

**THE UNIVERSITY OF TENNESSEE AT CHATTANOOGA  
ADVISORY BOARD MEETING**

9:00 a.m. ET  
Thursday  
October 3, 2019

Foundation Room - University Center  
615 McCallie Avenue  
Chattanooga, Tennessee

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## **I. CALL TO ORDER AND ROLL CALL**

Chair Fred Decosimo called the meeting to order at 9:00 a.m. Ms. Teresa McKinney called roll in Ms. Denniston's absence. The following Board members were present:

Muecke Barker  
Fred Decosimo (Chair)  
Serina Desai  
Carole Hoffman  
Scott LeRoy  
Gretchen Potts  
Benjamin Smith

A quorum was present.

Others in attendance included: Dr. Steven Angle, UTC Chancellor; Dr. Richard Brown, UTC Executive Vice Chancellor of Finance and Administration; Dr. Yancy Freeman, UTC Vice Chancellor of Enrollment Management, Student Success and Student Affairs; Dr. Jerold Hale, Provost and Senior Vice Chancellor for Academic Affairs; Dr. Bryan Rowland, Vice Chancellor for Development and Alumni Affairs; Mr. Mark Wharton, Vice Chancellor and Director of Athletics; Mr. Tyler Forrest, Associate Vice Chancellor for Administration and Finance; Mr. Chris Sherbesman, Executive Director of Budget and Finance; Ms. Gina Stafford, Assistant Vice Chancellor for Communications and Marketing; Mr. Yousef Hamadeh, University Assistant General Counsel; Ms. Holly Bentley, Paralegal, Office of the General Counsel.

## **II. OPENING REMARKS**

Chair Decosimo thanked everyone for attending and invited Chancellor Angle to make a few opening remarks. Chancellor Angle noted that enrollment for the Fall 2019 semester is up, which is good news for the budget; that the average GPA for incoming freshmen is 3.58 reflecting a strong group of students that look well qualified; and that student housing, which is tied to enrollment, has been full and something to discuss in connection with UTC's master space and facilities utilization plan. Chancellor Angle also welcomed Mr. Benjamin Smith, the new student member of the Board, who was in attendance for his first official meeting. Chancellor Angle noted that Dr. Richard Brown would discuss the year-end close on budget and the UTC master space and facility utilization plan, and that he (Chancellor Angle) would discuss the UTC Strategic Plan for the next year.

Chair Decosimo thanked Chancellor Angle for his remarks and welcomed Mr. Smith to the Board.

## **III. APPROVAL OF THE MINUTES OF MAY 14, 2019**

Chair Decosimo asked for a motion to approve the minutes of the May 14, 2019 meeting provided to the Board members prior to the meeting. Ms. Carole Hoffman and Ms. Serina Desai jointly made a motion approving the minutes, with Judge Barker seconding the motion. Chair Decosimo asked for any discussion. There being none, a voice vote was taken and the motion carried by a

unanimous vote. A copy of the May 14, 2019 meeting minutes approved by the Board are included in **Appendix A** to these minutes.

#### **IV. FISCAL YEAR 2019 YEAR-END BUDGET REPORT**

Chair Decosimo next invited Dr. Richard Brown, UTC Vice Chancellor for Finance and Administration, to provide a report on UTC's 2019 year-end budget. A copy of Dr. Brown's slide presentation can be found [here](#). Dr. Brown's report included the following key notes:

- UTC is in a healthy financial position. UTC closed the institutional budget in the black as required by State law. The UTC reserve fund is very healthy. UTC added an additional \$1 million to the reserve fund, pushing it to \$8 million in reserves, meeting the recommendations of the Tennessee Higher Education Commission (THEC) and the University of Tennessee System administration.
- Dr. Brown expressed his thanks to Tyler Forrest and Chris Sherbesman from the UTC Office of Budget and Finance for the great job they do working with all the major units on campus looking at income vs expenditures on a quarterly basis. He also thanked the vice chancellors for their outstanding financial stewardship and Chancellor Angle for his leadership overall. He further noted that deans did a phenomenal job this year in terms of managing their respective college budgets.
- \$100,000 was added to UTC's auxiliary services fund balance, which gives UTC almost \$1 million dollars for reinvestment in the campus. Auxiliary services include the bookstore, food service operations, parking services, etc., things that are non-education and general fund focused.
- UTC was able to carry over funds into next year's budget to many of the academic units; \$4.5 million in operating funds were returned to the academic units in F&As and specialized lab fees, course fees, and differential tuition.
- UTC implemented an automatic tax on remaining carryover funds - 55% was withheld for institutional reinvestment. Normally, UTC central administration returns all carryover funds back to the college units. However, this year, UTC administration withheld 55% of such funds to create a balance of about \$1.7 million that the Chancellor and the leadership team can use to invest in certain strategic opportunities. Some of the intended uses of discretionary carryover funds include renovations to the State Office Building, McKenzie Arena exterior upgrades, and other capital projects and one-time investments. Chair Decosimo inquired about the cost of renovating the State Office Building. Dr. Brown stated that the renovations have been done periodically over the past four years and that UTC will likely spend another almost \$2 million renovating floors 5, 6 and 7. Chancellor Angle noted that UTC has completed the renovations for floors 1, 2, 3 and 4. Dr. Brown estimated that each floor renovation costs about \$800,000, not including any expenses for any required HVAC upgrades.

- Eighty percent (80%) of budgeted funds were spent on salary/benefit expenses for faculty and staff. UTC was able to provide a 2% market-based cost-of-living adjustment that cost UTC about \$1.6 million this year. UTC also had a \$250,000 line item for faculty promotion expenses.
- Dr. Brown provided an overview of mandatory fees charged to students. Dr. Brown indicated that the State requires UTC to report on all mandatory fees as they are important for the operation of the campus. UTC is planning projects to expend the mandatory fee reserves. Dr. Brown confirmed that the fees are reflected in a student's tuition bill.
  - Online access fees: \$1.6 million in online access fees that have been collected from students have not expended yet, but UTC is in the process of trying to ramp up its online offerings, and that in consultation with the Provost and in accordance with UTC's Strategic Plan, UTC plans to increase its investment in online education. Online fees will probably be invested in infrastructure (e.g., networks, support systems) to enable UTC to increase its online educational offerings.
  - Library fees: In response to Dr. Potts' inquiry about whether the library fee could be increased to help with the Library's operations and avoid any further cuts to academic journal subscriptions, Dr. Brown indicated this year's budget will address needs associated with the library fee and that the Provost will bring that forward in his portfolio to the budget committee. Dr. Hale, UTC Provost, noted that one of the biggest challenges to any university with regard to their library is that bundled subscriptions tend to go up about 8% every year.
  - Differential tuition fees: The UTC Rollins College of Business charges a differential tuition fee to RCOB students. UTC has three differential tuitions, one in the Nursing School, one in the College of Engineering and Computer Science, and one in the RCOB. Those programs are very faculty-intensive and equipment-intensive that require that investment. The differential fees help cover those costs.
- Dr. Brown noted that UTC has implemented a voluntary retirement incentive program (VRIP) this year. UTC has 176 retirement-eligible employees who could participate - 87 faculty employees and 89 staff employees. Potential salary savings from the VRIP are almost \$14 million. Dr. Brown indicated that about half of eligible employees participated in the last VRIP. Applicants can change their mind up to November 15.

## V. DEVELOPMENT OF NEW UTC STRATEGIC PLAN

Chancellor Angle provided an overview of the plan for developing UTC's new strategic plan, which included the following key notes:

- UTC will start working on a new plan in January 2020, which will include, without limitation, the following: reviewing academic aspirations; increasing alignment with the performance metrics tied to State funding under the Complete College Tennessee Act; reviewing and reworking UTC's mission, vision, and values; reviewing and developing UTC's overarching goals; furthering progress in UTC's graduation rate; increasing UTC's wrap-around

programs for student success (like in Athletics); and increasing progress toward UTC's diversity goals.

- The goal is to have new plan by November 2020 or February 2021.
- Chancellor Angle asked for two Board members to volunteer to serve on the Strategic Planning Committee and two Board members to volunteer to serve on the Master Plan Committee.

## **VI. DEVELOPMENT OF NEW UTC MASTER FACILITIES PLAN**

Dr. Brown next provided an overview of the need and process for developing a new UTC Master Facilities Plan, which touched on the following items: an explanation of why master planning is important; a brief history of UTC's master planning and achievements; goals and objectives of the plan; the composition of the Master Plan Committee; and the process and projected schedule for developing a new plan. Ms. Hoffman volunteered to serve on the Master Plan Committee.

## **VII. OTHER BUSINESS**

No other business was raised for discussion.

## **VIII. CLOSING REMARKS**

Chair Decosimo reminded the Board that the next Board meeting will be on January 21, 2020 from 1:00-3:00 p.m. It was also announced that UTC executive administration would be scheduling a lunch with members of the Hamilton County State delegation sometime later in the Fall and that Board members were welcome to join.

## **IX. ADJOURNMENT**

Chair Decosimo asked for a motion to adjourn. Mr. Leroy so moved, and Judge Barker seconded the motion. The motion was passed by unanimous vote. The meeting was adjourned.