

Town Hall Budget Meeting



Vision 2025 – Achieving Excellence

Dr. Richard L. Brown, Jr.
Executive Vice Chancellor

We Shall Achieve

THE UNIVERSITY of TENNESSEE **UT**
CHATTANOOGA

Strategy

- Develop new business models and processes to navigate change
- CCTA – Performance metrics
- Alignment of financial resources with strategic goals
- Benchmarking for data-driven effectiveness
- Develop a culture of outcomes for assessment
- Balance growth with strategic investment
- Develop alternative revenue streams
- Everything should be about quality delivery to students

National Trends

- Federal and state funding levels have fallen to historic lows with no near term vision for recovery
- Demographic shifts have led to level or declining enrollments in traditional students
- Affordability of education has expanded student debt, capped tuition growth and increased Pell dependency
- Tuition dependency has grown, discounting has increased and operating margins have fallen
- Administrative and support costs have grown

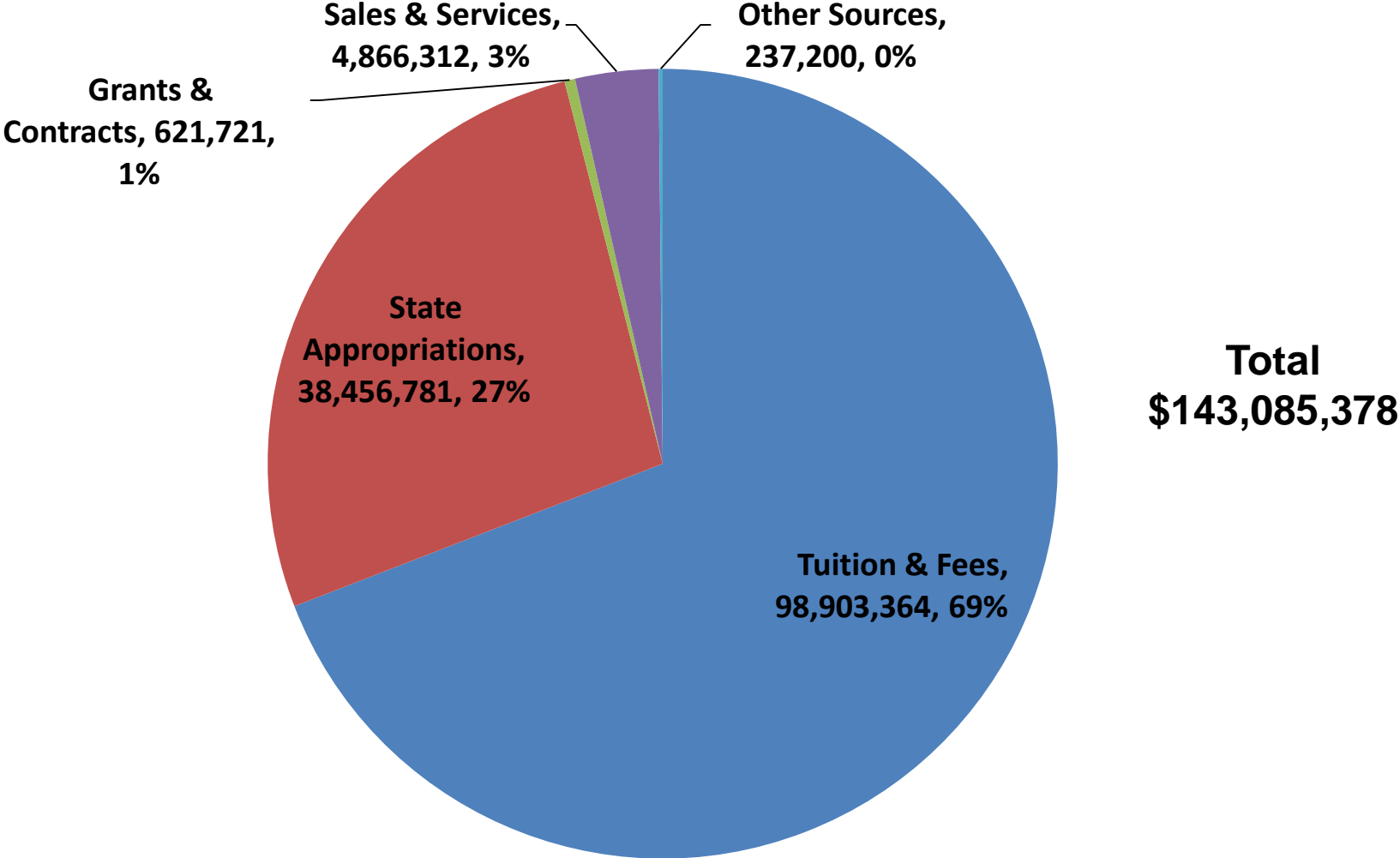
The Budget

- **The budget is the device by which an organization:**
 - Carries out its plans
 - Signals its priorities
- The primary mechanism to create incentive for positive change.
 - Planning is typically conducted at the **strategic level**
 - Budgeting is typically focused at the **operational level**

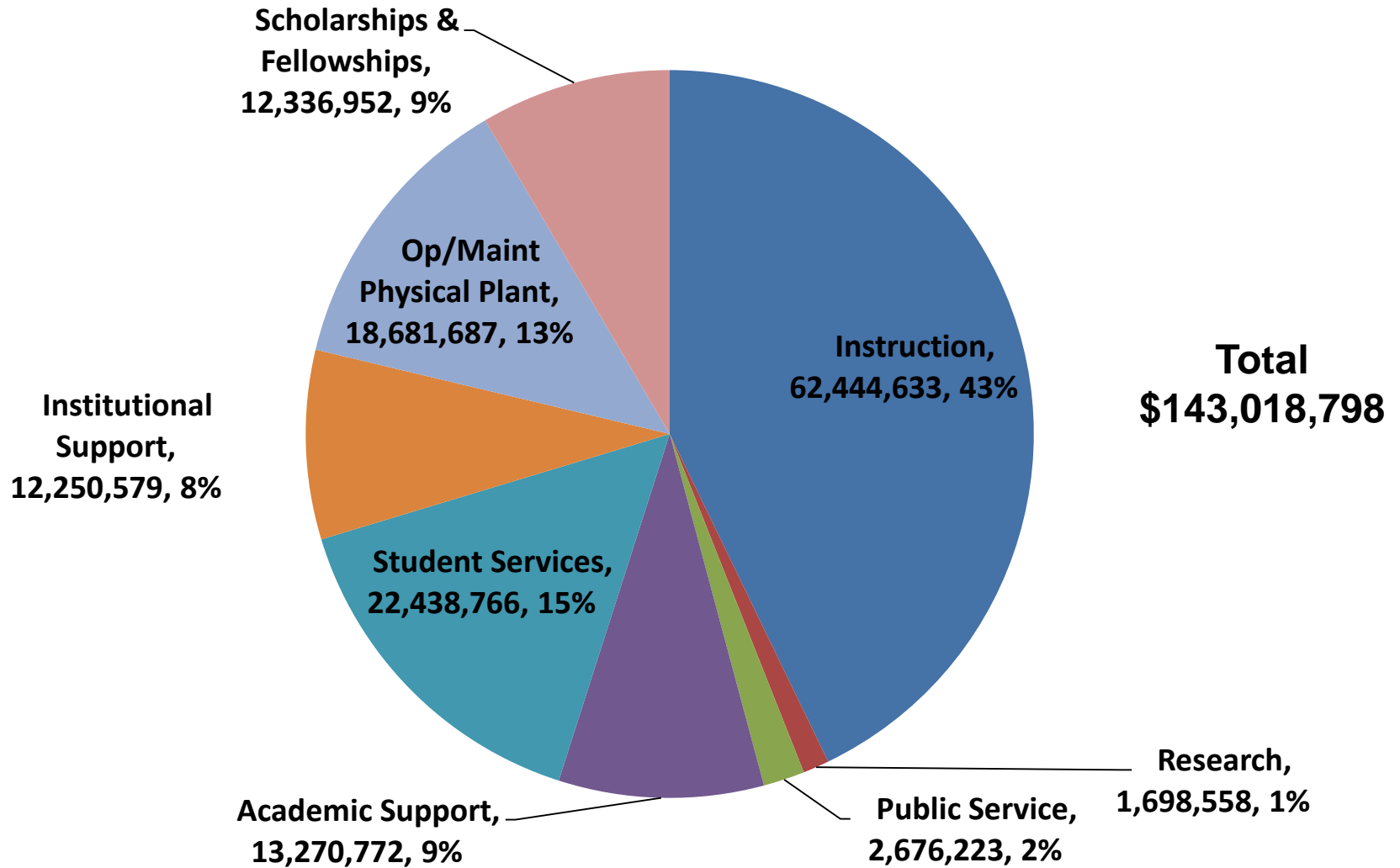
Linking the Budget to the Strategic Plan

- The budget structure should **explicitly reflect** the areas of responsibility of strategic level decision makers.
 - Base/Continuation Expenditures – Adjusted for Inflation
 - Strategic Planning Initiatives
 - Contingency Reserve Funds
 - Cost Going Forward Items
 - Asset Maintenance Funds
 - Revenue Creation/Deletion – Changes in asset structure
- The budget process requires established guidelines to each component prior to initiating unit level budget building.

FY 15 E&G Revised Budget - Revenue

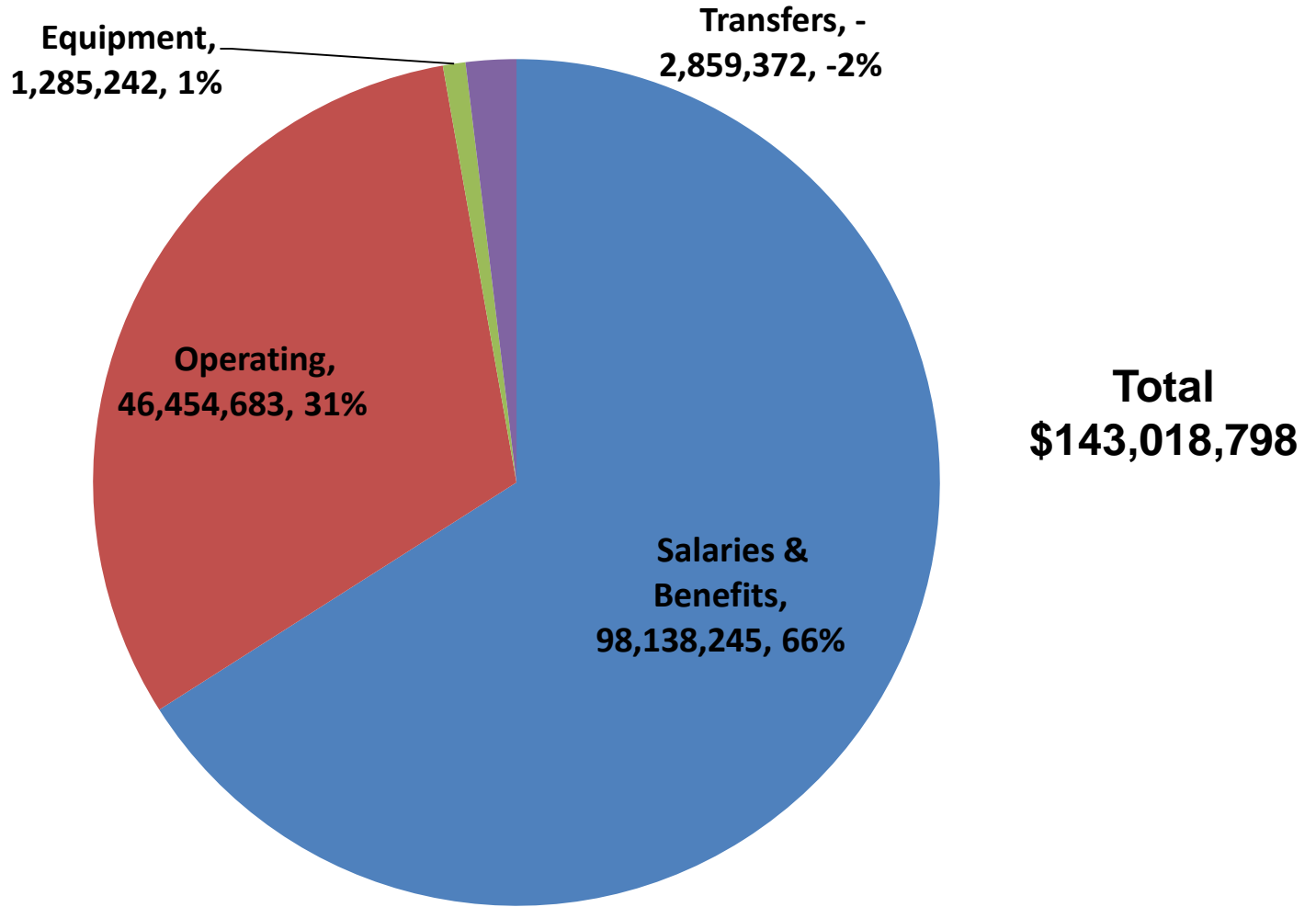


FY 15 E&G Revised Budget - Expense

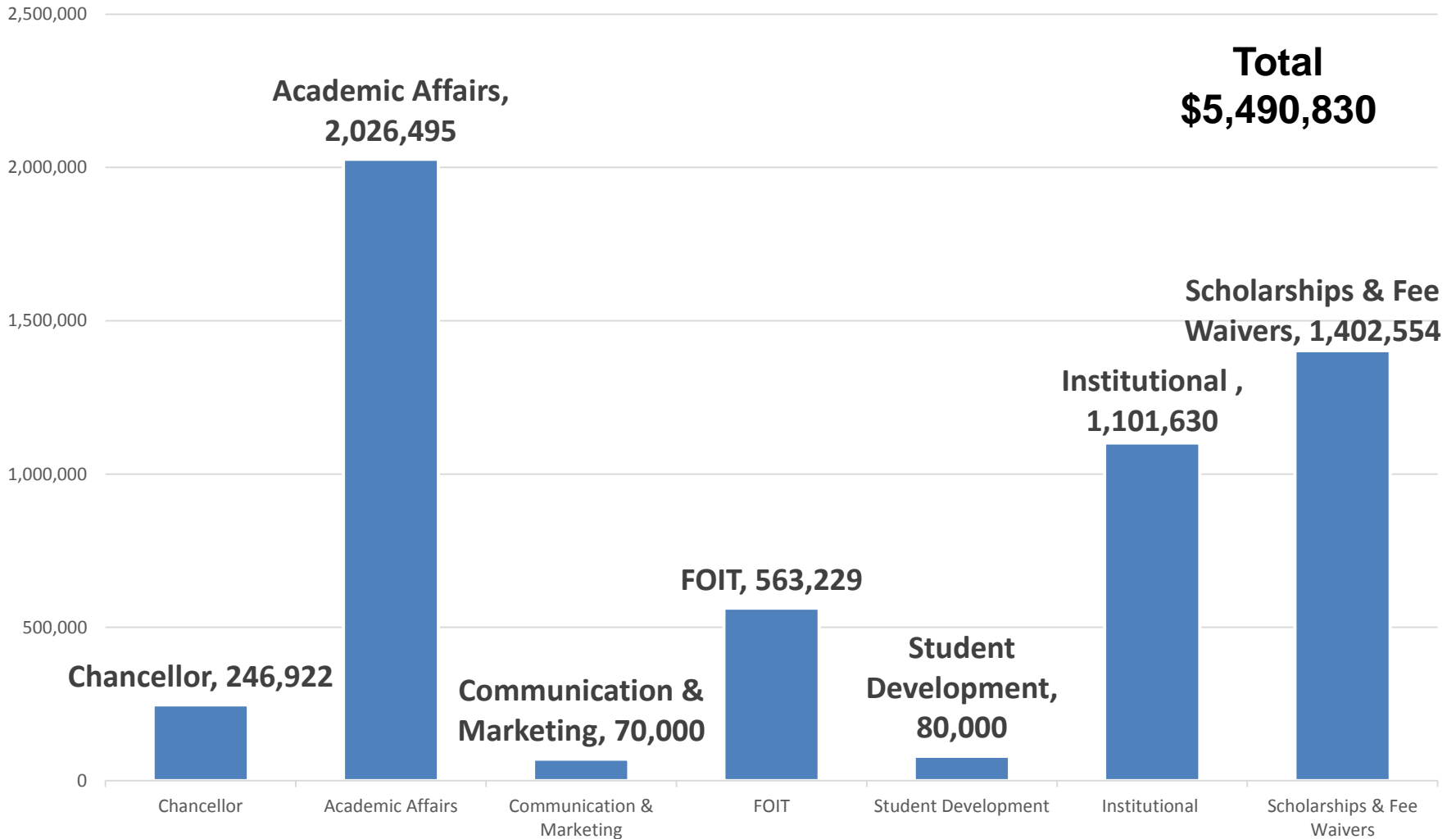


Student Services: Student Development \$4,572,768; Athletics \$7,053,334; Other \$10,812,664.

FY 15 E&G Revised Budget - Expense

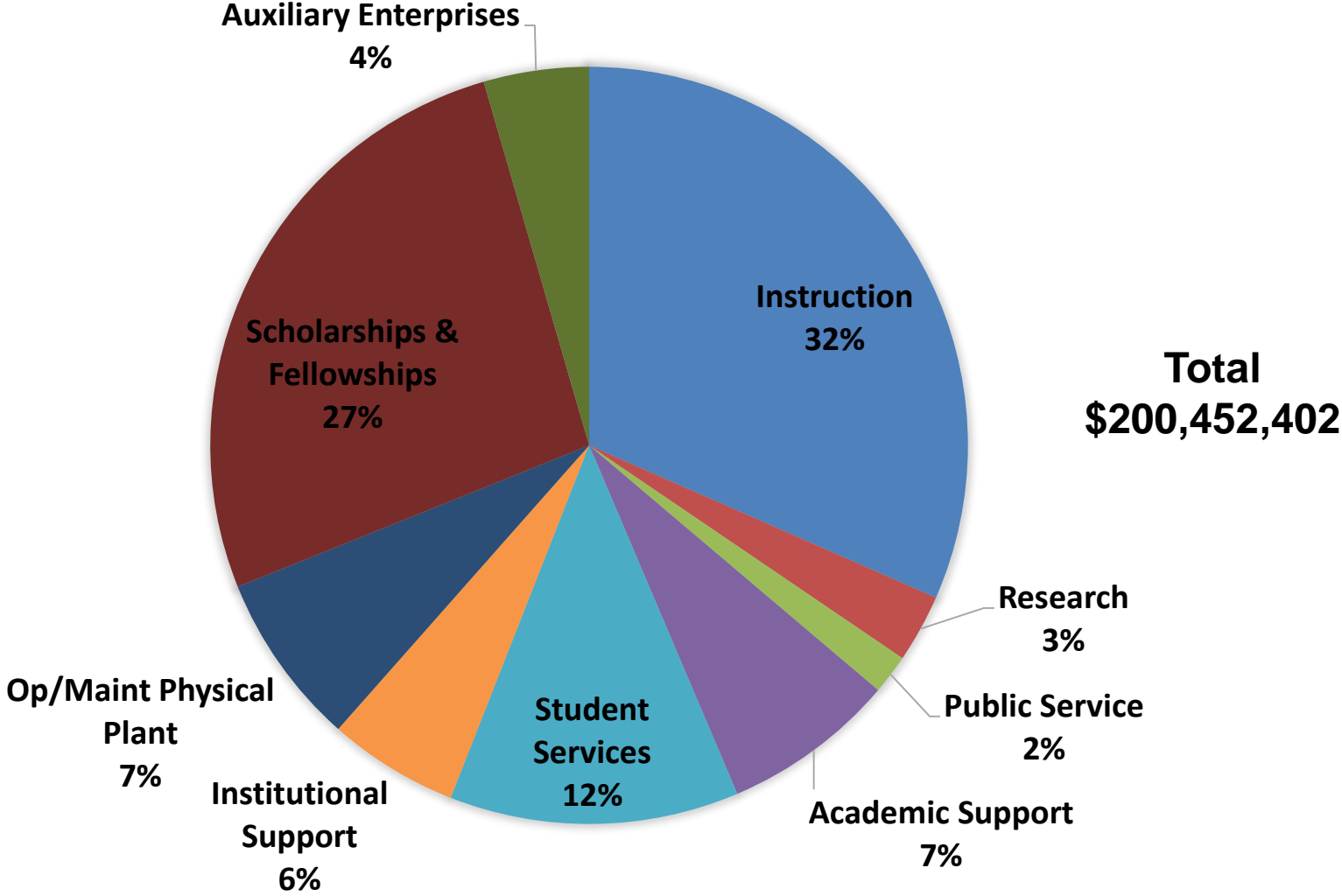


FY 15 New Recurring Budget Allocations



Allocation after \$1.1 million reduction for a 147.1 FTE decline.

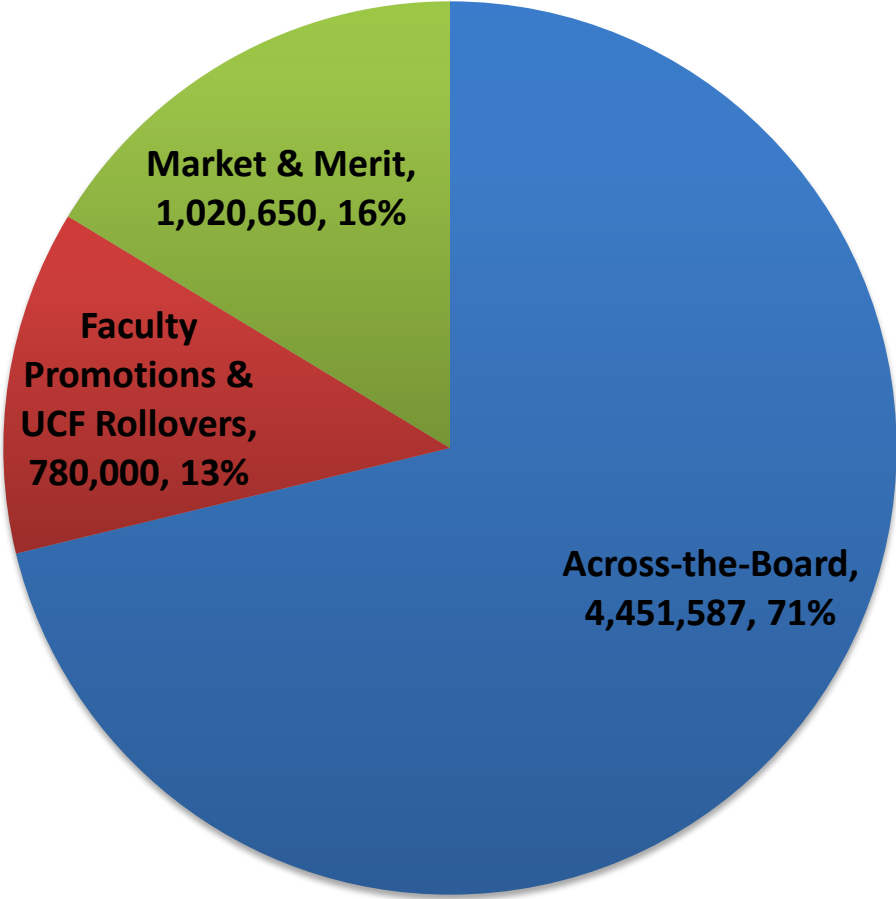
FY 14 E&G, Auxiliary & Restricted Expenditures



Restricted: Scholarships \$42.5 million; Instruction \$5.5 million; Other \$9.1 million.

University of Chattanooga Foundation

FY 12-15 Central Compensation Pools



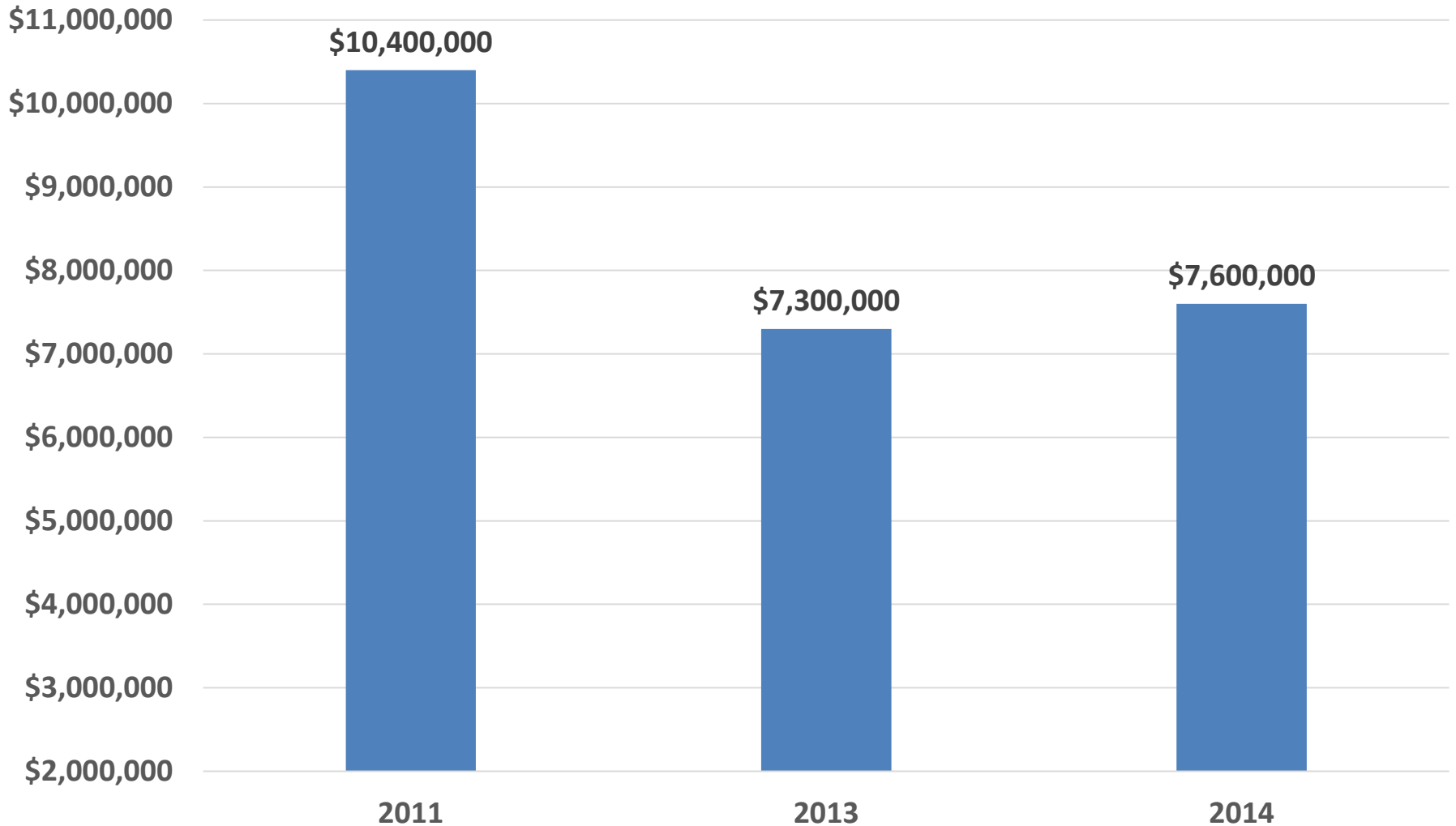
Total
\$6,252,237

FY 11-13 Faculty Compensation Comparison

| Rank ^{1,2,3} | # Incumbents | % Benchmarked | Aggregate Annual UTC Salary (\$000) | Aggregate Market Median (\$000) | UTC Salary as % of Market Median |
|-------------------------|--------------|---------------|-------------------------------------|---------------------------------|----------------------------------|
| Lecturer ⁴ | 100 | 100% | \$4,140,935 | \$4,502,094 | 92% |
| New Assistant Professor | 17 | 100% | \$1,031,509 | \$1,068,233 | 97% |
| Assistant Professor | 81 | 100% | \$4,919,882 | \$4,948,373 | 99% |
| Associate Professor | 86 | 100% | \$6,238,207 | \$6,111,063 | 102% |
| Professor | 150 | 100% | \$14,345,655 | \$14,168,253 | 101% |
| TOTAL | 473 | 100% | \$33,509,708 | \$33,563,546 | 100% |

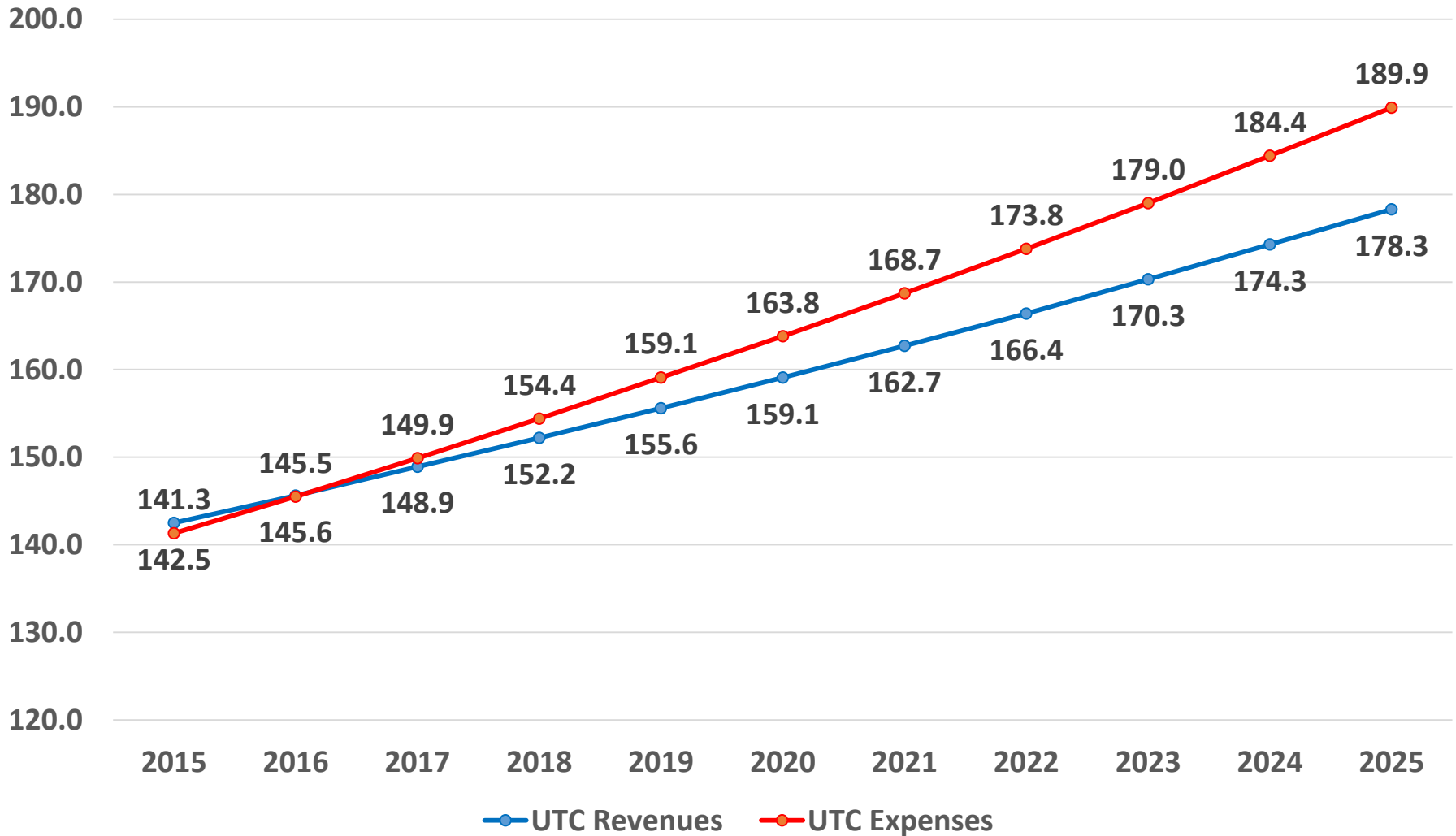
- In aggregate, faculty at UT Chattanooga are paid at 100% of the market median
- Lecturers are the lowest paid rank with aggregate pay at 92% of the market median
- Associate Professors are the highest paid rank with aggregate pay at 102% of the market median

FY 11-14 Compensation Market Gap



Market gap was not measured in FY 2012.

FY 15-25 Budget Gap Projection



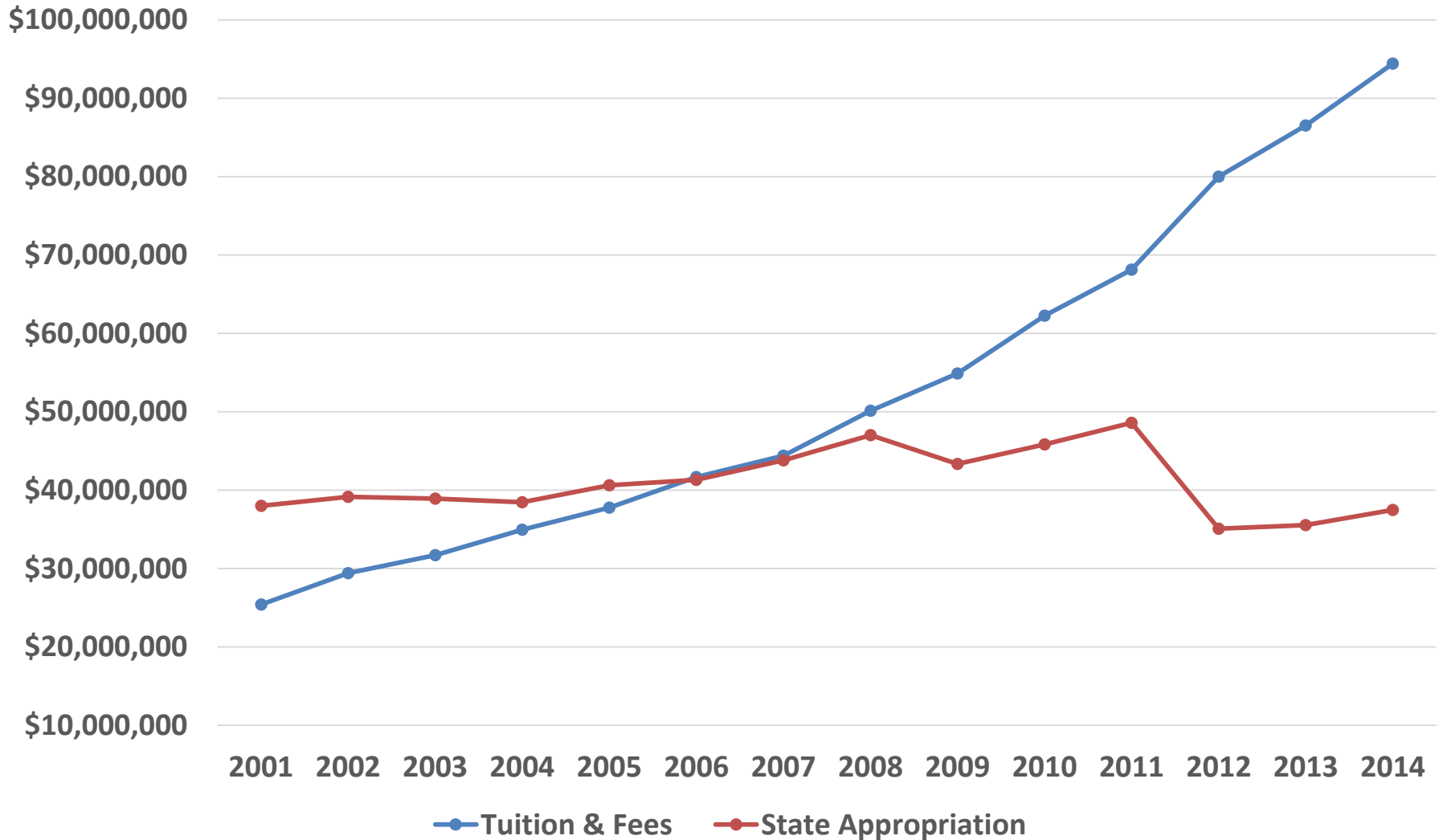
The budget gaps are reported in millions of dollars.

Vision 2025 Reduction Schedule

| Division | FY 15 Original Base Budget | 4.75% |
|-------------------------------------|---------------------------------------|-----------------------|
| Chancellor | 1,144,246 | (54,352) |
| Academic Affairs | 54,646,676 | (2,595,717) |
| Finance, Operations & IT | 11,521,999 | (547,295) |
| Student Development | 2,170,028 | (103,076) |
| Athletics | 12,359,738 | (587,088) |
| University Relations | 987,416 | (46,902) |
| Institutional | 39,608,941 | (1,881,425) |
| Total | \$ 122,439,044 | \$ (5,815,855) |

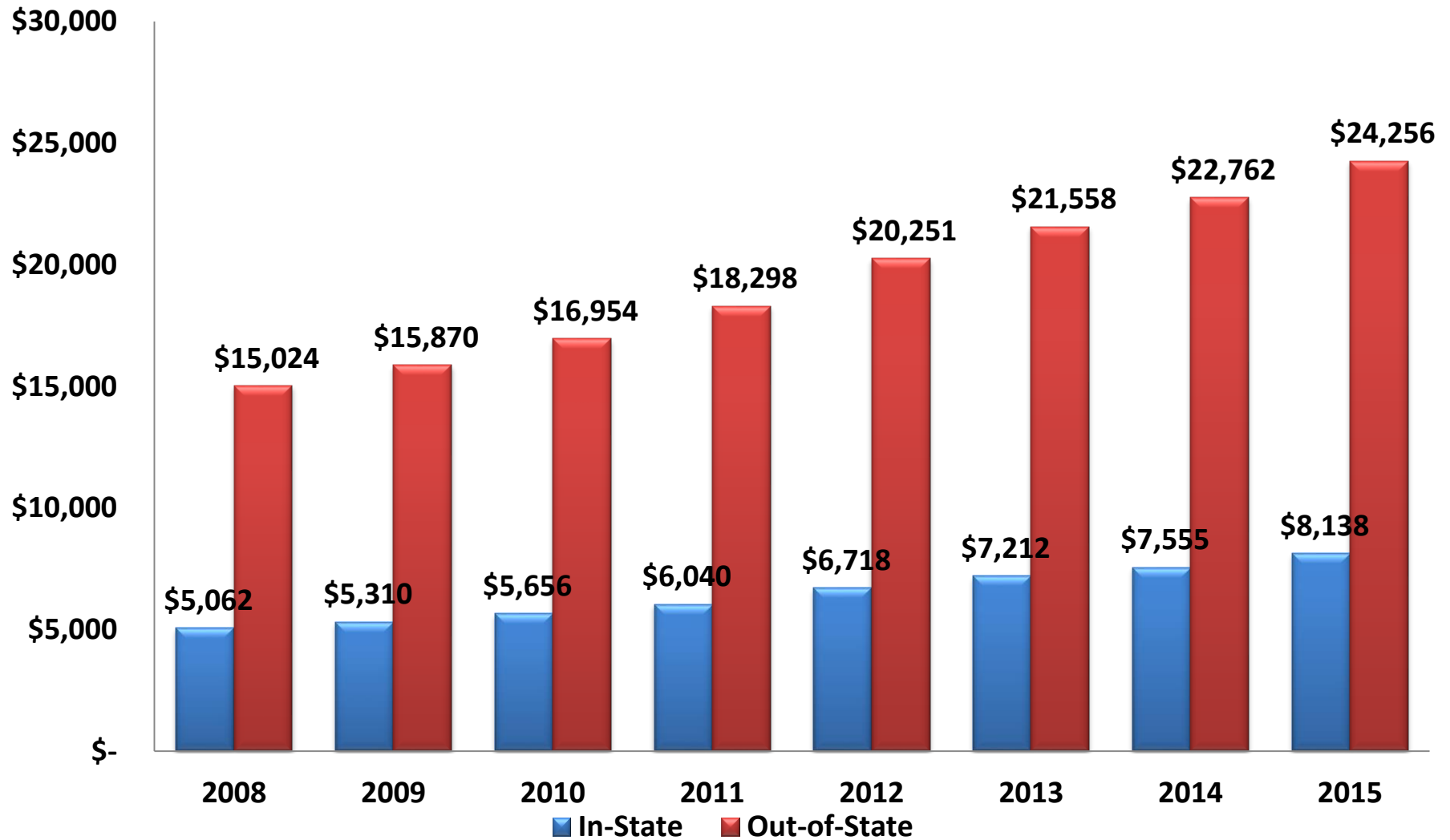
The above data represents base budget reductions of 4.75% based on the FY 2015 Original Base Budget. The Original Budget figures exclude items that could not be reallocated or are out of the university's control, such as student fees, differential tuition, debt service payments, Access & Diversity Funds and UT System charges and transfers.

FY 01-14 Tuition vs. Appropriation

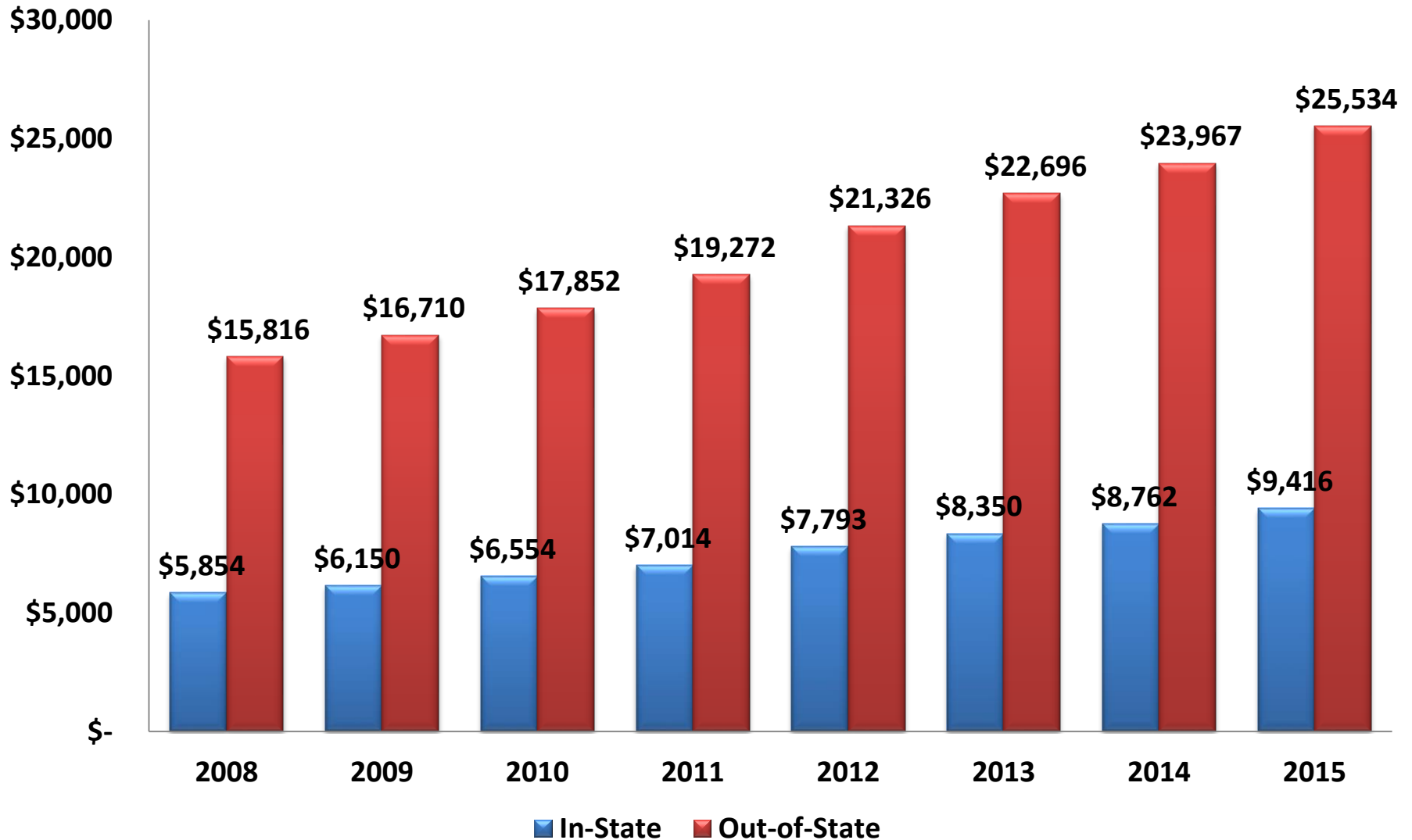


Stimulus funding is included in fiscal years 2010, 2011 and 2012.

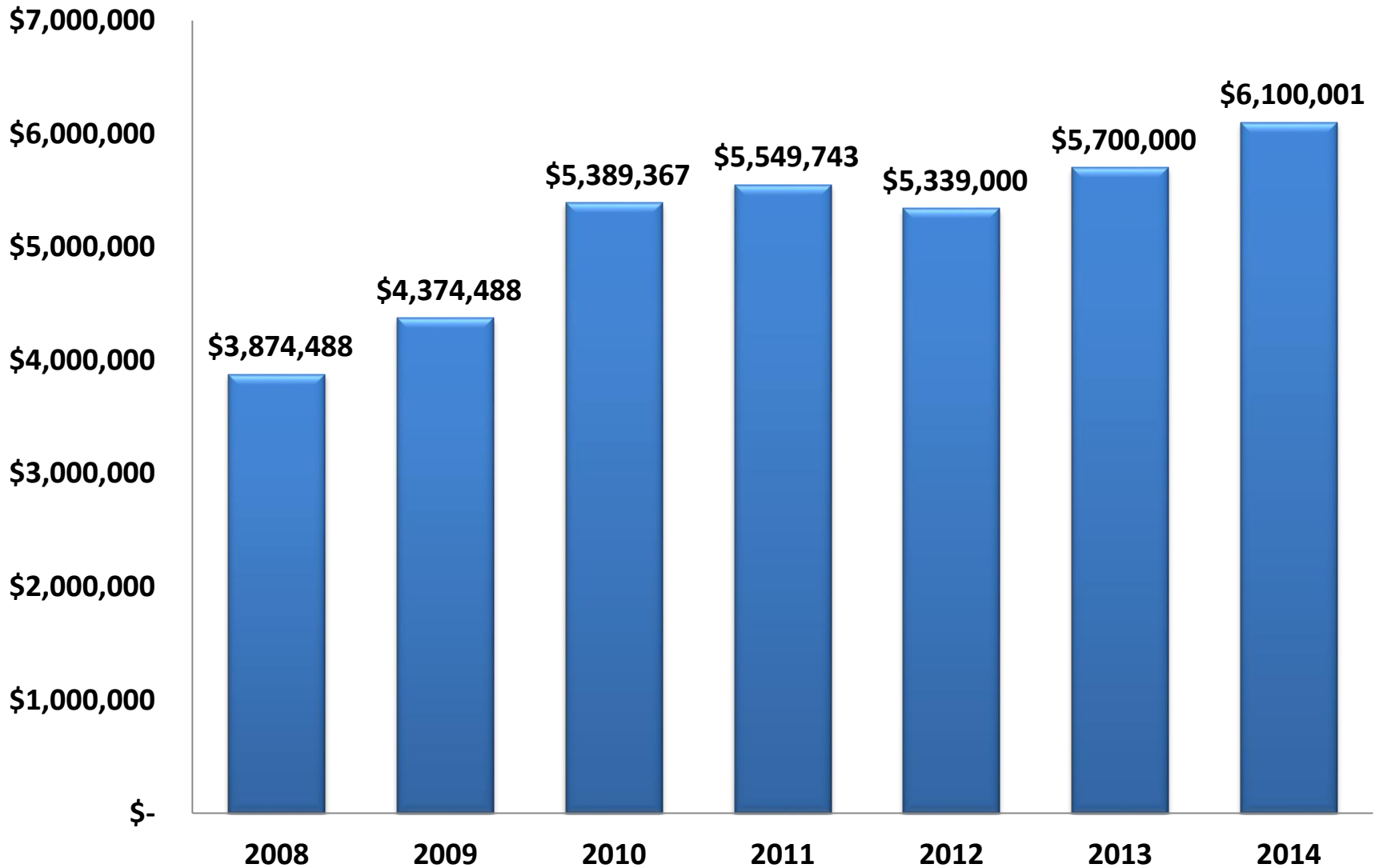
FY 08-15 Undergraduate Tuition & Fees



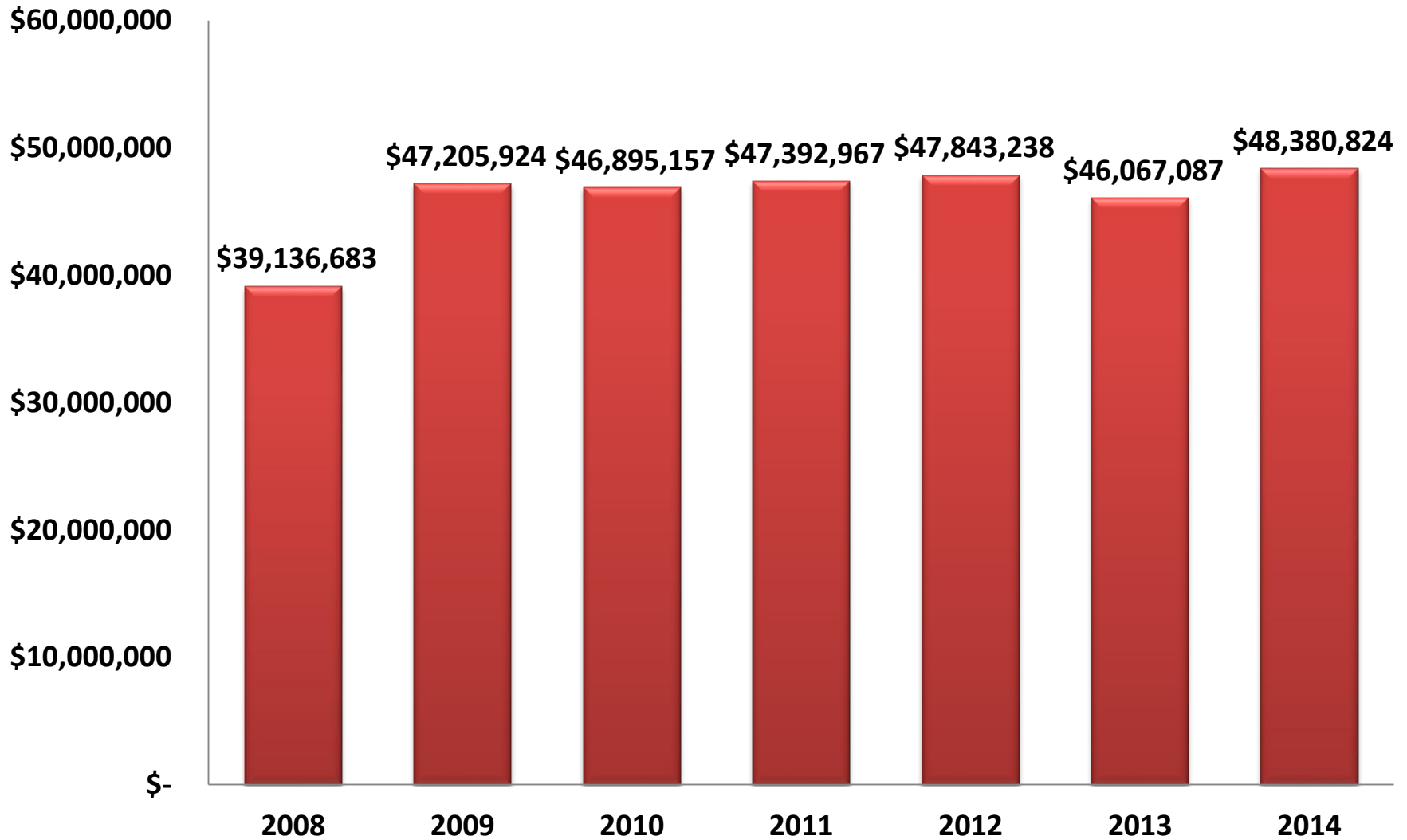
FY 08-15 Graduate Tuition & Fees



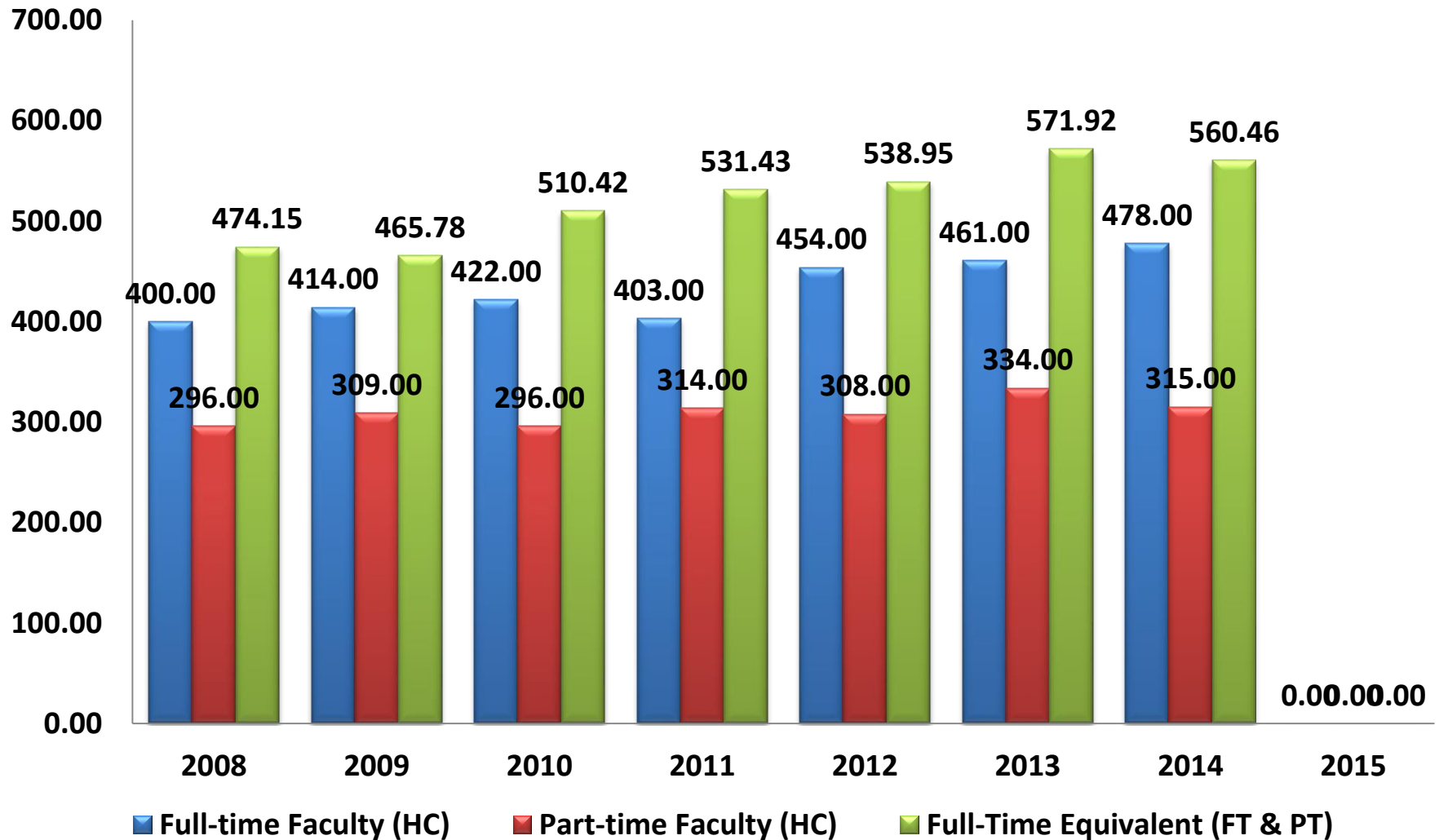
FY 08-14 E&G Fund Balance



FY 08-14 Notes & Bonds Payable

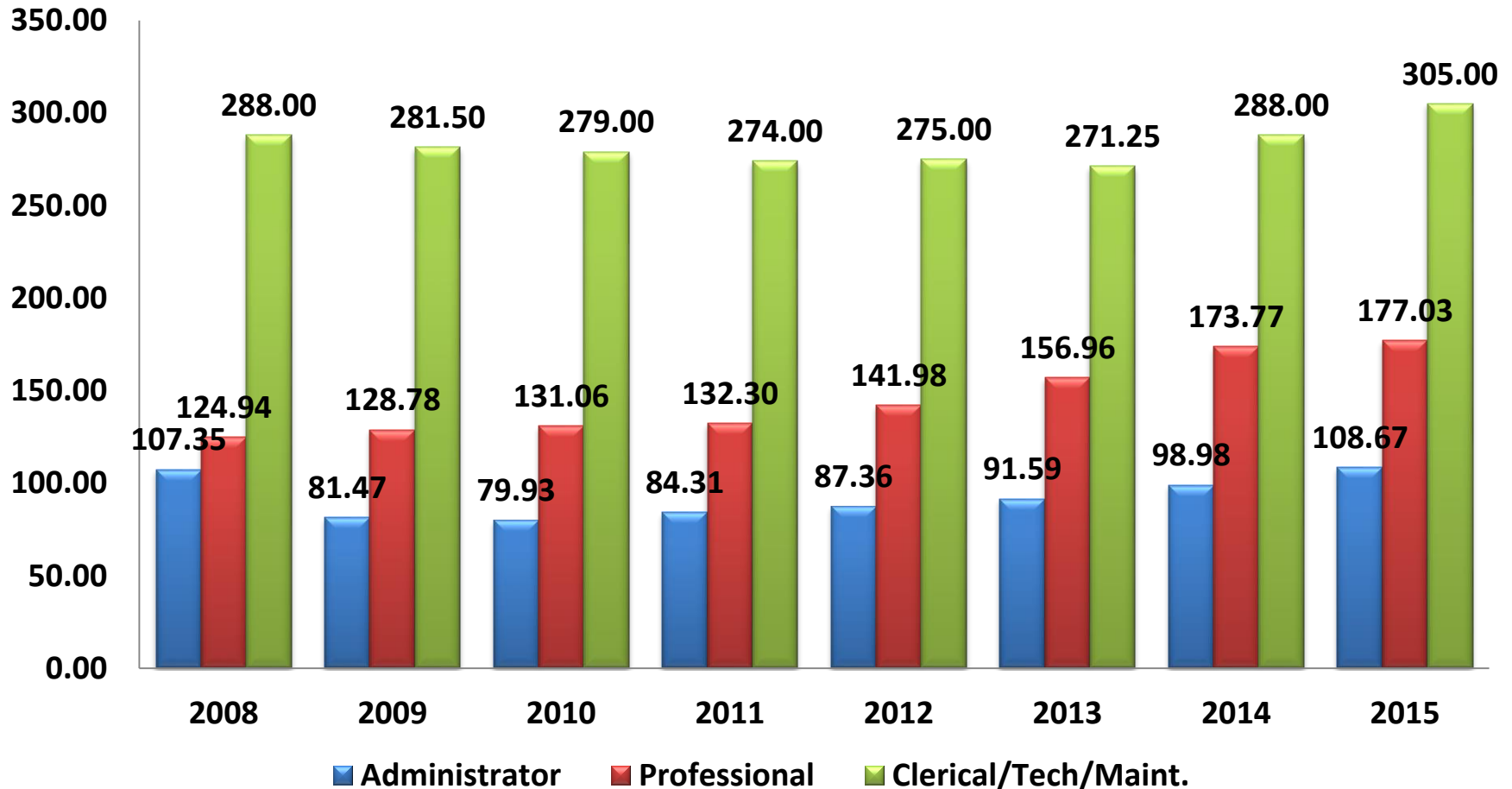


FY 08-15 Faculty Count



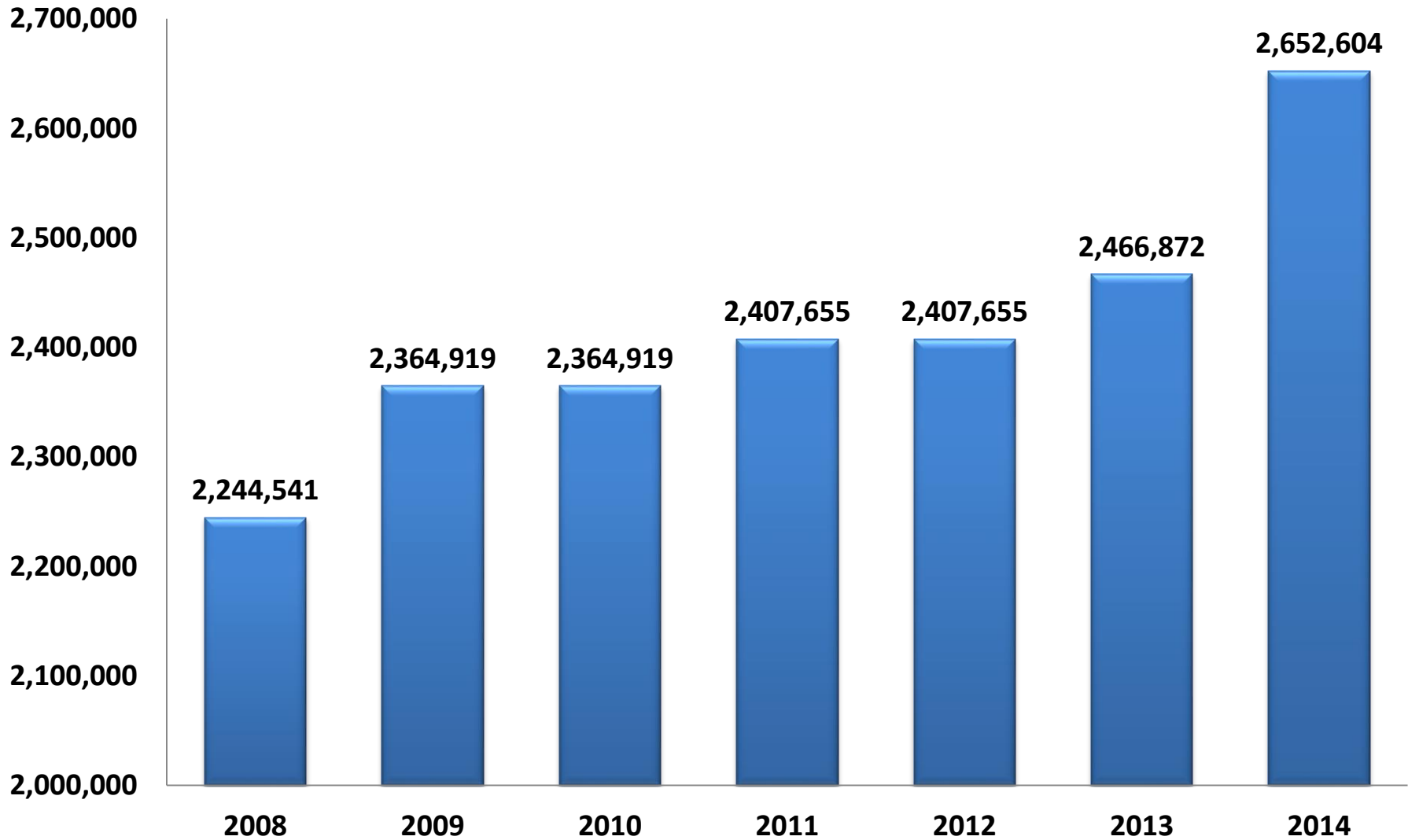
Final data is not yet available for FY 2015.

FY 08-15 Staff Count



Based on an analysis of the new positions created, the 41% change in professional employees between FY 08 and FY 15 by division is as follows: Academic Affairs (50%); Athletics (17%); FOIT (14%); Student Development (11%); and institution-wide (8%). The increase in Academic Affairs was primarily attributed to the addition of a number of professional advisors, as well as, staffing in other student success areas.

FY 08-14 Physical Plant Square Footage



FY 08-15 Residence Hall Occupancy Rates

