



Campus Update – President's Report
Interim University Council
April 10, 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.



Strategic Budget Process

The Budget Call presented to the Vice Presidents on January 31, 2017 established the following budget projections:

State Appropriation Increase \$3,465,100

3% Maintenance Fee Increase \$3,273,900

Required Scholarship Increase \$ 840,900

Lost revenue from 250 students \$1,840,000

Net New Revenue \$4,058,100

Reserve for 3% Salary Pool \$3,300,000

Available for Distribution \$ 758,100

Budget materials, background forms, and other associated information can be found via the following website: <http://www.etsu.edu/president/interim-council/budget.php>



Budget Redesign Committee Update

At the March 13th meeting the IUC, Dr. Calhoun provided an overview of the process for assuring public comment and transparency related to a proposed new budget model.

If you would like to provide input to the committee, or wish to receive additional information, please attend one of the following:

March 28th	Student Government Association
March 30th 12 noon	Open Forum – Martha Culp Auditorium
April 5th 2:00 pm	Open Forum – Martha Culp Auditorium
April 6th	Dean’s Council
April 10th	Staff Senate
April 25th	Student Affairs Council

Note: The Budget Redesign Committee’s presentation to IUC is available on the IUC website



Enrollment and Application Data

- Freshman Applications
 - F2017: 7785 (received) 6421 (accepted)
 - F2016: 6448 (received) 5765 (accepted)
- Transfer Applications
 - F2017: 1201 (received) 626 (accepted)
 - F2016: 1151 (received) 559 (accepted)
- Objective: 2100 Freshman
- Enrollment projections for fall indicate an overall decline of 250 students, but recent indicators are trending positive
- Fall 2017 represents the maturation of TN Promise. Student transfer data/projections remain fluid



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



2017-18 Governor's Budget - Operating

- \$1.6M in new recurring outcomes-based funding
 - \$156k in Outcomes Formula Adjustments
 - \$1.5M in Share of New Funding
- \$1.1M Insurance Increase
 - Includes \$180k for College of Medicine and \$33k for Family Practice
- \$3.7M for partial funding of 3% salary pool
 - Includes \$1.4M for College of Medicine and \$367k for Family Practice



2017-18 Governor's Budget - Capital

- **Capital Outlay**

- \$343M for 13 projects across higher education
- \$17.3M for ETSU Lamb Hall Renovation

- **Capital Maintenance**

- \$131M for 63 projects
- \$8.7M for ETSU:
 - \$2.5M for Safety and Structural Repairs
 - \$1.6M for CoM Building 178 HVAC and Controls Upgrade
 - \$3.0M for Valleybrook Building Systems Replacement
 - \$1.6M for Com Several Buildings HVAC System Upgrades



Board of Trustees

- Membership and leadership: Janet Ayers, Steven DeCarlo, Fred Alsop, David Golden, Dorothy Grisham, Linda Latimer, Scott Niswonger, Nathan Farnor, Jim Powell, and Ron Ramsey
- Committee structure: Academic and Student Affairs, Business and Finance, Audit, Executive
- Process updates
 - Policies and procedures
 - Major academic issues such as programs and tenure
 - Budget and tuition approval
 - Capital projects and land acquisition
- Website – Resource for all BOT materials, including agendas, minutes, livestream, video archives, and other information
 - <https://www.etsu.edu/trustees/default.php>



Questions and Discussion

