

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE  
MAY 2024 MEETING

10:20 – 11:00 a.m. EDT  
Friday  
May 24, 2024

East Tennessee Room  
D.P. Culp Student Center  
412 J.L. Seehorn Road  
Johnson City, TN

**COMMITTEE MEMBERS**

Steve DeCarlo, Committee Chair  
Charles Allen, Jr.  
Dorothy Grisham  
Dr. Linda Latimer  
Ron Ramsey  
Aamir Shaikh

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**AGENDA**

- I. Call to Order
- II. Roll Call
- III. [Approval of the Committee Minutes from February 16, 2024 and April 5, 2024](#)
- IV. [Action Item: Approval of Tuition and Mandatory Fees for FY25 – Graham \(5 minutes\)](#)
- V. [Action Item: Approval of Spring Estimated and July Proposed Budgets – Graham \(10 minutes\)](#)
- VI. [Action Item: Capital Budget Submittals and Disclosures – Bailey \(10 minutes\)](#)
- VII. [Quarterly Financial Update – Graham \(10 minutes\)](#)
- VIII. [Presentation of FY22 and FY23 Composite Financial Index – Graham \(5 minutes\)](#)
- IX. [Quarterly Report of Agreements \\$250,000 or greater – Graham \(5 minutes\)](#)
- X. Other Business
- XI. Adjournment

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: May 24, 2024

ITEM: Approval of the Minutes from February 16, 2024 and April 5, 2024

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Adam Green  
Board Secretary

The minutes of the February 16, 2024 meeting and the April 5, 2024 special called meeting of the Finance and Administration Committee are included in the meeting materials.

**MOTION: I move that the Board of Trustees adopt the resolution, approving the minutes as outlined in the meeting materials.**

**RESOLVED: The reading of the minutes of the February 16, 2024 meeting and the April 5, 2024 meetings of the Finance and Administration Committee is omitted, and the minutes are approved as presented in the meeting materials, provided that the Secretary is authorized to make any necessary edits to correct spelling errors, grammatical errors, format errors, or other technical errors subsequently identified.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

February 16, 2024  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, February 16, 2024, at 10:33 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

**I. Call to Order**

Committee Chair Steve DeCarlo called the meeting to order at 10:33 a.m.

**II. Roll Call**

Board Secretary Dr. Adam Green conducted the roll call. The following committee members were physically present:

Committee Chair Steve DeCarlo  
Trustee Charles Allen  
Trustee Dorothy Grisham  
Trustee Dr. Linda Latimer  
Trustee Ron Ramsey  
Trustee Aamir Shaikh

Other Trustees in attendance were Dr. Steph Frye-Clark, Melissa Steagall-Jones, and Tony Treadway.

**III. Approval of the Committee Minutes from November 17, 2023**

The minutes from the November 17, 2023, meeting of the Finance and Administration Committee were approved as submitted, with Trustee Charles Allen making the motion and Trustee Dorothy Grisham seconding the motion. The motion passed unanimously.

**IV. Action Item: Approval of College of Medicine FY25 Tuition**

ETSU Chief Financial Officer Christy Graham presented a Zero percent increase in the Quillen College of Medicine tuition rate for the 2024-25 academic year.

Trustee Allen made a motion to approve, and it was seconded by Trustee Latimer. The motion passed unanimously.

**V. Action Item: Approval of Housing and Meal Plans for FY25**

Ms. Graham indicated that the university is requesting increases in housing rates ranging from 5.2 percent to 11.2 percent, along with a lower-cost three-person option. The increases range from \$150 per semester to \$325 per semester. Ms. Graham noted that there was careful consideration given, and market studies were conducted, prior to recommending the increases. Even with the increases, ETSU falls well within the range of other institutions. Furthermore, local housing market conditions were also taken into consideration when establishing the rates.

In response to strong demand for housing, ETSU has added capacity within its current on-campus buildings. Rooms in West Hall have been returned to their original intent as three-person rooms, which added 40 more beds. This action also creates a lower-cost option for students at \$1,900 per semester. The largest adjustment to capacity is at Buc Ridge, as two-person apartments in phase I and phase II will be converted to four-person apartments. This will increase capacity by 287 beds.

Ms. Graham presented a recommendation for an adjustment to meal plan rates, based on market increases as projected by Sodexo. She noted that for the second year in a row, meal plan costs to students do not fully fund inflationary costs passed on by Sodexo. In comparison with other public universities in Tennessee, ETSU still offers one of the lowest meal plan rates, Ms. Graham said. The university is requesting a 5.1 percent increase to the Silver meal plan, which equates to \$100 per semester.

Trustee Grisham made a motion that the housing and meal plan rates be approved as presented, and Trustee Latimer seconded the motion. It passed unanimously.

**VI. Discussion of Comparative Tuition and Mandatory Fees for Tennessee Public Universities**

Ms. Graham indicated that this discussion is purely for budget development purposes. She indicated that we are fortunate in Tennessee to have the level of state support that we have had, which has allowed Tennessee public universities to keep tuition flat for two of the last five years. Over the last five years, the largest increase was for the current fiscal year, which was capped at 3 percent. ETSU's tuition rate is currently below the average of Tennessee public universities. However, ETSU does rank among the highest in the state in the category of mandatory fees. Ms. Graham told the committee that staff is gathering information related to any possible increases in mandatory fees for the next fiscal year. The Tennessee Higher Education Commission's guiding range for tuition and mandatory fee increases is from 0 percent to 4 percent.

**VII. Discussion of Proposed Salary Pool for FY25 Budget Development**

Ms. Graham reported that Governor Bill Lee has proposed a 3 percent salary increase for state employees. She reminded the committee that 55 percent of the main campus salary pool is funded by the state, with the remaining 45 percent funded by the institution. Therefore, of the \$3.2 million in additional revenue that would come about through a 4 percent tuition increase, \$2.2 million would be dedicated to salary enhancements.

#### **VIII. Quarterly Report of Agreements \$250,000 or Greater**

Ms. Graham reported that there is only one contract, for the second quarter, that is in place with an amount over \$250,000, and that is with Ahead, Inc. for Cisco wireless access point.

#### **IX. Quarterly Financial Update**

Ms. Graham presented a comparison of figures from December 31, 2022, and December 31, 2023, noting that last December, the university received an appropriation of \$20 million from the state to fund the Enterprise Resource Planning project. These funds were recorded as non-recurring E&G revenue as instructed by the state. If removed, it would show that instead of a \$7 million reduction in main campus revenues, we had a \$12.8 million increase, or 6.8 percent. There was also a 10.7 percent increase in Medicine revenue and a 24 percent reduction in Pharmacy revenue. Pharmacy graduated a larger class than what had entered, and there was a reduction in tuition revenue as a result of the lowering of tuition. State appropriations began in October for Pharmacy.

Ms. Graham reported that grants were up 65 percent. Total E&G revenue mid-year was up 6.5 percent if the ERP funds are eliminated. Expenditures were up at a slower rate than revenue. The overall increase in expenditures was approximately 5 percent, while revenue was at 6 percent. Ms. Graham then gave a similar analysis of revenue and expenses including restricted and auxiliary operations.

Ms. Graham presented a brief report on Oracle/Voyager ERP implementation, which is in its last testing phase. She said a few issues still need to be addressed, but a lot of progress has been made.

Ms. Graham reported that the budget model redesign is also progressing well, with two committee meetings upcoming in March.

#### **X. Other Business**

There was no other business to come before the committee.

#### **XI. Adjournment**

Chairman DeCarlo adjourned the meeting at 11:11 a.m.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

April 5, 2024  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee conducted a called meeting on Friday, April 5, 2024, in the President's Conference Room in Burgin E. Dossett Hall on the ETSU campus.

**I. Call to Order**

Committee Chair Steve DeCarlo called the meeting to order at 10 a.m.

**II. Roll Call**

Given that Trustees participated remotely by electronic means, Board Secretary Dr. Adam Green began the meeting in accordance with Tennessee Code 8-44-108, section (c) (3). Dr. Green asked each committee member if they could clearly hear the proceedings and if anyone else was present in the room. Chair DeCarlo, Trustee Dorothy Grisham, Trustee Dr. Linda Latimer, Trustee Ron Ramsey, and Trustee Aamir Shaikh all indicated that they were able to hear the proceedings and that no other persons were in the room with them.

Dr. Green reported to Chair DeCarlo that he did not detect a physical quorum present but that a quorum did exist by the inclusion of those members participating by electronic means. In accordance with Tennessee Code 8-44-108, section (b) (2), Dr. Green offered up to the committee the following circumstances which necessitated the reason for the holding of such a meeting:

- It was necessary for the Finance and Administration Committee of the Board to review and approve undergraduate tuition and fees, the proposed salary pool for Fiscal Year 2025, and to review the budget proposal for 2024-25 prior to the full Board of Trustees meeting on May 24.
- The prompt necessity of this committee's meeting did not provide adequate time for this committee's membership to make necessary arrangements to be physically present for a quorum.

For these reasons, Dr. Green contended that participation by a quorum of the committee members by electronic or other means of communication was necessary. Consequently, Dr. Green asked that a motion be made and a roll call vote be taken for a determination on the necessity of holding the meeting. He indicated that an affirmative vote will signify that a necessity does exist for the meeting to proceed, adding that a dissenting vote would signify that a necessity does not exist for the meeting to continue.

Trustee Grisham made a motion that the necessity does exist to have the meeting. Trustee Ramsey seconded the motion. The motion passed unanimously by a roll call vote.

Dr. Green then informed Chair DeCarlo that in addition to the committee members present, Trustees Melissa Steagall-Jones, Dr. Steph Frye-Clark, and Janet Ayers were participating in the meeting.

### **III. Information Item: Parking and Infrastructure Update**

Mr. Jeremy Ross, ETSU's Chief Operating Officer, presented an overview of ETSU's parking conditions, access, and infrastructure. In February 2024, ETSU engaged Walker Consultants to perform a high-level evaluation for the main campus. This overview looked at several aspects of parking, including efficiency, opportunities to enhance comfort, accessibility, convenience, and maintenance of infrastructure and resources.

Mr. Ross reported that the consultants found that parking revenues did not align with rising costs. It has been six years since ETSU has increased revenue opportunities for parking. In that same timeframe, the cost to maintain infrastructure has tripled and in many cases quadrupled. He also provided comparisons of ETSU parking rates with other institutions, demonstrating that ETSU's parking rates are lower than its peers. After examining these factors, as well as projected revenues and expenditures and an overview of parking garage maintenance projections, Mr. Ross presented a list of 13 recommendations from the consultant that included the following three items pertaining to fees and parking permits that would help align revenue with rising costs:

- Existing parking student access fee change from \$70 to \$80 per semester.
- Optional parking permit for students at \$50 per semester.
- Optional parking permit for faculty at \$120 per year.

Mr. Ross responded to several questions from Board members, noting ETSU's commitment to accessible parking, exploration of additional trolley and shuttle usage, potential for future consideration of commuter and non-commuter parking. Finally, Chairman DeCarlo and Trustee Shaikh reiterated the importance of a communication plan for these proposed changes.

ETSU Chief Financial Officer Christy Graham mentioned to the Board that this presentation was an information item to prepare the Trustees for the discussion of the next agenda item,

Tuition and Mandatory Fees for FY25, as fee changes would be included in that proposal for consideration. ETSU President Dr. Brian Noland also added that a formal and complete plan for parking would be presented to the Board of Trustees in the master plan to be presented in the fall.

#### **IV. Action Item: Approval of Tuition and Mandatory Fees for FY25**

Chief Financial Officer Christy Graham presented the recommended tuition and mandatory fees for the 2024-25 academic year. She covered the criteria that were considered in the proposal, which included the level of state support; total cost of attendance; efforts to mitigate the financial impact on students; THEC binding tuition and mandatory fees ranges; and other factors, such as projected university enrollment and university enrollment goals, market and cost factors for higher education, new program or facility costs, and costs related to operations, programs or student or individual costs. THEC proposed a 0-4% tuition and mandatory fee limit at the November 2023 meeting and will vote on this at its May 2024 meeting.

Staff is proposing a 3.8% increase in total tuition and mandatory fees for all classes of undergraduate students on the main campus. This is a 4.15% increase in tuition and 2.4% increase in mandatory fees, for a total increase to the full-time, undergraduate student of \$165 per semester for tuition and \$24 per semester for fees. She added that the tuition increases over the past five years have included two years at 0%.

Staff is recommending an additional \$15 increase for new border state students, and a similar percentage increase for out-of-state and graduate tuition. Assuming constant enrollment, this should result in an increase in revenue of \$4.2 million, which will help fund the campus portion of the salary pool of \$2.2 million, as well as increased benefit costs, faculty tenure and promotion, and other inflationary increases.

The mandatory fee increase includes a \$10 increase for the Center for Physical Activity and \$4 for operational costs at the Post Office. The other \$10 increase is to move the current parking fee to an infrastructure fee and introducing the optional parking pass for students. The proposed 3.8% tuition increase keeps ETSU's undergraduate tuition and fees of \$10,328 at the average for state institutions.

Ms. Graham noted that once the Committee approves tuition and fees, staff will provide notice to the campus of the proposed tuition and mandatory fees increase for the 2024-25 academic year. The public notice will be posted for at least 15 days, and the full board will take action on tuition and mandatory fees at its May 24, 2024, meeting. This action will be informed by the public feedback process and staff may make changes to these proposals based upon formal and information feedback.

Trustee Latimer made a motion to approve the proposed tuition and mandatory fees for 2024-25. Trustee Grisham seconded the motion, which passed unanimously by a roll call vote.



**V. Action Item: Approval of Pharmacy Tuition for FY25**

Ms. Graham reported that due to the FY24 state appropriation for the Bill Gatton College of Pharmacy the college was able to lower tuition rates to create revised in-state and out-of-state rates. She recommended a 0% increase in the Bill Gatton College of Pharmacy tuition rate for the 2024-25 academic year in an attempt to maintain a competitive position with other colleges of pharmacy. The college will rely on reserves and minimizing operational expenses to balance its budget while continuing to pursue additional assistance from the state.

Trustee Latimer made a motion to approve the 0% increase, and it was seconded by Trustee Grisham. The motion passed unanimously by a roll call vote.

**VI. Action Item: Approval of Fixed Price for Online Master of Public Administration Tuition**

The ETSU Board of Trustees approved a fixed price model for the launch of a fully online Master of Public Administration in fall 2021. This model fixed the tuition and mandatory fee rate for each cohort for three years. Ms. Graham indicated that the college requests approval to continue a fixed price tuition model for the next three academic years at a proposed rate of \$600 per credit hour for the next three student cohorts. The model includes components of tuition at \$507, a \$33 program fee, a \$10 course fee, and a \$50 online fee.

Trustee Grisham made a motion to approve the fixed price for the online Master of Public Administration Tuition for academic years 2024-25, 2025-26, and 2026-27. Trustee Latimer seconded the motion, and it passed unanimously by a roll call vote.

**VII. Action Item: Approval of Salary Pools for FY25**

Ms. Graham indicated that Tennessee Governor Bill Lee's 2024-25 budget proposal included an appropriation for a 3 percent salary pool. The state historically funds 55 percent of the salary pool, and the remainder is funded by institutional resources. A 3 percent salary pool for the main campus will require approximately \$5 million to fully fund the salary pool. The Governor's proposed budget includes \$2.8 million of increased resources as the state portion; the remaining \$2.2 million will need to come from other resources or efficiencies.

With the uncertainty of fall enrollment, staff is recommending the establishment of the full 3 percent salary pool in the budget, but delaying the implementation until November when fall enrollment is finalized. This methodology was implemented for the current fiscal year. Concurrently, staff is reviewing how the salary pool will be distributed with an aspiration to bring salaries to market rates. President Noland described work being done on campus to adjust salary ranges, job families, and scales, as well as improve efficiencies to deepen salary enhancements beyond the 3 percent pool.

Trustee Frye-Clark thanked Dr. Noland for addressing salaries and asked the university to consider examining the issue of salary compression.

Trustee Latimer made a motion to approve the salary pools for FY25. Trustee Grisham seconded the motion, which passed unanimously by a roll call vote.

#### **VIII. Discussion of Spring Estimated and July Proposed Budgets**

Ms. Graham presented a preliminary budget as an informational item that will be discussed further at the May 2024 board meeting. The preliminary budget includes the 3.8% tuition and mandatory fee increase, as well as the 3% salary pool. It also includes the Governor's recommended state appropriation amount. The state budget and binding tuition amount will not be confirmed until May. She noted that ETSU is in the process of conducting budget hearings, which should conclude next week.

#### **X. Other Business**

There was no other business to come before the committee.

#### **XI. Adjournment**

Chairman DeCarlo adjourned the meeting at 11:12 a.m.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: May 24, 2024

ITEM: Approval of Tuition and Mandatory Fees for FY25

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Christy Graham  
Chief Financial Officer and  
Vice President of Business and Finance

The Board of Trustees must evaluate certain criteria when considering an increase in tuition and mandatory fees. Those criteria include:

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

Staff has outlined the current year assessment of these criteria as follows:

1. **Level of state support** – THEC based tuition models on a core Consumer Price Index of 4.0 percent and flat enrollment. THEC did not include a salary allocation in their request. The inflation factor for the three state supported units at ETSU equates to an appropriation increase of \$1.2 million.
2. **Total cost of attendance** – tuition and fees increased by 2.85% in FY24. Tuition and mandatory fees for FY24 at ETSU continue to be comparable to other public institutions of higher education in the state. A comparison of tuition and mandatory fees are listed below and show that ETSU is below the university average.
3. **Efforts to mitigate the financial effect on students** – The university continues to look for ways to mitigate rising costs to students. 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. **THEC binding tuition and mandatory fee increase ranges** – THEC proposed a zero to four percent tuition and mandatory fee limit at its November 2023 meeting. The Commission will vote on a binding limit during its May 16, 2024 meeting. Should the Commission modify and approve a different limit, staff may provide a modified FY25 tuition and fee proposal for consideration by the ETSU Board of Trustees.
5. **Other factors affecting the university’s financial stability:**
  - a. Projected student enrollment and university enrollment goals - The university’s enrollment increased for the second year in a row for Fall 2023. Enrollment had decreased the two prior years. 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 ETSU over other institutions.
  - b. Market and cost factors for higher education – The market for higher education projects a declining number of high school graduates in the region and increased competition from community colleges, other state universities, regional private institutions and border state colleges and universities. Faculty and staff salaries are the primary cost driver for the university. New out-of-state tuition rates were implemented for Fall 2021 based on market research and has also reduced out-of-state scholarship expense. Salary increases were included in the Governor’s budget, and in order to fully fund a three percent salary pool staff is recommending increasing tuition and mandatory fees by 3.98% for FY25.
  - c. New program or new facility cost – Costs related to new programs are largely being absorbed in the colleges per the budget model implemented in FY19. Facility costs will increase with the construction project for Brown Hall and the new Academic Building. Other ongoing renovation and maintenance projects could reduce energy costs with efficiencies.
  - d. Costs related to operations, programs of study, or individual courses – The Consumer Price Index shows operational costs increased by 3.4% from December 2022 to December 2023. The Higher Education Price Index also shows that inflation for colleges and universities rose 4.5% for fiscal year 2023, compared to 5.2% in fiscal year 2022. 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.

A five-year history of student maintenance and mandatory fees is presented below in comparison to Tennessee Locally Governed Institutions (LGIs) and the University of Tennessee System:

**Tuition (Maintenance Fees)**

	<b>2019-20</b>	<b>% Incr</b>	<b>2020-21</b>	<b>% Incr</b>	<b>2021-22</b>	<b>% Incr</b>	<b>2022-23</b>	<b>% Incr</b>	<b>2023-24</b>	<b>% Incr</b>
APSU	\$7,044	2.3%	\$7,044	0%	\$7,146	1.45%	\$7,146	0%	\$7,356	2.9%
ETSU	7,572	2.0%	7,572	0%	7,722	1.98%	7,722	0%	7,950	2.9%
MTSU	7,554	2.4%	7,554	0%	7,704	1.99%	7,704	0%	7,908	2.6%
TSU	7,026	1.8%	7,026	0%	7,128	1.45%	7,128	0%	7,332	2.8%
TN Tech <sup>3</sup>	8,040	2.3%	9,060	12.7%	9,240	1.99%	9,240	0%	9,510	2.8%
Memphis <sup>2</sup>	8,232	2.1%	8,232	0%	8,352	1.46%	8,352	0%	8,520	2.0%
UTC <sup>1</sup>	7,836	13.8%	7,836	0%	7,992	1.99%	7,992	0%	8,232	2.9%
UTK <sup>1</sup>	11,332	2.0%	11,332	0%	11,332	0.00%	11,332	0%	11,332	0.0%
UTM <sup>1</sup>	8,214	2.0%	8,214	0%	8,378	2.00%	8,378	0%	8,546	2.0%
UTS					9,000		9,000		9,000	
Univ. Avg	\$8,092		\$8,208		\$8,399		\$8,399		\$8,569	

<sup>1</sup> 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.**

<sup>2</sup> University of Memphis implemented guaranteed tuition in 2019-20.

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

<sup>3</sup>TTU implemented 15/4 fee structure in 2020-21

**Mandatory Fees**

	<b>2019-20</b>	<b>% Incr</b>	<b>2020-21</b>	<b>% Incr</b>	<b>2021-22</b>	<b>% Incr</b>	<b>2022-23</b>	<b>% Incr</b>	<b>2023-24</b>	<b>% Incr</b>
APSU	\$1,583	0.0%	\$1,583	0%	\$1,615	2.02%	\$1,615	0%	\$1,667	3.1%
ETSU	1,919	3.5%	1,919	0%	1,952	1.72%	1,952	0%	2,000	2.4%
MTSU	1,870	2.4%	1,870	0%	1,888	1.02%	1,888	0%	1,924	1.9%
TSU	1,157	4.5%	1,157	0%	1,207	4.32%	1,207	0%	1,248	3.3%
TN Tech	1,278	2.8%	1,278	0%	1,282	0.31%	1,282	0%	1,320	2.9%
Memphis	1,704	4.1%	1,704	0%	1,704	0.00%	1,704	0%	1,824	6.6%
UTC	1,820	2.5%	1,820	0%	1,856	1.98%	1,856	0%	1,912	2.9%
UTK	1,932	1.9%	1,932	0%	1,912	-1.00%	1,912	0%	2,152	11.2%
UTM	1,534	5.1%	1,534	0%	1,534	0.00%	1,534	0%	1,662	7.7%
UTS					1,200		1,200		1,200	
University Average	\$1,644		\$1,644		\$1,615		\$1,615		\$1,691	

### Total Tuition and Mandatory Fees

	2019-20	% Incr	2020-21	% Incr	2021-22	% Incr	2022-23	% Incr	2023-24	% Incr
APSU	\$8,627	1.8%	\$8,627	0%	\$8,761	1.55%	\$8,761	0%	\$9,023	2.9%
ETSU	9,491	2.3%	9,491	0%	9,674	1.93%	9,674	0%	9,950	2.8%
MTSU	9,424	2.4%	9,424	0%	9,593	1.79%	9,593	0%	9,832	2.4%
TSU	8,183	2.2%	8,183	0%	8,335	1.86%	8,335	0%	8,580	2.9%
TN Tech <sup>3</sup>	9,318	2.4%	10,338	10.99%	10,522	1.78%	10,522	0%	10,830	2.8%
UM <sup>2</sup>	9,936	2.4%	9,936	0%	10,056	1.21%	10,056	0%	10,344	2.8%
UTC	9,656	10.4%	9,656	0%	9,848	1.99%	9,848	0%	10,144	2.9%
UTK <sup>1</sup>	13,264	2.0%	13,264	0%	13,244	-0.15%	13,244	0%	13,484	1.8%
UTM <sup>1</sup>	9,748	2.5%	9,748	0%	9,912	1.68%	9,912	0%	10,208	2.9%
UTS					10,200		10,200		10,200	
University Average	\$9,739		\$9,852		\$10,015		\$10,015		\$10,260	

<sup>1</sup> 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.**

<sup>2</sup> University of Memphis implemented guaranteed tuition in 2019-20.

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

<sup>3</sup>TTU implemented 15/4 fee structure in 2020-21

**Rate Per Term**

	<b>FY24 Actual</b>	<b>FY25 Proposed</b>	<b>\$ increase</b>	<b>% increase</b>	<b>Additional Revenue</b>	<b>Purpose of Funding</b>
Undergrad Tuition @ 15 cr hr	\$3,975	\$4,125	\$150	3.77%	\$3,870,000	45% salary pool; faculty tenure and promotion funding; inflationary costs for university share of employee benefits.
*UG Returning O/S (last year) & International	\$9,591	\$9,591	\$0	0.0%		
UG – GA, KY, NC, SC, VA	\$420	\$435	\$15	3.57%		
UG – 44 other states	\$1,920	\$1,995	\$75	3.91%		
Graduate Tuition @ 12 cr hr	\$5,076	\$5,274	\$198	3.90%		
Grad Out-of-State @ 12 cr hr	\$7,560	\$7,560	\$0	0.0%		

\*The Board approved an undergraduate out-of-state enrollment strategy at the September 2020 meeting for new students Fall 2021. All other out-of-state tuition has not increased since Fall 2018.

<b>Undergraduate In-State Tuition and Mandatory Fee Request – Per Academic Year</b>				
	<b>2022-23</b>		<b>2023-24</b>	
	<b>Actual</b>	<b>Proposed</b>	<b>\$ Increase</b>	<b>% Increase</b>
Undergrad Tuition @ 15 cr hr	\$7,950	\$8,250	\$300	3.77%
Mandatory Fees	\$2,000	\$2,096	\$96	4.80%
<b>Total UG Tuition and Mandatory Fees</b>	<b>\$9,950</b>	<b>\$10,346</b>	<b>\$396</b>	<b>3.98%</b>

**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 2024-2025 are approved as presented in the meeting materials in accordance with the Governor’s budget and THEC binding tuition limit.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: May 24, 2024

ITEM: Approval of Spring Estimated and July Proposed Budgets

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Christy Graham  
Chief Financial Officer and  
Vice President of Business and Finance

In compliance with Tennessee Code Annotated 49-8-203 (a) (1) (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 2023-24 spring estimated budgets and the July 2024-25 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 2023-24 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.

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

**RESOLVED: The estimated Spring 2023-24 and proposed July 2024-25 budgets that incorporate the previously approved salary pool by the committee are approved as presented in the meeting materials in accordance with the Governor's budget and THEC binding tuition limit.**



## Main Campus Budget

	Actual 22-23	Orig. 23-24	Oct. Revised	Est. Spring	July Proposed	F24 to F25
Revenue	\$292,623,826	\$299,092,200	\$303,101,600	\$308,008,000	\$318,102,000	\$19,009,800
<b>Expenditures and Transfers</b>						
Instruction	\$109,283,697	\$120,293,000	\$134,658,700	\$135,169,100	\$124,486,500	\$4,193,500
Research	4,269,576	6,154,900	11,593,300	12,210,100	6,365,300	210,400
Public Service	3,537,993	3,969,300	5,275,000	7,339,700	5,196,100	1,226,800
Academic Support	22,735,177	26,561,000	32,297,200	32,090,900	27,581,000	1,020,000
Student Services	28,588,786	30,407,900	33,069,800	32,791,200	33,000,100	2,592,200
Institutional Support	22,111,946	20,815,400	43,648,500	43,506,600	23,514,300	2,698,900
Facilities	17,609,065	21,335,300	23,153,100	23,221,000	22,419,900	1,084,600
Scholarships	26,502,923	30,221,800	29,685,900	29,711,200	29,933,300	(288,500)
Total before transfers	\$234,639,163	\$259,758,600	\$313,381,500	\$316,039,800	\$272,496,500	\$12,737,900
Debt Service	6,146,327	6,101,600	6,166,900	6,166,900	6,166,900	65,300
Non-Mandatory Transfers	7,953,561	3,017,500	8,575,700	11,283,000	2,885,800	(131,700)
Auxiliaries Exp & Tnfrs	28,691,384	30,034,800	32,014,200	31,394,100	36,224,200	6,189,400
<b>Total</b>	<b>\$277,430,435</b>	<b>\$298,912,500</b>	<b>\$360,138,300</b>	<b>\$364,883,800</b>	<b>\$317,773,400</b>	<b>\$18,860,900</b>

FT Unrestricted and Auxiliary Positions	Orig 2023-24	Oct 2023-24	July Proposed	Increase/Decrease
Faculty	727	729	732	5
Administration	37	38	40	3
Maint/Tech/Support	460	445	435	(25)
Professional Support	570	579	587	17
Sub Total	1,794	1,791	1,794	-
Auxiliaries	45	46	47	2
<b>Total</b>	<b>1,839</b>	<b>1,837</b>	<b>1,841</b>	<b>2</b>

## Quillen College of Medicine Budget

	Actual 22-23	July 23-24	Oct Revised	Est Spring	July Proposed	<b>FY24 to FY25</b>
<b>Revenue</b>	70,464,840	80,579,500	76,629,800	76,629,800	79,329,500	<b>(1,250,000)</b>
<b><u>Expenditures and Transfers</u></b>						
Instruction	41,835,991	64,668,000	56,613,100	56,182,900	59,290,900	<b>(5,377,100)</b>
Research	5,310,150	4,908,300	6,223,600	6,423,600	3,925,100	<b>(983,200)</b>
Academic Support	8,347,436	9,867,200	9,259,800	9,087,000	8,803,900	<b>(1,063,300)</b>
Student Services	2,692,479	3,618,600	3,894,500	3,894,500	4,771,600	<b>1,153,000</b>
Institutional Support	3,281,164	3,962,800	4,067,500	4,067,500	4,036,400	<b>73,600</b>
Facilities	5,492,020	7,400,300	7,369,500	7,391,500	7,419,800	<b>19,500</b>
Scholarships	250,000	260,000	260,000	260,000	260,000	<b>-</b>
Total before transfers	67,209,240	94,685,200	87,688,000	87,307,000	88,507,700	<b>(6,177,500)</b>
Debt Service	93,459	106,000	106,000	106,000	106,400	<b>400</b>
Non-Mandatory Transfers	173,878	(14,311,400)	(6,463,000)	(6,082,000)	(9,284,400)	<b>5,027,000</b>
<b>Total</b>	<b>67,476,577</b>	<b>80,479,800</b>	<b>81,331,000</b>	<b>81,331,000</b>	<b>79,329,700</b>	<b>(1,150,100)</b>

FT Unrestricted and Auxiliary Positions	Orig 23-24	Oct Revised	July Proposed	<b>FY24 to FY25</b>
Faculty				-
Administration	169	165	165	<b>(4)</b>
Maint/Tech/Support	5	5	5	-
Professional Support	106	103	105	<b>(1)</b>
<b>Total</b>	<b>102</b>	<b>110</b>	<b>109</b>	<b>7</b>

### Family Medicine Budget

	Actual 22-23	July 23-24	Oct Revised	Est Spring	July Proposed	FY24 to FY25
Revenue	20,079,724	<b>19,802,700</b>	20,742,700	20,767,700	21,774,200	<b>1,971,500</b>
<u>Expenditures and Transfers</u>						
Instruction	13,975,819	<b>14,187,400</b>	15,938,500	15,210,790	15,464,060	<b>1,276,660</b>
Research	120,144	<b>312,100</b>	351,070	167,070	399,060	<b>86,960</b>
Academic Support	3,478,532	<b>3,914,100</b>	4,142,700	4,053,250	4,295,420	<b>381,320</b>
Institutional Support	1,396,909	<b>1,691,200</b>	1,586,560	1,504,560	1,939,670	<b>248,470</b>
Facilities	434,386	<b>487,500</b>	950,560	956,060	412,500	<b>(75,000)</b>
Total before transfers	19,405,790	<b>20,592,300</b>	22,969,390	21,891,730	22,510,710	<b>1,918,410</b>
Non-Mandatory transfers	-	<b>(793,200)</b>	(919,340)	197,340	(719,210)	<b>73,990</b>
Total	19,405,790	<b>19,799,100</b>	22,050,050	22,089,070	21,791,500	<b>2,250,950</b>

FT Unrestricted and Auxiliary Positions	Orig 23-24	Oct Revised	July Proposed	FY24 to FY25
Faculty	<b>31</b>	33	33	<b>2</b>
Administration	-	-	-	-
Maint/Tech/Support	<b>51</b>	51	50	<b>(1)</b>
Professional Support	<b>31</b>	31	32	<b>1</b>
Total	<b>113</b>	115		<b>2</b>

### Gatton College of Pharmacy Budget

	<u>Actual 22-23</u>	<b>Orig. 23-24</b>	Oct. Revised	Est. Spring	<b>July Proposed</b>	<b>F24 to F25</b>
<b>Revenue</b>	\$8,724,211	<b>\$7,909,100</b>	\$8,593,500	\$8,523,200	<b>\$8,408,200</b>	<b>\$499,100</b>
<b><u>Expenditures and Transfers</u></b>						
Instruction	\$5,305,193	<b>\$4,316,500</b>	\$3,865,500	\$3,809,400	<b>\$3,665,900</b>	(\$650,600)
Research	80,861	<b>57,000</b>	564,400	548,900	<b>325,900</b>	<b>268,900</b>
Public Service	286,110	<b>470,000</b>	655,800	655,800	<b>470,000</b>	-
Academic Support	1,579,177	<b>1,579,700</b>	1,738,600	1,730,400	<b>2,274,500</b>	<b>694,800</b>
Student Services	800,980	<b>877,400</b>	919,900	891,900	<b>897,900</b>	<b>10,500</b>
Institutional Support	541,543	<b>537,800</b>	577,700	583,300	<b>569,000</b>	<b>31,200</b>
Facilities	381,114	<b>403,600</b>	414,900	406,200	<b>439,600</b>	<b>36,000</b>
Scholarships	493	<b>13,000</b>	197,700	219,000	<b>375,000</b>	<b>632,000</b>
Total before transfers	8,975,471	<b>8,265,000</b>	8,914,500	8,844,900	<b>9,017,800</b>	<b>752,800</b>
Debt Service	672,984	<b>671,400</b>	671,000	671,000	<b>671,000</b>	(400)
Non-Mandatory Transfers	61,983	<b>(1,027,300)</b>	(395,200)	(395,700)	<b>(1,280,600)</b>	<b>(253,300)</b>
<b>Total</b>	\$9,710,402	<b>\$7,909,100</b>	\$9,190,300	\$9,912,200	<b>\$8,408,200</b>	<b>499,100</b>
<b><u>FT Unrestricted and Auxiliary Positions</u></b>						
		<b>Orig. 23-24</b>	Oct. Revised		<b>July Proposed</b>	<b>F24 to F25</b>
Faculty		<b>29</b>	30		<b>30</b>	<b>1</b>
Administration		<b>1</b>	1		<b>1</b>	-
Maint/Tech/Support		<b>12</b>	12		<b>12</b>	-
Professional Support		<b>12</b>	11		<b>11</b>	<b>(1)</b>
<b>Total</b>		<b>54</b>	54		<b>54</b>	-

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: May 24, 2024

ITEM: Approval of Capital Budget Submittals and Disclosures

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Laura Bailey  
Associate Vice President of Capital Planning & Facilities  
Services

The overall goal of facilities planning for the Tennessee Higher Education Commission (THEC) is to provide physical facilities that enable institutions to provide a quality educational atmosphere that fulfill their role and mission. This goal is accomplished through annual recommendations for the funding of projects in capital outlay and capital maintenance, as follows:

Capital outlay projects utilize state funding in whole or in part. They include new facilities or additions required by enrollments or significant changes in programmatic requirements; major renovation which change the function, use, or capacity of existing space; major expansions or conversion of central energy plants; and major renovation projects which upgrade or appreciably extend the life of an existing facility. Capital maintenance projects recommended annually provide a multi-year commitment to protect the integrity of the building structures, or bring the equipment or systems in the buildings into compliance with current federal, state, and local standards.

Below is a list of ETSU's capital projects and priorities for fiscal year 2024-2025:

**Capital Outlay - \$49,500,000 – Submitted 07/27/2023**

1. Brown Hall Renovation Phase II – \$49,500,000

**Capital Demolition - \$225,000 – Submitted 06/30/2023**

1. Demolition of Powerhouse Chimney and Support Structure – \$225,000

**Capital Maintenance - \$16,940,000 – Submitted 06/30/2023**

1. Safety Lighting and Fire Alarm System Phase II - \$1,600,000
2. Multiple Buildings Roof Replacements Phase I – \$3,800,000
3. Safety Steam Line Repairs & Replacement – \$3,400,000
4. Primary Electrical Repairs & Replacement – \$1,200,000

5. Exterior/Structural Repairs & Replacement – \$1,740,000
6. Multiple Buildings HVAC & Plumbing Repairs Phase I – \$2,700,000
7. Multiple Buildings Electrical Upgrades Phase I – \$2,500,000

**Capital Disclosures - \$95,650,000 – Submitted 07/28/2022**

1. Residence Hall – \$40,000,000
2. Parking Garage – \$55,000,000
3. Campus Wide Paving and Repair – \$300,000
4. Millennium Center Parking Garage Elevator Upgrades – \$350,000

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

**RESOLVED: The university’s submission of the capital outlay, capital maintenance, and disclosed projects to the Tennessee Higher Education Commission as presented in committee is approved.**

# BOARD OF TRUSTEES

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APPROVAL OF CAPITAL BUDGET SUBMITTALS AND DISCLOSURES

May 24, 2024



## **A G E N D A**

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- Overall Goals
- Capital Outlay
- Capital Demolition
- Capital Maintenance
- Capital Disclosures





## OVERALL GOALS

**Capital outlay projects** utilize state funding in whole or in part.

They include:

- new facilities
- additions required by enrollments
- significant changes in programmatic requirements
- major renovation which change the function, use, or capacity of existing space
- major expansions or conversion of central energy plants
- major renovation projects which upgrade or appreciably extend the life of an existing facility.

**Capital maintenance projects** recommended annually provide a multi-year commitment to protect the integrity of the building structures, or bring the equipment or systems in the buildings into compliance with current federal, state, and local standards.



# CAPITAL OUTLAY

*Brown Hall Renovation Phase II*

**\$49,500,000**

Submitted 07/27/2023





## CAPITAL DEMOLITION

*Demolition of Powerhouse Chimney  
& Support Structure*

**\$225,000**

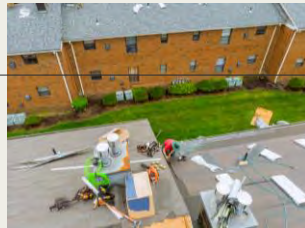
Submitted 06/30/2023



## CAPITAL MAINTENANCE - \$16,940,000



*Safety Lighting & Fire Alarm System Phase II*  
**\$1,600,000**



*Multiple Building Roof Replacements Phase I*  
**\$3,800,000**



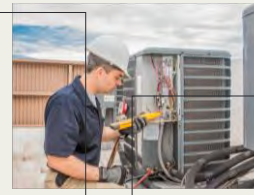
*Safety Steam Line Repairs & Replacement*  
**\$3,400,000**



*Primary Electrical Repairs & Replacement*  
**\$1,200,000**



*Exterior/ Structural Repairs & Replacement*  
**\$1,740,000**



*Multiple Building HVAC & Plumbing Repairs Phase I*  
**\$2,700,000**

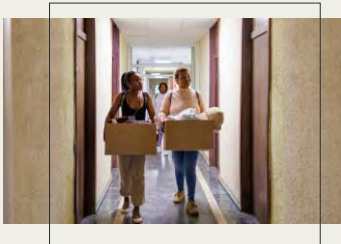


*Multiple Buildings Electrical Upgrades Phase I*  
**\$2,500,000**

Submitted 06/30/2023



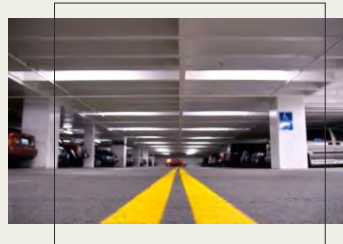
## CAPITAL DISCLOSURES - \$95,650,000



### *Residence Hall* **\$40,000,000**

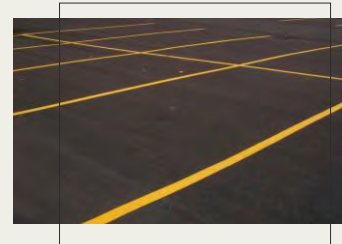
This project will provide additional capacity to support both the current and projected needs for on campus housing. ETSU's housing facilities are booked at full capacity for Fall 2022. A "live-on" requirement for freshmen is targeted for Fall 2024 which is expected to increase demand for housing by approximately 300-350 beds.

Submitted 07/28/2022



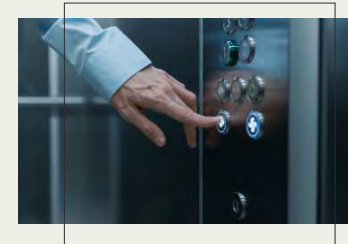
### *Parking Garage* **\$55,000,000**

The proposed parking garage will provide convenient on campus parking for students. The new garage will address growing student concerns about safe and convenient parking which is in close proximity to the academic core.



### *Campus Wide Paving & Repair* **\$300,000**

The proposed campus wide paving will help address issues in pavement around campus and maintain an adequate asphalt surface.



### *Millennium Center Parking Garage and Elevator Upgrades* **\$350,000**

The upgrade to the Millennium Center Parking Garage elevator will bring the cab up to meet current building and safety codes while improving reliability with controls and drive replacements.

# THANK YOU!

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FINANCE AND ADMINISTRATION COMMITTEE

May 24, 2024



FACILITIES  
MANAGEMENT

EAST TENNESSEE STATE UNIVERSITY

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: May 24, 2024

ITEM: Quarterly Financial Update

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Christy Graham  
Chief Financial Officer and  
Vice President of Business and Finance

The tables below summarize financial activities for the university through the third quarter of fiscal year 2023-24. The comparison is current year to prior year for the same nine-month period.

**Table 1 – Unrestricted E&G Revenues by Unit and Revenue Source**

<b>Unrestricted E&amp;G Year-to-Year Comparisons Year-to-Date 3-31-2023 &amp; 3-31-2024</b>				
	<b>FY2022-23</b>	<b>FY2023-24</b>	<b>Change</b>	<b>%</b>
<b>REVENUES</b>			<b>\$</b>	
<b>By Appropriation Unit</b>				
Main Campus	\$244,142,052	\$239,848,031	(\$4,294,021)	(1.76%)
Medicine/Family Med	66,518,677	72,503,974	5,985,297	9.00%
Pharmacy	8,158,792	7,103,162	(1,055,630)	(12.94%)
<b>TOTAL REVENUE</b>	<b>\$318,819,521</b>	<b>\$319,455,167</b>	<b>\$635,646</b>	<b>.20%</b>
<b>By Revenue Source</b>				
Tuition and Fees	\$154,589,049	\$154,858,105	\$269,056	0.17%
State Appropriations	128,849,640	120,614,600	(8,235,040)	(6.39%)
Grants, Contracts, Gifts	7,987,786	8,507,017	519,231	6.50%
Other	27,393,046	35,475,445	8,082,399	29.51%
<b>TOTAL REVENUE</b>	<b>\$318,819,521</b>	<b>\$319,455,167</b>	<b>\$635,646</b>	<b>.20%</b>

**Table 2 – Unrestricted E&G Expenditures by Appropriation Unit and Classification**

<b>Unrestricted E&amp;G</b>				
<b>Year-to-Year Comparisons</b>				
<b>Year-to-Date 3-31-2023 &amp; 3-31-2024</b>				
	<b>FY2022-23</b>	<b>FY2022-23</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>EXPENDITURES</b>				
<b>By Appropriation Unit</b>				
Main Campus	\$194,344,923	\$198,396,402	\$4,051,479	2.08%
Medicine/Family Med	64,702,364	72,461,379	7,759,015	11.99%
Pharmacy	7,232,171	6,120,730	(1,111,440)	(15.37%)
<b>TOTAL EXPENSE</b>	<b>\$266,279,458</b>	<b>\$276,978,511</b>	<b>\$10,699,053</b>	<b>4.02%</b>
<b>By Natural Classification</b>				
Salaries & Benefits	\$191,273,714	\$195,538,116	\$4,264,402	2.23%
Operating	45,718,918	45,737,699	18,781	.04%
Capital/Equipment	428,845	763,758	334,913	78.10%
Scholarships/Fellowships	25,657,067	25,701,291	44,225	.17%
Transfers to Other Funds	3,200,914	9,237,647	6,036,734	188.59%
<b>TOTAL EXPENSE</b>	<b>\$266,279,458</b>	<b>\$276,978,511</b>	<b>\$10,699,053</b>	<b>4.02%</b>
<b>By Functional Classification</b>				
Instruction	\$127,815,721	\$130,236,489	\$2,420,768	1.89%
Research	7,039,836	6,582,395	(457,441)	(6.50%)
Public Services	2,586,931	4,014,790	1,427,859	55.20%
Academic Support	26,671,900	27,221,160	549,260	2.06%
Student Services	25,075,911	25,101,346	25,435	.10%
Institutional Support	27,193,619	27,790,376	596,757	2.19%
Physical Plant	21,029,504	21,103,966	74,462	.35%
Scholarships/Fellowships	25,665,122	25,701,291	36,170	.14%
Transfers to Other Funds	3,200,914	9,226,698	6,025,784	188.25%
<b>TOTAL EXPENSE</b>	<b>\$266,279,458</b>	<b>\$276,978,511</b>	<b>\$10,699,053</b>	<b>4.02%</b>



**Table 3 – Current Operating Funds Revenues by Fund Type and Revenue Source**

**Current Operating Funds (Unrestricted/Auxiliaries/Restricted)  
Year-to-Year Comparisons  
Year-to-Date 3-31-2023 & 3-31-2024**

	FY2022-23	FY2023-24	Change	
			\$	%
<b>REVENUES</b>				
<b>By Current Fund Type</b>				
Unrestricted E&G	\$318,819,521	\$305,874,867	\$635,646	.20%
Auxiliaries	28,168,192	30,510,940	2,342,747	8.32%
Restricted Funds	120,666,747	121,644,335	977,588	.81%
<b>TOTAL REVENUE</b>	<b>\$467,654,460</b>	<b>\$471,610,442</b>	<b>\$3,955,982</b>	<b>.85%</b>
<b>REVENUES</b>				
<b>By Revenue Sources</b>				
Tuition and Fees	\$155,487,796	\$155,768,470	\$280,674	.18%
State Appropriations	129,254,379	120,893,904	(8,360,475)	(6.47%)
Grants, Contracts, Gifts	126,697,495	128,379,594	1,682,100	1.33%
Other	28,064,403	36,080,609	8,016,207	28.56%
Auxiliaries	28,150,387	30,487,864	2,337,477	8.30%
<b>TOTAL REVENUE</b>	<b>\$467,654,460</b>	<b>\$471,610,442</b>	<b>\$3,955,982</b>	<b>.85%</b>

**Table 4 – Current Operating Funds Expenditures by Fund Type and Classification**

<b>Current Operating Funds (Unrestricted/Auxiliaries/Restricted)</b>				
<b>Year-to-Year Comparisons</b>				
<b>Year-to-Date 3-31-2023 &amp; 3-31-2024</b>				
	<b>FY2022-23</b>	<b>FY2023-24</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>EXPENDITURES</b>				
<b>By Current Fund Type</b>				
Unrestricted E&G	\$266,279,458	\$276,978,511	\$10,699,053	4.02%
Auxiliaries	8,873,906	9,690,604	816,698	9.20%
Restricted Funds	107,588,765	108,352,787	764,022	.71%
<b>TOTAL EXPENSE</b>	<b>\$382,742,129</b>	<b>395,021,902</b>	<b>\$12,279,773</b>	<b>3.21%</b>
<b>EXPENDITURES</b>				
<b>By Natural Classification</b>				
Salaries & Benefits	\$225,772,773	\$233,176,709	\$7,403,936	3.28%
Operating	69,475,713	71,350,410	1,874,697	2.70%
Capital/Equipment	972,007	1,197,399	225,392	23.19%
Scholarships/Fellowships	76,657,353	79,711,535	3,054,183	3.98%
Transfers to Other Funds	9,864,283	9,585,848	(278,434)	(2.82%)
<b>TOTAL EXPENSE</b>	<b>\$382,742,129</b>	<b>395,021,902</b>	<b>\$12,279,773</b>	<b>3.21%</b>
<b>EXPENDITURES</b>				
<b>By Functional Classification</b>				
Instruction	\$131,802,809	\$134,962,061	\$3,159,252	2.40%
Research	19,293,810	18,401,391	(892,419)	(4.63%)
Public Services	38,617,322	44,232,017	5,614,695	14.54%
Academic Support	26,992,644	27,613,883	621,240	2.30%
Student Services	25,812,636	25,922,285	109,649	.42%
Institutional Support	35,031,113	29,002,351	(6,028,762)	(17.21%)
Physical Plant	21,125,110	21,202,177	77,067	0.36%
Scholarships/Fellowships	71,991,866	74,768,435	2,776,569	3.86%
Transfers to Other Funds	3,200,914	9,226,698	6,025,785	188.25%
Auxiliaries	8,873,906	9,690,604	816,698	9.20%
Aux Trsfrs to Other Funds	-	-	-	0%
<b>TOTAL EXPENSE</b>	<b>\$382,742,129</b>	<b>395,021,902</b>	<b>\$12,279,773</b>	<b>3.21%</b>

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: May 24, 2024

ITEM: Presentation of FY22 and FY23 Composite Financial Index

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Christy Graham  
Chief Financial Officer and  
Vice President of Business and Finance

The university prepares the Composite Financial Index (CFI) for review by the Board each year. The ratios were published in *Ratio Analysis in Higher Education* by KPMG and Prager, McCarthy & Sealy, LLC. The ratios were originally designed for private institutions and modified for public institutions in 2002. These ratios are intended to provide a measure of financial health of the institution.

The CFI consists of four individual ratios outlined below which are calculated and then weighted to produce the single CFI measure. The presentation of the CFI includes the financial resources of the ETSU Foundation as they provide support to the university.

**Primary Reserve - 35%**

- Measure of financial strength and flexibility. Comparison of expendable net assets to total expenses.
- Calculation - Expendable Net Assets / Total Expenses
- Standard Performance – 0.40

**Return on Net Assets – 20%**

- Measure of total economic return for fiscal year. Similar to return on equity.
- Calculation -  $\Delta$  in Net Assets / Beginning Total Net Assets
- Standard Performance - Inflation rate plus 3%

**Viability – 35%**

- Measure of financial health. Compares total expendable net assets to total current and noncurrent liabilities. Similar to coverage ratio.
- Calculation - Expendable Net Assets / Plant Related Debt
- Standard Performance – 1.25

**Net Operating Revenues – 10%**

- Indicates an operating surplus or deficit for the year. Similar to profit margin.
- Calculation – Operating Income + Nonoperating Revenues + Foundation  $\Delta$  in Unrest NA / Operating and Nonoperating Revenues + Foundation Unrestricted Revenue
- Standard Performance – 4%

## Composite Financial Indicator Calculation Fiscal Year 2021-22

<b>Primary Reserve (sufficiency of resources and their flexibility)</b>											
Unrestricted and Restricted Expendable Net Assets OVER All Expenditures (including interest on debt)											
	APSU	ETSU	MTSU	TSU	TTU	UofM	UTC	UTK	UTM	UTS	UT System Total
Actual	0.52	0.56	0.40	0.46	0.77	0.65	0.36	0.79	0.60	0.29	0.72
Standard	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Watch	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
<b>Viability (the capacity to repay debt with reserves)</b>											
Unrestricted and Restricted Expendable Net Assets OVER Plant Debt											
	APSU	ETSU	MTSU	TSU	TTU	UofM	UTC	UTK	UTM	UTS	UT System Total
Actual	1.29	1.43	1.14	1.21	1.83	1.74	0.76	1.48	1.29	0.79	1.38
Standard	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Watch	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41
<b>Return on Net Assets (indicates whether institution is better off this year than last year)</b>											
Change in Net Assets OVER Beginning Net Assets											
	APSU	ETSU	MTSU	TSU	TTU	UofM	UTC	UTK	UTM	UTS	UT System Total
Actual	10.06%	10.39%	11.20%	7.17%	9.34%	8.15%	7.13%	7.67%	16.63%	13.02%	8.20%
Standard	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%
Watch	9.06%	9.06%	9.06%	9.06%	9.06%	9.06%	9.06%	9.06%	9.06%	9.06%	9.06%
<b>Net Operating Revenues (indicates whether institution is living within available resources)</b>											
Revenues Less Expenditures OVER all Sources of Revenues											
	APSU	ETSU	MTSU	TSU	TTU	UofM	UTC	UTK	UTM	UTS	UT System Total
Actual	13.64%	10.93%	6.52%	11.62%	12.65%	9.65%	3.95%	7.29%	4.24%	7.78%	6.63%
Standard	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Watch	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total CFI (Composite Financial Indicator)</b>											
Overall Financial Health of the Institution											
	APSU	ETSU	MTSU	TSU	TTU	UofM	UTC	UTK	UTM	UTS	UT System Total
Actual	4.44	4.56	3.62	3.85	5.46	4.73	2.60	4.66	4.66	3.34	4.37
Primary Reserve	1.36	1.48	1.04	1.22	2.01	1.71	0.94	2.09	1.58	0.77	1.89
Viability	1.08	1.20	0.95	1.02	1.54	1.46	0.64	1.24	1.08	0.66	1.15
Return on Net Assets	1.01	1.04	1.12	0.72	0.93	0.81	0.71	0.77	1.66	1.30	0.82
Net Operating Revenue	1.00	0.84	0.50	0.89	0.97	0.74	0.30	0.56	0.33	0.60	0.51
Standard	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Watch	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

FY23

### East Tennessee State University

	Institution	Foundation	Total		
<b>Key Performance Indicators</b>			6.12		

<b>Primary Reserve (sufficiency of resources and their flexibility) = Unrestricted and Restricted Expendable Net Assets OVER all Expenditures (including interest on debt)</b>					
Unrestricted Net Assets & Restricted Expendable Assets	236,712,360	73,537,591	<b>310,249,950</b>		
Expenditures	441,020,395	13,113,262	<b>454,133,657</b>		
Ratio	<b>0.54</b>	<b>5.61</b>	<b>0.68</b>	0.4	0.13
				Std	Watch

<b>Viability (the capacity to repay debt with reserves) = Unrestricted and Restricted Expendable Net Assets OVER Plant Debt</b>					
Unrestricted Net Assets & Restricted Expendable Assets	236,712,360	73,537,591	<b>310,249,950</b>		
Plant Debt	155,903,334	3,209,211	<b>159,112,546</b>		
Ratio	<b>1.52</b>		<b>1.95</b>	1.25	0.41
				Std	Watch

<b>Return on Net Assets (indicates whether institution is better off this year than last year) = change in Net Assets OVER beginning Net Assets</b>					
Change in total assets	74,696,634	20,572,731	<b>95,269,365</b>		
Beginning total net assets	438,321,216	127,919,290	<b>566,240,506</b>		
Ratio (%)	<b>17.04%</b>	<b>16.08%</b>	<b>16.82%</b>	12.06%	9.06%
				Std	Watch

<b>Net Operating Revenues (indicates whether institution is living within available resources) = revenues less expenditures OVER all sources of revenues</b>					
Net operating (loss)/surplus	(178,327,012)	(331,520)			
All nonoperating revenues less interest expense	236,218,343	14,798,416			
<b>Revenue surplus (loss)</b>	57,891,331	14,466,896	<b>72,358,226</b>		
Operating revenues	257,989,315	12,781,742			
All nonoperating revenues	240,922,411	14,798,416			
<b>Total Revenues</b>	498,911,726	27,580,158	<b>526,491,884</b>		
Ratio	<b>11.60%</b>	<b>52.45%</b>	<b>13.74%</b>	3.00%	0.00%
				Std	Watch

<b>CFI (Composite Financial Indicator) - indicates the financial health of the institution</b>					
	<u>Value</u>	<u>Strength</u>	<u>Weight</u>	<u>Score</u>	
<b>Primary Reserve</b>	0.68	13%	0.35	1.80	▲
<b>Viability</b>	1.95	42%	0.35	1.64	▲
<b>Return on Net Assets</b>	16.82%	2%	0.2	1.68	▲
<b>Net Operating Revenues</b>	13.74%	1.30%	0.1	1.00	▲
<b>CFI</b>				<b>6.12</b>	
				3.00	1.00
				Std	Watch

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: May 24, 2024

ITEM: Quarterly Report of Agreements \$250,000 or greater

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Christy Graham  
Chief Financial Officer and  
Vice President of Business and Finance

Included below is a list of agreements, both expense and revenue, with amounts totaling \$250,000 or greater for the period of January 2024 – March 2024.

**January – March 2024**

**Contracts / Purchase Orders over \$250,000**

<b>Contract/ PO Date</b>		<b>Contractor</b>	<b>Description of Services/Products</b>	<b>Contract / PO Amount</b>	<b>\$ Annual Contract</b>	<b>Competitive</b>	<b>Fiscal Review Approval</b>
<b>Start</b>	<b>End</b>						
2/17/24	11/30/24	Frontier Health	Chair for the Dept of Psychiatry	\$310,000	\$310,000	No	N/A
2/16/24	2/16/29	Dillow Taylor Funeral Home	Transport, embalming, and cremation of donated bodies	\$1,000,000	PO basis	Yes	N/A
3/8/24	3/8/24	Southwest Contract	Buc Ridge Furniture	\$1,009,310	\$1,009,310	Yes	N/A
2/9/24	2/9/24	Belfor	Mitigation due to freeze event	\$1,188,648	\$1,188,648	Yes	N/A
2/7/24	2/7/24	Elsevier	Access to collections/subscriptions	\$290,873	\$290,873	No	N/A
7/1/24	6/30/28	EAB Global Inc.	Student Success Collaborative	\$1,033,979	247,149	Yes	N/A
1/1/24	6/30/26	BSN Sports	Athletics supplier agreement	\$1,000,000	\$400,000	Yes	N/A



**RFI/RFPs –In-Process and Upcoming**

Broker Services for Medical Residents Health Insurance(s) – In-Process

Production Company for SGA Major Events – In-Process

Family Medicine Site(s) Custodial Services – In-Process

This report does not include contracts or agreements associated with revenue, software/systems maintenance agreements, contracts with the federal government, and construction projects which are approved through the State Building Commission.