

UPRAC
Minutes
February 15, 2021

Attended: Steve Angle, Tyler Forrest, Jerold Hale, Lofton Stuart, Yancy Freeman, George Heddleston, Vickie Farnsworth, Joanne Romagni, Theresa Liedtka, Robert Dooley, David Steele, Vanasia Parks, Chris Sherbesman, Laure Pou, Abeer Mustafa, Allison Evans, Daniel Pack, Mark Wharton, Pamela Riggs-Gelasco, Valerie Rutledge, Charlene Simmons, Andrew McCarthy, Laura Perryman, Linda Frost

Absent: Lane Gutridge, Rik Hunter, Andrew Williams, Melita Rector

Mr. Tyler Forrest, Vice Chancellor, and Provost Jerold Hale, UPRAC Co-Chairs, welcomed everyone to the University Planning and Resources Allocations Committee (UPRAC) financial report meeting. Mr. Forrest stated that despite the challenging year, he appreciated everyone's efforts. Mr. Forrest and Provost Hale are very appreciative of everyone attending today's meeting. Mr. Forrest recognized the Chancellor and asked him to please start the meeting with a welcome and opening remarks.

Chancellor Angle thanked everyone for attending this afternoon and for their hard work with working on the budget during COVID-19 especially with all the challenges with the new strains and the availability of the vaccines. Chancellor Angle stated that we are in an extremely good position right now as a campus given everything that has taken place. Chancellor Angle mentioned that the state budget from the governor was very encouraging. Chancellor Angle said that we still have some issues to discuss like, tuition increase, minimum wage to \$15 an hour as this will have a financial implication should it be adopted by the Federal government, success challenges, student scholarships and how will we budget all of this, but these are great and solvable problems. Chancellor Angle stated that we have a lot of positive metrics as the student success is on the upswing and our campus looks wonderful. With the planning endeavors this will only add to the beauty of the campus and we are looking at the Health Science Building where the nursing school will enter as phase one. Chancellor Angle mentioned that President Boyd has made this a priority for UTC. Chancellor Angle said that despite of COVID and facing reality, he is confident that this great team will figure these challenges and he is looking forward to taking this journey together.

Mr. Forrest thanked Chancellor Angle for his comments. Mr. Forrest asked Provost Hale for his opening comments and to share his thoughts on the academic priorities.

Provost Hale discussed the Academic Affairs report stating the five priorities with the budget implications and moving forward with the Strategic Planning. Provost Hale stated that the most significant threat to the financial security to the institution is the scholarship gap. Provost Hale said this is a great problem because this means that our student success metrics are improving but this will be a challenge we will have to face. If we did not offer these scholarships, our students would be finding a different institution to attend. Provost Hale mentioned it is critical to keep thinking about on how to keep a steady enrollment. If we have declines, this will impact our budget. Academic Affairs can impact enrollment by helping keep retention rates and keep our students on a timely graduation. **(Academic Affairs UPRAC Report – Five Priorities with Budget Implications - Presentation is on the Budget and Finance website).**

Mr. Forrest thanked the Provost for the informative presentation. Mr. Forrest stated that he will recap and discuss the current fiscal year with the Financial Report presentation. Mr. Forrest mentioned that the year has

had many ups and downs, but we have been fortunate to have a great deal of stimulus funding, but this too can cause a lot of uncertainty as it can be difficult to determine how these dollars can be used. **(FY 2021 Financial Update Presentation is on the Budget and Finance website).**

Mr. Forrest introduced Dr. Yancy Freeman, Vice Chancellor, Enrollment Management and Students Affairs, to present on scholarships. Dr. Freeman expressed how great the success of the retainment and the qualification of scholarships by our students have been. Dr. Freeman shared an excel spreadsheet regarding the FY22-Freshman Scholarship Offers. Dr. Freeman said we have three institutional scholarships: Chancellor's, Provost and the MOCS awards. **(Please review the FY22-Freshman Scholarship Offers spreadsheet that is on the Budget and Finance website).**

Dr. Daniel Pack asked Dr. Freeman are these scholarships for full tuition, as it looks like 3,300 students will receive one of the three scholarships? What exactly do the scholarships provide – How do these scholarships compare to our peer institutions? Dr. Freeman stated that he is not aware of a full institutional scholarship award. Dr. Freeman mentioned that Dr. Linda Frost is having to use additional endowment funds to complete a full scholarship award for the Honors College students. The Chancellor, Provost and MOCS awards do not cover the full amount. The awards are roughly \$2,000 per semester for the students. Dr. Freeman stated that due to the competitiveness of our programs, UTC is very competitive as it relates to discount rates for institutions and around our peer institutions as we are awarding dollars to individual students to get them to enroll. Please let Dr. Freeman know if you would like any information on their research.

Dr. Linda Frost asked when we increased the Chancellor's award amount to \$2500 a semester? Dr. Freeman stated that the award was increased three years ago. Dr. Frost also asked what would happen if they adjust the minimum requirements awards for the ACTs? Dr. Freeman stated the requirements were adjusted and lowered by a whole point. Dr. Freeman mentioned that Hardwick Day did a consultation and reviewed our programs and helped us reframe the guidelines to help more students get enrolled. Dr. Freeman stated that in 2015 we began to see increasing enrollment numbers through the Tennessee Promise phase. Dr. Frost asked was there any type of adjustments on how merit scholarships were awarded since we went to a test optional admission? Dr. Freeman said that the test optional for students are not in these numbers and there were smaller numbers this year than we would normally see in the scholarship numbers, because of the test optional grouping of students.

Chancellor Angle stated that we are talking about having another consultant come back to UTC in September after we see what our fall class looks like to see if we need to change our scholarship packaging regarding the test optional. Chancellor Angle mentioned that it may be worth to receive some outside help to better understand the impact. Chancellor Angle said that we need to talk to Financial Aid to see what they think and then we can decide on moving forward.

Ms. Vanasia Parks stated that the Bursar's Office for the semester processed around 4,600 refunds to students with a total of \$11 million in refunds. Ms. Parks mentioned that depending on what aid the students are getting, other than scholarships, this will help the students. Dr. Freeman thanked Ms. Parks for this information.

Mr. Forrest thanked Dr. Freeman for such a great presentation and for the great questions and feedback.

Mr. Forrest shared what the Cost Going Forward looks like right now and stated that the Budget and Finance office will send the form out to the committee via email. Mr. Forrest said that this is our standard form and you will be able to see all the revenue numbers. Mr. Forrest stated that you will also note that on the expense side, each expense is divided out by division then it is committed versus requested. Committed items have an institutional commitment to it or a prior year commitment that is rolled over. Mr. Forrest mentioned that we had to use some non-recurring funding when the COVID pandemic came and the state budget was flat. Mr. Forrest asked the committee to please reach out for any questions you may have. Mr. Forrest thanked Allison Evans and Chris Sherbesman for their exceptional hard work. **(Please review the Cost Going Forward on the Budget and Finance website).**

Mr. Forrest opened to the committee for their thoughts and feedback on the discussions. Mr. Chris Sherbesman stated that he and Ms. Evans will be meeting with each of the divisions and colleges for the standard quarterly budget meetings within the next week to discuss this budget in greater detail.

Mr. Mark Wharton asked when we will know if the two percent tuition increase will be able to be moved forward. Chancellor Angle stated that the board will discuss our budget regarding the tuition increase at the end June. Chancellor Angle mentioned that they have discussed the two percent increase with President Boyd and he is very receptive to these discussions but a commitment has not been made. Chancellor Angle stated that UTC has the lowest tuition in the system and the two percent will help with our numbers. Chancellor Angle said we had not anticipated on the four percent salary pool and the \$1.5 million we must provide. Chancellor Angle asked that we please remember that this will not roll out as a cost of living as we need to discuss the job families and which staff are at the lowest end of these job families. Chancellor Angle said we still have a lot to discuss regarding the details and this will continue to be a work in progress.

Mr. Forrest thanked the committee and to please reach out to him or the Budget and Finance office for further questions. Mr. Forrest stated that all the information shared, along with the recording, will be on the Budget and Finance website. Mr. Forrest encouraged everyone to use the "Budget Chatt" inquiry/dialogue - located on the Budget and Finance website - to give their feedback, comments or ask any questions regarding any aspect of the budget process. **(You may follow the presentation with the recorded ZOOM placed on Budget and Finance website).**