

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE
MARCH 2021 CALLED MEETING

10:00-11:00 am ET
Friday
March 26, 2021

Telephonic Meeting

AGENDA

- I. Call to Order
- II. Roll Call
- III. [Approval of Proposed Salary Pool for FY22 for Budget Development](#)
- IV. [Approval of Proposed Tuition/Mandatory Fees for Budget Development](#)
- V. [Discussion of Spring Estimated and July Proposed Budgets](#)
- VI. Other Business
- VII. Adjournment

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 26, 2021

ITEM: Approval of Salary Pools for FY22

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve (Roll Call Vote)

PRESENTED BY: B.J. King
Chief Financial Officer

The budget proposed by Governor Lee on February 8, 2021 contains a broad range of items that enhance the level of support for campus operations, salaries, and associated benefits. The Governor's proposed budget includes funding in FY22 for a pool of funds that would support salary enhancements across the state's higher education institutions. Traditionally, the state of Tennessee funds a significant portion (60 percent) of the overall costs of a salary and related benefits increase for higher education employees. The remaining 40 percent of this increase is traditionally funded through revenues generated at the institutional level, most often in the form of student fee increases. It should be noted that the above operating framework applies primarily to the main campus. Given its independent status, the College of Pharmacy is required to fund all of its operations through tuition generated revenues. The College of Medicine and the associated Family Medicine units receive an appropriation through state funding for non-formula units.

The table below illustrates the approximate funding through campus generated revenues required to support the salary increase included in the Governor's proposed budget.

	<u>\$ Needed for Pool</u>	<u>Included in Governor's budget</u>	<u>Fee/Other Funded</u>
Main Campus	\$5,646,400	\$3,136,600	\$2,509,800

The proposed salary increase for FY22 is contingent on a supplemental appropriation to ETSU for FY21. Should that supplemental appropriation be approved by the state legislature, management is considering a possible one-time bonus for regular full and part-time benefits eligible employees. Based on personnel data utilized in the development of the Governor's budget, the cost of a \$500 one-time bonus is approximately \$893,000 for the main campus. It should be noted that the budget proposed by Governor Lee provides \$776,400 in salary funds via the supplemental appropriation, hence it is anticipated that the university would need to identify funds to offset this funding differential.

Due to the uncertainty of budgets in the last year, management is proposing to hold all FY22 state appropriations and student fees for salaries in designated pools until the State budget is

adopted and enrollment for Fall 2021 is finalized. As the long-term impacts of the COVID-19 pandemic remain uncertain, it is necessary for the campus to continue its pragmatic approach to budgeting to ensure that recurring salary investments are supported by stable revenues. If this approach is adopted by the Board of Trustees, any approved salary adjustments for the upcoming academic year would be implemented in January 2022.

The following table provides an overview of the nature, function, and form of salary enhancements provided to the campus from 2009 to 2022.

Year	Across-the Board			Equity Increase to Market		Service Bonus
2021-22	TBD					
2020-21 (1)	0.0%					
2019-20	2.0%	\$500 min	(2)			
2018-19	2.5%	\$500 min	(2)			
2017-18	2.0%	\$500 min	(2)	1% pool	\$3,000 ceiling	
2016-17	2.0%	\$500 min	(2)			
2015-16	2.0%	\$500 min	(2)	Pharmacy faculty only		
2014-15	0.0%					
2013-14	1.5%	\$250 min	(2)	4.25%		
2012-13	2.5%	\$750 min	(2)	8.5%	\$5,000 ceiling	
2011-12	3.0%	\$750 min	(2)			\$1,000 2 years + (3)
2010-11	0.0%			Pharmacy faculty only		
2009-10	0.0%					

(1) No funding for salary increase was included in the final state budget for FY21

(2) Employees with annual performance evaluations which are unsatisfactory or performance far below expectations do not participate in salary increases.

(3) Service bonus is prorated based on percentage of contract.

MOTION: I move that the Finance and Administration Committee recommend adoption of the following resolution by the Board of Trustees:

RESOLVED: The proposed salary pools for 2021-2022 are approved as presented in the meeting materials contingent on the approval of the Governor’s budget.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
ACTION ITEM

DATE: March 26, 2021

ITEM: Tuition and Mandatory Fees for FY22

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION Approve (Roll Call Vote)

PRESENTED BY: B.J. King
Chief Financial Officer

The Board of Trustees considers specific criteria as part of the annual review of tuition and mandatory fees. Those criteria include the following:

1. Level of state support;
2. Total cost of attendance;
3. Efforts to mitigate the financial impact of fee increases on students' access;
4. The Tennessee Higher Education Commission's (THEC) binding ranges on tuition and mandatory fees;
5. Other factors impacting the university's financial stability such as projected student enrollment; university enrollment goals; labor market and cost factors for higher education; new program or new facility cost; and cost related to operations, programs of study, or individual courses.

University management has outlined the current year assessment as follows:

- 1) Level of state support – The Tennessee Higher Education Commission based their binding tuition models on a 1.0 percent enrollment growth with an inflation factor of 1.4 percent. The 1.4 percent inflation factor for the main campus equates to an expenditure increase of \$3.8 million, which includes inflationary costs for goods and services as well as the costs associated with a salary pool increase of 2 percent. The Governor's budget provides an increase of \$3,136,600 for a salary pool and \$2,205,200 for operational expenditures per the budget documents. For the ETSU main campus, the unfunded portion of the salary pool is approximately \$2.5 million. In order for the campus to support this salary mandate, ETSU must implement offsetting cost reductions or identify an appropriate level of tuition increases.
- 2) Total cost of attendance – Tuition and fees did not increase in FY21 out of concern for the economic impact related to the COVID-19 pandemic. Tuition and mandatory fees for FY21 at ETSU continue to be favorable in comparison to other public institutions of higher education in the state. Tables comparing the tuition and mandatory fees for the institutions

are below and demonstrate that ETSU is below the university average for tuition and mandatory fees.

- 3) Efforts to mitigate the financial effect on students – ETSU continues to explore options to promote efficiency and affordability. The October budget enacted over \$7 million dollars of cost reductions in the education and general budget. Reviews of academic and administrative areas are ongoing and should identify areas to improve services, reduce costs, or allow assets to be used more effectively for students.
- 4) Tennessee Higher Education Commission binding tuition and mandatory fee ranges – THEC proposed a 0.0 percent - 2.0 percent tuition and mandatory fee limit at their November 2020 meeting. THEC will take formal action on their proposed binding tuition limits at their May 2021 quarterly meeting and it is anticipated that their range will remain as originally presented. ETSU is proposing a 1.93 percent tuition and mandatory fee increase that equates to a \$91.50 increase per term at 15 credit hour enrollment.
- 5) Other factors affecting the university's financial stability include -
 - a. Projected student enrollment and university enrollment goals - The university's enrollment declined in academic year 2020-21 in part due to the COVID-19 pandemic. The university is continuing efforts and activities to grow enrollment as defined in the strategic plan. Tuition and fees must remain competitive in the marketplace and students should be able to identify the value inherent in the education provided by the university over other institutions.
 - b. Market and cost factors for higher education – The market for higher education shows a declining number of high school graduates in the region, while there is increased competition from community colleges, other state universities, regional private institutions and border state colleges and universities.
 - c. Fixed personnel items and salaries are the primary cost driver for the university and the Governor's budget outlined an enhanced salary pool for all units of the university. Historically the state has funded 60 percent of the salary increase for universities, with the remainder of any increase being funded through student generated revenue sources. For the Governor's proposed salary pool for the main campus, the amount of new funding to be supported via tuition and fees is over \$2.5 million.
 - d. New program or new facility cost – Costs related to new programs are largely being absorbed in the colleges in the distributed budget model implemented in FY19. Facility costs will increase with the construction project for Lamb Hall and will be addressed in the FY22 budget development.
 - e. Costs related to operations, programs of study, or individual courses – The Consumer Price Index shows operational costs are increasing by 1.4 percent. The university's programs of study and some individual courses are compared to other institutions with similar programs or courses to determine the market pressures for offering the programs.

The history of student maintenance and mandatory fees for the last five years is presented below with a comparison to the Tennessee Locally Governed Institutions (LGIs) and the University of Tennessee System schools.

Tuition (Maintenance Fees)

	2016-17	% Incr	2017-18	% Incr	2018-19	% Incr	2019-20	% Incr	2020-21	% Incr
APSU	\$6,522	4.4%	\$6,696	2.7%	\$6,888	2.9%	\$7,044	2.3%	\$7,044	0%
ETSU	7,002	2.5%	7,224	3.2%	7,422	2.7%	7,572	2.0%	7,572	0%
MTSU	6,930	2.6%	7,176	3.5%	7,380	2.8%	7,554	2.4%	7,554	0%
TSU	6,528	2.4%	6,726	3.0%	6,900	2.6%	7,026	1.8%	7,026	0%
TN Tech ³	7,380	2.8%	7,656	3.7%	7,860	2.7%	8,040	2.3%	9,060	12.7%
Memphis ²	7,860	2.3%	8,064	2.6%	8,064	0.0%	8,232	2.1%	8,232	0%
UTK ¹	10,914	2.2%	11,110	1.8%	11,110	0.0%	11,332	2.0%	11,332	0%
UTM ¹	7,680	11.0%	7,818	1.8%	8,052	3.0%	8,214	2.0%	8,214	0%
UTC ¹	6,768	2.2%	6,888	1.8%	6,888	0.0%	7,836	13.8%	7,836	0%
Univ. Avg	\$7,509		\$7,706		\$7,840		\$8,094		\$8,208	

Mandatory Fees

	2016-17	% Incr	2017-18	% Incr	2018-19	% Incr	2019-20	% Incr	2020-21	% Incr
APSU	\$1,473	1.4%	\$1,529	3.8%	\$1,583	3.5%	\$1,583	0.0%	\$1,583	0%
ETSU	1,669	1.2%	1,791	7.3%	1,855	3.6%	1,919	3.5%	1,919	0%
MTSU	1,660	0.7%	1,772	5.5%	1,826	3.0%	1,870	2.4%	1,870	0%
TSU	1,039	0.0%	1,050	1.1%	1,107	5.4%	1,157	4.5%	1,157	0%
TN Tech	1,171	0.0%	1,217	3.9%	1,243	2.1%	1,278	2.8%	1,278	0%
Memphis	1,637	3.4%	1,637	0.0%	1,637	0.0%	1,704	4.1%	1,704	0%
UTK	1,810	3.0%	1,860	2.8%	1,896	1.9%	1,932	1.9%	1,932	0%
UTM	1,408	0.0%	1,418	0.7%	1,460	3.0%	1,534	5.1%	1,534	0%
UTC	1,776	2.5%	1,776	0.0%	1,776	0.0%	1,820	2.5%	1,820	0%
University	\$1,516		\$1,561		\$1,598		\$1,644		\$1,644	

Total Tuition and Mandatory Fees

	2016-17	% Incr	2017-18	% Incr	2018-19	% Incr	2019-20	% Incr	2020-21	% Incr
APSU	\$7,997	3.8%	\$8,225	2.9%	\$8,471	3.0%	\$8,627	1.8%	\$8,627	0%
ETSU	8,671	2.3%	9,015	4.0%	9,277	2.9%	9,491	2.3%	9,491	0%
MTSU	8,590	2.2%	8,948	4.2%	9,206	2.9%	9,424	2.4%	9,424	0%
TSU	7,567	2.0%	7,776	2.8%	8,007	3.0%	8,183	2.2%	8,183	0%
TN Tech	8,551	2.4%	8,873	3.8%	9,103	2.6%	9,318	2.4%	10,338	10.99%
UM ²	9,497	2.5%	9,701	2.1%	9,701	0.0%	9,936	2.4%	9,936	0%
UTK ¹	12,724	2.3%	12,970	1.9%	13,006	0.03%	13,264	2.0%	13,264	0%
UTM ¹	9,088	9.2%	9,236	1.6%	9,512	3.0%	9,748	2.5%	9,748	0%
UTC	8,544	2.2%	8,664	1.4%	8,664	0.0%	9,656	10.4%	9,656	0%
University	\$9,025		\$9,268		\$9,439		\$9,739		\$9,852	

¹ UT-Knoxville implemented 15/4 fee structure in 2013-14.

UT-Martin implemented 15/4 fee structure in 2016-17.

UT-Chattanooga implemented 15/4 fee structure in 2019-20.

Fees shown represent the rates for incoming freshmen in the UT system.

² University of Memphis implemented guaranteed tuition in 2019-20.

Fees shown for UM represent the rates for non-guaranteed tuition.

³ TTU implemented 15/4 fee structure in 2020-21.

Mandatory Fee Request – Per Semester Fee Capped at 8 credit hours

	2020-21	2021-22		Additional	
	Actual	Proposed	\$ Increase	Revenue	Purpose of Funding
SGA and Student Activity Fee – year 2 of a 2 year request by SGA	\$73.00	\$86.00	\$13.00	\$310,000	Increase the quality and availability for the SGA spring and fall concerts and additional funding for BUC Fund and Student Activity funds.
Technology Access – year 4 of a 5 year request	\$144.50	\$148.00	\$3.50	\$84,000	Increased bandwidth costs, Storage Area Network (SAN) for backup and student network storage, maintenance of 10Gb equipment.

Maintenance Fee/Tuition Request – Per Semester

	FY21	2021-22	Increase		Additional	Purpose of Funding
	Actual	Proposed	\$	%	Revenue	Funding
Undergrad Tuition @ 15 cr hr	\$3,786	\$3,861	\$75	1.98%	\$1,980,000	40% salary pool; faculty tenure and promotion funding; inflationary costs for university share of employee benefits, SGA Wellness request year 1 of 3, and other operational costs.
*UG Returning O/S @ 15 cr hr	\$9,591	\$9,591	\$0	0.0%		
Graduate Tuition @ 9 cr hr	\$4,320	\$4,392	\$72	1.69%		
Grad Out-of-State @ 9 cr hr	\$7,560	\$7,560	\$0	0.0%		

*The Board of Trustees approve an out-of-state enrollment strategy at the September 2020 meeting for new students Fall 2021 which reduces the out-of-state tuition to \$10,500 annual rate for Georgia, Kentucky, North Carolina, South Carolina and Virginia, and a \$13,500 annual rate for all other states. All other out-of-state tuition has not increased since Fall of 2018.

Undergraduate Tuition and Mandatory Fee Request – Per Academic Year

	2020-21	2021-22		
	Actual	Proposed	\$ Increase	% Increase
Undergrad Tuition @ 15 cr hr	\$7,572	\$7,722	\$150	1.98%
Mandatory Fees	\$1,919	\$1,952	33	1.72%
Total UG Tuition and Mandatory Fees	\$9,491	\$9,674	\$183	1.93%

All fee increases included in this item are contingent on the passage of the Governor’s budget and THEC approval of binding limits for tuition and fees.

MOTION: I move that the Finance and Administration Committee recommend adoption of the following resolution by the Board of Trustees:

RESOLVED: The proposed tuition and mandatory fees for 2021-2022 are approved as presented in the meeting materials contingent on the approval of the Governor’s budget and THEC binding tuition limit.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: March 26, 2021

ITEM: Discussion of Spring Estimated and July Proposed Budgets

COMMITTEE: Finance and Administration Committee

PRESENTED BY: B.J. King
Chief Financial Officer

In compliance with Tennessee Code Annotated 49-8-203 (a) (10) (C) ETSU policy Budget Control requires three budgets be prepared each year and submitted to the Board of Trustees for approval. The university prepares budgets for the one formula funded unit (Main Campus), two non-formula units (College of Medicine and Family Medicine) and one self-funded unit (College of Pharmacy). The three budgets prepared each year are:

- 1) the proposed budget to fund the fiscal year beginning July 1;
- 2) the revised fall budget that is prepared after the fall enrollment cycle and financial statement preparation for the prior fiscal year; and
- 3) the estimated spring budget that is submitted at the same time as the proposed budget for the next fiscal year.

The Board will consider the 2020-21 spring estimated budgets and the July 2021-22 proposed budgets for the one formula funded unit, two non-formula units and one self-funded unit. In meetings held during the last year, the Board approved the 2020-21 July proposed and October revised budgets. The proposed budgets for the new fiscal year are based on the estimates for revenue and expenditures known at the time the budget is prepared. Details of these budgets are outlined below.

Main Campus Budget

	Actual 19-20	Orig. 2020-21	Oct. Revised	Est. Spring	July Proposed	F21 to FY22
Revenue	\$ 271,916,374	\$ 275,648,500	\$ 261,939,800	\$ 260,314,800	\$ 271,968,800	(\$ 3,679,700)

Expenditures and Transfers

Instruction	\$ 103,981,613	\$ 111,005,000	\$ 119,143,600	\$ 119,010,500	\$ 111,077,600	\$ 72,600
Research	2,369,939	2,888,600	6,469,000	6,381,600	4,038,600	1,150,000
Public Service	2,769,662	2,742,200	3,042,600	2,791,400	2,781,300	39,100
Academic Support	23,062,777	25,094,500	26,909,900	26,940,900	24,667,200	(427,300)
Student Services	25,259,002	27,712,100	25,266,300	26,795,700	25,178,400	(2,533,700)
Institutional Support	16,315,906	17,494,300	20,912,200	21,307,700	18,559,000	1,064,700
Facilities	15,884,989	17,807,100	18,070,700	18,143,600	17,958,000	150,900
Scholarships	33,906,825	36,138,100	35,465,400	35,554,000	35,340,500	(797,600)
Total before transfers	223,550,713	240,881,900	255,279,700	256,925,400	239,600,600	(1,281,300)
Debt Service	5,025,933	4,845,500	6,020,600	6,020,600	5,861,900	1,016,400
Non-Mandatory Transfers	11,018,351	4,581,800	4,059,800	2,474,000	3,123,400	(1,458,400)
Auxiliaries Exp & Tnfrs	24,666,185	25,186,400	18,697,300	18,196,900	23,178,800	(2,007,600)
Total	\$ 264,261,182	\$ 275,495,600	\$ 284,057,400	\$ 283,616,900	\$ 271,764,700	(\$ 3,730,900)

FT Unrestricted and Auxiliary Positions

	Orig. 20-21	Oct. Revised	July Proposed	F21 to F22
Faculty	722	705	711	(11)
Administration	46	43	40	(6)
Maint/Tech/Support	482	475	473	(9)
Professional Support	532	519	525	(7)
Sub Total	1,782	1,742	1,749	(33)
Auxiliaries	43	44	44	1
Total	1,825	1,786	1,793	(32)

Quillen College of Medicine Budget

	Actual 19-20	Orig. 20-21	Oct. Revised	Est. Spring	July Proposed	F21 to F22
Revenue	\$ 60,722,803	\$ 64,576,000	\$ 62,400,600	\$ 62,574,800	\$ 66,740,400	\$2,164,400
<u>Expenditures and Transfers</u>						
Instruction	\$ 38,858,495	\$ 47,245,100	\$ 46,151,700	\$ 46,151,600	\$ 47,075,200	(\$169,900)
Research	1,887,708	3,730,300	4,543,000	4,543,100	3,965,900	235,600
Academic Support	6,127,027	7,041,100	7,342,800	7,342,800	7,682,700	641,600
Student Services	1,551,125	1,873,300	1,979,100	2,014,100	1,679,900	(193,400)
Institutional Support	2,906,457	3,142,400	3,384,400	3,514,800	3,496,200	353,800
Facilities	4,580,735	6,801,200	6,875,400	6,923,100	6,799,100	(2,100)
Scholarships	250,000	260,000	260,000	260,000	260,000	-
Total before transfers	56,161,547	70,093,400	70,536,400	70,749,500	70,959,000	865,600
Debt Service	84,615	88,000	142,100	105,000	105,000	17,000
Non-Mandatory Transfers	5,953,117	(5,702,500)	(5,800,400)	(5,801,300)	(4,379,300)	1,323,200
Total	\$ 62,199,279	\$ 64,478,900	\$ 64,878,100	\$ 65,053,200	\$ 66,684,700	\$2,205,800

FT Unrestricted and Auxiliary Positions	Orig. 20-21	Oct. Revised	July Proposed	F21 to F22
Faculty	157	157	158	1
Administration	7	7	7	-
Maint/Tech/Support	111	110	110	(1)
Professional Support	88	89	88	-
Total	363	363	363	-

Family Medicine Budget

	Actual 19-20	Orig. 20-21	Oct. Revised	Est. Spring	July Proposed	F21 to F22
Revenue	\$ 17,461,100	\$ 17,550,700	\$ 17,647,200	\$ 17,979,000	\$ 18,191,400	\$ 640,700
<u>Expenditures and Transfers</u>						
Instruction	\$ 11,768,511	\$ 12,018,000	\$ 12,140,200	\$ 12,459,400	\$ 12,298,300	\$ 280,300
Research	293,378	260,400	260,600	219,200	286,400	26,000
Academic Support	3,703,341	3,788,500	3,840,500	3,829,900	3,882,300	93,800
Institutional Support	1,786,236	1,650,900	1,714,100	1,750,800	1,627,300	(23,600)
Facilities	332,031	387,900	429,400	442,400	499,200	111,300
Total before transfers	17,883,497	18,105,700	18,384,800	18,701,700	18,593,500	487,800
Non-Mandatory transfers	(433,557)	(575,000)	(575,000)	(575,000)	(397,000)	178,000
Total	\$ 17,449,940	\$ 17,530,700	\$ 17,809,800	\$ 18,126,700	\$ 18,196,500	\$ 665,800

FT Unrestricted and Auxiliary Positions	Orig. 19-20	Oct. Revised	July Proposed	F21 to F22
Faculty	32	35	35	3
Administration	-	-	-	-
Maint/Tech/Support	52	51	51	(1)
Professional Support	29	30	30	1
Total	113	116	116	3

Gatton College of Pharmacy Budget

	Actual 19-20	Orig. 20-21	Oct. Revised	Est. Spring	July Proposed	F21 to F22
Revenue	\$ 11,535,823	\$ 11,039,400	\$ 10,690,700	\$ 10,581,100	\$ 9,610,800	(\$1,428,600)
<u>Expenditures and Transfers</u>						
Instruction	\$ 6,762,178	\$ 7,146,300	\$ 8,103,600	\$ 7,918,800	\$ 6,538,200	(\$608,100)
Research	190,665	108,100	320,900	468,700	112,500	4,400
Academic Support	1,295,508	1,311,700	1,500,000	1,455,400	1,181,500	(130,200)
Student Services	599,697	661,500	747,700	735,600	655,800	(5,700)
Institutional Support	573,462	595,700	661,900	654,600	566,300	(29,400)
Facilities	467,500	494,500	564,200	556,300	341,700	(152,800)
Scholarships	589,033	416,000	416,000	416,000	13,000	(403,000)
Total before transfers	10,478,043	10,733,800	12,314,300	12,205,400	9,409,000	(1,324,800)
Debt Service	661,000	661,000	677,000	676,700	675,000	14,000
Non-Mandatory Transfers	35,865	(355,400)	(450,800)	(451,200)	(473,200)	(117,800)
Total	\$ 11,174,908	\$ 11,039,400	\$ 12,540,500	\$ 12,430,900	\$ 9,610,800	(\$1,428,600)

FT Unrestricted and Auxiliary Positions	Orig. 20-21	Oct. Revised	July Proposed	F21 to F22
Faculty	34	35	35	1
Administration	1	1	1	-
Maint/Tech/Support	14	14	14	-
Professional Support	15	15	15	-
Total	64	65	65	1



**ETSU Board of Trustees
Finance and Administrative Committee
March 26, 2021**



Items for Discussion

- Approval of Proposed Salary Pool – contingent on approval of Governor’s budget and supplemental appropriation
- Approval of Proposed Tuition/Mandatory Fees – contingent on approval of THEC tuition limit at May meeting.
- Discussion of Spring Estimated and July Proposed Budgets



Governor's Proposed Budget

	Main Campus	COM	FM	Total
Outcomes	\$ 2,205,200	\$ -	\$ -	\$ 2,205,200
Operating Increase	-	1,732,000	109,700	1,841,700
Salary Pool	<u>3,136,600</u>	<u>2,060,800</u>	<u>619,300</u>	<u>5,816,700</u>
Total Increase	<u>\$ 5,341,800</u>	<u>\$ 3,792,800</u>	<u>\$ 729,000</u>	<u>\$ 9,863,600</u>
Capital Maintenance	\$11,364,000			



Proposed Salary Increase for Budget Development

- Higher education and other state entities were provided an appropriation for a salary pool in the Governor's Budget
- Supplemental appropriation needed to fund proposal for FY21. Could be distributed as a one-time bonus.
- The State provides 55% of funding for the main campus.
- The institutional match for the salary pool would require \$2.5M in tuition increase for the main campus.
- Barring major changes, the FY22 salary pool would be distributed proactively in January 2022.



Comparative Tuition and Mandatory Fees

	FY20 Tuition	FY20 Fees	Total Tuition & Fees	Estimated 2.0% Increase
UTK ¹	\$11,332	\$1,932	\$13,264	\$13,529
UTM ²	8,214	1,534	9,748	9,943
UTC ³	8,232	1,820	9,656	9,849
APSU	7,044	1,583	8,627	8,800
ETSU	7,572	1,919	9,491	9,680
MTSU	7,554	1,870	9,424	9,612
TSU	7,026	1,157	8,183	8,347
TTU ⁵	9,060	1,278	10,338	10,545
UM ⁴	8,232	1,704	9,936	10,135

¹ Implemented 15/4 for Fall 2013

² Implemented 15/4 for Fall 2016

³ Implemented 15/4 for Fall 2019

⁴ Implemented Guaranteed Tuition Fall 2019

⁵ Implemented Soar in Four Fall 2020



Proposed Tuition for Budget Development

- Proposed undergraduate 1.98% tuition increase.
 - Proposed graduate 1.67% tuition increase.
 - Out-of-state cap at \$10,500 and \$13,500.
 - No increase to international.
 - Estimated revenue of \$1.98M to fund salary pool
- Proposed \$33 annual increase in Program Services fee
- \$26 annual (year 2 of 2) SGA for Concerts and BucFund – est. revenue \$310,000
 - \$7 annual (year 4 of 5) Technology Access for SAN, 10G – est. revenue \$84,000
- Maximum combined UG increase 1.93%, \$183/year.



Budget Considerations

- All university divisions participated in annual budget hearings.
- All appropriation units were provided an appropriation for a salary pool in the Governor's Budget. For the main campus, State appropriations fund approximately 55%.
- All fee requests were presented as part of the university's budget hearings.
- THEC binding tuition limit for FY22 = 2.0%.
- Binding tuition increase has declined the past two years. (FY19 = 3.0%, FY20 = 2.5%, FY21 = 0.0%)



Budget Considerations

- Funding required for salary pool match.
- Funding for faculty promotions.
- Inflationary costs for university funded share of employee benefits (retirement and health care).
- SGA initiative for Wellness. Will impact Counseling and Health Clinic in FY22.
- Remaining funds will be used in a manner consistent with the strategic plan.





EAST TENNESSEE STATE
UNIVERSITY



Proposed Budget
202122

Main Campus Budget

	Actual 19-20	Orig. 2020-21	Oct. Revised	Est. Spring	July Proposed	F21 to F22
Revenue	\$ 271,916,374	\$ 275,648,500	\$ 261,939,800	\$ 260,314,800	\$ 271,968,800	(\$ 3,679,700)
Expenditures and Transfers						
Instruction	\$ 103,981,613	\$ 111,005,000	\$ 119,143,600	\$ 119,010,500	\$ 111,077,600	\$ 72,600
Research	2,369,939	2,888,600	6,469,000	6,381,600	4,038,600	1,150,000
Public Service	2,769,662	2,742,200	3,042,600	2,791,400	2,781,300	39,100
Academic Support	23,062,777	25,094,500	26,909,900	26,940,900	24,667,200	(427,300)
Student Services	25,259,002	27,712,100	25,266,300	26,795,700	25,178,400	(2,533,700)
Institutional Support	16,315,906	17,494,300	20,912,200	21,307,700	18,559,000	1,064,700
Facilities	15,884,989	17,807,100	18,070,700	18,143,600	17,958,000	150,900
Scholarships	33,906,825	36,138,100	35,465,400	35,554,000	35,340,500	(797,600)
Total before transfers	223,550,713	240,881,900	255,279,700	256,925,400	239,600,600	(1,281,300)
Debt Service	5,025,933	4,845,500	6,020,600	6,020,600	5,861,900	1,016,400
Non-Mandatory Transfers	11,018,351	4,581,800	4,059,800	2,474,000	3,123,400	(1,458,400)
Auxiliaries Exp & Tnfrs	24,666,185	25,186,400	18,697,300	18,196,900	23,178,800	(2,007,600)
Total	\$ 264,261,182	\$ 275,495,600	\$ 284,057,400	\$ 283,616,900	\$ 271,764,700	(\$ 3,730,900)

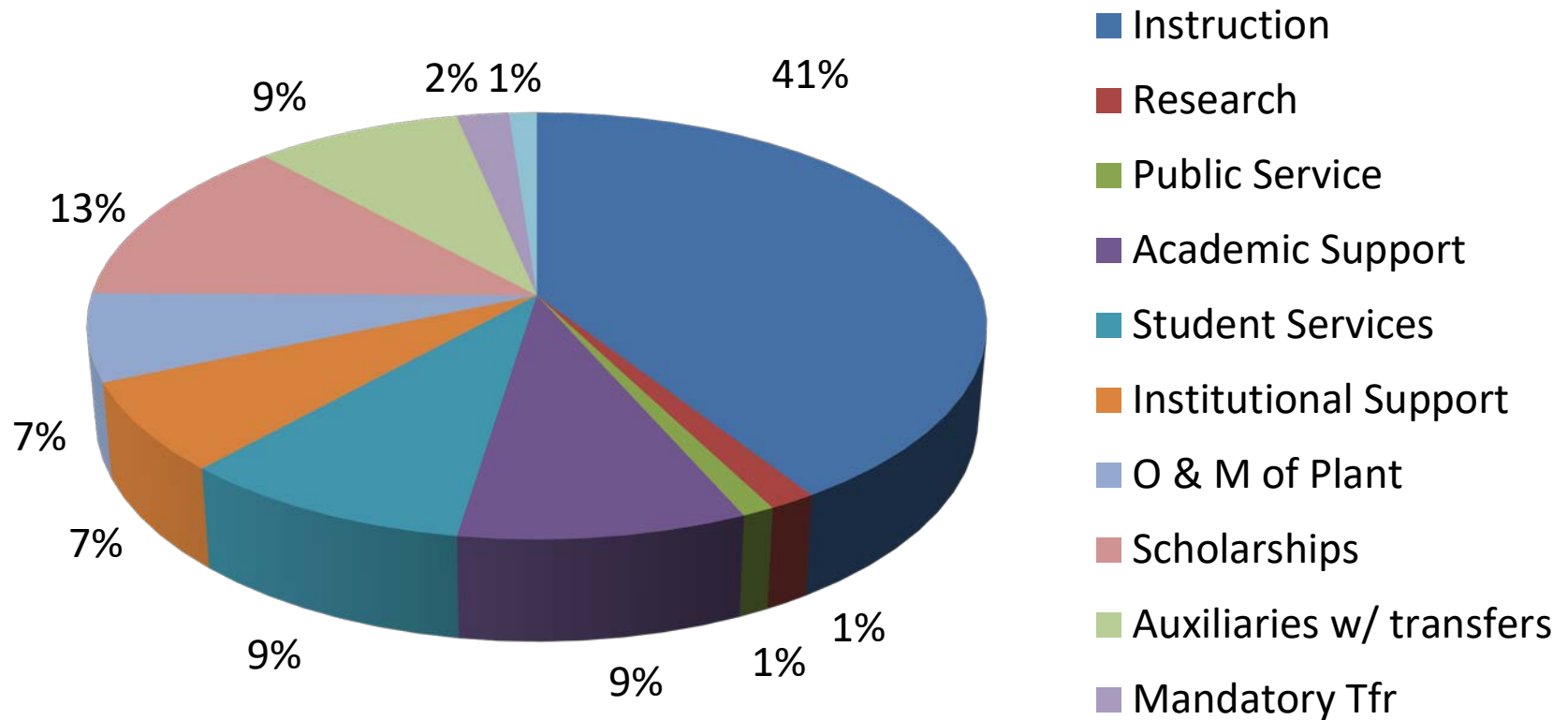
FT Unrestricted and

Auxiliary Positions	Orig. 20-21	Oct. Revised	July Proposed	F21 to F22
Faculty	722	705	722	(11)
Administration	46	43	40	(6)
Maint/Tech/Support	482	475	473	(9)
Professional Support	532	519	525	(7)
Subtotal	1,782	1,742	1,749	(33)
Auxiliaries	43	44	44	1
Total	1,825	1,786	1,793	(32)



Main Campus FY 21-22 Expenditure Budget

By Function



Total Expenditures & Transfers by Function - \$271,764,700



College of Medicine Budget

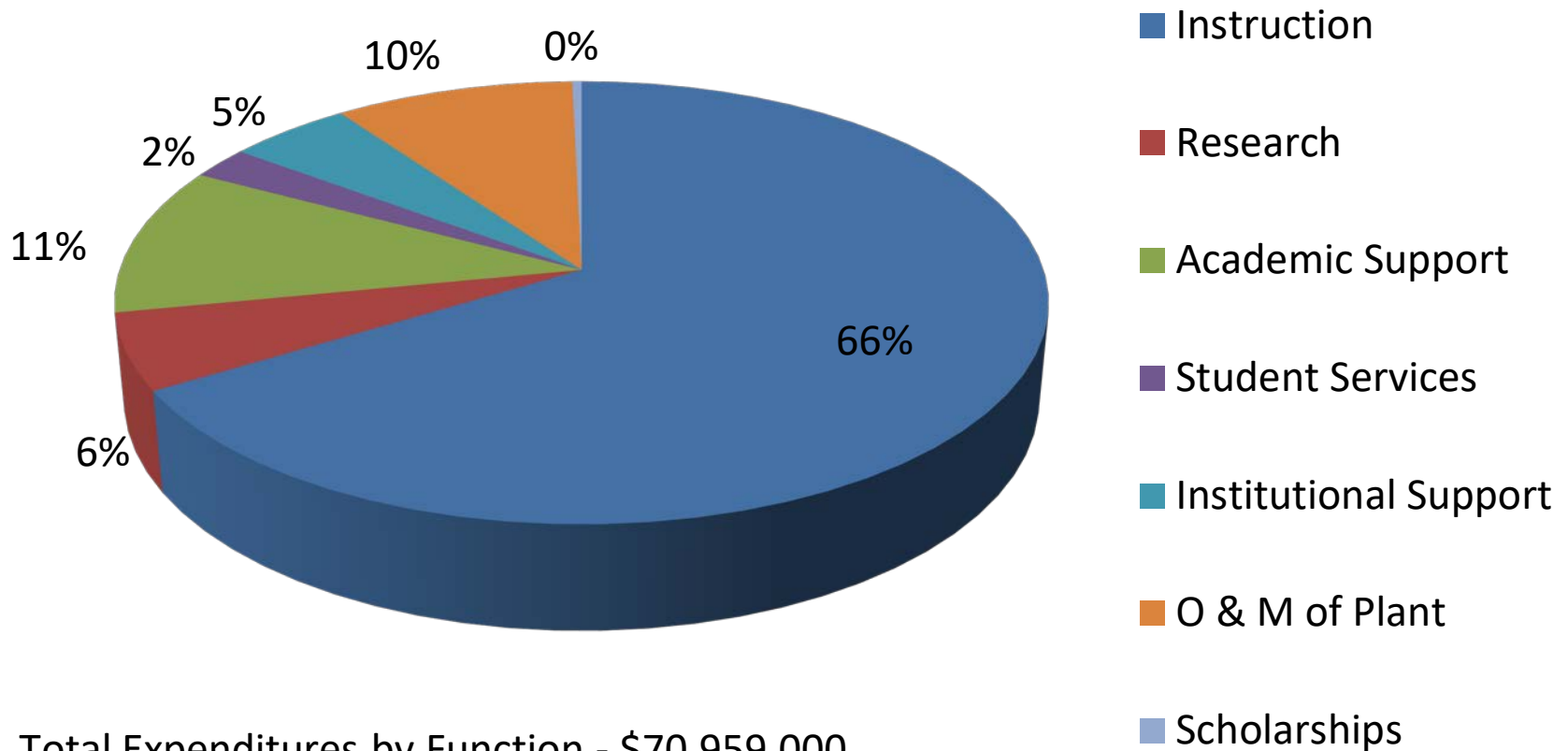
	Actual 19-20	Orig. 20-21	Oct. Revised	Est. Spring	July Proposed	F21 to F22
Revenue	\$ 60,722,803	\$ 64,576,000	\$ 62,400,600	\$ 62,574,800	\$ 66,740,400	\$2,164,400
<u>Expenditures and Transfers</u>						
Instruction	\$ 38,858,495	\$ 47,245,100	\$ 46,151,700	\$ 46,151,600	\$ 47,075,200	(\$169,900)
Research	1,887,708	3,730,300	4,543,000	4,543,100	3,965,900	235,600
Academic Support	6,127,027	7,041,100	7,342,800	7,342,800	7,682,700	641,600
Student Services	1,551,125	1,873,300	1,979,100	2,014,100	1,679,900	(193,400)
Institutional Support	2,906,457	3,142,400	3,384,400	3,514,800	3,496,200	353,800
Facilities	4,580,735	6,801,200	6,875,400	6,923,100	6,799,100	(2,100)
Scholarships	250,000	260,000	260,000	260,000	260,000	--
Total before transfers	56,161,547	70,093,400	70,536,400	70,749,500	70,959,000	865,600
Debt Service	84,615	88,000	142,100	105,000	105,000	17,000
Non-Mandatory Transfers	5,953,117	(5,702,500)	(5,800,400)	(5,801,300)	(4,379,300)	1,323,200
Total	\$ 62,199,279	\$ 64,478,900	\$ 64,878,100	\$ 65,053,200	\$ 66,684,700	\$2,205,800

FT Unrestricted Positions	Orig. 20-21	Oct. Revised	July Proposed	F21 to F22
Faculty	157	157	158	1
Administration	7	7	7	-
Maint/Tech/Support	111	110	110	(1)
Professional Support	88	89	88	-
Total	363	363	363	-



COM FY 21-22 Expenditure Budget

By Function



Total Expenditures by Function - \$70,959,000



Family Medicine Budget

	Actual 19-20	Orig. 20-21	Oct. Revised	Est. Spring	July Proposed	F21 to F22
Revenue	\$ 17,461,100	\$ 17,550,700	\$ 17,647,200	\$ 17,979,000	\$ 18,191,400	\$ 640,700
<u>Expenditures and Transfers</u>						
Instruction	\$ 11,768,511	\$ 12,018,000	\$ 12,140,200	\$ 12,459,400	\$ 12,298,300	\$ 280,300
Research	293,378	260,400	260,600	219,500	286,400	26,000
Academic Support	3,703,341	3,788,500	3,840,500	3,829,900	3,882,300	93,800
Institutional Support	1,786,236	1,650,900	1,714,100	1,750,800	1,627,300	(23,600)
Facilities	332,031	387,900	429,400	442,400	499,200	111,300
Total before transfers	17,883,497	18,105,700	18,384,800	18,701,700	18,593,500	487,800
Non-Mandatory Transfers	(433,557)	(575,000)	(575,000)	(575,000)	(397,000)	178,000
Total	\$ 17,449,940	\$ 17,530,700	\$ 17,809,800	\$ 18,126,700	\$ 18,196,500	\$ 665,800

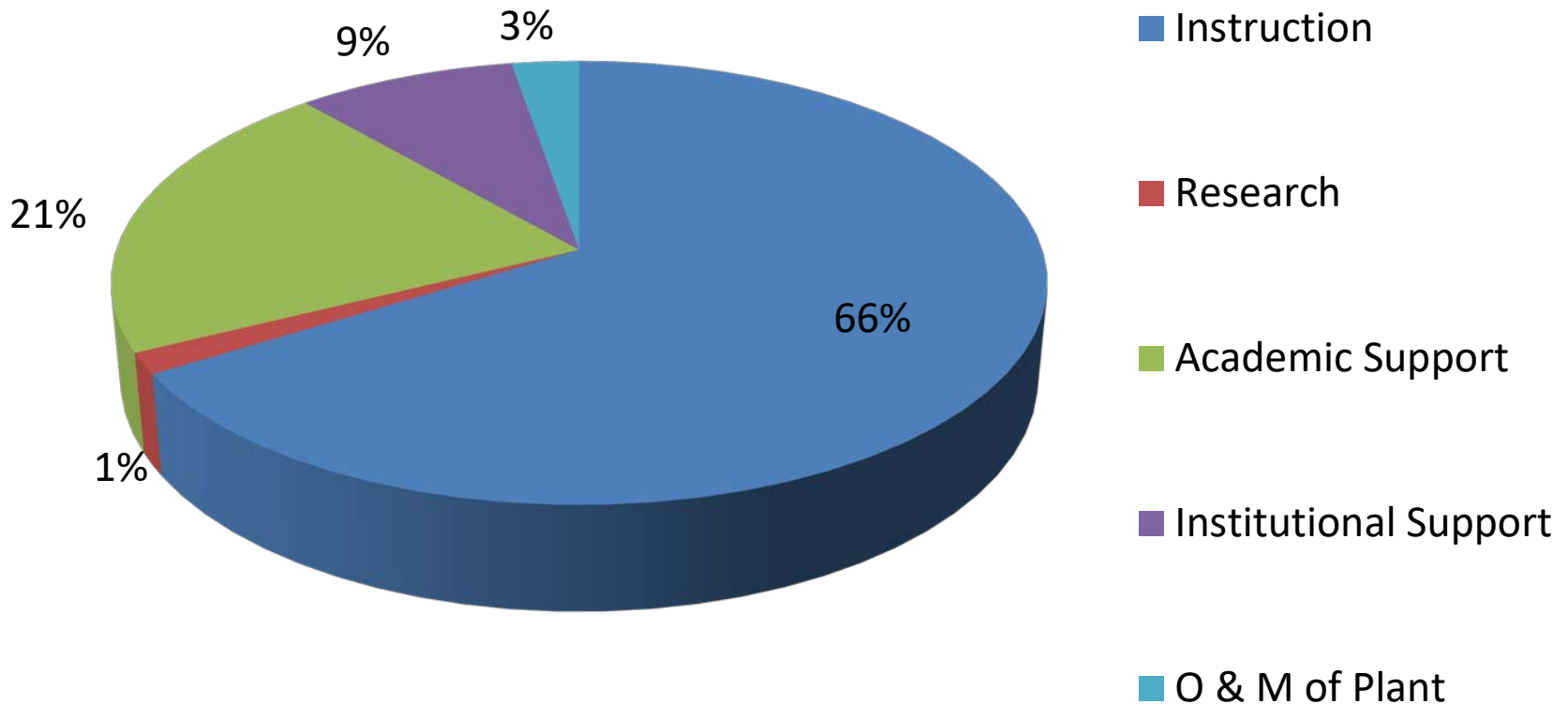
FT Unrestricted and Auxiliary Positions

	Orig. 20-21	Oct. Revised	July Proposed	F21 to F22
Faculty	32	35	35	3
Administration	-	-	-	-
Maint/Tech/Support	52	51	51	(1)
Professional Support	29	30	30	1
Total	113	116	116	3



Family Medicine FY 21-22 Expenditure Budget

By Function



Total Expenditures by Function - \$18,593,500



College of Pharmacy Budget

	Actual 19-20	Orig. 20-21	Oct. Revised	Est. Spring	July Proposed	F21 to F22
Revenue	\$ 11,535,823	\$ 11,039,400	\$ 10,690,700	\$ 10,581,100	\$ 9,610,800	(\$1,428,600)
Expenditures and Transfers						
Instruction	\$ 6,762,178	\$ 7,146,300	\$ 8,103,600	\$ 7,918,800	\$ 6,538,200	(\$608,100)
Research	190,665	108,100	320,900	468,700	112,500	4,400
Academic Support	1,295,508	1,311,700	1,500,000	1,455,400	1,181,500	(130,200)
Student Services	599,697	661,500	747,700	735,600	655,800	(5,700)
Institutional Support	573,462	595,700	661,900	654,600	566,300	(29,400)
Facilities	467,500	494,500	564,200	556,300	341,700	(152,800)
Scholarships	589,033	416,000	416,000	416,000	13,000	(403,000)
Total before transfers	10,478,043	10,733,800	12,314,300	12,205,400	9,409,000	(1,324,800)
Debt Service	661,000	661,000	677,000	676,700	675,000	14,000
Non-Mandatory Transfers	35,865	(355,400)	(450,800)	(451,200)	(473,200)	(117,800)
Total	\$ 11,174,908	\$ 11,039,400	\$ 12,540,500	\$ 12,430,900	\$ 9,610,800	(\$1,428,600)

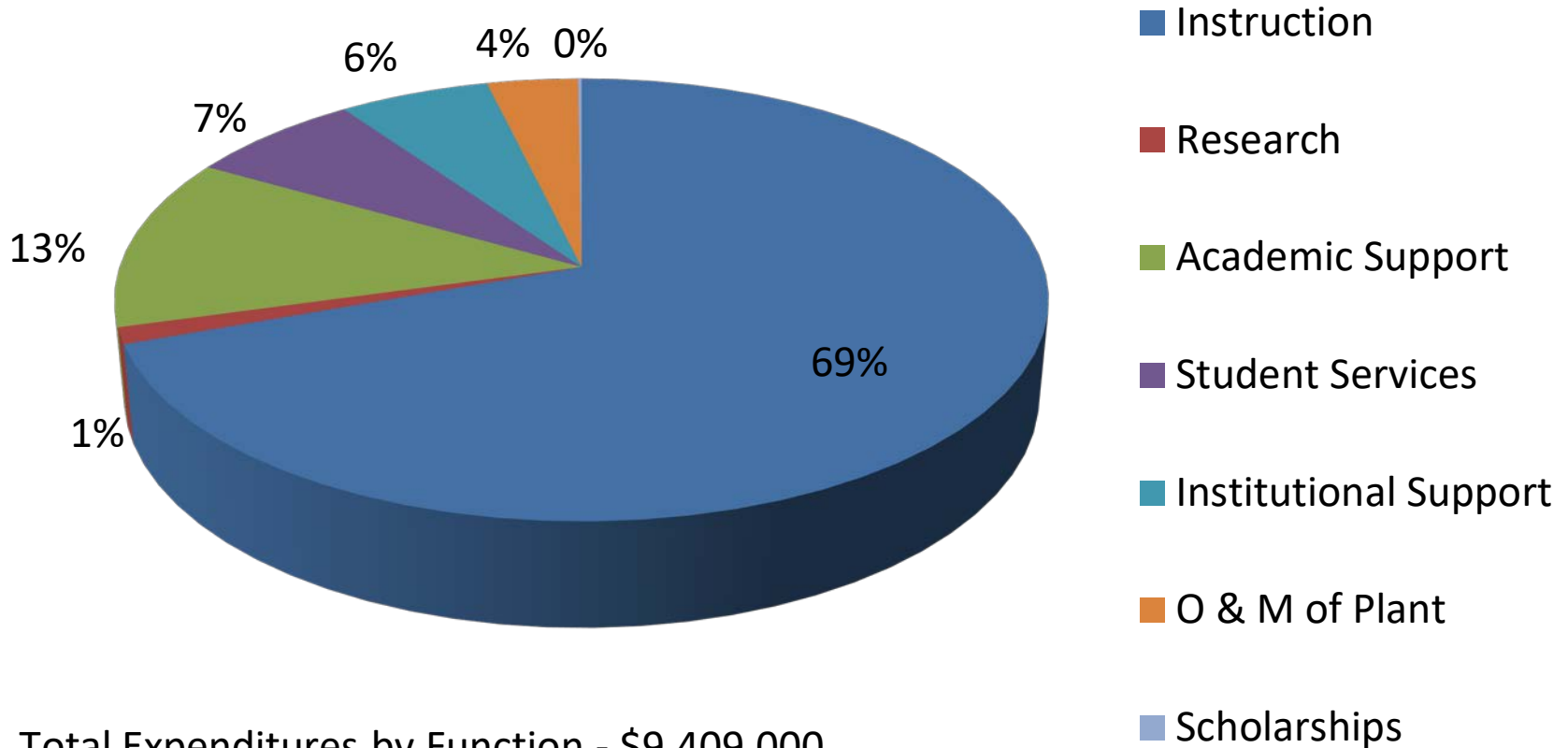
FT Unrestricted and

Auxiliary Positions	Orig. 20-21	Oct. Revised	July Proposed	F21 to F20
Faculty	34	35	35	1
Administration	1	1	1	-
Maint/Tech/Support	14	14	14	-
Professional Support	15	15	15	-
Total	64	65	65	1



College of Pharmacy FY 21-22 Expenditure Budget

By Function



Total Expenditures by Function - \$9,409,000



QUESTIONS?

