

UPRAC Financial Report



FY 2019 Highlights & FY 2020 Budget Planning
Dr. Richard Brown

FY 2018-19 Initiatives

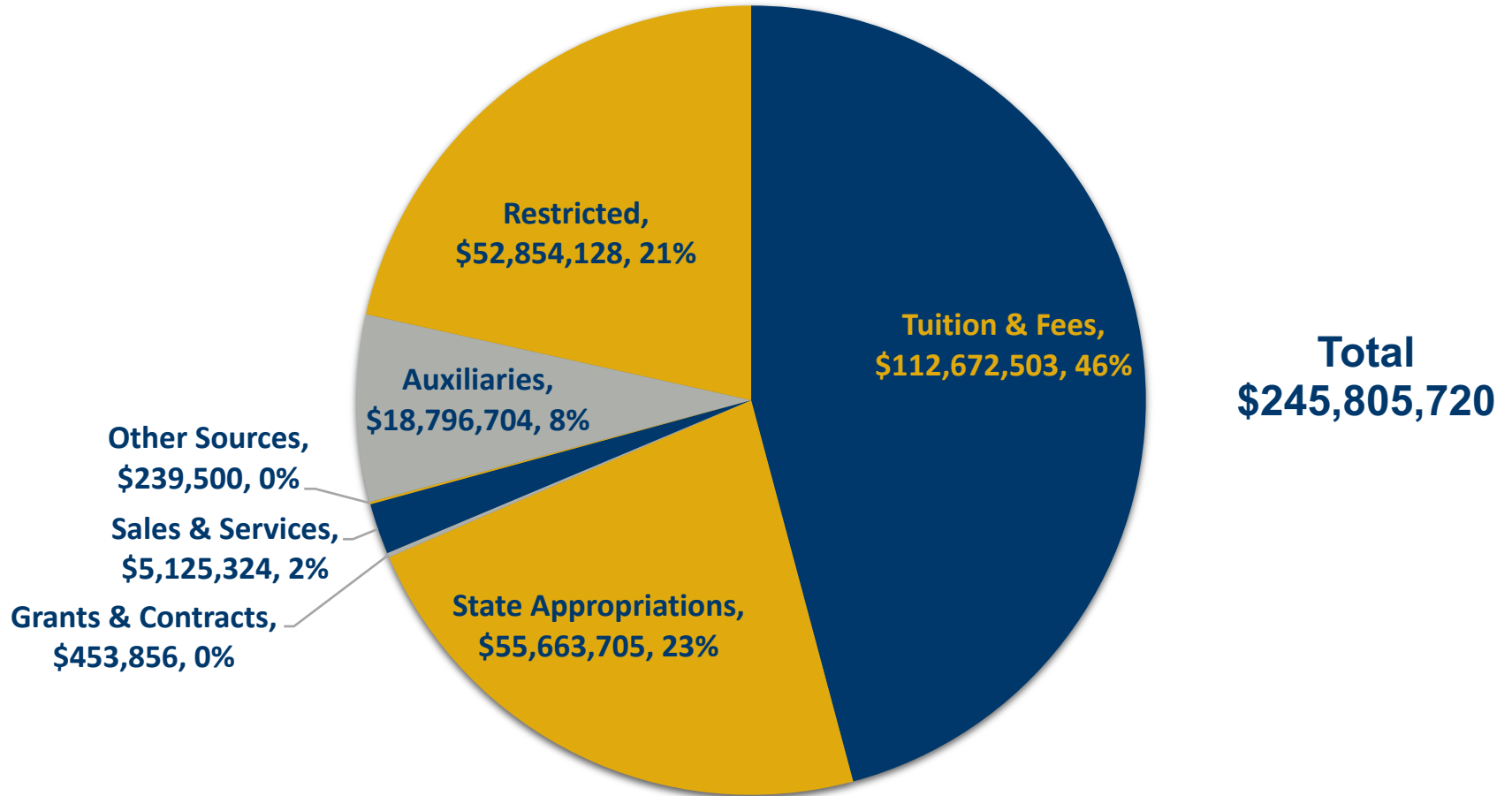
FY 19 Budget Highlights

- Great participation and transparent process
- Requests exceeded \$16 million
- Actual available recurring revenue was \$6 million
 - \$3.97 million from CCTA appropriations
 - \$1.5 million from enrollment growth
- Areas of focus:
 - Academics and their core mission of teaching
 - Research, public service, and safety

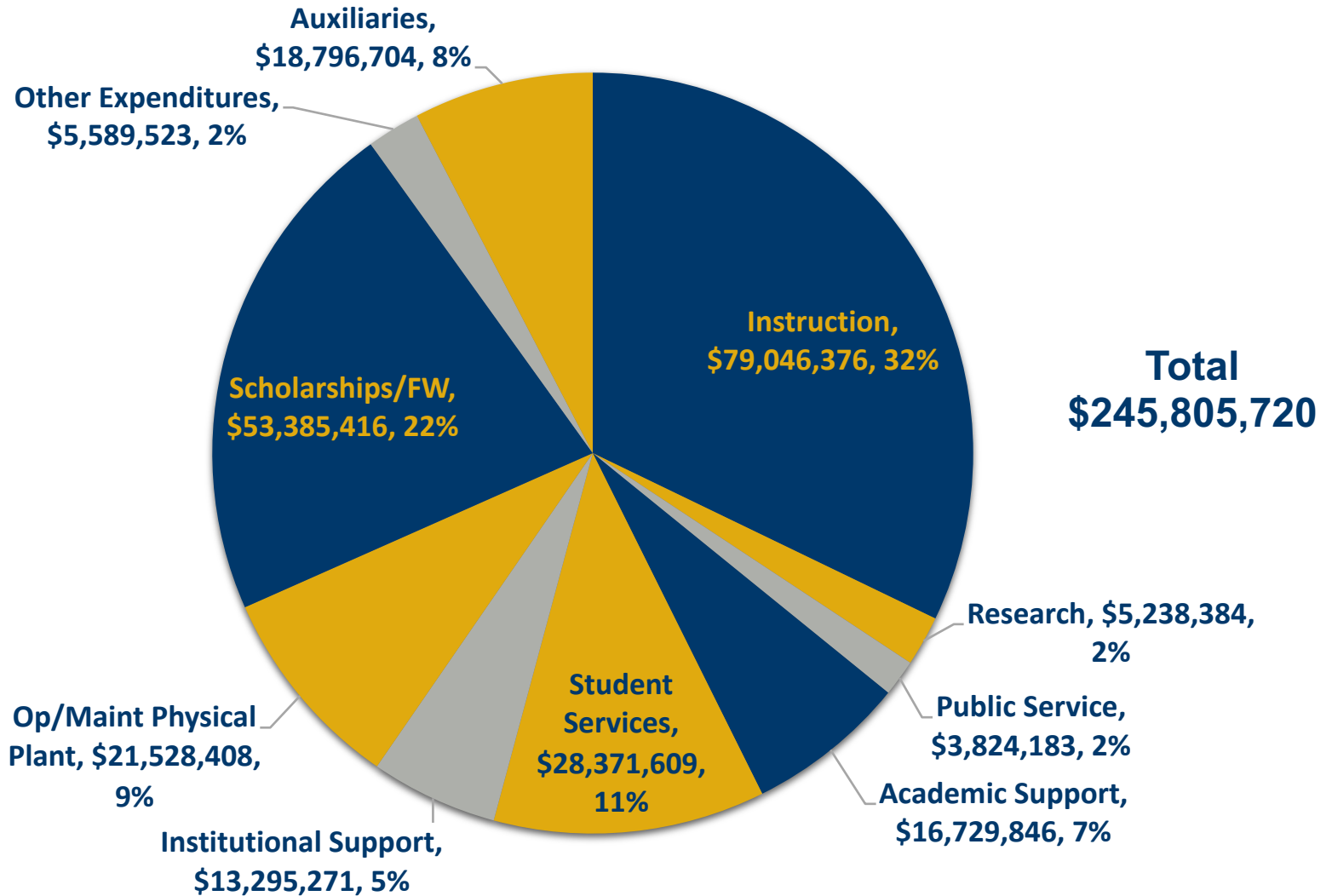
FY 19 Compensation Investment

- \$1,600,000 for 2.0% CPI market adjustment
- \$400,000 for 0.5% merit pool
- \$250,000 for faculty promotions and UC Foundation rollovers
- \$100,000 for staff market equity and promotions

FY 19 Budget - Revenue



FY 19 Budget - Expense



FY 19 Carryover Balances

Division	Original Discretionary Carryover	30% Strategic Investment Fund	Adjusted Discretionary Carryover
Chancellor	126,631	37,989	88,642
Academic Affairs	1,355,119	406,536	948,583
VCR & Graduate School	296,018	88,805	207,213
Finance & Administration	705,550	211,665	493,885
Student Development	141,975	42,593	99,383
Enrollment Mgmt.	30,253	9,076	21,177
Total	\$2,655,546	\$796,664	\$1,858,882
<i>Discretionary carryover does not include approved or automatic carryovers.</i>			

Strategic Investment Fund priorities:

- Holt Hall – Phase II furniture, technology, and infrastructure
- State Office Building (Floors 5-7) capital project
- State Office Building (Floors 5-7) furniture, technology, and infrastructure

FY 2019-20 Initiatives

FY 20 Challenges & Opportunities

- Tuition benchmarking
- New UT BOT – LGI's
- Preparation for SACS
- Efficiency and effectiveness reporting
- Required cost of attendance disclosure
- Enrollment growth
- Scholarships and market competitiveness
- Compensation focus continued – Sibson data
- Instructional Technology – Refresh
- Staffing to meet growth pattern – faculty and staff
- Philanthropy
- Athletic facilities
- Outsourcing

FY 20 Revenue Projections

Source	Projected Revenue
Maintenance Fee Increase: 2.5% THEC Recommendation is 0% to 2.5%	\$1,900,000
15/4 Implementation Based on anticipated revenue	\$2,200,000
State Appropriations Based on FY 2019 allocations, less benefits	\$3,733,400
Total	\$7,833,400

FY 20 Approved New 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
- \$2.2 million of projected new revenue

Approved Use of Funds

Uses of Funds	% of Funds	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Addl. courses and sections, including online	45%	\$990,000	\$990,000	\$990,000	\$990,000
Advisors and career support	15%	\$330,000	\$330,000	\$330,000	\$330,000
Tutoring and academic support	10%	\$220,000	\$220,000	\$220,000	\$220,000
Summer school	10%	\$220,000	\$220,000	\$220,000	\$220,000
Need-based scholarships	20%	\$440,000	\$440,000	\$440,000	\$440,000
Cumulative Total	100%	\$2,200,000	\$4,400,000	\$6,600,000	\$8,800,000

Based on current enrollment, an additional \$2.2MM is estimated to be collected each fiscal year

FY 2020-21 Outlook

Undergraduate Out-of-State Program Overview

- In-state undergraduate students currently pay \$8,664
- Out-of-state undergraduate students currently pay \$24,782
- Out-of-state undergraduate students in a regional county currently pay \$12,694
 - Regional tuition program previously approved by the UT Board
 - Covers six counties in North Georgia and one in North Alabama
- Out-of-state graduate students currently pay \$18,084

Undergraduate Out-of-State Program Overview

- The out-of-state undergraduate rate is 286% of the in-state undergraduate rate of \$8,664
- The out-of-state undergraduate rate is 137% of the out-of-state graduate rate of \$18,084
- There is existing capacity for undergraduate students

THEC Peer Comparisons

Institution	Total Out-of-State Costs
Southeast Missouri State	\$13,156
Northeastern State University	\$14,720
University of Central Arkansas	\$15,274
Jacksonville State University	\$19,750
University of West Georgia	\$20,774
Valdosta State University	\$20,958
Stephen F. Austin State University	\$22,737
Florida Gulf Coast University	\$24,256
UT Chattanooga	\$24,782
Tennessee Tech University	\$25,759
University of Nebraska Omaha	\$27,668
Georgia College and State University	\$28,060
Murray State University	\$33,624

Tennessee Universities Comparison

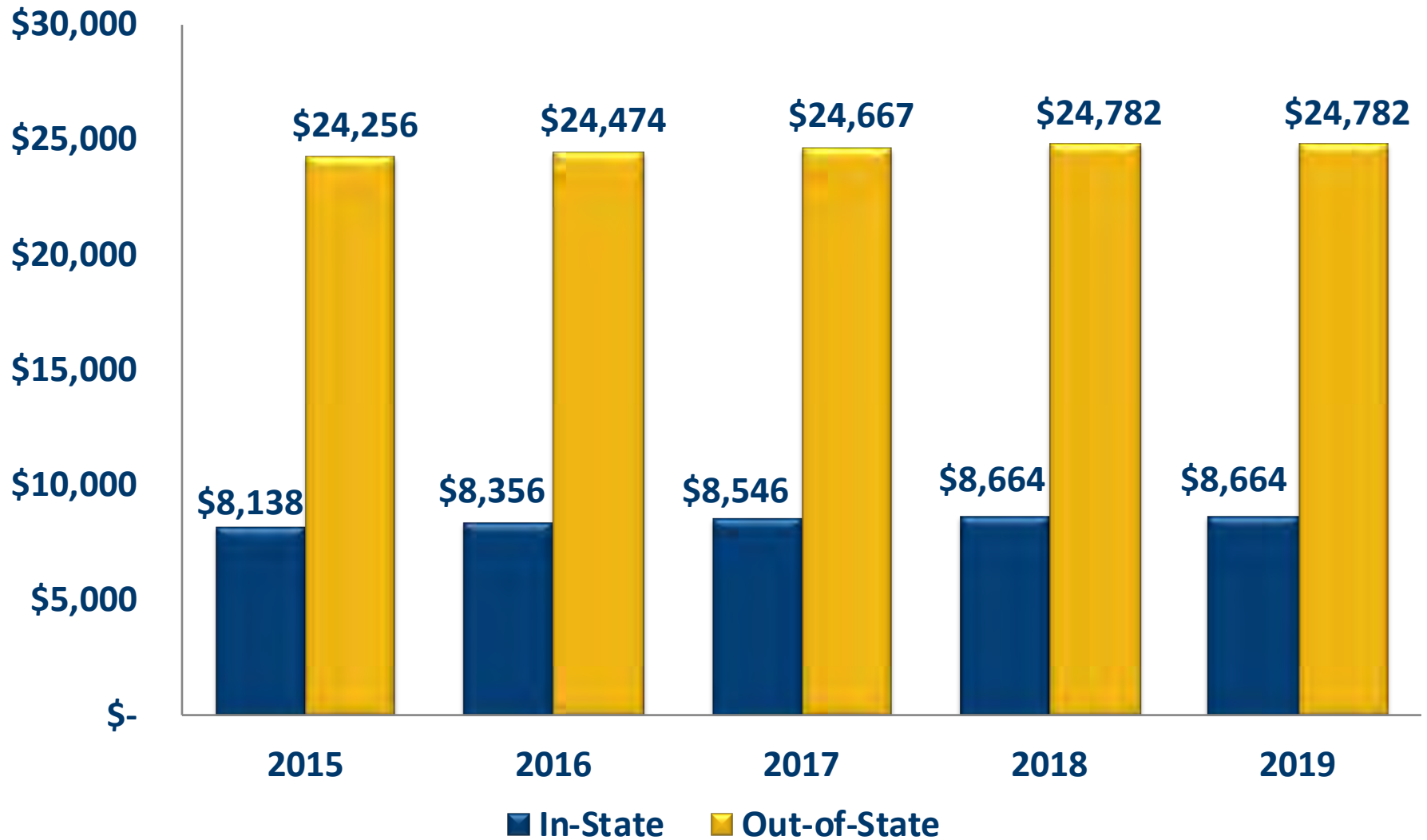
Institution	Total Out-of-State Costs
UT Martin	\$15,538
Tennessee State University	\$21,413
University of Memphis	\$21,413
UT Chattanooga	\$24,782
Tennessee Tech University	\$25,759
East Tennessee State University	\$28,459
UT Knoxville	\$31,196
Austin Peay State University	\$31,355
Middle Tennessee State University	\$35,744

Undergraduate Out-of-State Tuition Proposal

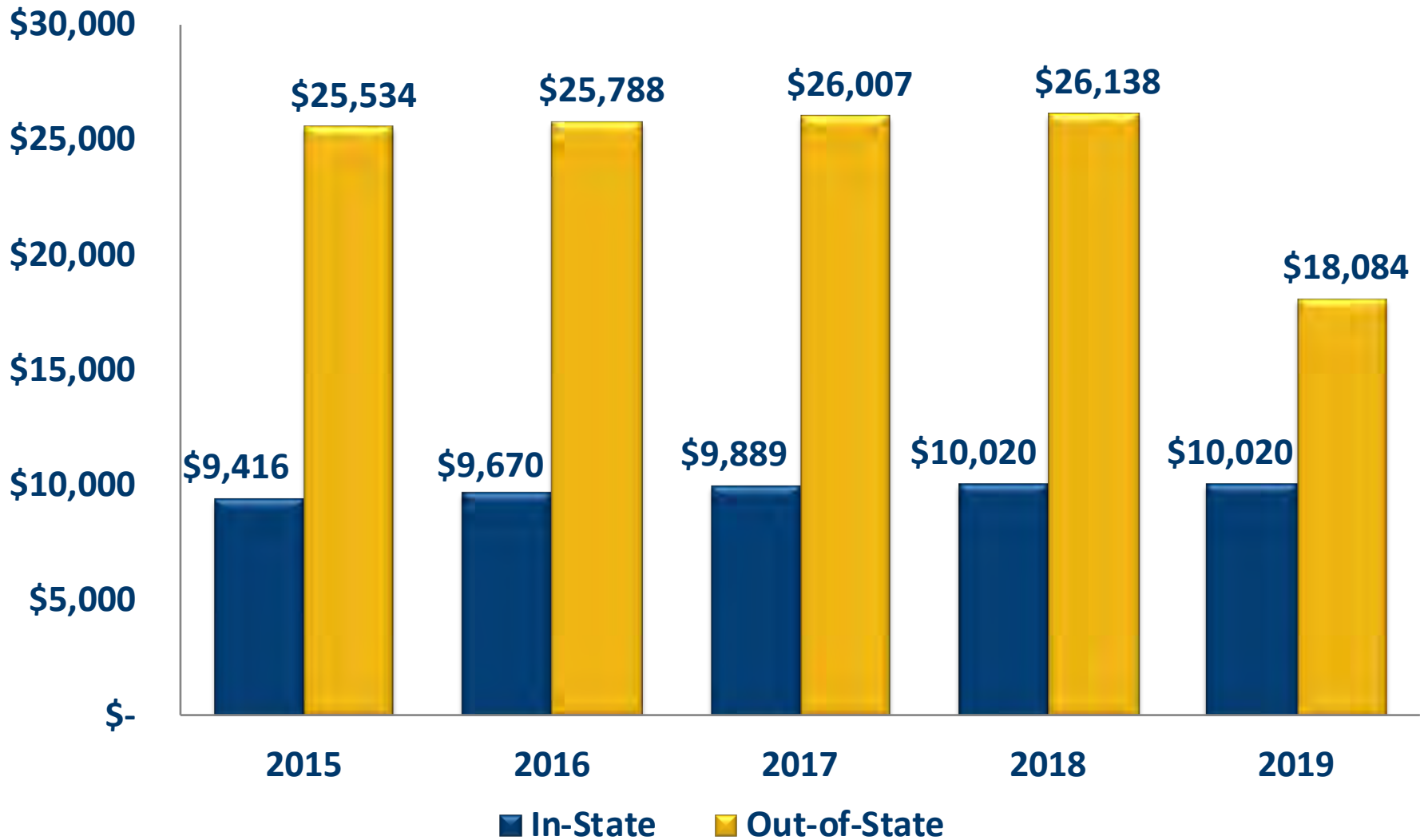
- In FY 2021, domestic out-of-state undergraduate students from any state that borders Tennessee (plus South Carolina) would pay 50% of current out-of-state tuition (plus maintenance and mandatory fees), equaling a new rate of \$16,723
- Approximately an increase of 127 out-of-state FTE would be required for the program to breakeven (\approx \$1,892,495)
- Total cost for bordering out-of-state undergraduate students would drop to 74% of the THEC peer average
- All other remaining out-of-state students will continue to pay the current rate

Financial Metrics

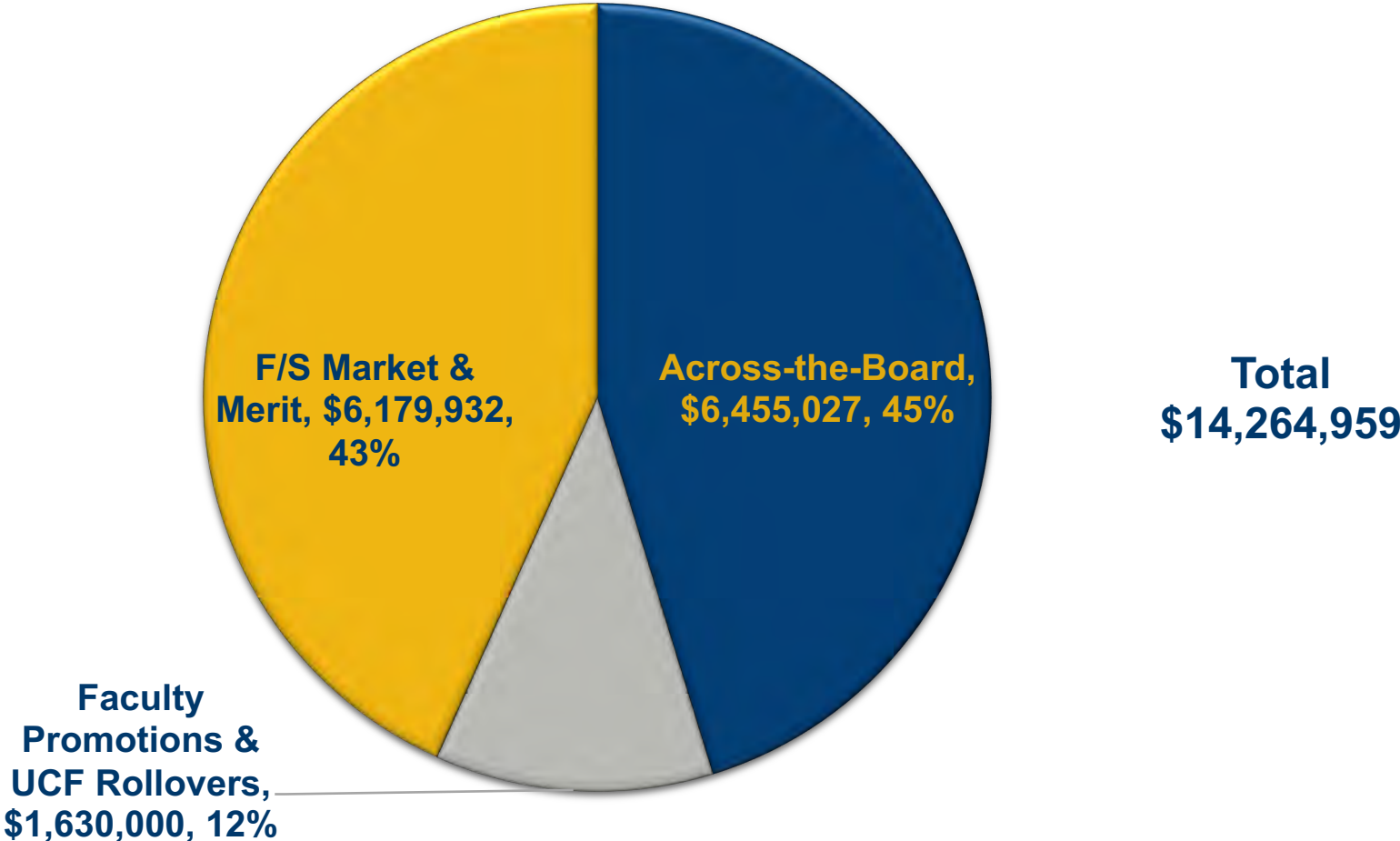
FY 15-19 Undergraduate Tuition & Fees



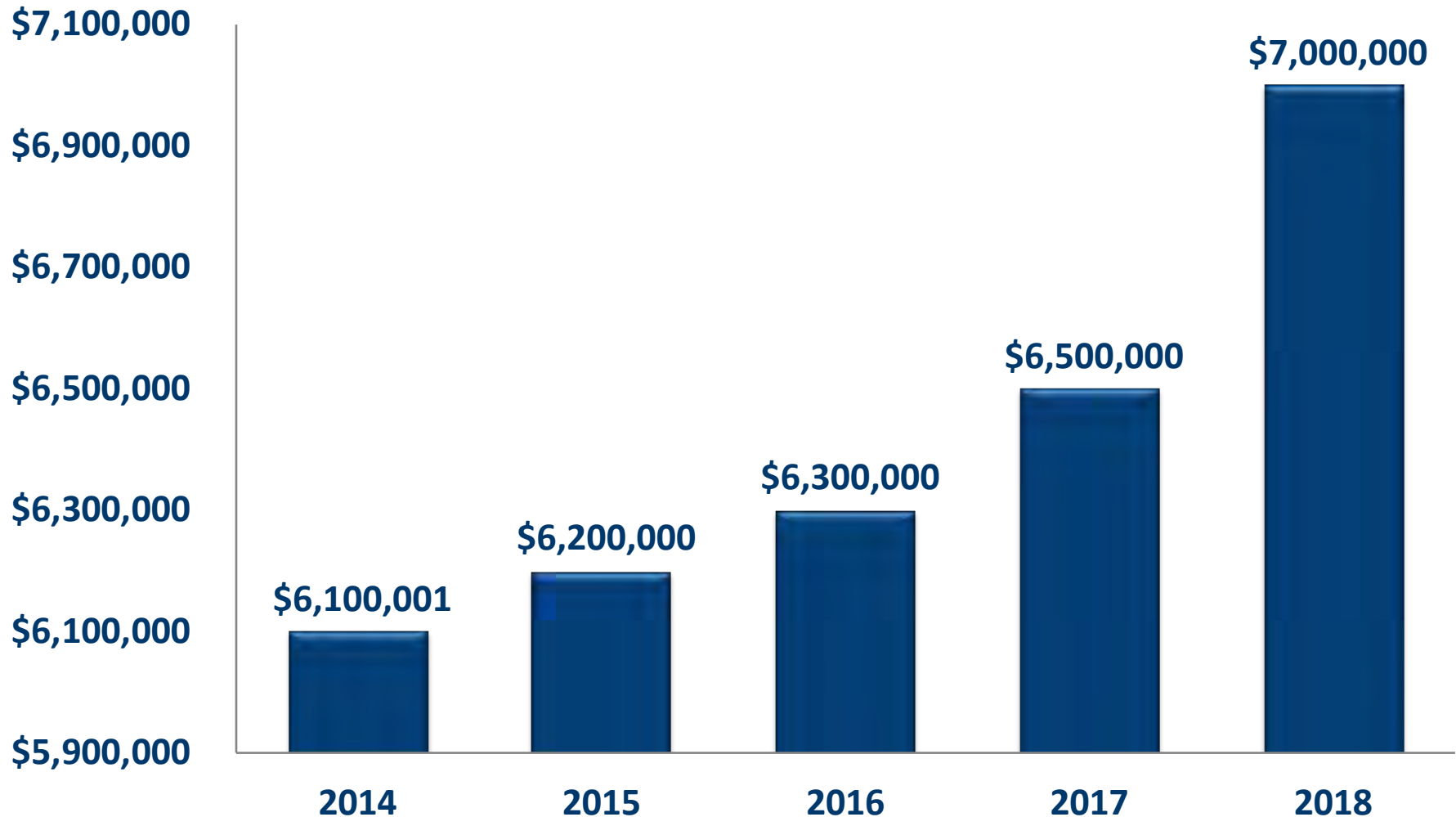
FY 15-19 Graduate Tuition & Fees



FY 13-19 Institutional Compensation Investment

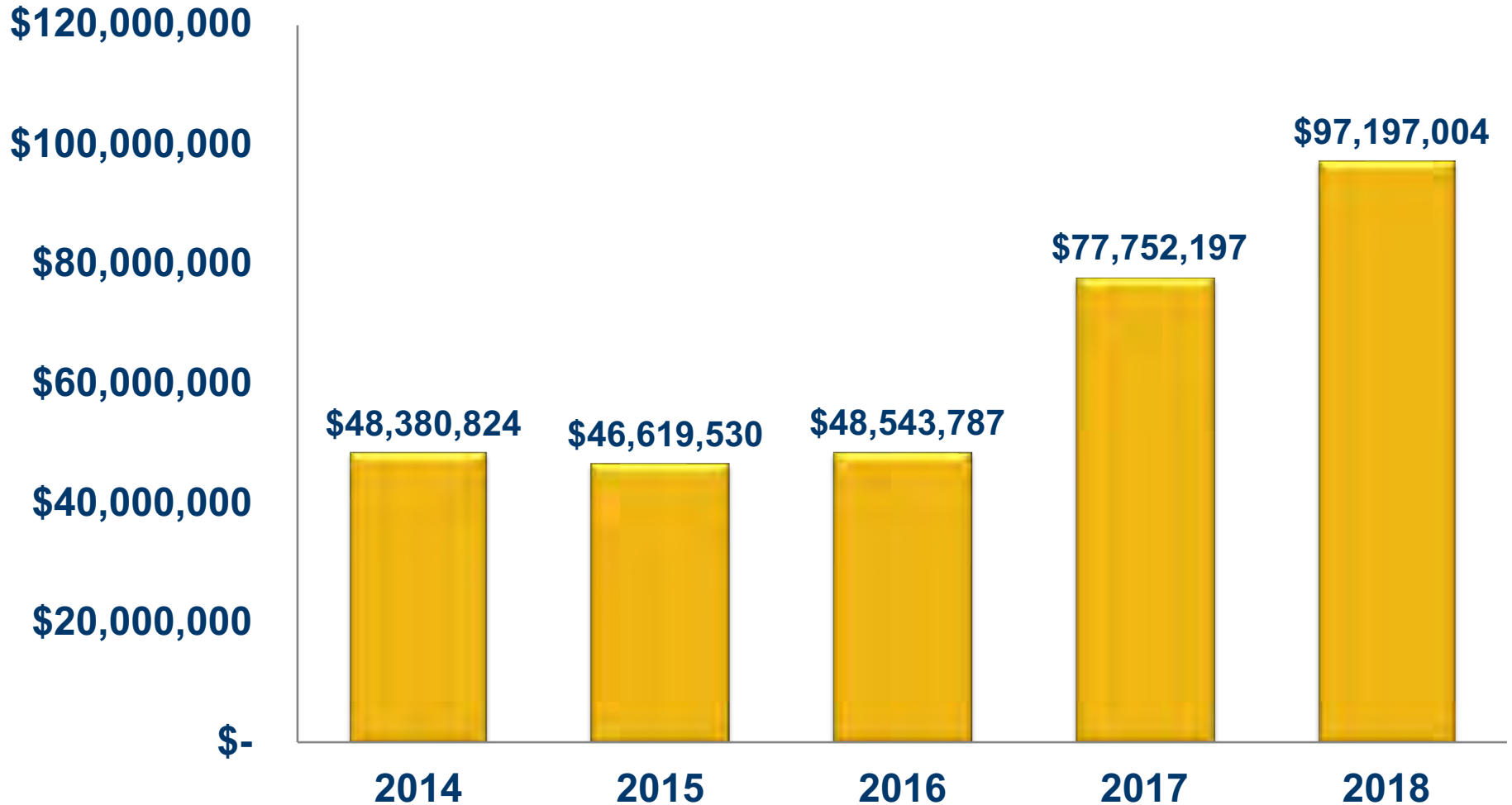


FY 14-18 E&G Fund Balance



The fund balance represents 4.15% of unallocated expenditures and transfers.

FY 14-18 Notes & Bonds Payable



The West Campus Housing & Parking Garage project will add an additional estimated \$28 MM in FY 2019.

FY 14-18 Physical Plant Square Footage

