

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE
SEPTEMBER 2022 MEETING

9:45 – 11:15 a.m. EDT
Friday
September 16, 2022

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.
Allen Archer
Dorothy Grisham
Dr. Linda Latimer
Ron Ramsey

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AGENDA

- I. Call to Order
- II. Roll Call
- III. [Approval of the Committee Minutes from April 22, 2022](#)
- IV. [Action Item: Approval of Dual Enrollment Tuition and Fee Adjustment – Levesque](#)
(5 minutes)
- V. [Action Item: Approval of Delegation of Authority for Dual Enrollment Tuition and Fee Adjustments – Levesque](#) (5 minutes)
- VI. [Action Item: Approval of College of Medicine Summer Term Tuition – King](#)
(10 minutes)
- VII. [Action Item: Campus Housing 5-Year Prospective – Sherlin/Bailey](#) (10 minutes)
- VIII. [Quarterly Financial Report – King](#) (10 minutes)
- IX. [Quarterly Report of Agreements \\$250,000 or greater – Roberts](#) (5 minutes)
- X. [Annual Foundation Update – Ritter](#) (15 minutes)
- XI. [Capital Projects and Facilities Update – Ross](#) (15 minutes)

XII. Other Business

XIII. Adjournment

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 16, 2022

ITEM: Approval of the Minutes from April 22, 2022

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Adam Green
Board Secretary

The minutes of the April 22, 2022 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 April 22, 2022 meeting 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

April 22, 2022
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, April 22, 2022, at 9:20 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 9:20 a.m.

II. Roll Call

Board Secretary Dr. Adam Green led the roll call and confirmed to the Committee Chair that a quorum was present.

Committee members present were:

Trustee Charles Allen
Trustee Dorothy Grisham
Board Chair Dr. Linda Latimer
Committee Chair Steve DeCarlo
Absent: Trustees Ron Ramsey and Kara Gilliam

III. Approval of the Finance and Administration Committee Minutes from February 18, 2022, and March 30, 2022

The minutes from February 18, 2022 and March 30, 2022, 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 Extension of Fixed Price for Online Masters in Criminal Justice and Criminology

Interim Dean for the College of Arts and Sciences, Dr. Joe Bidwell, presented information regarding ETSU's online Master of Arts in Criminal Justice and Criminology. The Board of Trustees approved a fixed-price model for the fully online Master of Arts in Criminal Justice and Criminology Program in 2018.

Dr. Bidwell requested approval from the Committee to extend the fixed price model of \$550 per credit hour for new students entering the program in AY22-23, AY23-24, and AY24-25, stating that the additional three years will allow the program to grow and maintain its established success.

The request for an extension of a fixed price model for the Online Master of Arts Degree in Criminal Justice and Criminology AY22-23, AY23-24, and AY24-25 was approved as submitted, with Trustee Charles Allen making the motion and Trustee Dorothy Grisham seconding the motion. The motion passed unanimously.

V. Action Item: Approval of Tuition Rate for High School Dual Enrollment Students

Dr. Heather Levesque, Director of Undergraduate Admissions, and Ms. Elizabeth Graham, Assistant Director for Dual Enrollment, requested Board approval of ETSU's revised dual enrollment tuition. This increase will allow students to increase their number of free classes from two to four. The current tuition rate is \$166 per credit hour. Undergraduate Admissions proposed that the university increase the fee to \$181 per credit hour to match the state-afforded grant funds for the first four classes. This increase aligns with actions taken by the Tennessee Legislative Session in December 2021. Lawmakers passed SB 482 and HB 752, which increased the grant award for students participating in dual enrollment.

The proposal to increase the tuition rate to \$181 per credit hour for high school dual enrollment students was approved as submitted, with Trustee Dorothy Grisham making the motion and Trustee Charles Allen seconding the motion. The motion passed unanimously.

VI. Action Item: Approval of Spring Estimated and July Proposed Budgets

Dr. B.J. King, Chief Financial Officer, presented for approval the spring 2021-2022 estimated budgets and the July 2022-2023 proposed budgets for one formula-funded unit (Main Campus), two non-formula units (Quillen College of Medicine and Family Medicine), and one self-funded unit (Gatton College of Pharmacy).

The budgets for the main campus were included on page 17 of the agenda materials. Items of note and aspects considered when preparing the spring estimated and July proposed budget include:

Main Campus: The Main Campus budget is balanced and within available resources. It includes a projected enrollment decline of 350 students. Revenues are projected to increase by \$4.6 million, with increases in state appropriations offset by enrollment decline and flat tuition. Scholarships are reduced with the reset of out-of-state tuition and the elimination of guaranteed out-of-state scholarships. Debt service is decreased with bond refunding. Total expenditures and transfers of \$276 million are included in the July budget.

Quillen College of Medicine: State appropriations are increasing by \$6 million to support salary and operations. The budget includes a fee increase and a fee reset, which was approved at the February 2022 Board of Trustees meeting. Expenditures are increasing across all functions due to the proposed salary pool and operational expenses. The college position count has risen due to the addition of two to three faculty positions, three rural health positions, and two professional support positions. The budget is balanced and within available resources.

Family Medicine: State appropriations for salaries and operations are increasing with a corresponding increase in expenditures across all programs. Three faculty positions in Family Medicine have been eliminated, with the College of Medicine absorbing them. A new nurse position has been requested at the Johnson City Family Medicine Clinic. The budget is balanced and within the limits of available funds.

Gatton College of Pharmacy: The revenue budget is down due to a decrease in enrollment. Most expenditure categories are experiencing a corresponding decrease. Previously empty faculty positions have been eliminated, corresponding to the decline in enrollment. Those positions were unfilled; there has been no faculty turnover.

The 2021-2022 spring estimated and July 2022-2023 proposed budgets were unanimously approved as submitted, with Trustee Dorothy Grisham making the motion and Trustee Charles Allen seconding the motion.

VII. Quarterly Financial Report

Dr. King presented the Quarterly Financial Reports as an informational item summarizing financial activities through February of fiscal year 2021-2022. Unrestricted E&G fund revenues are primarily driven by state appropriations. College

of Pharmacy tuition revenues are down due to a decrease in enrollment. Grants and contracts are up due to gifts from BlueCross BlueShield of Tennessee for the BlueSky Tennessee Institute program and an equipment gift in kind. College of Medicine funding for the medical resident participation agreements has increased. Other revenue sources and auxiliaries are up due to students being back on campus, athletic operations, and general activities across campus.

The report of Unrestricted E&G Expenditures shows salaries and benefits expenditures are down across all units, influenced by retirement incentives during the prior year. The College of Pharmacy's expenditures have been reduced to match its lower revenues. Scholarships declined due to the out-of-state tuition and scholarship reset, and operational expenses have risen due to increased campus activities. Restricted Fund expenditures are up with the HEERF expenditures and transfers to Unrestricted and Auxiliary Funds. Scholarship expenditures increased due to HEERF student emergency grants.

As an information item for the Committee, Dr. King provided a summary of the HEERF funding. To date, the university has received and distributed the sum of \$26,940,829. All student emergency grant funds awarded to the university have been distributed to students. The university has received a total of \$33,330,936 in institutional awards and has drawn down \$28 million. A drawdown is available in the amount of \$5 million in institutional funds. There is also \$1.7 million available to draw down from Strengthening Institutional Performance (SIP) Funds. The deadline to deplete the remaining balance of \$6.8 million is June 30, 2023.

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

Ryan Roberts, Procurement and Contracts Manager, presented the Quarterly Reports of Agreements \$250,000 or Greater for January 2022 through March 2022. A detailed report included the following contracts and purchase orders:

- Tri-Cities Regional Emergency Physicians, PC July 1, 2021 to June 30, 2025
\$536,000/4 years
- Elsevier January 1, 2022 to December 31, 2024 - \$1,733,734/3 years
- Huron Consulting Services February 23, 2022 to February 23, 2023
\$423,000

RFI/RFPs – in-process and upcoming include:

- ERP Deployment Partner – ITS ERP

- Trademark Licensing – University Counsel/Marketing

IX. Action Item: Capital Budget Submittals and Disclosures

Mr. Jeremy Ross, Chief Operating Officer, provided an update on the Housing Capital Project and the Tennessee State School Bond Authority (TSSBA) application. Staff provided an overview of the scope of the project, total bonding amounts, and the expectation for rate increases. Along with occupancy rates, updates to the Board included information on the current proforma basis, which includes no current year rate increases to service the debt. A rate increase of three percent per year throughout the project is included for 2024, 2025, and 2026. The presentation indicated that adjustments may be made in the future depending on market conditions, and the Board’s flexibility will allow staff to respond to changing market conditions.

The Capital Budget Submittals and Disclosures were approved as submitted, with Trustee Charles Allen making the motion and Trustee Dorothy Grisham seconding the motion. The motion passed unanimously.

X. Other Business

There were no other business items to discuss.

XI. Adjournment

Committee Chair Steve DeCarlo adjourned the meeting at 10:20 a.m.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 16, 2022

ITEM: Approval of Dual Enrollment Tuition and Fee Adjustment

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Heather Levesque
Director of Undergraduate Admissions

During the April 2022 Board Meeting, the ETSU Board of Trustees approved an increase of the Dual Enrollment fee to \$181 per credit hour. This increase matched the grant funds provided by the State through the Tennessee Student Assistance Corporation (TSAC) and allowed the first four classes taken to be free to students. In June 2022, with the passage and enactment of the HOPE Expansion Bill, the Dual Enrollment Grant covers the cost of five (5) courses beginning in the 2022-23 academic year. The award amount for those five (5) courses will be \$538.65.

This award amount represents \$513 in tuition plus a Dual Enrollment Access Fee of 5% (\$25.65) as outlined in the bill. This legislation decreased the maximum amount of funding for the Dual Enrollment Grant. ETSU had raised tuition with the assumption that students would pay \$543 per class. With the passage of the HOPE Expansion Bill, students are only paying \$538.65 per class. This left a difference of \$4.35 that students would have to pay for each 3-credit hour course. To meet the immediate need, an institutional scholarship was created to cover the \$4.35 difference. Staff requests Board approval to align tuition with the Dual Enrollment Grant.

		Proposed		
	Current Rate	Tuition	Fee	Proposed Rate
Grants 1-5	\$543	\$513	25.65	\$538.65

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

RESOLVED: The proposed adjustment in tuition for Dual Enrollment courses is approved as presented in the meeting materials.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 16, 2022

ITEM: Approval of Delegation of Authority for Dual Enrollment
Tuition and Fee Adjustments

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Heather Levesque
Director of Undergraduate Admissions

Staff seeks Board approval for the delegation of authority to modify dual enrollment tuition and fees at the institutional level when Tennessee Student Assistance Corporation (TSAC) makes a change that would impact the state funding rate. Such action would be made at the recommendation of the Office of Undergraduate Admissions and approved by the University President.

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

RESOLVED: The Board of Trustees delegates authority to the University President to increase or decrease tuition and fees for Dual Enrollment courses in conjunction with TSAC funding as presented in the meeting materials.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 16, 2022

ITEM: Approval of College of Medicine Summer Term Tuition

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: B.J. King
Chief Financial Officer

The new curriculum at the College of Medicine requires the creation of a summer term at the conclusion of the first academic year. The new summer term will be offered only to those medical students needing to enroll due to academic difficulties encountered in the first year. The anticipated enrollment for the term is minimal, but the additional term will ensure the timely progression of medical students as needed.

For the 2022-23 academic year, the term is expected to begin on May 29, 2023 and conclude by July 22, 2023. Equivalent summer terms will be established in following years. The summer term will be composed of two equal, shorter terms providing two course enrollment opportunities, or one complete term for a longer or more complex course.

The College is proposing tuition and fees of \$2,200 for the short terms or \$4,000 for the entire term as needed.

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

RESOLVED: The proposed summer term and related tuition for the College of Medicine is approved as presented in the meeting materials.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 16, 2022

ITEM: Campus Housing 5-Year Prospective

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Joe Sherlin
Vice President for Student Life and Enrollment

Laura Bailey
Associate Vice President, Facilities and Capital Planning

Staff has developed and received Board approval of a renovation and deferred maintenance plan for selected on-campus housing facilities. A brief overview of on-campus housing goals, progress toward goals, and future challenges will be reviewed.

The proposed plan for housing rate increases from FY 24 through FY 27 is submitted for approval. Each year, adjustments to the rates below for the following fiscal year will be brought forward for approval at the February meeting of the Finance and Administration Committee.

ETSU Housing System Financials *						
	<i>Rental Rates*</i>	Fall 2022	Fall 2023	Fall 2024	Fall 2025	Fall 2026
		FY23	FY24	FY25	FY26	FY27
	Dossett Hall	\$2,035	\$2,055	\$2,150	\$2,400	\$2,400
	Powell Hall	\$2,035	\$2,150	\$2,400	\$2,400	\$2,400
	Carter Hall	\$2,075	\$2,250	\$2,450	\$2,450	\$2,450
	Luntsford Apts	\$2,360	\$2,400	\$2,600	\$2,600	\$2,600
	West Hall	\$2,035	\$2,055	\$2,150	\$2,400	\$2,400
	Centennial Hall	\$3,100	\$3,150	\$3,200	\$3,300	\$3,350
	Davis Apts	\$2,200	\$2,275	\$2,475	\$2,475	\$2,475
	Governors Hall	\$2,670	\$2,700	\$2,750	\$2,775	\$2,795
	Lucille Clement Hall	\$2,035	\$2,055	\$2,100	\$2,400	\$2,500
	Stone Hall	\$2,075	\$2,250	\$2,450	\$2,450	\$2,450
	Buc Ridge	\$3,475	\$3,635	\$3,675	\$3,675	\$3,700

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

RESOLVED: The proposed rates for Housing for FY 24-27 are approved as presented in the meeting.

***Future adjustments to rates will be proposed based on renovation schedule and market and inflation analysis, and staff reserve the right to bring future rate adjustments to the Board of Trustees based upon changing market conditions.**

Housing Planning

A presentation to the
Finance and Administration Committee
September 16, 2022



Housing Goals

- 3500 students in campus housing by 2026
- Renovate and update existing housing facilities
- Maintain high level of occupancy
- Enhance housing program and experience



Progress



Since Fall 2020...

- Housing occupancy has increased 45% to 100% capacity in Fall 22
- Campus meal plan participation at record level (+257)
- 150 beds have been recaptured to increase occupancy to 3002
- Five faculty including the Honors Dean are in residence
- Honors Hall and Pre-Health Residential Halls have been created
- 25 million dollar renovation plan has been approved
- Freshmen class size has increased by approximately 20% over the last two years



Recent Renovations_ Stone Hall



Recent Renovations Carter Hall



Challenges



-
- Capacity
 - Occupancy management
 - Long-term lease agreements
 - Project Management
 - Supply chain for renovations
 - Summer timeline
 - Powell Hall
 - Maximizing Impact
 - Updating the facility experience
 - Amenities and deferred maintenance prioritization
 - Revenue for New Construction
 - High occupancy
 - Reviewing rental rates
 - Reduction in TSSBA debt service in future years



Request for Approval

ETSU Housing System Financials					
				Reno Project ending Summer 25	
Rental Rates*	Fall 2022 FY23	Fall 2023 FY24	Fall 2024 FY25	Fall 2025 FY26	Fall 2026 FY27
Dossett Hall	\$2,035	\$2,055	\$2,150	\$2,400	\$2,400
Powell Hall	\$2,035	\$2,150	\$2,400	\$2,400	\$2,400
Carter Hall	\$2,075	\$2,250	\$2,450	\$2,450	\$2,450
Luntsford Apts	\$2,360	\$2,400	\$2,600	\$2,600	\$2,600
West Hall	\$2,035	\$2,055	\$2,150	\$2,400	\$2,400
Centennial Hall	\$3,100	\$3,150	\$3,200	\$3,300	\$3,350
Davis Apts	\$2,200	\$2,275	\$2,475	\$2,475	\$2,475
Governors Hall	\$2,670	\$2,700	\$2,750	\$2,775	\$2,795
Lucille Clement Hall	\$2,035	\$2,055	\$2,100	\$2,400	\$2,500
Stone Hall	\$2,075	\$2,250	\$2,450	\$2,450	\$2,450
Bucc. Ridge	\$3,475	\$3,635	\$3,675	\$3,675	\$3,700



Questions - Discussion



EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 16, 2022

ITEM: Quarterly Financial Update

COMMITTEE: Finance and Administration Committee

PRESENTED BY: B.J. King
Chief Financial Officer

The tables below summarize financial activities through June for the fiscal year 2021-22. The comparison is current year to prior year for the same twelve-month period.

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

Unrestricted E&G Year-to-Year Comparisons Year-to-Date 6-30-2021 & 6-30-2022				
	FY2020-21	FY2021-22	Change	
			\$	%
REVENUES				
By Appropriation Unit				
Main Campus	\$237,843,560.58	\$239,778,932.11	\$1,935,371.53	0.81%
Medicine/Family Med	78,958,163.39	84,123,936.99	5,165,773.60	6.54%
Pharmacy	10,597,218.80	10,070,808.43	(526,410.37)	(4.97%)
TOTAL REVENUE	\$327,398,942.77	\$333,973,677.53	\$6,574,734.76	2.01%
By Revenue Source				
Tuition and Fees	\$172,171,834.51	\$166,377,639.75	(\$5,794,194.76)	(3.37%)
State Appropriations	117,979,575.00	127,718,113.00	9,738,538.00	8.25%
Grants, Contracts, Gifts	5,359,143.46	5,427,434.23	68,290.77	1.27%
Other	31,888,389.80	34,450,490.55	2,562,100.75	8.03%
TOTAL REVENUE	\$327,398,942.77	\$333,973,677.53	\$6,574,734.76	2.01%

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

Unrestricted E&G				
Year-to-Year Comparisons				
Year-to-Date 6-30-2021 & 6-30-2022				
	FY2020-21	FY2021-22	Change	
			\$	%
EXPENDITURES				
By Appropriation Unit				
Main Campus	\$232,142,254.58	\$224,063,029.17	(\$8,079,225.41)	(3.48%)
Medicine/Family Med	78,033,794.10	74,460,320.41	(\$3,573,473.69)	(4.58%)
Pharmacy	9,855,671.38	8,554,684.64	(1,300,986.74)	(13.20%)
TOTAL EXPENSE	\$320,031,720.06	\$307,078,034.22	(\$12,953,685.84)	(4.05%)
By Natural Classification				
Salaries & Benefits	\$229,100,526.16	\$219,254,916.29	(\$9,845,609.87)	(4.30%)
Operating	39,018,315.07	54,943,275.02	15,924,959.95	40.81%
Capital/Equipment	1,438,748.02	1,480,369.60	41,621.58	2.89%
Scholarships/Fellowships	33,976,126.64	30,903,152.88	(3,072,973.76)	(9.04%)
Transfers to Other Funds	16,498,004.17	496,320.43	(16,001,683.74)	(96.99%)
TOTAL EXPENSE	\$320,031,720.06	\$307,078,034.22	(\$12,953,685.84)	(4.05%)
By Functional Classification				
Instruction	\$160,018,951.17	\$155,387,682.55	(\$4,631,268.62)	(2.89%)
Research	5,572,250.92	7,167,432.60	1,595,181.68	28.63%
Public Services	2,614,948.12	2,743,913.08	128,964.96	4.93%
Academic Support	32,917,815.36	31,722,307.01	(1,195,508.35)	(3.63%)
Student Services	26,587,058.52	26,977,788.95	390,730.43	1.47%
Institutional Support	22,032,493.47	26,554,023.90	4,521,530.43	20.52%
Physical Plant	19,814,071.69	25,125,412.82	5,311,341.13	26.81%
Scholarships/Fellowships	33,976,126.64	30,903,152.88	(3,072,973.76)	(9.04%)
Transfers to Other Funds	16,498,004.17	496,320.43	(16,001,683.74)	(96.99%)
TOTAL EXPENSE	\$320,031,720.06	\$307,078,034.22	(\$12,953,685.84)	(4.05%)

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 6-30-2021 & 6-30-2022**

	FY2020-21	FY2021-22	Change	
			\$	%
REVENUES				
By Current Fund Type				
Unrestricted E&G	\$327,398,942.77	\$333,973,677.53	\$6,574,734.76	2.01%
Auxiliaries	18,212,020.10	25,207,262.86	6,995,242.76	38.41%
Restricted Funds	129,152,756.26	146,493,083.76	17,340,327.50	13.43%
TOTAL REVENUE	\$474,763,719.13	\$505,674,024.15	\$30,910,305.02	6.51%
REVENUES				
By Revenue Sources				
Tuition and Fees	\$172,880,801.00	\$167,336,918.09	(\$5,543,882.91)	(3.21%)
State Appropriations	118,518,620.92	128,032,186.71	9,513,565.79	8.03%
Grants, Contracts, Gifts	132,529,779.39	149,602,844.31	17,073,064.92	12.88%
Other	32,622,497.72	35,494,812.18	2,872,314.46	8.80%
Auxiliaries	18,212,020.10	25,207,262.86	6,995,242.76	38.41%
TOTAL REVENUE	\$474,763,719.13	\$505,674,024.15	\$30,910,305.02	6.51%

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

Current Operating Funds (Unrestricted/Auxiliaries/Restricted)				
Year-to-Year Comparisons				
Year-to-Date 6-30-2021 & 6-30-2022				
	FY2020-21	FY2021-22	Change	
			\$	%
EXPENDITURES				
By Current Fund Type				
Unrestricted E&G	\$320,031,720.06	\$307,078,034.22	(\$12,953,685.84)	(4.05%)
Auxiliaries	18,449,834.84	25,448,967.57	6,999,132.73	37.94%
Restricted Funds	115,509,526.50	142,439,047.49	26,929,520.99	23.31%
TOTAL EXPENSE	\$453,991,081.40	\$474,966,049.28	\$20,974,967.88	4.62%
EXPENDITURES				
By Natural Classification				
Salaries & Benefits	\$268,795,563.38	\$264,208,828.00	(\$4,586,735.38)	(1.71%)
Operating	68,100,244.70	89,947,202.94	21,846,958.24	32.08%
Capital/Equipment	2,161,449.08	1,855,174.52	(306,274.56)	(14.17%)
Scholarships/Fellowships	85,662,115.79	91,149,834.89	5,487,719.10	6.41%
Transfers to Other Funds	29,271,708.45	27,805,008.93	(1,466,699.52)	(5.01%)
TOTAL EXPENSE	\$453,991,081.40	\$474,966,049.28	\$20,974,967.88	4.62%
EXPENDITURES				
By Functional Classification				
Instruction	\$169,497,909.19	\$166,384,439.54	\$(3,113,469.65)	(1.84%)
Research	15,332,342.35	18,404,783.44	3,072,441.09	20.04%
Public Services	35,601,184.33	42,199,244.78	6,598,060.45	18.53%
Academic Support	33,181,674.01	32,063,827.20	(1,117,846.81)	(3.37%)
Student Services	27,032,312.63	29,145,259.76	2,112,947.13	7.82%
Institutional Support	25,511,662.56	28,366,363.90	2,854,701.34	11.19%
Physical Plant	20,133,678.78	25,442,500.14	5,308,821.36	26.37%
Scholarships/Fellowships	85,086,123.73	90,385,985.88	5,299,862.15	6.23%
Transfers to Other Funds	24,164,358.98	17,124,677.07	(7,039,681.91)	(29.13%)
Auxiliaries	13,271,917.90	14,768,635.71	1,496,717.81	11.28%
Aux Trsfrs to Other Funds	5,177,916.94	10,680,331.86	5,502,414.92	106.27%
TOTAL EXPENSE	\$453,991,081.40	\$474,966,049.28	\$20,974,967.88	4.62%

Table 5 – Statement of Net Position - All Funds

**STATEMENT OF NET POSITION
Year-to-Date 6-30-2021 & 6-30-2022**

	Education and General Funds	Agency, Loan & Endow. Funds	Plant Funds	Total YTD FY22	Total YTD FY21
ASSETS					
Cash	\$56,045,101.09	\$17,540,889.78	\$107,515,799.89	\$181,101,790.76	\$147,280,690.47
Investments	48,280,013.31		13,600,000.00	61,880,013.31	64,413,253.31
Accounts Receivable	28,099,638.92	1,732,524.53	152,067.05	29,984,230.50	31,864,835.02
Prepaid Exp & Inventories	3,172,260.55			3,172,260.55	786,089.62
Net Pension Asset	14,640,776.00			14,640,776.00	856,288.00
Capital Assets			402,621,529.93	402,621,529.93	403,224,635.55
Other Assets	99,455.27	482,625.95	23,011.42	605,092.64	1,000,024.22
Total Assets	150,337,245.14	19,756,040.26	523,912,408.29	694,005,693.69	649,425,816.19
DEFERRED OUTFLOW					
Bond Refunding	-	-	6,079,722.00	6,079,722.00	7,534,664.50
Pensions	23,299,815.00	-	-	23,299,815.00	12,941,180.00
OPEB	7,542,526.00	-	-	7,542,526.00	6,669,617.00
Total Def Outflows	30,842,341.00	-	6,079,722.00	36,922,063.00	27,145,461.50

	Education and General Funds	Agency, Loan & Endow. Funds	Plant Funds	Total YTD FY22	Total FY21
LIABILITIES					
Accounts Payable	5,987,804.87	20,040.77	1,458,382.70	7,466,228.34	7,031,574.10
Accrued Liabilities	24,993,361.28	-	805,032.83	25,798,394.11	27,251,183.45
Student Deposits	750,027.88	382,056.28	-	1,132,084.16	587,692.34
Unearned Revenue	21,856,339.14	-	-	21,856,339.14	22,478,478.94
Compensated Absences	17,759,138.74	-	-	17,759,138.74	17,194,769.72
Long-term Liabilities	-	-	147,360,418.79	147,360,418.79	155,770,092.58
Deposits Held for Others	-	848,670.17	-	848,670.17	394,382.01
Net Pension Liability	-	-	-	-	35,180,898.00
Due to Grantors	-	3,611,607.13	-	3,611,607.13	4,359,362.13
Total Liabilities	71,346,671.91	4,862,374.35	149,623,834.32	225,832,880.58	270,248,433.27
DEFERRED INFLOWS					
Bond Refunding	-	-	77,123.59	77,123.59	453,137.38
Pensions	49,246,318.00	-	-	49,246,318.00	704,883.00
OPEB	9,755,241.00	-	-	9,755,241.00	9,820,146.00
Total Def Inflows	59,001,559.00	-	77,123.59	59,078,682.59	10,978,166.38
NET POSITION					
Net Investment in Capital	-	-	235,489,944.57	235,489,944.57	233,305,697.55
Restricted Net Position	15,090,459.74	-	17,277,793.83	32,368,253.57	32,494,612.93
Unrestricted Net Position	35,740,895.49	14,893,665.91	127,523,433.98	178,157,995.38	129,544,367.56
Total Net Position	\$50,831,355.23	\$14,893,665.91	\$380,291,172.38	\$446,016,193.52	\$395,344,678.04

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 16, 2022

ITEM: Quarterly Reports of Agreements \$250,000 or Greater

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Ryan Roberts
Director of Procurement and Contract Services

The meeting materials include a list of agreements with amounts totaling \$250,000 or greater for the period of April 2022 – June 2022. 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.

April - June 2022

Contracts / Purchase Orders over \$250,000

Contract/ PO Date		Contractor	Description of Services/Products	Contract / PO Amount	\$ Annual Contract	Competitive	Fiscal Review Approval
Start	End						
04/29/22	04/29/22	Pink Dog Productions, Inc.	Miranda Lambert concert	\$600,000	\$600,000	Yes	N/A
04/30/22	04/29/23	EAB Global	Edify Data Platform/ Moonshot Program & Professional Services	\$420,575	\$420,575	No	N/A
07/01/22	06/30/32	Oracle America Inc. Cloud Services	ERP Oracle Cloud Services per UT Public Sector Master Services Agreement	\$8,365,432/ 10 yrs	\$825,742/yr + yr 1 costs \$108,012	Yes	N/A
07/01/22	06/30/23	Elsevier	ScienceDirect Library Subscription	\$1,733,734	\$577,911	No	N/A

RFI/RFPs – Awarded, In-Process and Upcoming

ERP Deployment Partner – ITS ERP

Athletics Transportation FY23

Student Life Production Services

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.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 16, 2022

ITEM: Annual Foundation Update

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Pam Ritter
Vice President for University Advancement
President/CEO of ETSU Foundation

University Advancement is charged with enhancing the philanthropic mission of East Tennessee State University. The Foundation Board of Directors is charged to ensure that gift funds are managed through Trusts, Unrestricted Gifts, Restricted Gifts, Gifts-in-Kind, Real Estate and Endowments. Staff will provide committee members with an update on the status of Foundation activities including investment portfolio information and expenditures on behalf of the University. Highlights for 2021-2022 include:

- Record giving total for 2021-2022: \$24,046,876 (not including private giving)
- Comprehensive Campaign Goal of \$120M concluded June 30, 2022
- Market Value as of June 2022 with Goldman Sachs: \$102,780,205



ETSU Foundation Overview

ETSU BOT Finance Committee
September 16, 2022

University Advancement

- University Development
- National Alumni Association
- ETSU Foundation
- Martin Center for the Arts



Vision and Mission

Vision: The University Advancement Office will engage stakeholders in meaningful ways, fostering pride, advocacy, and private funding in support of ETSU's vision of becoming the best regional university in the nation.

Mission: We increase private giving to ETSU by delivering an integrated program of communications, marketing, face-to-face engagement, and stewardship. Results of this approach will build deep and long-term relationships with alumni, friends, and potential partners that will ensure ever-increasing support for today and for the future.

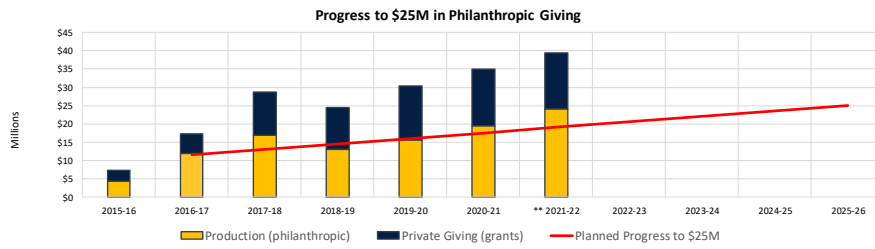


Strategic Goals

- Increase total net production (gifts and pledges) to \$25M per year – every year – by 2026.
- Engage donors/build enthusiasm for ETSU programs.
- Develop Regional Arts and Engagement by enhancing Martin Center opportunities.



Progress to \$25M per Year



Progress to \$25M per Year

ETSU Total Production
Internal Projections to Meet Target Goal, with Actuals

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	** 2021-22	2022-23	2023-24	2024-25	2025-26
Planned Progress to \$25M		\$11,635,000	\$13,120,000	\$14,605,000	\$16,090,000	\$17,575,000	\$19,060,000	\$20,545,000	\$22,030,000	\$23,515,000	\$25,000,000
Production (philanthropic)	\$4,460,019	\$11,984,419	\$16,905,638	\$13,132,916	\$15,562,271	\$19,488,176	\$24,046,876				
Private Giving (grants)	\$2,862,470	\$5,276,071	\$11,842,990	\$11,305,518	\$14,887,001	\$15,587,771	\$15,456,511				
Totals	\$7,322,489	\$17,260,490	\$28,748,628	\$24,438,434	\$30,449,272	\$35,075,947	\$39,503,387				

** estimated as of 8/5/22



2021-22 Net Production

- Goal: \$19.1M
- Exceeded goal by 26%: \$24M



Foundation-Held Real Estate

- The Model Mill Alumni Association and Advancement suites; lease-to-own in ~5 years.
- University Plaza (1735 W State of Franklin Rd)
 - Approximate annual net income \$200,000



Campaign for ETSU

- Five Year Comprehensive Campaign
- Goal: \$120M
- Conclusion: June 30, 2022
- Exceeded goal
- Final numbers to be revealed at DPT/Campaign Celebration on October 7, 2022. Please join us!



Facilities Mini-Campaigns

- Lamb Hall – \$5.75M
- Undergraduate Academic Building (including renovations to Burleson & Gilbreath) – \$4M
- Brown Hall – \$1.90M
- Integrated Health Science – \$3.05M
- Baseball Stadium – \$2.1M





ETSU Foundation Financial Overview

Foundation Investment Committee

- Goldman Sachs – Investment Managers
- Market Value June 2022 - \$102,780,205
- Investment Committee meeting with Financial Managers quarterly
- Last meeting held on July 20, 2022



Investment Pool Asset Class Ranges

Asset Class	Minimum	Maximum
Investment Grade Fixed Income	10.00%	30.00%
Other Fixed Income	2.50%	15.00%
Hybrid Fixed Income	0.00%	10.00%
US Equity	25.00%	65.00%
Non-US Equity	5.00%	30.00%
Asset Allocation Investments	0.00%	10.00%

Source: Investment Policy Statement June 2019



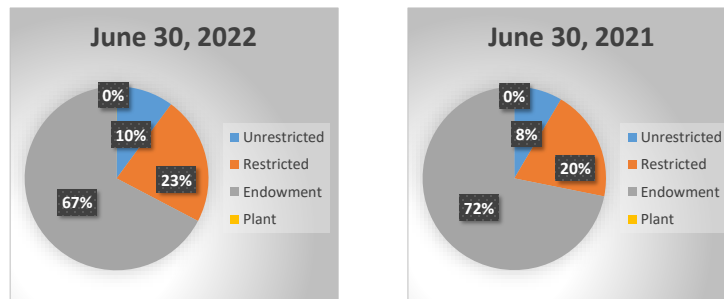
Portfolio Held by Goldman Sachs at June 2022

Asset Class	Value	Percent	YTD Perf	FYTD Perf
Deposits and Money Market	\$ 191,097	0.2%	0.19%	0.21%
Investment Grade Fixed Income	17,148,515	16.7%	-6.63%	-7.3%
Hybrid Fixed Income	2,958,061	2.9%	2.00%	--
Other Fixed Income	8,056,126	7.8%	-10.71%	-9.24%
US Equity	59,287,130	57.6%	-19.69%	-11.61%
Non-US Equity	10,113,155	9.8%	-15.54%	-13.73%
Asset Allocation Investments	5,116,231	5.0%	2.74%	--
Total Invested	\$102,870,315	100.0%	-15.37%	-11.45%
Benchmark Performance -				
60/40 MSCI All Country World/Barclays Capital US Gov			-14.93%	-12.24%
65/35 MSCI All Country World/Barclays Capital US Gov			-15.51%	-12.61%
70/30 MSCI All Country World/Barclays Capital US Gov			-16.18%	-13.05%

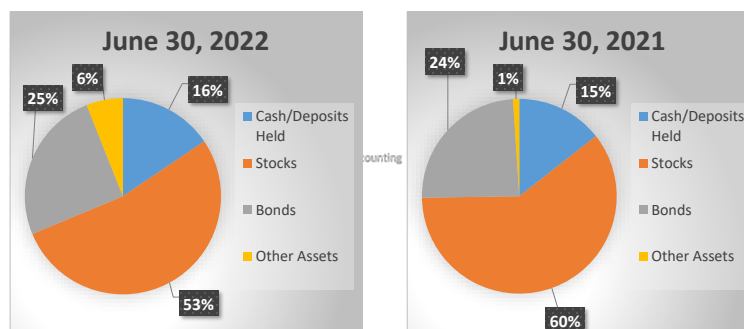
Source: Goldman Sachs 2nd Quarter Portfolio Review



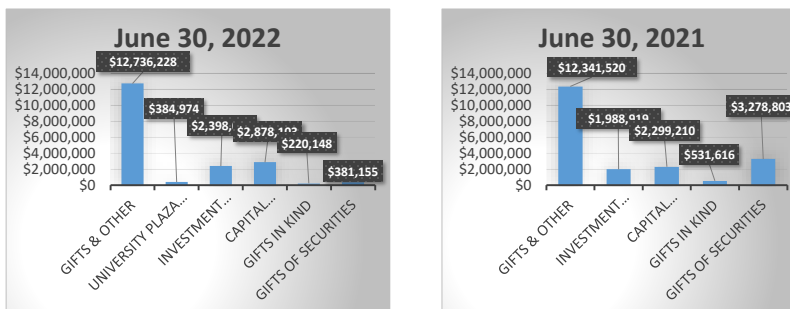
Total Assets by Fund Type



Asset by Classification



FY Income Comparison



Earnings Required for Distribution

- Foundation Board approved a 2/3/4 earnings distribution for FY 22 and 23
- Each Endowment operating fund receives a % of average fair value for 3 previous calendar years based on each fund reserve balance (available years for funds less than 3 years old)
- In first year, all earnings go to the fund reserve, no expenditures

Reserve Balance as % of Avg Fair Value	Spending Rate
6.0% and above	4%
3.0% - 5.99%	3%
0.0% - 2.99%	2%



Source: Investment Policy Statement June 2019

Earnings Required for Distribution

- Per policy, requires investment income and realized gains for distribution
- If the market does not allow for required investment income and realized gains to fund the distribution, each endowment reserve is used to the amount available.
- FY22 required distribution was \$3.3M to the Endowment and \$1.3M to the Unrestricted fund, total \$4.6M
- FY23 distribution will be \$3.6M to the Endowment and \$1.3M for the Unrestricted fund, total \$4.9M

Source: Investment Policy Statement June 2019/Foundation Accounting



FY22 Transfers to and Payments on Behalf of ETSU

- Transfers included –
 - \$200k for Strong Brain Institute
 - \$1.1M for capital projects
- Funds in excess of \$3M distributed for scholarship awards
- Funds in excess of \$7.3M spent for departmental needs

Source: Foundation Accounting



Questions



Source: University Advancement



EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 16, 2022

ITEM: Capital Projects and Facilities Update

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Jeremy Ross
Chief Operating Officer

The presentation provides an update on Capital Planning and Design and Campus Operations. Capital disclosures, maintenance, and outlay for 2023-24 will be discussed. Design and construction projects that are in process will be presented.

CAPITAL PLANNING



CAPITAL, MAINTENANCE, & DISCLOSURES FY 2023-24

Capital Disclosures

\$40,000,000	New Residence Hall
\$55,000,000	Parking Garage
\$ 300,000	Campus Wide Paving and Repair
\$ 350,000	Millennium Parking Garage Elevator
\$95,650,000	Total

Capital Maintenance

\$ 3,800,000	Roof Replacements
\$ 3,090,000	HVAC Repairs
\$ 1,600,000	Safety Lighting & Alarm Replacement
\$ 1,000,000	Valleybrook Sewer
\$ 3,080,000	Electrical Repairs
\$ 2,500,000	Elevator Repairs
\$ 1,000,000	Code and Accessibility
\$16,070,000	Total

Projects in Design

\$ 43,900,000	Integrated Health Services Building
\$ 62,500,000	New Academic Building
\$ 47,000,000	Brown Hall Phase 1
\$ 25,000,000	Housing Maintenance & Renovation
\$ 4,000,000	University Commons Phase II
\$ 5,000,000	Powell Hall Renovation
\$187,400,000	Total

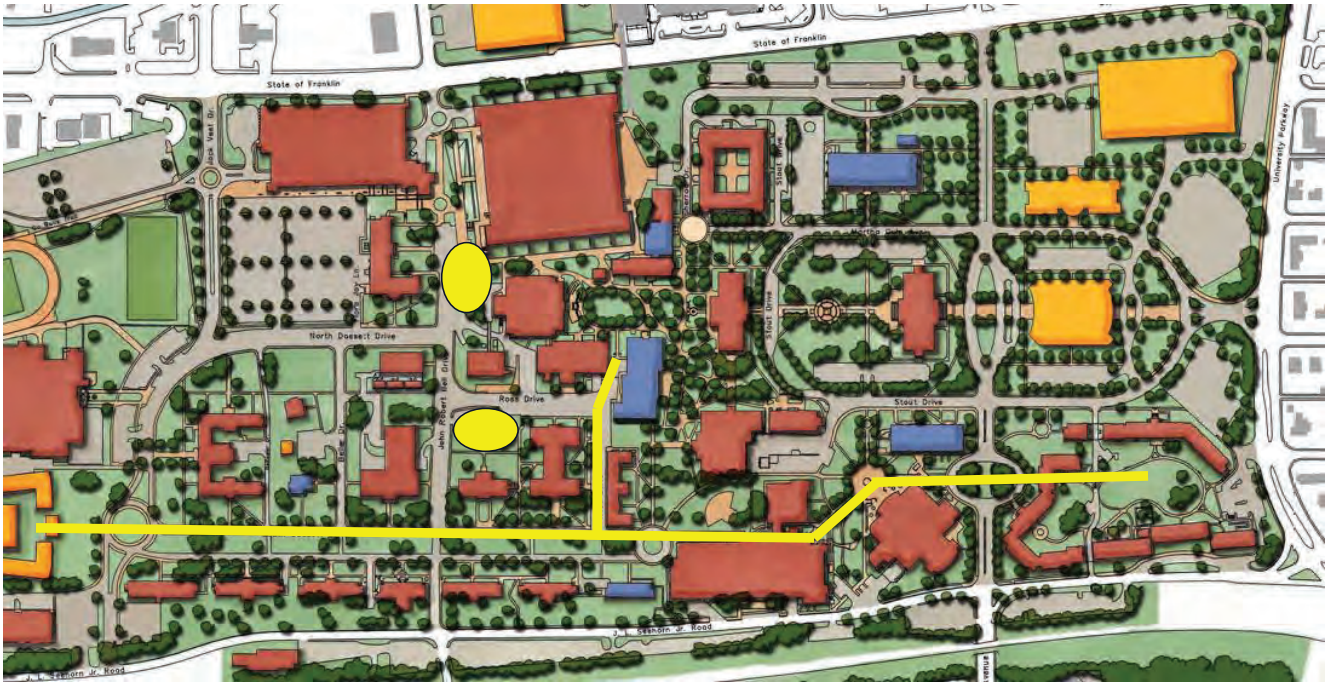
Capital Outlay Request

\$ 45,900,000	Brown Hall Phase 2
\$ 45,900,000	Total

Projects in Construction

\$ 26,100,000	Lamb Hall
\$ 3,300,000	Thomas Stadium
\$ 1,000,000	Warren Greene Golf Facility
\$ 600,000	Master Plan

EAST – WEST AXIS



3

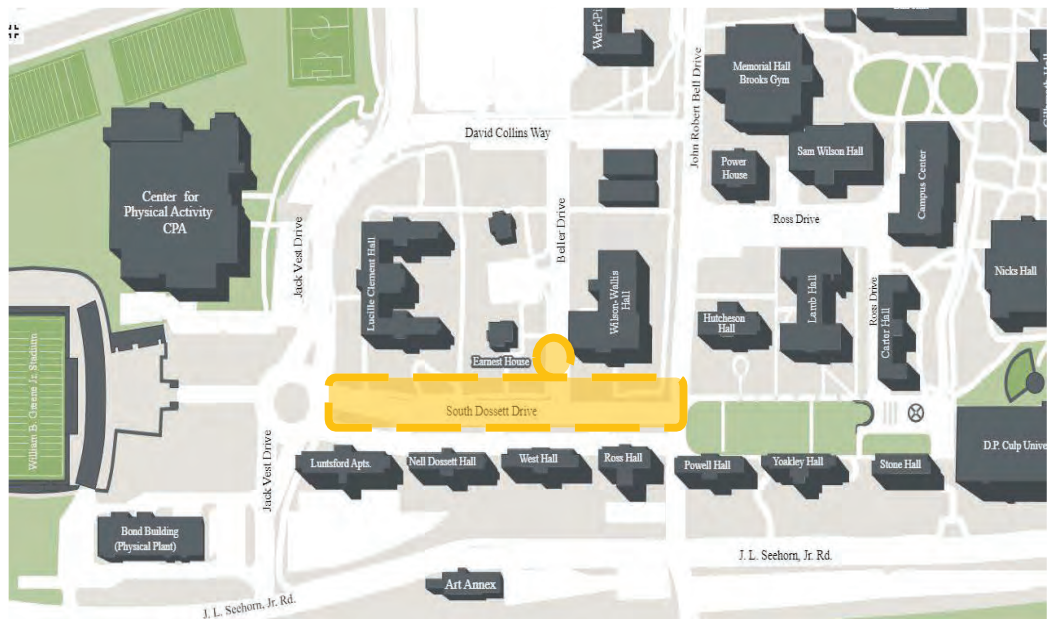
UNIVERSITY COMMONS

Project Information

Cost: \$4,000,000

Completion: Spring 2024

Status: Schematic Design. Bids will be released in February. Construction to begin Summer 2023



4

UNIVERSITY COMMONS

Project Information

Cost: \$4,000,000

Completion: Spring 2024

Status: Schematic Design. Bids will be released in February. Construction to begin Summer 2023



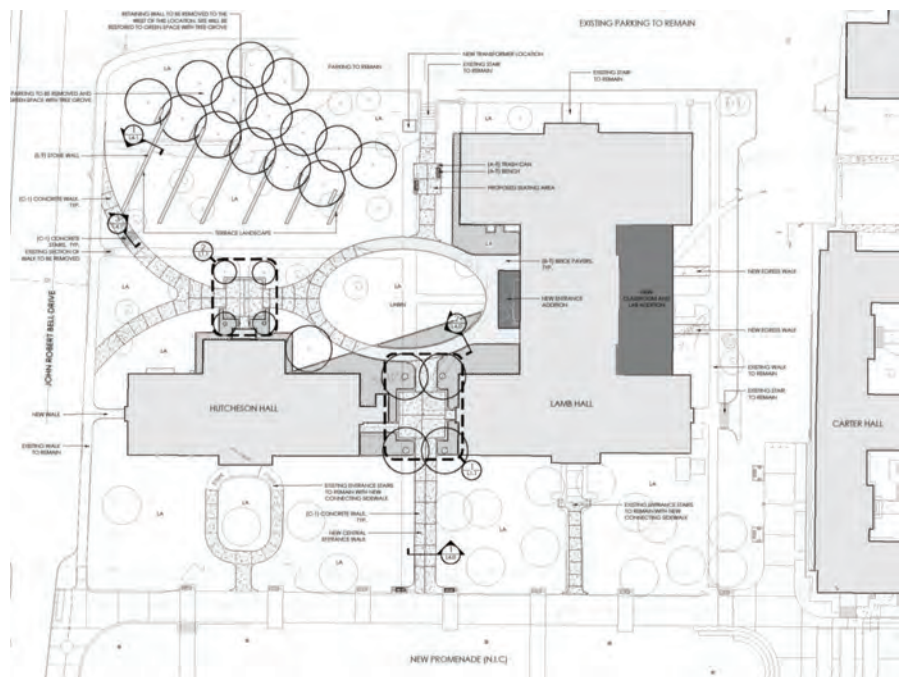
LAMB QUAD

Project Information

Cost: \$26,100,000

Completion: 2022

Status: Under construction



LAMB HALL

Project Information

Cost: \$26,100,000
Completion: Spring 2023
Status: Under Construction

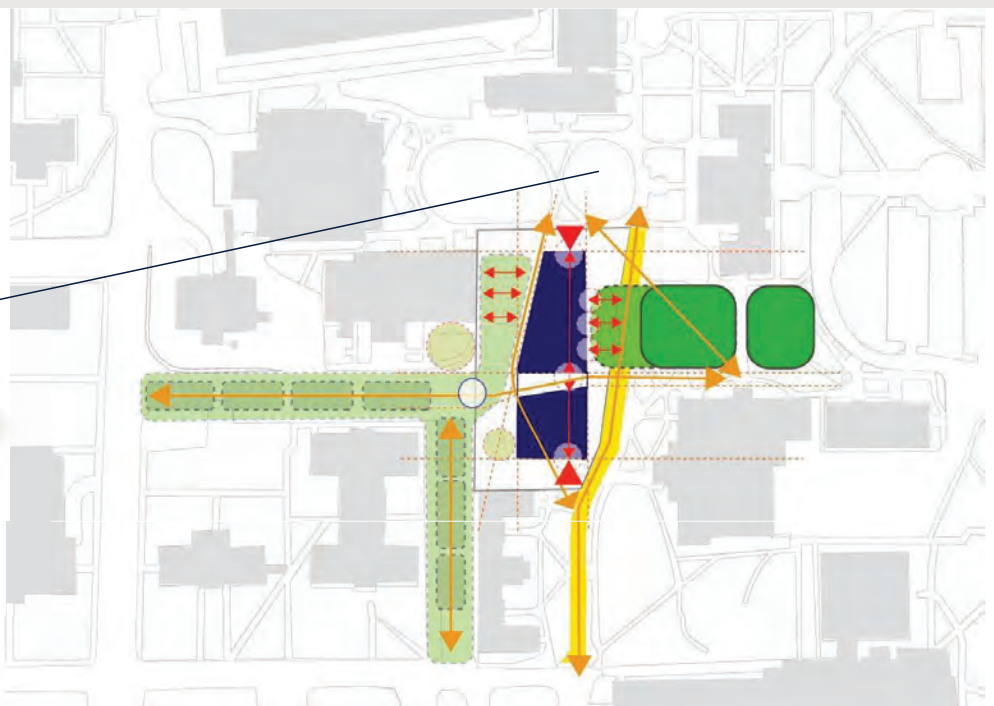
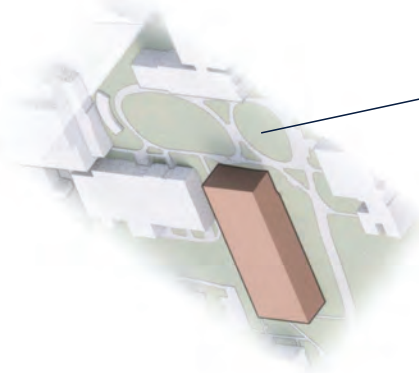


7

NEW ACADEMIC BUILDING- MASSING CONCEPTS

Project Information

Cost: \$62,500,000
Completion: TBD
Status: Schematic



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BROWN HALL

Project Information

Cost: \$93,600,000 (\$47m, phase I,
\$45.9m, phase II)
(\$1,908,000 match, phase I,
\$1,836,000, phase II)

Completion: TBD

Status: Preliminary Programming and
Concept Drawings.

Brown Hall was constructed in 1942
and the last major upgrade was in
1969.

Programs:

Biology, Chemistry, and Physics and
Astronomy, General Education, etc.



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BROWN HALL

Project Information

Cost: \$93,600,000

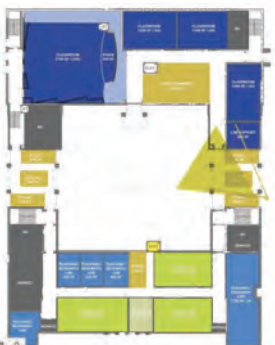
Completion: TBD

Status: Preliminary Programming and
Concept Drawings.

Brown Hall was constructed in 1942
and the last major upgrade was in
1969.

Programs:

Biology, Chemistry, and Physics and
Astronomy, General Education, etc.



10

INTEGRATED HEALTH SERVICES BUILDING

Project Information

Cost: \$ 43,900,000

Completion: 2025

Status: RFP for Designer

Programs:



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INTEGRATED HEALTH SERVICES BUILDING

Project Information

Cost: \$ 43,900,000

Completion: 2025

Status: RFP for Designer

Programs:



12

MASTER PLAN

Project Information

Completion: 2024

Status: Underway

Programs:

Visioning Workshop

Campus Site Tours

Stakeholder Interviews

Data Collection & Review

MapMyBucs Mapping Tool

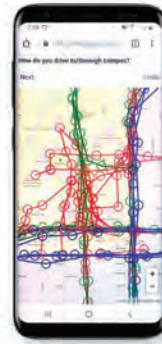
2D Maps and 3D Models

Existing Conditions Analysis

Space Needs Assessment

Utility and Infrastructure Assessment

Facility Condition Audit



THANK YOU!

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