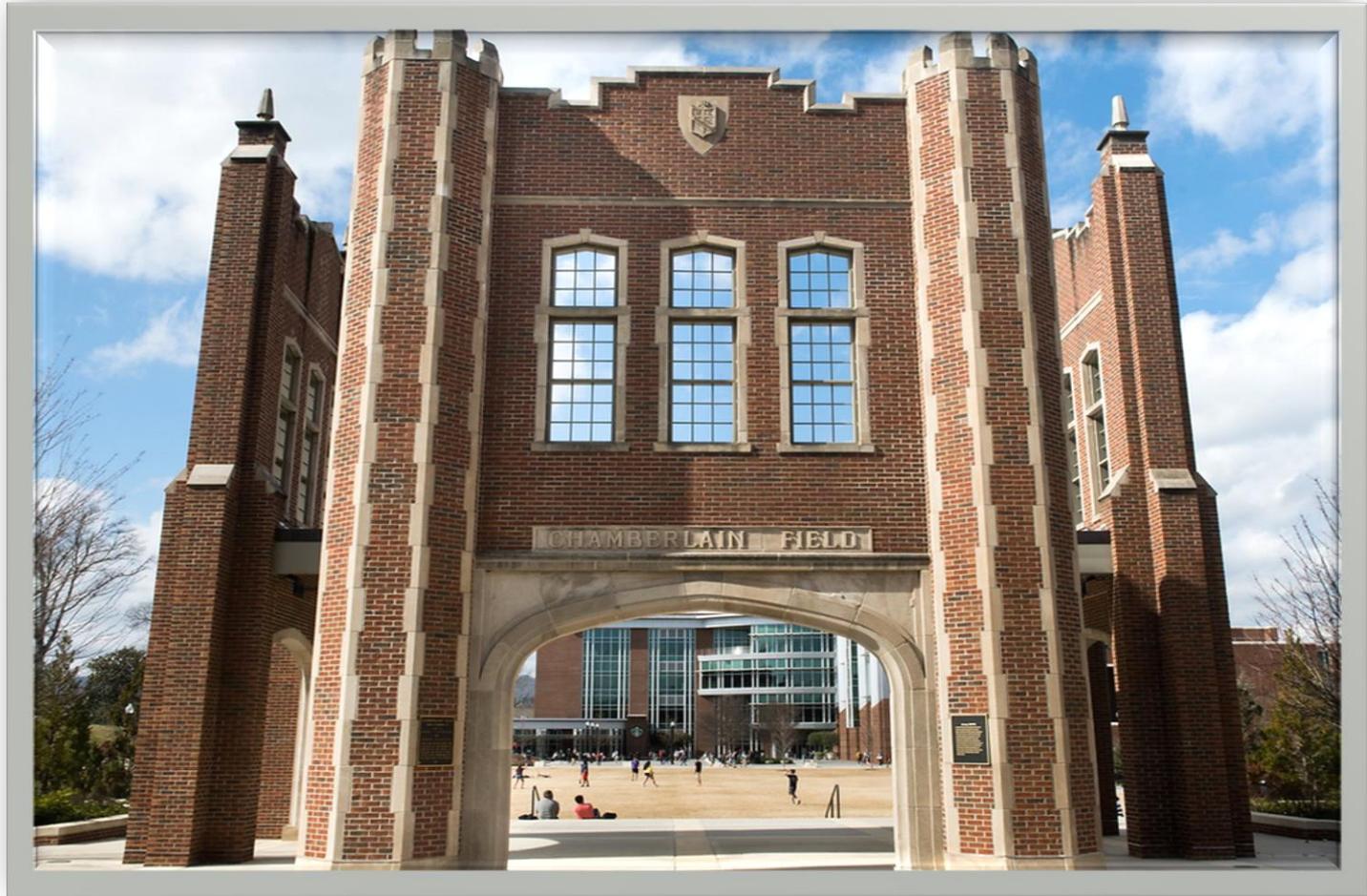


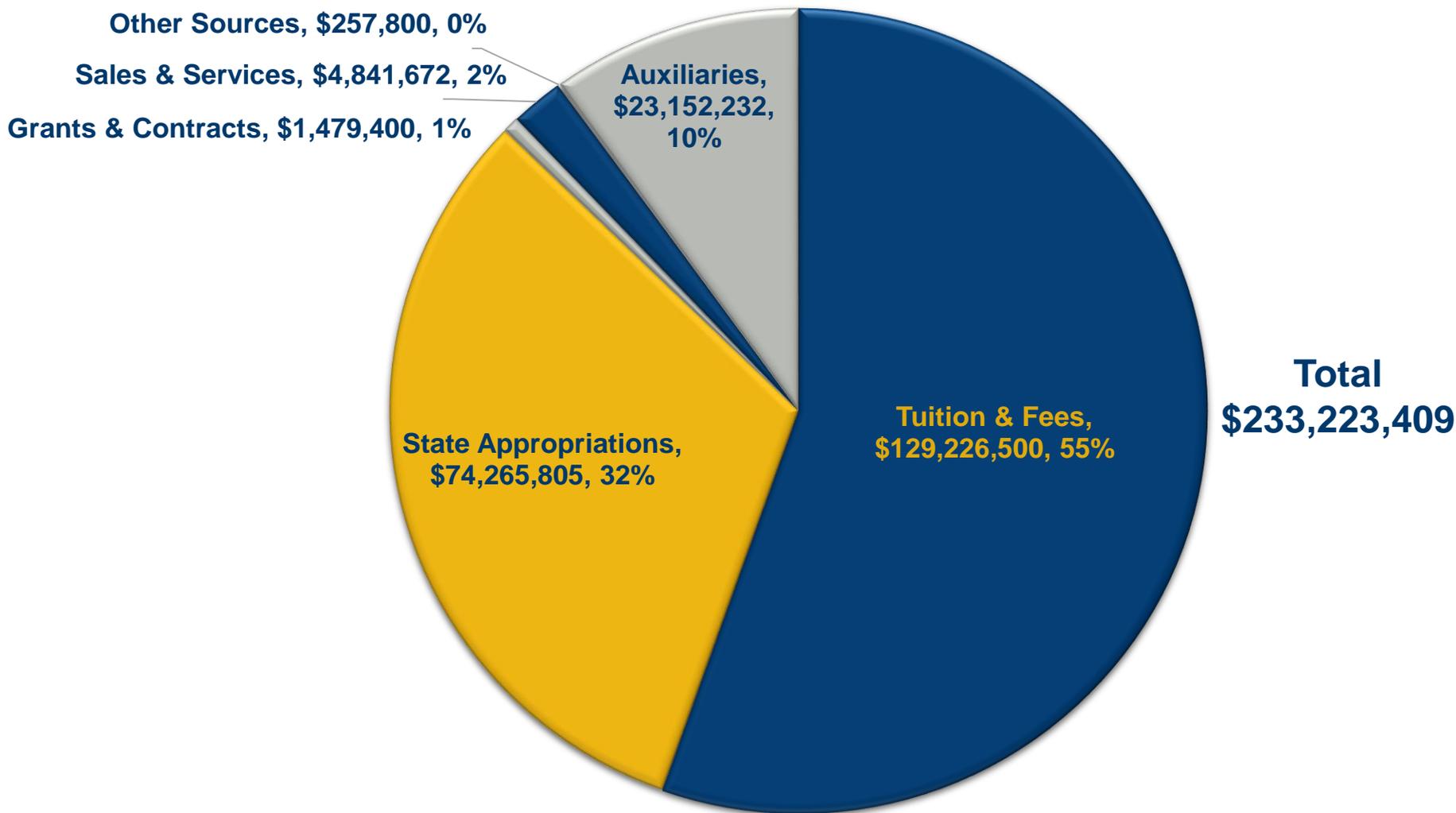
UPRAC Budget Meeting



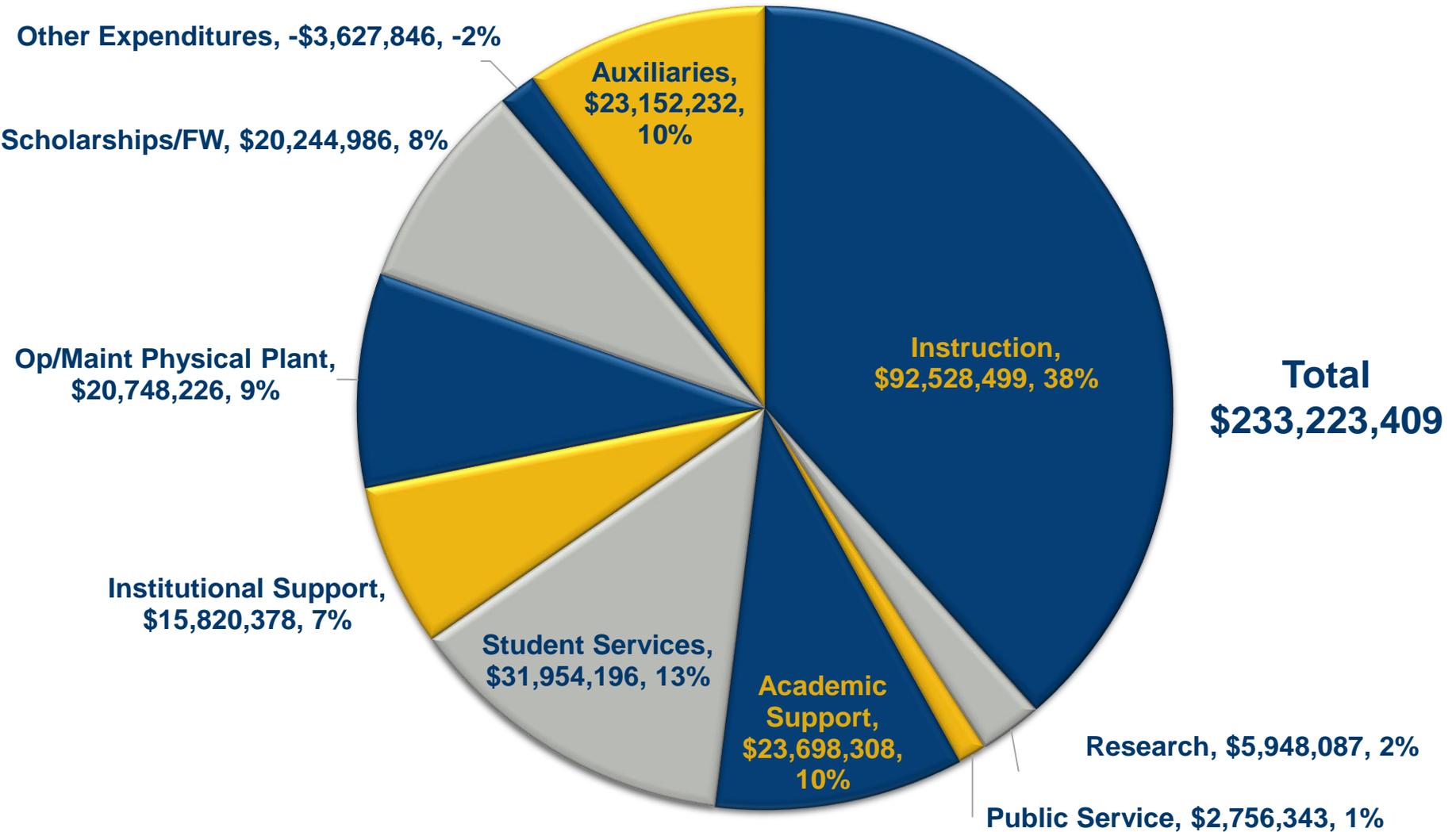
FY 2023 Update & FY 2024 Budget Planning
Brent Goldberg, Vice Chancellor for Finance & Administration

FY 2023 Financial Update

FY 2023 E&G & Aux. Revised Budget - Revenue

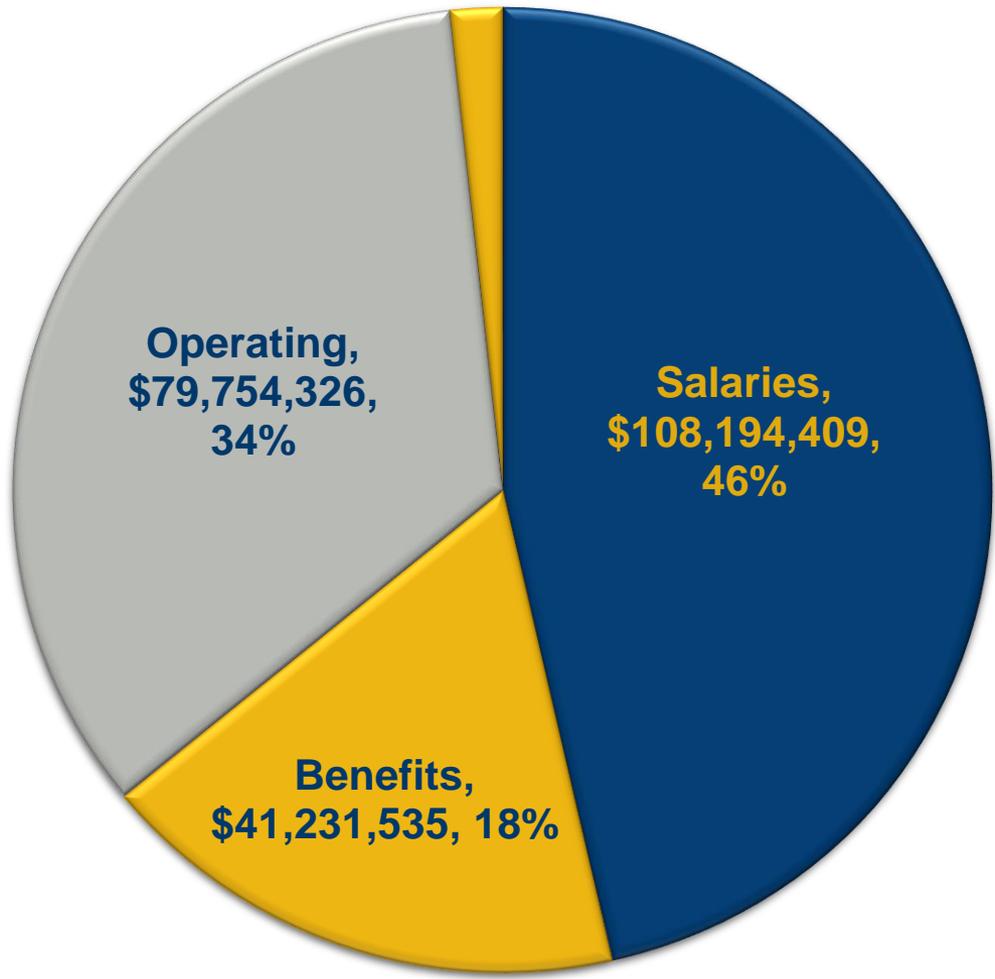


Revised Budget – Expense by Functional Area



Revised Budget – Expense by Natural Classification

Transfers, \$4,043,139, 2%



Total
\$233,223,409

FY 2023 E&G Budget vs YTD Actuals

	BUDGET	YTD ACTUALS	%
Revenue:			
Tuition & Fees	\$131,942,509	\$122,988,907	93%
State Appropriations	74,265,805	48,790,236	66%
Grants & Contracts	1,479,400	905,751	61%
Sales & Service	4,841,672	3,816,174	79%
Other Services	257,800	97,533	38%
Total Revenue	\$212,787,186	\$176,598,601	83%
Expenses:			
Salaries & Benefits	\$143,884,249	\$77,282,861	54%
Operating	72,713,350	45,565,945	63%
Total Expenses	\$216,597,599	\$122,848,806	57%
Transfers	-3,810,413	2,689,349	-71%
Total Expenses & Transfers	\$212,787,186	\$125,538,155	59%
Balance	-	\$51,060,447	

**Current remaining salary and operating encumbrances equal \$75,904,432*

FY 2023 Non-Recurring Budget Reduction

Description of Funds	Amount
Vacant Positions / Salary Savings	\$1,919,567
Benefits	791,123
Operating	754,851
Total	\$3,465,541

To minimize enrollment implications a non-recurring budget reduction was implemented resulting in a 2.5% reduction from centrally funded recurring budget.

HEERF Summary

Stimulus Funds	Awarded	Disbursed to Students	Institutionally Expended	Remaining
HEERF I - CARES	\$9,513,780	-\$4,756,890	-\$4,756,890	-
HEERF II - CRRSAA	15,131,381	-6,635,890	-8,495,491	-
HEERF III - ARP	26,626,600	-14,238,951	-10,328,251	2,059,398
SIP	1,183,328	-	-	1,183,328
Total Funds	\$52,455,089	\$-25,631,731	\$-23,580,632	\$3,242,726

Remaining commitments include \$133K to students, institutional projects of \$600K, and \$2.5M to offset enrollment decline

FY 2024 Budget Planning

FY2024 State Appropriations

THEC Recommendations

- Funding Formula – Productivity to Base – (\$384,400)
- Funding Formula – Growth Funding - \$7,656,500

State Appropriations (Gov. Recommend)

- Operating Formula – Productivity to Base – (\$384,400)
- Operating Formula – Growth Funding - \$2,337,800
- Operating Formula – 5% Salary Pool - \$3,523,500
- Operating Formula – Insurance Premiums & Benefits - \$411,500
- Capital Maintenance – Building Envelope Repairs - \$7,350,000

State Appropriations (TN General Assembly)

- TN General Assembly – Possibly Adjust Gov. Recommendation
- TN General Assembly – Votes to Pass Final Budget in May

Budget Environment and Planning

5% Salary Pool

- Minimum Wage Increase to \$15/hr
- Compression Adjustments – Market Ranges 1 - 6
- Faculty Promotions and Rollovers
- 4% Market and Merit Adjustment

Unavoidable Costs

- Utilities
- UT System Charge
- Property Insurance
- Quality Enhancement Plan

Investments

- Marketing and Recruitment
- Quantum Initiatives
- ERP Implementation
- University High

Undergraduate (UG) Out of State Reduction

Semester Fees	Current	Proposed	Difference
UG Maintenance Fee	\$3,996	\$3,996	-
UG Mandatory Fees	928	928	-
UG Out of State Tuition	8,059	4,032	-4,027
Total Out of State Student Cost	\$12,983	\$8,956	-\$4,027

- Graduate out of state students pay \$9,269; UG Border Students pay \$8,956
- Minimal financial impact due to large scale of subsidized awards from the University
- Break even proposal of 56 new out of state FTE, 113 new in-state FTE, or mixture

FY 2024 Budget Planning Timeline

DATE	ACTION
February 6, 2023	Tennessee Governor releases recommended state budget.
February 27, 2023	UPRAC meets to discuss investment priorities proposed by campus.
March 2023	Chancellor and Executive Leadership Team finalizes proposed budget.
April 2023	Chancellor hosts town hall meeting to share proposed budget with campus.
May 2023	Tennessee General Assembly approves state appropriations budget.
May 2023	UTC Advisory Board makes recommendation on UTC proposed budget.
June 2023	UT Board of Trustees approves proposed budget.

FY 2024 Proposed New Revenue

Source	Description	Revenue
State	Formula Productivity & Growth (THEC Recommendation)	\$1,953,400
State	5% Salary Pool Growth	3,523,500
State	Insurance Premiums and Benefits	411,500
Tuition	Maintenance Fee 3.0% Increase	2,668,218
Tuition	Differential Fee 3.0% Increase	172,199
Fees	Mandatory Fees 3.0% Increase (Health, Debt, Trans.)	576,061
Fees	Lab/Course Fees, MOSAIC Fee, Program Fees	334,000
Auxiliary	5% Housing, 5% Meal Plan and 3% Parking Increase	1,575,875
Total		\$11,214,753

Potential new revenue is reliant on Governor's budget recommendation, General Assembly, and BOT action

FY 2024 New Expense Requests

Division	Recurring Requests
Chancellor	\$204,450
Diversity & Engagement	224,471
Athletics	150,000
Finance & Administration	805,633
Academic Affairs	2,443,972
Research & Graduate School	267,240
Enrollment Management & Student Affairs	1,233,990
Communications & Marketing	1,131,317
Information Technology	-
Institutional	9,812,289
Auxiliary	1,575,875
Total	\$17,849,237

A 3% tuition increase approved requires a cut of \$6,634,484 in requests to balance; no tuition increase would require a cut of \$9,474,901 in requests to balance

QUESTIONS