

The UNIVERSITY of TENNESSEE at
CHATTANOOGA

Presentation to UT System
UTC Budget and Financial Planning

2008-09

Dr. Richard L Brown
Vice Chancellor
Finance and Operations

September, 2008



We Shall Achieve

The UNIVERSITY of TENNESSEE at
CHATTANOOGA

UPRAC



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CHATTANOOGA

UPRAC Members

Chancellor
V.C. for Finance and Operations
Provost and V. C. for Academic Affairs
V. C. Student Development
V. C. for University Advancement
Director for University Athletics
Chair, Exempt Staff Council
President, SGA
Chair, Employee Relations Council
President, Faculty Senate
Chair, Council of Department Heads
Chair, Strategic Planning Process

Roger Brown
Richard Brown
Phil Oldham
John Delaney
Bob Lyon
Rick Hart
Jim Bowman
Bill Staley
Valerah Hodges
Gavin Townsend
Matt Greenwell
Dr. Charles Nelson
(Alternate Dr. Karen Adsit)

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UPRAC Ex Officio Support

Executive Assistant to the Chancellor

Asst. Vice Chancellor

Associate Provost Acad. Budget

Associate Vice Chancellor

Director of Institutional Planning

UC Foundation Chair

Chancellor's Roundtable Chair

Alumni Board Chair

Faculty Senate Reps (2 reps.)

Graduate Student Association

Graduate Council

Representative from Council of Deans

University Planning Coordinator

Terry Denniston

Chuck Cantrell

David Pittenger

Debbie Parker

Richard Gruetzemacher

Jerry Adams

Rabbi Joshua Lief

Kayvon Sadrabadi

Chair Budget &
Economic Status Committee

Adam Cava

Vicki Petzko

TBA

Dr. Deborah Arfken

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The UNIVERSITY of TENNESSEE at
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- What is UPRAC's role
- UPRAC Special Presentations and Reviews
- Institutional Program Review
- Sub-committees (28)
- Chancellor's Innovation Fund
- UPRAC Challenges

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2007-08 &
2008-09
PLANNING



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Budget Allocations 2007-08

Recurring Funds

	ATB Salary	General	New Enrollment	Total
Academic Affairs	1,416,441	827,000	950,000	3,193,441
Chancellor	22,167	150,000	35,000	207,167
University Advancement	53,291	0	0	53,291
Student Development	79,691	168,675	50,000	298,366
Fin, Adm & IT	324,996	0	100,000	424,996
Athletics	115,111	139,543	75,000	329,654
Institutional (Utilities)	0	230,000	50,000	280,000
Total	\$2,011,697	\$1,515,218	\$1,260,000	\$4,786,915

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Budget Allocations 2007-08

Non-Recurring Funds

	General	New Enrollment	Total
Academic Affairs	1,170,864	150,000	1,320,864
Chancellor	50,000	0	50,000
University Advancement	70,106	50,000	120,106
Student Development	310,421	50,000	360,421
Fin, Adm & IT	460,586	0	460,586
Athletics	25,000	0	25,000
Institutional (One Stop Shop)	350,000	0	350,000
Total	\$2,436,977	\$250,000	\$2,686,977

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**University of Tennessee at Chattanooga
2007-08 Year End Report
Summary By Vice Chancellor**

	Annual Budget	Total Actuals	Budget Variance
Provost:			
Income	\$ 2,332,848.00	\$ 2,797,399.89	\$ 464,551.89
Expenditures	\$ 57,525,962.00	\$ 56,992,688.99	\$ 533,273.01
Carryovers	\$ (1,888,618.00)	\$ (888,760.92)	\$ (1,010,857.08)
Balance After Carryovers			<u><u>\$ (13,032.18)</u></u>
Chancellor:			
Expenditures	\$ 1,170,053.00	\$ 1,041,236.01	<u><u>\$ 128,816.99</u></u>
Athletics:			
Income	\$ 3,968,000.00	\$ 4,508,146.88	\$ 540,146.88
Expenditures	\$ 9,026,961.00	\$ 9,563,850.78	\$ (536,889.78)
Balance			<u><u>\$ 3,257.10</u></u>
Student Development:			
Income	\$ 252,500.00	\$ 505,811.61	\$ 253,311.61
Expenditures	\$ 3,433,884.00	\$ 3,435,328.55	\$ (1,444.55)
Balance			<u><u>\$ 251,867.06</u></u>
Finance, Operations & IT:			
Income	\$ 653,351.00	\$ 737,032.02	\$ 83,681.02
Expenditures	\$ 13,638,518.00	\$ 13,399,461.46	\$ 239,056.54
Balance			<u><u>\$ 322,737.56</u></u>
University Advancement:			
Income	\$ 37,847.00	\$ 42,990.30	\$ 5,143.30
Expenditures	\$ 2,126,772.00	\$ 1,834,768.23	\$ 292,003.77
Balance			<u><u>\$ 297,147.07</u></u>
Return to Renewal & Replacement Funds for Special Fees			
University Program & Services Fees			\$ 166,923.63
Student Wellness			\$ 254,901.32
Technology Fees			\$ 398,175.97
Green Fees			\$ 111,890.56

***Total Expenditures include benefit cost**

**University of Tennessee at Chattanooga
2008-09 Fee Increases and Budget Reductions**

Budget Increases		Sources
6% Tuition & Fees		2,353,900
		Uses
Scholarship Cost		371,950
Faculty Promotions & Rollovers		190,000
Strategic Initiatives		165,162
Utility Increases		200,000
		<hr/>
		927,112
		<hr/>
Available Funds to Allocate		<u>1,426,788</u>
Budget Reductions	Target	\$2,617,000
System Charge Reduction		49,900
Academic Affairs		436,311
Athletics		178,333
Chancellor		28,890
Finance, Operations & IT		320,701
Student Development		74,902
University Advancement		49,794
Institutional Scholarships		51,381
Tuition & Fee Increase Funds		1,426,788
Total Reductions		<u>2,617,000</u>

The University of Tennessee at Chattanooga

FY 2008-09 Revenues

Unrestricted Funds (In Millions)

E & G	\$ 99.5
Auxiliaries	7.7
Unrestricted Total	\$ 107.1

Restricted Funds

E & G	\$ 37.7
Auxiliaries	0.0
Restricted Total	\$ 37.7
TOTAL FUNDS	\$ 144.8

Fall 2007 Headcount Enrollment

Undergraduate	8,194
Graduate	1,364
TOTAL	9,558
*First-Time Freshmen	1,947

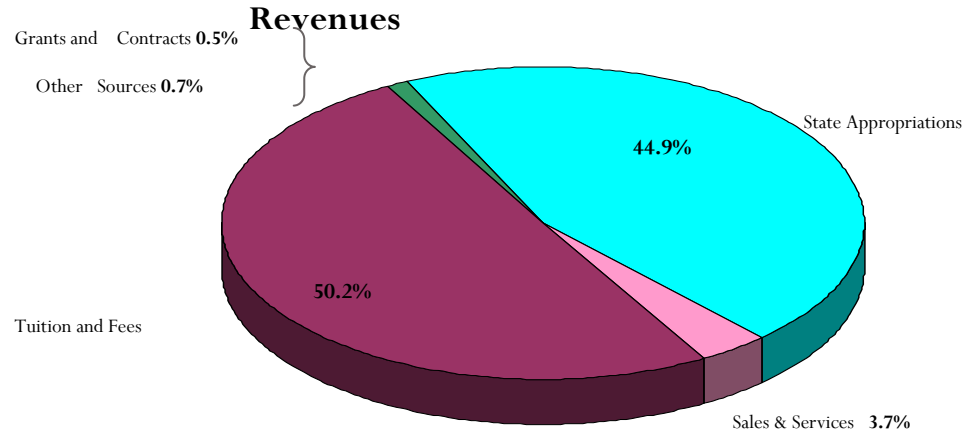
FTE Positions (Unrestricted & Restricted)

July 2008

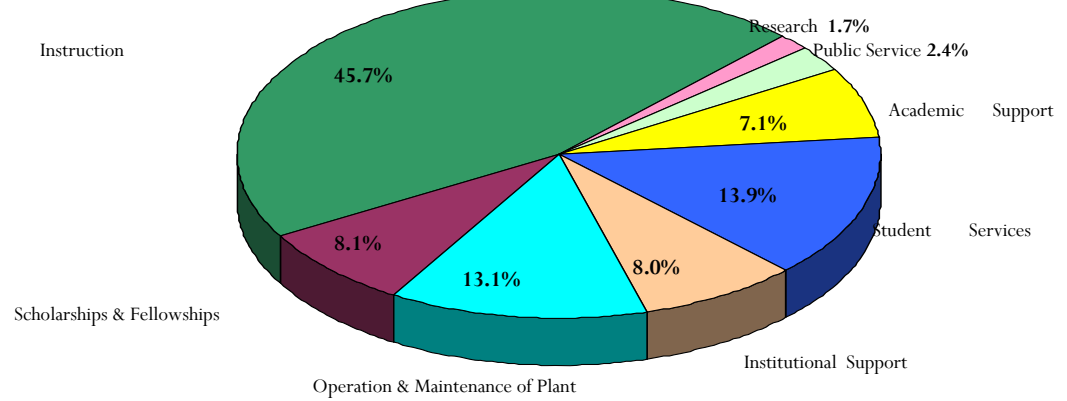
Faculty	444
Administrative	104
Professional	218
Cler/Tech/Maint	455
TOTAL	1,221

FY 2008-09 PROPOSED BUDGET Educational & General

Only Total Unrestricted Current Funds

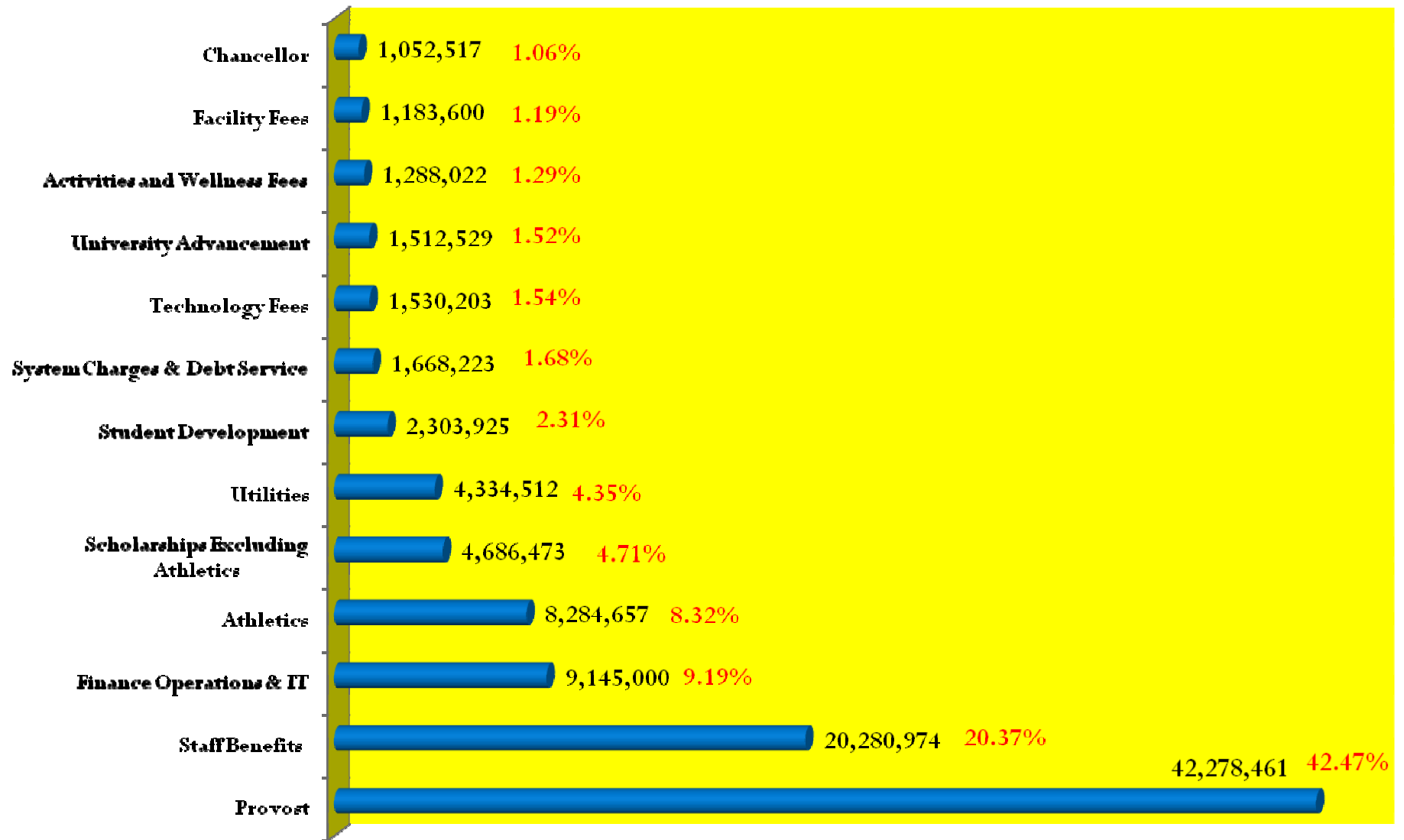


Expenditures



*Note: 2007-08 Instruction Expenditures were 44.8%

2008-2009 Base Budget By Vice Chancellor



The UNIVERSITY of TENNESSEE at CHATTANOOGA

Non-Recurring E & G Funds from Renewal & Replacement Funds for 2008-09

Vice Chancellor or Area

Bob Lyon	\$81,000
John Delaney	\$62,500
Phil Oldham	\$456,920
Richard Brown	\$242,400
Rick Hart	\$70,000
Roger Brown	\$50,000
Institutional Support	\$462,910
Strategic Planning	\$150,000
Total	<u>\$1,575,730</u>

Campaign Support, Alumni Magazine & Office upgrade
 Student Programming, UCF Room technology, Office upgrades
 Computers & Equip, Startup funds, travel, faculty & accreditation
 IT Servers & Podiums, Contract Services & Fine Arts Series
 Arena and Athletic Office upgrades
 EEO Office upgrades
 Property Acquisitions, Utility increases and flood repairs
 Chancellor's Big Ideas Fund and Strategic Planning

Strategic Initiative

Enabling Partnerships
 Teaching & Learning
 Education & Research
 Education & Research
 Enabling Partnerships
 Partnerships for Diversity
 Enabling Partnerships
 Enabling Partnerships

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**Modified Fall University Allocation Plan
2007-08 Enrollment Increase**

		Revenue Source:	Strategic Initiative
Resident Enrollment Fees	800,000.00	Amount of overcollection of budget in 2007-08	
Resident Enrollment Fees-OffCampus	275,000.00	Amount of overcollection of budget in 2007-08	
Total Revenue Adjustments	<u>1,075,000.00</u>		
		Expenditures:	***
Provost	250,000.00	Assist with shortfall in Academic Budgets	T & L
Finance, Operations & IT	25,000.00	Operational increases	E P
Athletics	25,000.00	Operational increases	E P
Graduate Assistantships	75,000.00	Chronic shortfall in assistantships each year	E & R
Utilities	100,000.00	Utility increases due to rising cost and additional buildings	E P
Orientation & Enrollment Mgmt	100,000.00	Additional services to students & parents and increase in operating cost	T & L
Marketing & Alumni Development	50,000.00	Correct chronic shortfall in marketing budget each year	E P
Total	<u>625,000.00</u>		
Balance	<u>450,000.00</u>	To be considered for Allocation Spring 2009	

1. This fund will also serve as a \$450,000 reserve to hedge against any mid-year recissions/impoundments by the State of Tennessee.
2. It gives us the flexibility to express our intent to respond to one of our highest strategic planning recommendations and priorities...Faculty & Staff Compensation. Should the UT System and UT Board of Trustees allow for mid-year compensation adjustments, we could aggregate these funds, along with new revenues realized by Fall 2009 enrollment increases to respond to a compensation plan for faculty and staff.

*** T & L = Teaching & Learning E P = Enabling Partnerships E & R = Education & Research

Special Budget Issues 2008-09

1. Purchase Offer Bryan Funeral Home

Appraised Value - \$836,000

Source of Funds:

- \$340,000 – UT System Land Acquisition Account
- \$193,0090 – Lupton Gift Fund Returns from Engineering
- \$302,910 – Institutional Non-Recurring Funds 2008
- **\$836,000 Total**

* Project provides “key” acquisition of strategic southeast quadrant of the campus.
Provides for housing and parking expansion

2. UTC Utilities Increases 2008-09

Budget Impact = (\$720,000) Deficit from 24.6% Increase by EPB

Source of Funds:

- \$200,000 (2008-09) Base Budget Item)
- \$250,000 (2008-09 Enrollment Increase and One-Time Funds)
- \$100,000 (Savings from Natural Gas Reductions Given New Electrical Chillers at Energy Plant)
- \$110,000 (increase in Charges Auxiliary Units)
- \$ 60,000 (Savings from Energy Management)
- **\$720,000 Total**

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2007-08 Access & Diversity Funds

Request	Sponsor	Summary	Funding Level
ACT/SAT Prep Course	Brian O'Leary	Provide training to UTC faculty and staff to teach Hamilton Co. students to prepare for the standardized admissions test	\$20,000
Shower Installation	Laura Mincy	Install showers in softball team locker room to meet athletic gender equity standards. Facility located at Warner Park.	\$42,000
Creation and renovation of space for Women's and Multicultural Center	DeeDee Anderson	Creating physical space for these areas to conduct programming, training, and to provide services	\$100,000
International Educational Tour for students with disabilities	Michelle Rigler	Fund 10 scholarships for students to participate in an international trip to an Australian college campus to learn from their best practices in an effort to expand awareness and accommodations at UTC.	\$40,000
Purchase Accessible Van	Michelle Rigler	Purchase an accessible travel van for disabled students to participate in UTC student activities	\$60,000
Study Skills and College Awareness Summer Program	Jean Howard Hill	Fund a pre-college program for Hamilton Co. students to teach life and study skills for academic success. This program will be heavily linked with the Admissions Office.	\$30,000
Targeted Recruiting, Advertising, and Marketing for Minority Faculty and Staff	Dan Webb	Promote UTC employment opportunities to minority and women applicants to enhance the quantity and quality of underrepresented groups.	\$20,000
Campus Diversity Training	Dan Webb	Develop training programs and teach UTC faculty and staff to conduct seminars on access and diversity that will promote a culture of diversity, inclusion, and collegiality	\$50,000

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2007-08 Access & Diversity Funds Cont'd

Media Ad Campaign to minority and adult students	Dr. Stephanie Bellar	Run media ad campaigns of newspaper, radio, and direct mail to African and Hispanic American students to create awareness of graduate education at UTC.	\$7,000
Fund travel and supplies for NSF representative to offer training to 7 institutions providing STEM graduate degrees	Dr. Deborah Arfken	Fund a training site visit for an NSF rep for 7 Tennessee Universities to create an alliance for an NSF grant to increase minority faculty in STEM majors.	\$2,500
Equipment Request for Africana Minor	Dr. Vic Bumpus	Fund equipment needs for minor to assist with recruitment and dissemination of materials	\$2,250
Fund travel for International Accounting Conference in Canada	Dr. Anne Wilkins	Fund the trip for 2 diverse acct. students and 1 faculty member to attend the intl. conference to gain exposure to the global marketplace	\$7,000
Purchase airline tickets for national speakers on race, class, & gender in criminology	Dr. Helen Eigenberg	Sponsor 3 internationally respected speakers to conduct 2 seminars on race and gender in criminology.	\$1,350
UTC Quality of worklife study for faculty/staff/administrators	Dr. Barbara Medley	Study to examine worklife quality for UTC faculty and to what extent these factors may vary based on race and gender	\$25,000
Faculty mentoring program for UTC minority faculty	Dr. B. Medley, et. Al	Provide a mentoring program that increases recruitment, retention, and success of minority UTC faculty by administering a mentoring program.	\$14,000
Fund a campus visit for an African American nationally recognized brass composer	Dr. Kenyon Wilson	African American Brass composer to serve as a guest lecturer and work with the UTC tuba/euphonium ensemble	\$2,125

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2007-08 Access & Diversity Funds Cont'd

Enhance recruitment and retention of minority students in Computer Science & Engineering	Dr. Li Yang	Fund a program that will increase awareness of UTC faculty on diversity opportunities, recruit high school students, and increase retention by providing tutoring and mentoring to currently enrolled CS students	Pending
Financially support the UTC Physics Dept's high school outreach program	Dr. Kristin Whitson	Increase the number of women and minority students in the Physics Dept. by sponsoring the outreach program	\$7,500
Create GBLT safe zones across the campus	Dr. DeeDee Anderson	Safe zones provide a haven for GBLT students as well as raise campus awareness about this group	\$4,000
Provide materials to stimulate peer interactions between Pre-K children with disabilities and typically developing children	Linda Rivers (Michelle Rigler)	Create a more inclusive and aware environment for UTC Children's Center for special needs and typically developing students	Pending \$10,000

Total Allocated from Committee:
\$444,725

Prior Commitments: (Awarded by B Wofford for various departments for seminars and training initiatives)			\$25,000
Minority Faculty Opportunity Hire plus benefits			\$79,200
Graduate Assistantships already awarded for 2007-08			\$138,190.66
Staff Development already awarded			\$44,000.04
Total awarded and committed			\$731,116.00
Funds Available			\$734,000

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The University of Tennessee at Chattanooga

Budget Reduction Planning

2009-10 thru 2013

Linking University Budget and Resource Allocations to Strategic Planning

The University has completed its comprehensive strategic planning initiative. The overall focus of this Effort will center around the concept “We Shall Achieve Excellence Through Partnerships”. Future Resource allocations shall be strategically aligned and linked to the following initiatives:

- Partnerships for Students (Teaching and Learning)
- Partnerships for Education and Research
- Partnerships for Diversity
- Enabling Partnerships

Preamble: In the likely event of a UTC budget reduction for 2009-10, the following actions will Guide our fiscal and operational planning:

UTC Budget Reduction Response Plan 2009-10

1. To the extent possible, we will strive to protect and maintain the important **human capital** of the University.
2. We will provide a critical analysis and assessment of “**key**” functions and “**critical**” programs that require continued investment.
3. We will protect our “**core business**” and strive to maintain the **integrity** and **quality** of the **academic instructional** and **research** programs.
4. We will continue to provide “**basic**” **support** for **student support services** to insure all enrolled student enjoy the benefits of a **quality university experience**.
5. If base budget reductions are required, they will not be “**across the board**”; we will look strategically at all programs and services as they relate to mission, strategic direction, and institutional quality.
6. We will ensure all base budget reductions are implemented with **recurring revenue sources**.

Budget Reduction Planning 2009-10 thru 2013

1. Provide program review and benchmarking for all university operating units. A memorandum from the Chancellor and Vice Chancellor of Finance and Operations will be sent to all Vice Chancellors and the Athletic Director to complete the review and study no later than December 2008.

2. Each Vice Chancellor and the Athletic Director will be required to submit to the Chancellor and Vice Chancellor of Finance and Operations their recommendations to implement strategic, not across the board, base budget reductions to the E&G State Appropriation of 3%, 4%, and 5%.

	<u>3%</u>	<u>4%</u>	<u>5%</u>
UTC Base Appropriations \$43,917,500			
Reduction Target	\$1,317,525	\$1,756,700	\$2,195,875

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Phase 1 Action Plan

1. Revenue gains from enrollment increases will be used as a hedge to reduce the total impact of the Budget Reductions or Impoundments (\$1 million projected). These funds will be held until Spring 2009 before any consideration of allocations. (Approx \$500,000 revenues & \$500,000 Renewal and Replacement Funds to equal **\$1,000,000**)

2. Implement “limited” hiring freeze on all University open positions.

3. Review all vacant salary lines for possible budget reductions.

4. Freeze equipment and special purchases.

5. Delay “Special Projects” over \$100,000.

6. General Reduction in operating budgets.

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