



University Council
March 9, 2020



Governor's Proposed Budget

	Main Campus	COM	FM	Total
Outcomes Adjust	\$ 2,306,900	\$ -	\$ -	\$ 2,306,900
Operating Increase		444,800	90,200	535,000
Salary 2.5% Pool	<u>2,004,900</u>	<u>1,315,000</u>	<u>365,000</u>	<u>3,684,900</u>
Total Increase	<u>\$ 4,311,800</u>	<u>\$ 1,759,800</u>	<u>\$ 455,200</u>	<u>\$ 6,526,800</u>
Peds Strategic Initiative		\$ 1,095,500		



Budget Considerations

- All university divisions participated in annual budget hearings
- All appropriation units were provided an appropriation for a 2.5% salary pool in the Governor's Budget
- Management is proposing 2.0% across-the-board salary increase with a \$500 minimum for all campus units
- Management is proposing use of the additional .5% in a pool for critical market adjustments which may be implemented in a variety of ways.
- 2% ATB salary increase to be implemented on July 1
- Cost to the main campus for salary increase implementation is \$1,020,100 funded through tuition increase.



Budget Considerations

- All fee requests were presented in university budget hearings
- THEC binding tuition limit for FY21 = 2.0%
- Binding tuition increase has declined the past two years (FY19 = 3.0%, FY20 = 2.5%)
- Student request for new wellness fee will increase program services fee at same dollar amount as the last two years
- Reduced binding limit and flat PSF increase leaves less fee funding for salaries and operating expenses.
- Maximum fee increase would generate \$1,650,000
- Cost to the main campus for salary implementation is \$1,020,100 funded through tuition increase.



Budget Considerations

- \$512,000 of new revenue needed to fund university share of implementation of 20 funding of OPEB benefit and increases in retirement benefits
- Scholarship expense increases \$625,000 with tuition
- Budgeting for \$800,000 decline due to enrollment.
Consistent with last two budget cycles
- Remaining funds will be used in a manner consistent with the strategic plan.



Comparative Tuition and Mandatory Fees

	FY19 Tuition	FY19 Fees	Total Tuition & Fees	Estimated 2.0% Increase
UTK ¹	\$11,332	\$1,932	\$13,264	\$13,529
UTM ²	8,214	1,534	9,748	9,943
UTC ³	7,836	1,820	9,656	9,849
APSU	7,044	1,583	8,627	8,800
ETSU	7,572	1,919	9,491	9,681
MTSU	7,554	1,870	9,424	9,612
TSU	7,026	1,157	8,183	8,347
TTU	8,040	1,278	9,318	9,504
UM ⁴	8,232	1,704	9,936	10,135

¹ Implemented 15/4 for Fall 2013

² Implemented 15/4 for Fall 2016

³ Implemented 15/4 for Fall 2019

⁴ Implemented Guaranteed Tuition Fall 2019



Proposed Tuition for Budget Development

- Proposed undergraduate 1.66% tuition increase
- Proposed graduate 1.67% tuition increase
- No increase to out of state
- Estimated revenue of \$1.65M to fund 2.5% salary pool and other operational increases
- Proposed \$64 annual increase in Program Services fee
 - \$22 annual (year 2 of 2) SGA for Concerts and BucFund – est. revenue \$262,000
 - \$16 annual (year 1 of 4) Student Activity for Wellness Initiative - est. revenue \$190,000
 - \$26 annual (year 4 of 5) Technology Access for SAN, 10G – est. revenue \$364,000



Capital Funding

- No funding for Humanities Building
- Funding for Capital Maintenance is following calculations using a Sherman Dergis formula.
- Formula calculation is 1/3 lower than THEC request
- Possible reallocations of Capital Maintenance from the State to come out later.



QUESTIONS?

