

BOARD OF TRUSTEES

ACTION ITEM

DATE: May 24, 2024

ITEM: Approval of Salary Pools for FY25 - **AMENDED**

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

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

In his annual State of the State address, Governor Lee presented his 2024-25 budget for the State of Tennessee. In addition to a broad range of project specific and general operating investments, the budget proposes a three percent salary pool for higher education.

Consistent with prior practice, calculations from the Tennessee Higher Education Commission (THEC) depict state funding for 55 percent of a mandatory salary increase, as well as related benefits, for the main campus. The Quillen College of Medicine and Family Medicine receive an appropriation through state funding for non-formula units. The Governor’s proposed budget did not address the Gatton College of Pharmacy salary enhancements. **However, the Tennessee General Assembly amended the proposed budget to include these salary enhancements.**

The table below illustrates the approximate funding through additional revenue sources required to fully support a three percent salary pool for the main campus, **as well as the recommendation for an additional one percent salary pool to address FLSA changes.** These calculations are based on the data files obtained from THEC and align with the Governor’s budget documents released February 5, 2024.

	\$ Needed for Pool	State 55% Funding for Pool	Funding through Student Fees
Main Campus 3%	\$5,015,400	\$ 2,764,200	\$ 2,251,200
<b>Add'l 1% Salary</b>	<b>1,671,800</b>	<b>0</b>	<b>1,671,800</b>
<b>Total</b>	<b>\$6,687,200</b>	<b>\$ 2,764,200</b>	<b>\$ 3,923,000</b>

Staff has yet to develop a plan for the distribution of any salary improvement funding. Due to the uncertainty of enrollment, staff is proposing holding state appropriations for salaries in designated

pools until the State budget is adopted and enrollment for Fall 2024 is finalized. Any Board of Trustees approved salary adjustments will be implemented in November 2024. The history of salary enhancements at ETSU is provided below:

Year	Across-the Board			Equity Increase to Market		Service Bonus
2024-25	TBD					
2023-24	4.5%	Min wage	(7)			
		\$13.65/hour				
2022-23	4.0%	\$1,200 min	(1)(2)			
2021-22	3.5%	\$700 min	(2)(3)			
2020-21	(4)	0.0%				\$500 (5)(6)
2019-20	2.0%	\$500 min	(2)			
2018-19	2.5%	\$500 min	(2)			
2017-18	2.0%	\$500 min	(2)	1% pool	\$3,000	
					ceiling	
2016-17	2.0%	\$500 min	(2)			
2015-16	2.0%	\$500 min	(2)	Pharmacy faculty only		
2014-15	0.0%					
2013-14	1.5%	\$250 min	(2)	4.25%		

- (1) Maximum increase \$7,000
- (2) Employees with annual performance evaluations which are unsatisfactory or performance far below expectations do not participate in salary increases.
- (3) Maximum increase \$10,000
- (4) No funding for salary increase was included in the final state budget for FY21. An appropriation amendment in spring 2021 provided funding for a one-time bonus payment in June 2021.
- (5) Employed April – May 30, 2021
- (6) Service bonus is prorated based on percentage of contract.
- (7) Maximum increase \$7,500

**MOTION: I move that the Board of Trustees amend the Finance and Administration Committee’s proposal approved during its April 5, 2024 special called meeting and adopt the following resolution:**

**RESOLVED: The proposed total salary pool of four percent for 2024-2025 are approved as presented in the amended meeting materials.**