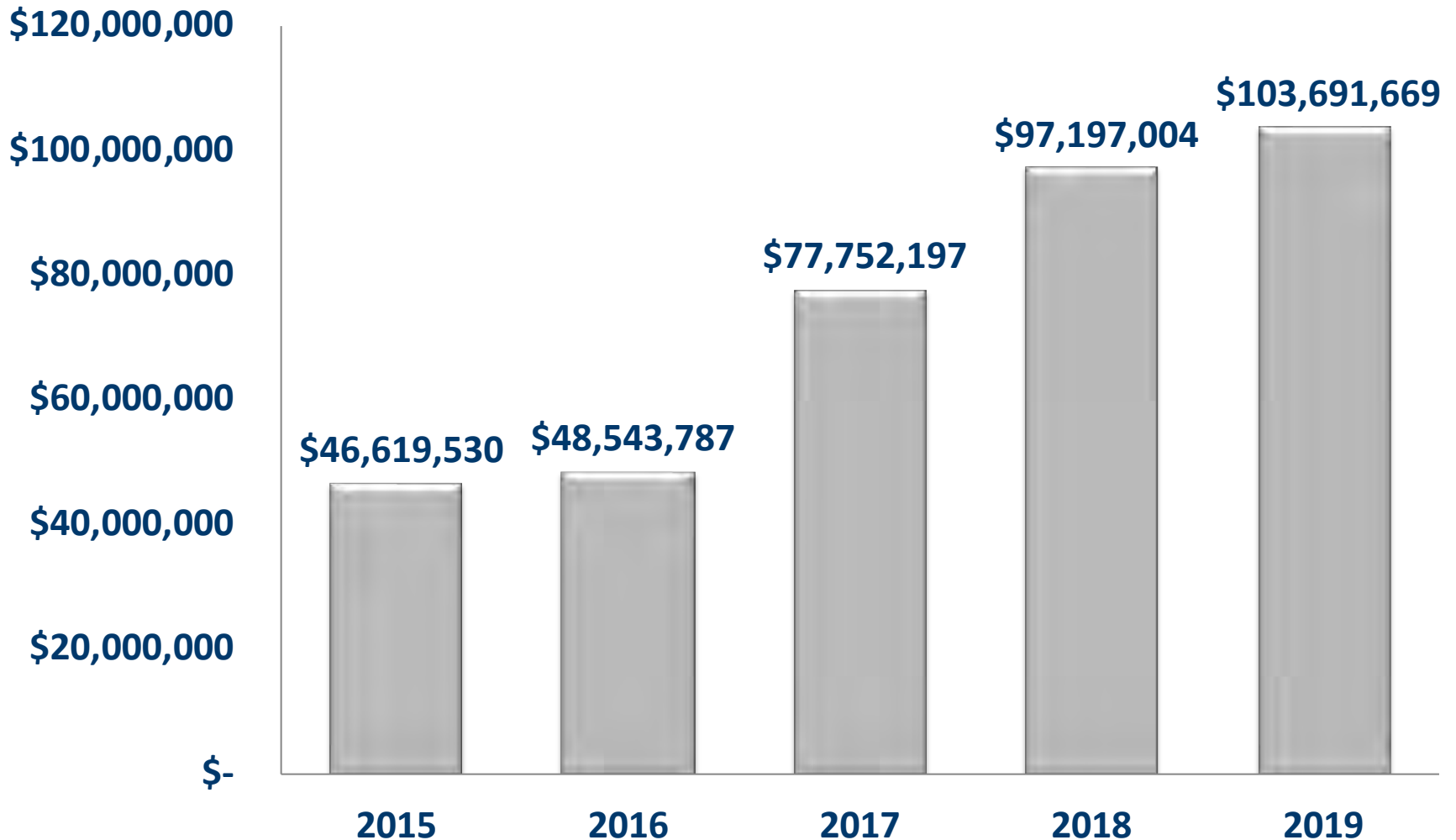
The fund balance represents 4.48% of unallocated expenditures and transfers.

FY 15-19 Auxiliary Fund Balance



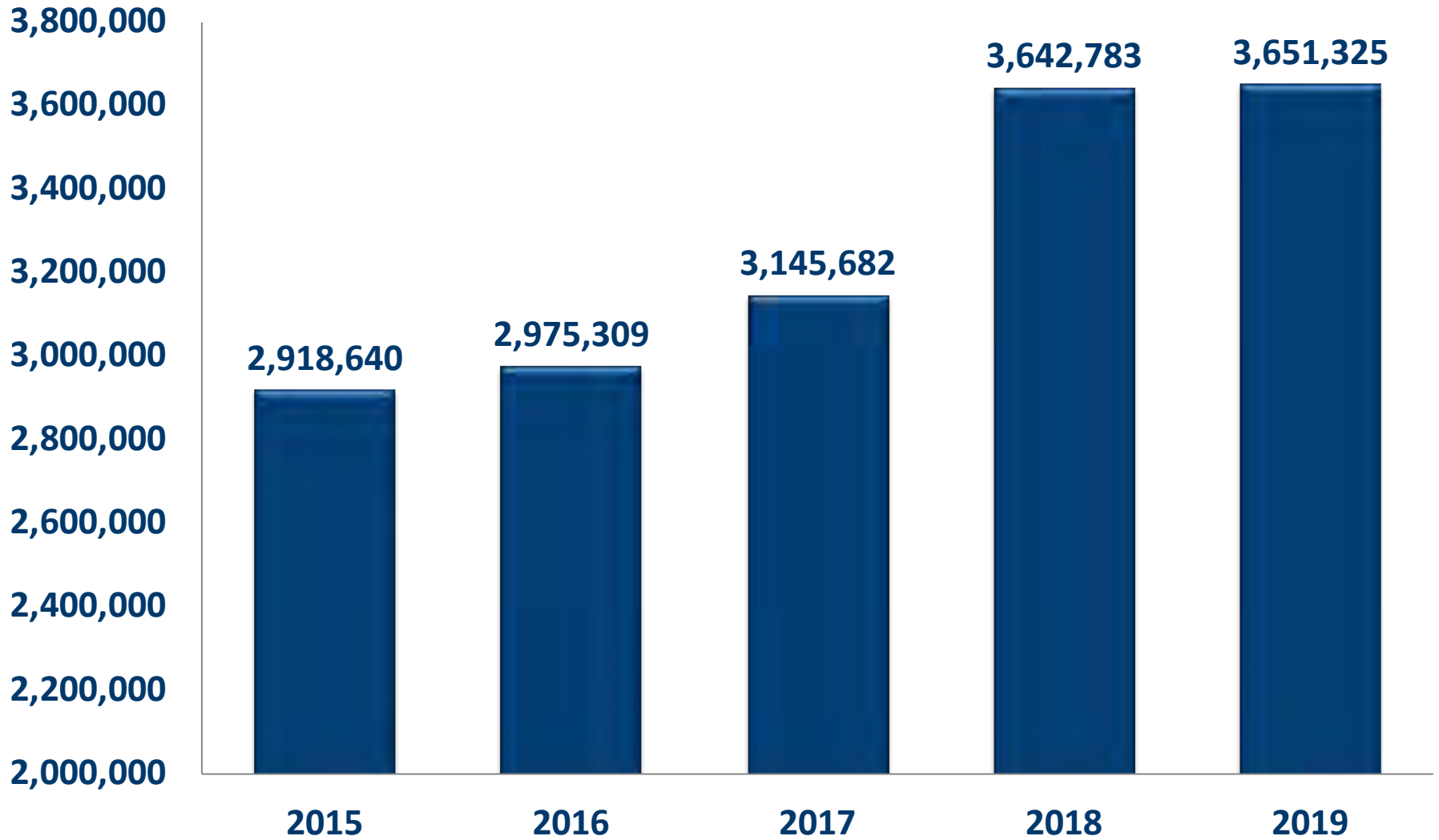
The fund balance represents 4.63% of unallocated expenditures and transfers.

FY 15-19 Notes & Bonds Payable

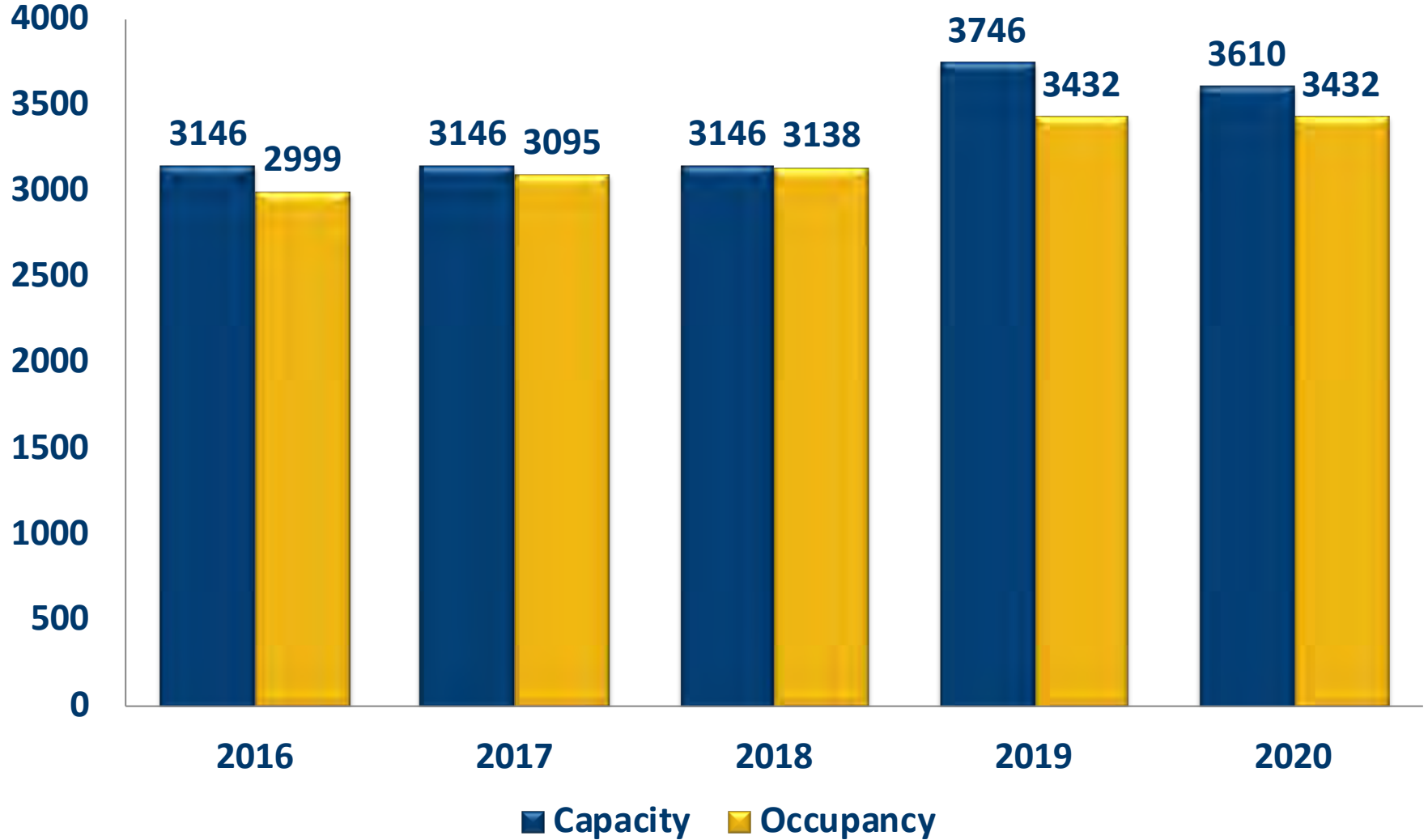


Unspent bond proceeds could add an additional \$10.39 million to notes and bonds payable in FY 2020.

FY 15-19 Physical Plant Square Footage



FY 16-20 Residence Hall Occupancy Rates



Capital Projects

Capital Project	Funding
West Campus Housing Pedestrian Way	\$1,000,000
Holt Hall Improvements	\$8,650,000
Campus Safety & Security Improvements	\$3,700,000
Utility Distribution Expansion	\$5,300,000
Lighting Improvements	\$2,700,000
Campus Site Improvements	\$3,500,000
Guerry Center Renovation	\$5,700,000
Roof Replacements	\$4,500,000
Parking Garage Lighting Upgrades	\$755,000
Retrofit State Office Building (Floors 4/5)	\$2,530,000
Academic Classroom Renovations (Lupton/FAC)	\$38,410,000
Campus Branding	\$205,000
Executive and Continuing Education Center	\$1,415,000
Entrepreneurial Center	\$800,000
SimCenter Computer Room HVAC	\$460,000
West Campus Utility Connection	\$5,630,000

Capital Project	Funding
Fine Arts Mech. & Elec. Improvements	\$8,400,000
Fletcher Hall Interior Renovations	\$10,281,000
Hunter Hall	\$13,000,000
ADA Improvements	\$267,600
Mapp Bldg. Repl. Chiller (Pending Approval)	\$1,000,000
5th Street Parking Garage Stairwell Repairs	\$285,000
Lupton Garage Structural Repairs	\$271,000
Health Sciences Building Programming	\$250,000
Maclellan Building Programming	\$100,000
McKenzie Athletics Facility Programming	\$22,300,000
East Campus Utility Expansion	\$6,770,000
University Center Programming	\$100,000
Guerry Crossroads Roof Replacement	\$129,000
Lupton Aramark POD Installation	\$393,000
Lupton Garage Repairs (Temporarily Delayed)	\$1,487,000
Special Security Project	\$1,044,000

Total Active Capital Projects \$133,009,600

UC Foundation Endowment

Endowment Breakdown	Value – 3/31/20
Unrestricted/Institutional Support	\$ 46,382,096
Scholarships	31,517,808
Academic Support	49,865,717
Professorships	15,646,667
Faculty Development	811,972
Total Endowment Value	\$ 144,224,260
Temporary Funds	\$ 10,792,661

The Foundation also has \$114 million of appraised real estate assets.

FY 21 UC Foundation Planned Distribution

Distribution Category	Distribution
Unrestricted/Institutional Support	\$ 101,656
Unrestricted/Development and Alumni Affairs Operating	1,727,597
Scholarships	1,245,324
Academic Programs	1,517,278
Professorships	575,804
Faculty Development	29,130
Total FY 2020-21 Disbursements	\$ 5,196,789

Thank You

A special thank you is extended to the following for continuing to be outstanding stewards of resources and for assistance with the budget planning process:

Academic Deans

Unit Leaders

Department Heads

Business Managers

Office of Budget and Finance

Questions