



**President's Report
East Tennessee State University
Board of Trustees Spring Quarterly Meeting
March 24, 2017**



Budget Principles

- Enhancing faculty/staff salaries is ETSU's overarching budget priority
- The establishment of strategic/innovation resource pools is critical to ensure flexibility and responsiveness to changing market forces
- The value of “student success” will undergird all budget decisions
- Budget increases/decreases will be implemented strategically based upon the evaluation and analysis of data, which will inform decision making
- Where feasible, changes in priorities within a unit will be first supported through the substitution/reallocation of unit resources, thereby minimizing the demand for additional University resources
- Units will be responsible for the management of fiscal resources within the limits of their specified allocations
- In the event that ETSU must implement budget reductions, all units will submit a two percent reduction strategy to their respective vice presidents as part of the unit level budget review



Campus Budget Process

ETSU has implemented a consultative process for developing budget recommendations to the Board of Trustees. This process:

- aligns budgets and resources with the University's strategic plan, mission, vision and goals
- provides a multi-year financial plan that will be reviewed and updated regularly
- reflects differences and varying needs across the diverse units of the institution
- promotes fiscal responsibility
- engages and involves the entire ETSU community
- promotes collaboration among academic and administrative units
- allows for the public presentation of budget priorities
- promotes transparency and shared governance
- provides a venue to evaluate and prioritize budget proposals from across the University for which there are limited resources



Strategic Budget Process

Phase 1: The President establishes the strategic priorities, forecasts projected revenues, and issues budget directives to the VPs.

Phase 2: Units prepare prioritized budget proposals for submission to their respective VP. This will include any requests for specialized or required fees and the proposed use of such fees.

Phase 3: The VPs submit their prioritized budget proposals to the Budget Advisory Committee (BAC) for review. The BAC will conduct budget hearings, using the information gleaned from these hearings to prepare the BAC's budget recommendation.

Phase 4: The President's senior leadership team will review the BAC's recommendation and prepare a prioritized recommendation for review by the Interim University Council.

Phase 5: The President will submit the final budget to the Board of Trustees for approval.



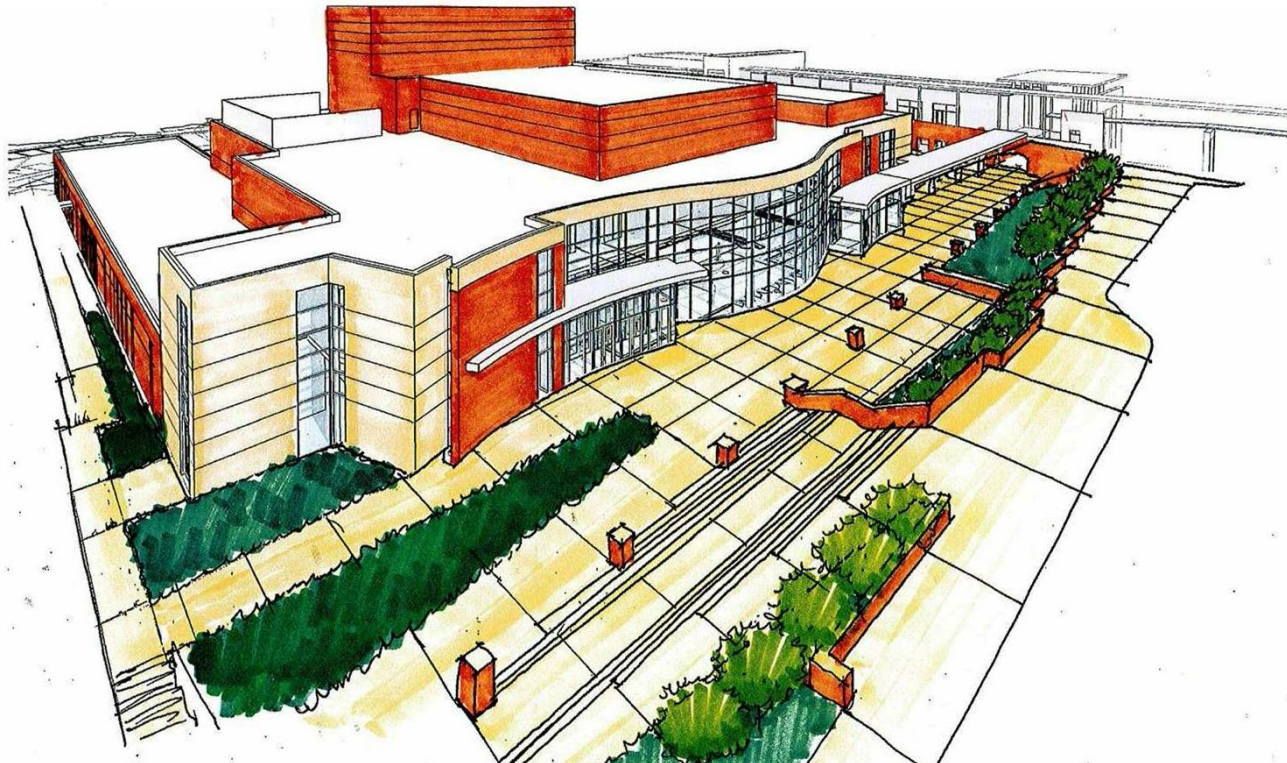
Campus Construction Update

- Martin Center for the Arts
- Football Stadium
- D.P Culp University Center Renovation
- Inter-professional Education Center
- Data Center
- Lamb Hall Renovation/Addition



Martin Center for the Arts

- Cost: \$52.3 million
- Projected completion: Spring 2019
- Located across from the main campus adjacent to the Centre at Millennium Park, the facility will provide a home for many ETSU arts programs and will include teaching and performance spaces as well as instructional and performance areas. Among the performance areas will be a main concert hall offering seating for 1,200 guests. The project is being funded through a state appropriation, private donations and a partnership with the City of Johnson City.



Football Stadium

- Cost: \$22 million
- Projected completion: Summer 2017
- Located on the southwest corner of campus, the stadium will include approximately 8,000 seats. Groundbreaking occurred on November 16, 2015. Kenny Chesney and NFL football coach Mike Smith are serving as co-chairs of the fundraising campaign for the stadium. Private donations and student fees are being used to fund the construction of the stadium.



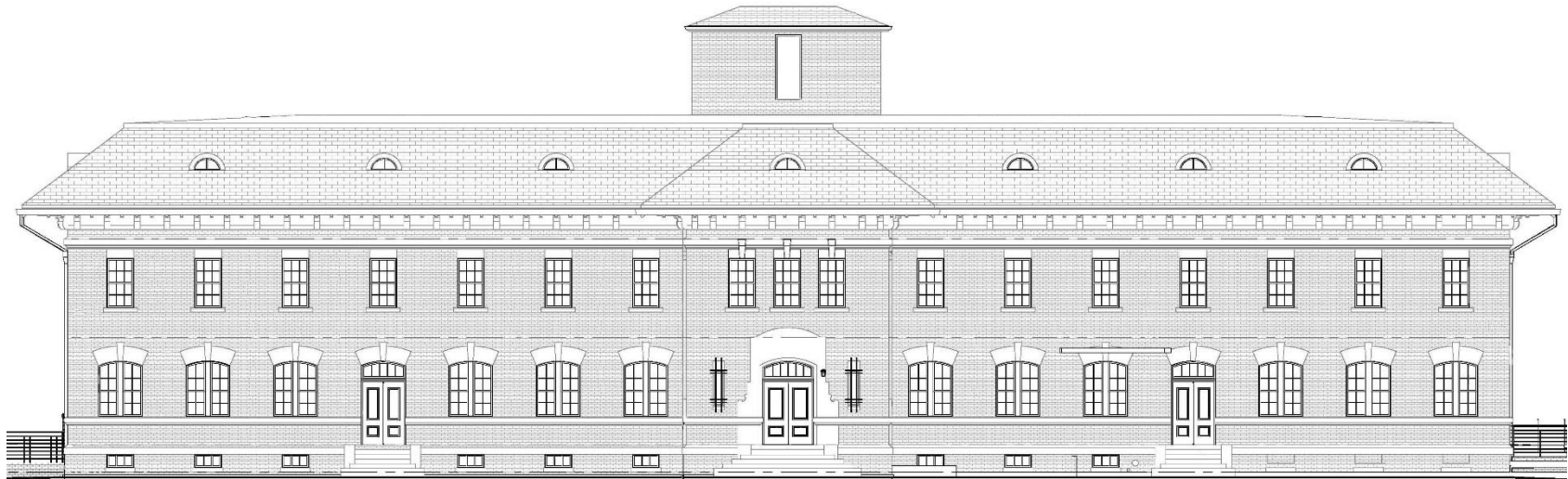
D.P. Culp University Center

- Cost: \$41 million
- Projected completion: 2019
- This renovation project, funded through dedicated student fees, will include an expanded and integrated center for student organizations, enhanced student meeting/lounge space, an updated ballroom and meeting rooms, a new 200-person meeting space, and significantly expanded/enhanced dining options.



Inter-professional Education Center

- Cost: \$13 million
- Projected completion: Spring 2018
- Located adjacent to Stanton-Gerber Hall, this facility will provide state of the art simulation laboratories, research space, classrooms, conference rooms, student study space, food service space, and administrative offices. Faculty, staff, and students from the Gattton College of Pharmacy, Quillen College of Medicine, College of Nursing, College of Public Health, and College of Clinical and Rehabilitative Health Sciences have been actively engaged in the design process.



Campus Data Center

- Cost: \$2.7 million
- Projected completion: Spring 2017
- The Data Center is a 4,954-square-foot facility being built to house, protect, and service ETSU centralized data and core communications infrastructures. It will be equipped with redundant cooling, conditioned uninterruptible power, fire suppression, and two-factor secure access with capacity for substantial future growth. Construction is on schedule to be completed in December 2016, with migration into the facility over the following months.



Lamb Hall Renovation

- Cost: \$21.8 million
- Project Completion: Planning funds approved during the 2016 Legislative session; designated number one project on the TBR 2017 capital list; awaiting details of Governor Haslam's 2017-18 budget
- In the near future, ETSU will initiate a major renovation of Lamb Hall, which is the home to many of our health programs. The renovation will provide enhanced teaching and research space for faculty in a variety of academic departments/units.



Legislative Update

- Support for the outcomes formula and salary enhancements
- Support for capital projects
 - Lamb Hall
 - Matching requirement
- Support for deferred maintenance projects
- Opioid research funding
- FOCUS implementation
- Campus safety
- Out of state tuition and DACA students
- Recognition of the role of universities in the state policy agenda

