

# Budget Town Hall Meeting



***FY 2022-23 Operating Budget Proposal***  
**Chancellor Steven Angle & VC Tyler Forrest**

# FY 2023 Budget Planning Overview

# Budget Process Goals

- Align budget priorities to strategic goals
- Budget understanding and transparency
- Broaden inclusion with fiscal planning
- Budget decisions made collaboratively with the Executive Leadership Team and the University Planning and Resource Advisory Council
- Support the Campus Master Plan through financial planning
- Build upon strong prior financial stewardship

# Financial Planning Variables

- THEC tuition and fee binding ranges
- State appropriations outcomes
- State appropriations capital outcomes
- Stimulus funding
- Philanthropic environment
- Enrollment fluctuations
- Student retention
- Interest rates
- System wide initiatives and projects

# Challenges and Opportunities

- Enrollment management plan
- Budget reduction and reallocation
- 0% tuition and fees increase
- Inflation costs
- Marketing and recruitment plan
- Invest in research
- Capital outlay projects
- Campus master plan

# Budget Planning and Investments

- Competitive and equitable compensation
- Currently unfunded / growth positions
- Diversity and Engagement division
- IT infrastructure
- UT property insurance
- Marching band
- Building exterior maintenance
- Capital projects
- SACSCOC reaffirmation / new QEP
- ERP - DASH Implementation
- UT Promise adjustment

# HEERF Funding 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	(13,372,876)	(6,190,212)	7,063,512
<b>Total Funds</b>	<b>\$51,271,761</b>	<b>(\$24,765,656)</b>	<b>(\$19,442,593)</b>	<b>\$7,063,512</b>

- Disbursements made to students through block grants and emergency funds
- Institutional expenses include \$10M rev loss, \$4.4M refund reimbursements and \$4.2M in operations and projects
- Remaining commitments include \$1M to students, \$3.8M to institutional projects and \$2M to enrollment impact

# New Strategic Plan 2021 - 2025

- **Teaching & Learning** – recruit and grow diverse student population, improve student performance, define distinctive experience and programs
- **Diversity & Inclusion** – build essential community that cultivates diversity, internationalize, expand inclusive access, and increase engagement
- **Research & Innovation** – expand research capacity, invest resources, community collaboration, engage in mentoring, creative and entrepreneurial endeavors
- **Stewardship & Resources** – expand resource base and revenue streams, physical transformation, transparency, improve technology and web utilization



# FY 23 Budget Planning Timeline

DATE	ACTION
October 2021	Campus units begin the budget planning process.
November 2021	UPRAC meeting on FY23 projected revenue, costs and budget priorities.
Nov. - Dec. 2021	Chancellor hosts "Conversations with the Colleges".
December 2021	Chancellor finalizes "Soar in Four" additional courses and sections budgets.
January 17, 2022	Division leaders finalize and submit budget requests.
January 2022	State of Tennessee Governor's budget released.
February 2022	Executive Leadership Team meets and prioritizes new investments.
February 2022	UPRAC meets to discuss investment priorities proposed by ELT.
March 2022	Chancellor and ELT finalizes proposed budget.
April 26, 2022	Chancellor hosts town hall meeting to share proposed budget with campus.
May 10, 2022	UTC Advisory Board makes recommendation on proposed budget.
June 24, 2022	UT Board of Trustees approves proposed budget.

**FY 2023  
Tuition & Fee  
Recommendation**

# FY 22 TN Undergraduate Market Position

Tennessee Public Institutions	In-State Maintenance	Mandatory Fees	Total Undergraduate Resident
Tennessee State	\$7,128	\$1,207	\$8,335
Austin Peay State	\$7,146	\$1,615	\$8,761
Middle Tennessee State	\$7,704	\$1,889	\$9,593
East Tennessee State	\$7,722	\$1,952	\$9,674
UT Chattanooga	\$7,992	\$1,856	\$9,848
UT Martin	\$8,378	\$1,534	\$9,912
University of Memphis	\$8,352	\$1,704	\$10,056
UT Southern	\$9,000	\$1,200	\$10,200
Tennessee Tech	\$9,240	\$1,282	\$10,522
UT Knoxville	\$11,332	\$1,912	\$13,244

*All tuition and fee amounts are reported for full-time student credit hours for fall and spring semesters.*

# FY 23 Proposed Undergraduate Tuition & Fees

UG Students	Maintenance Fees	Mandatory Fees	Out of State Tuition	Total Cost	Total Change	Cost Change
In-State*	\$7,992	\$1,856	N/A	<b>\$9,848</b>	0.0%	\$ -
Bordering State	\$7,992	\$1,856	\$8,064	<b>\$17,912</b>	0.0%	\$ -
Out-of-State	\$7,992	\$1,856	\$16,118	<b>\$25,966</b>	0.0%	\$ -

*\*In-State rates reflect assessments of new students cost based on the Soar in Four fee schedule.*

# FY 23 Proposed Graduate Tuition & Fees

GR Students	Maintenance Fees	Mandatory Fees	Out of State Tuition	Total Cost	Total Change	Cost Change
In-State	\$8,618	\$1,856	N/A	<b>\$10,474</b>	0.0%	\$ -
Out-of-State	\$8,618	\$1,856	\$8,064	<b>\$18,538</b>	0.0%	\$ -
International	\$8,618	\$1,856	\$16,064	<b>\$26,538</b>	0.0%	\$ -

# FY 23 Proposed Fee Changes

Approval	Fee	Current	Proposed	Change	%	Annual Revenue
Board	UG Maintenance Fee	\$7,992	\$7,992	\$ -	0.0%	\$ -
Board	GR Maintenance Fee	\$8,618	\$8,618	\$ -	0.0%	\$ -
Board	Mandatory Fees*	\$1,856	\$1,856	\$ -	0.0%	\$ -
Board	Differential Fees	\$59/\$102	\$59/\$102	\$ -	0.0%	\$ -
Board	Residence Halls	Varies	Varies	Varies	3.0%	\$1,190,884
Board	Meal Plans Restructure	Varies	Varies	Varies	0.0%	\$ -
President	Lab Fees, ESL	Varies	Varies	Varies	Varies	\$157,960
Chancellor	Parking	Varies	Varies	Varies	3.0%	\$45,000

\*\$3/hr will be reallocated from Student Activity Fee to Debt Service Fee to accommodate capital project plans.

# Mandatory Fees Comparison

<b>Fee</b>	<b>FY22 Current</b>	<b>FY23 Proposed</b>	<b>Change</b>	<b>%</b>
Student Activity	\$240	\$168	(\$72)	(3.0%)
Debt Service	\$336	\$408	\$72	2.1%
Health Services	\$120	\$126	-	-
Athletics	\$514	\$514	-	-
Green	\$20	\$20	-	-
Technology	\$260	\$260	-	-
Library	\$50	\$50	-	-
Transportation	\$96	\$96	-	-
Facilities	\$200	\$200	-	-
International	\$20	\$20	-	-
<b>Total</b>	<b>\$1,856</b>	<b>\$1,856</b>	<b>\$ -</b>	

# **FY 2023 Proposed Budget Recommendation**



# FY 23 E&G Proposed New Revenue & Transfers

Source	Description	Revenue
Tuition	0.0% Increase	\$ -
Tuition	Soar in Four – New Students & Reallocation	2,367,007
State Appropriation	Formula, Salary Pool, and Benefits	8,023,500
Fees	Lab Fee (Bio, Geo, Chem, Anthro.), ESL Fee Increase	157,960
Reserves	Institutional Non-Recurring Transfers	1,737,375
Auxiliaries	Housing, Meal Plans and Parking	1,190,884
		<b>Total \$13,476,726</b>

# FY 23 E&G & Aux. Proposed Budget - Revenue

Other Sources, \$269,500, 0%

Sales & Services, \$4,841,672, 2%

Grants & Contracts, \$1,049,400, 0%

Auxiliaries,  
\$23,152,232,  
10%

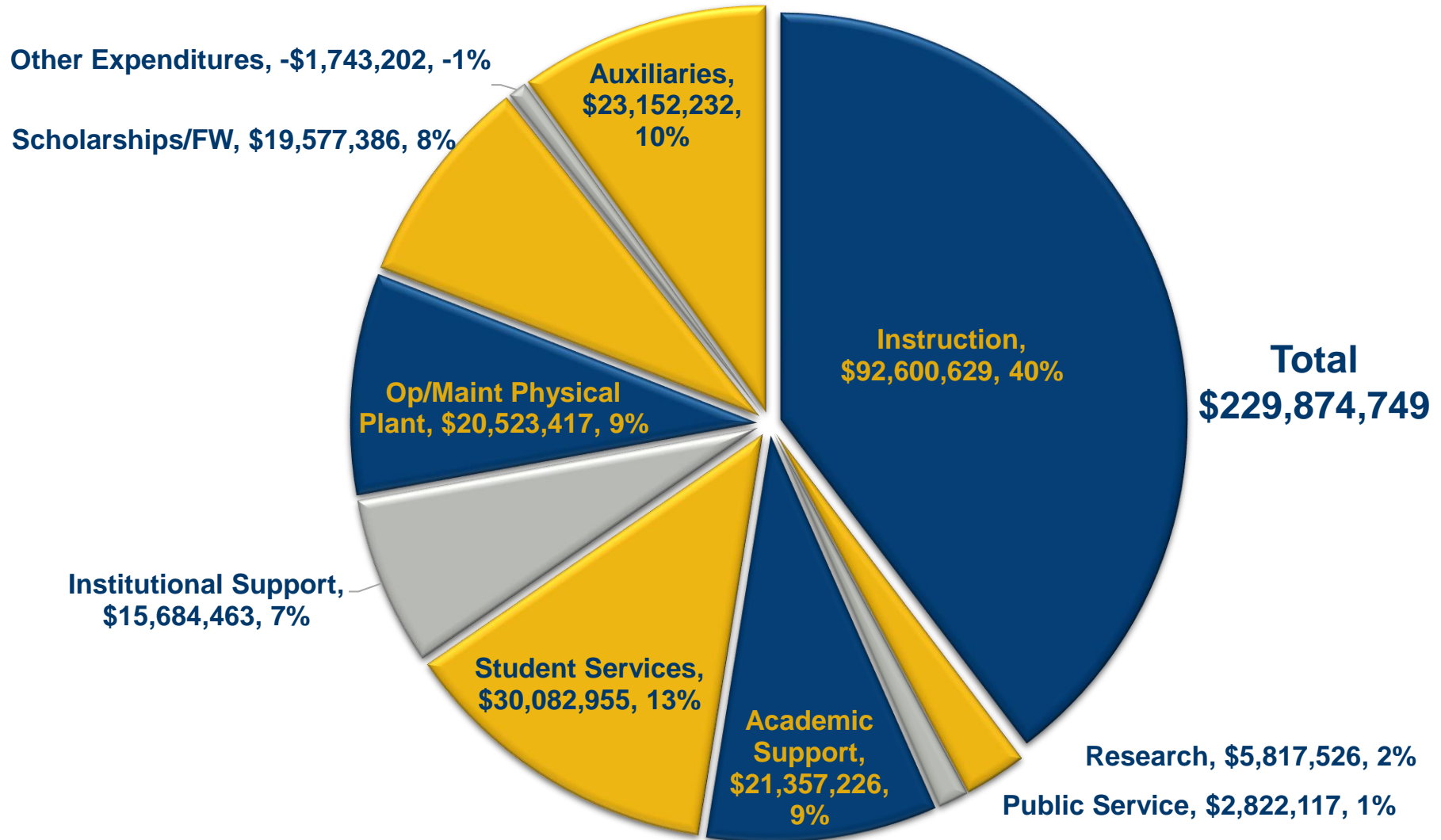
State  
Appropriations,  
\$72,593,605, 32%

Tuition & Fees,  
\$127,968,340, 56%

**Total**  
**\$229,874,749**

*Amounts may change slightly due to possible adjusting entries within the proposed budget period.*

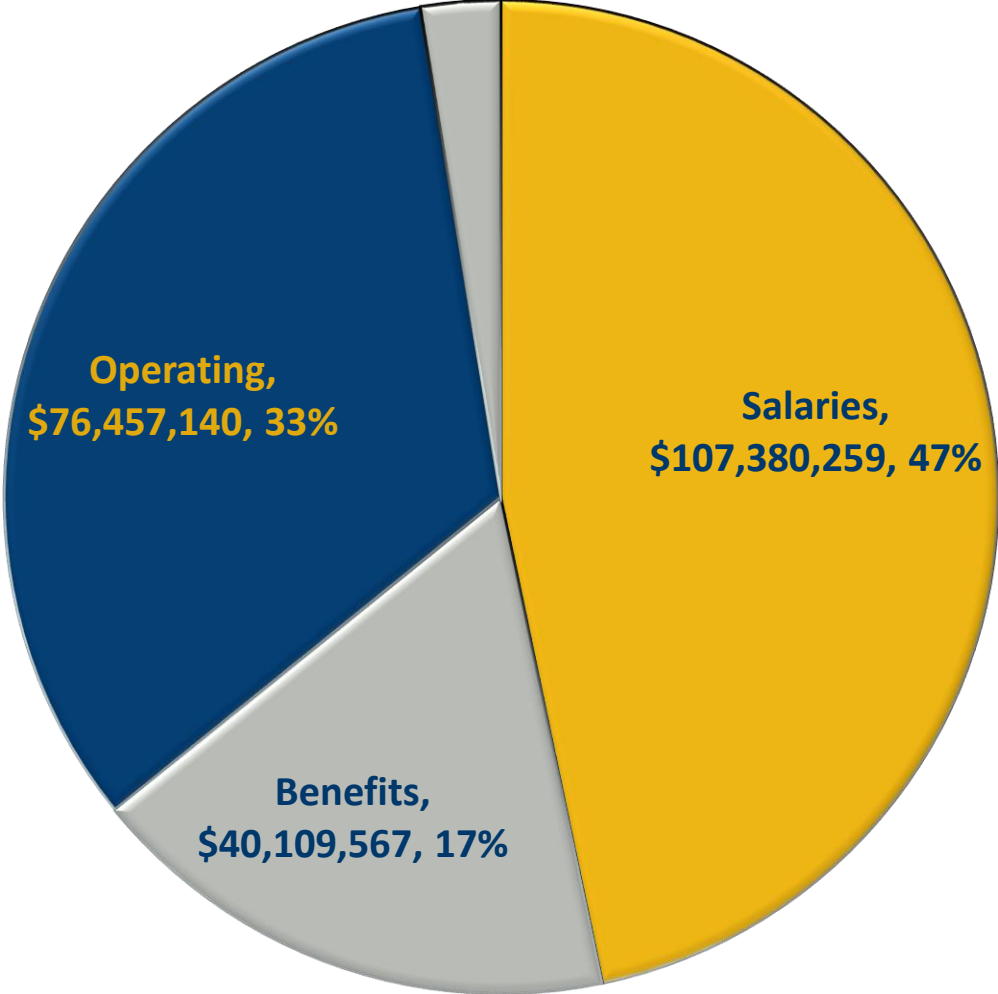
# FY 23 E&G & Aux. Proposed Budget - Expense



*Amounts may change slightly due to possible adjusting entries within the proposed budget period.*

# FY 23 E&G & Aux. Proposed Budget - Expense

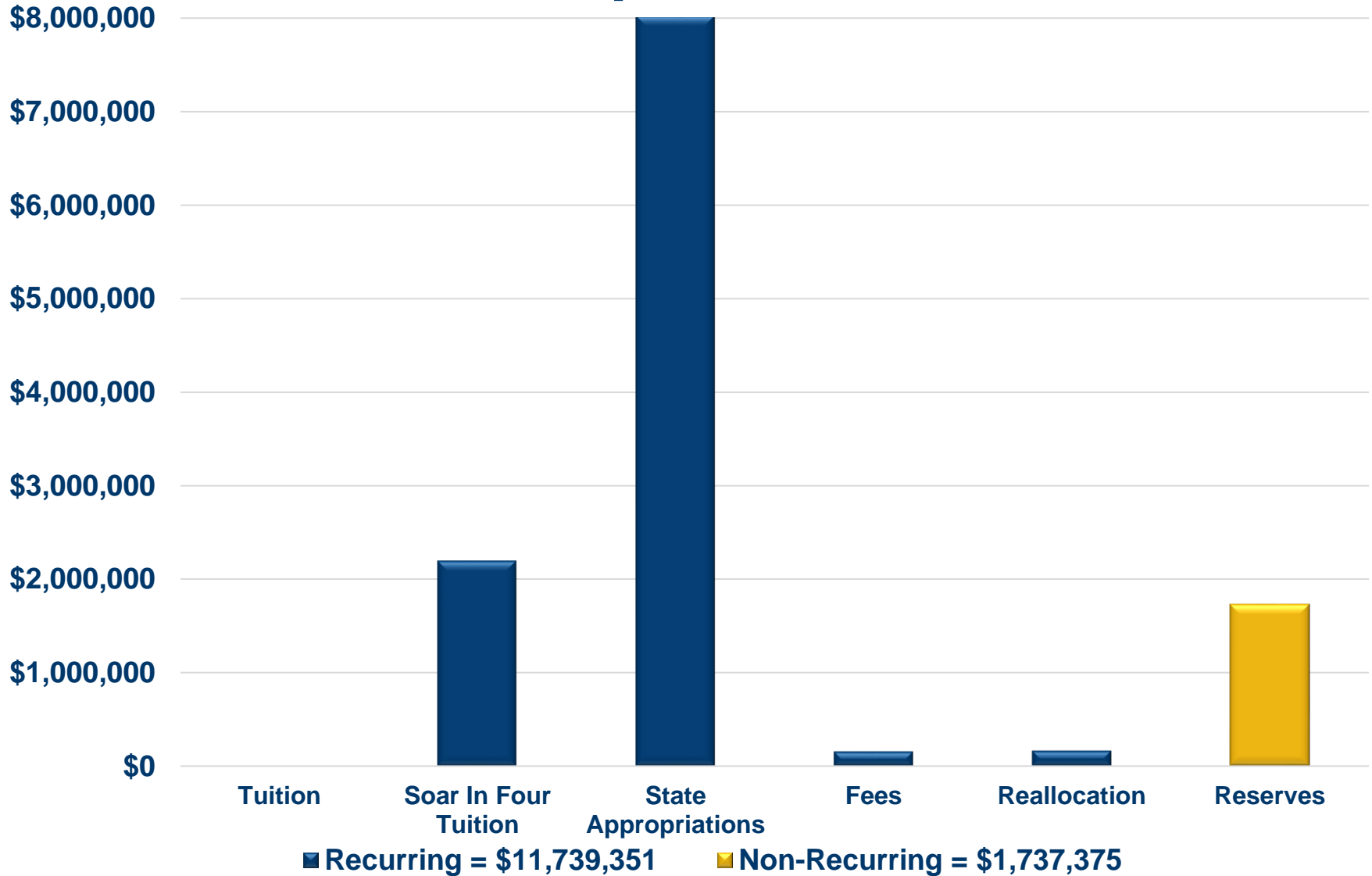
Transfers, \$5,927,783, 3%



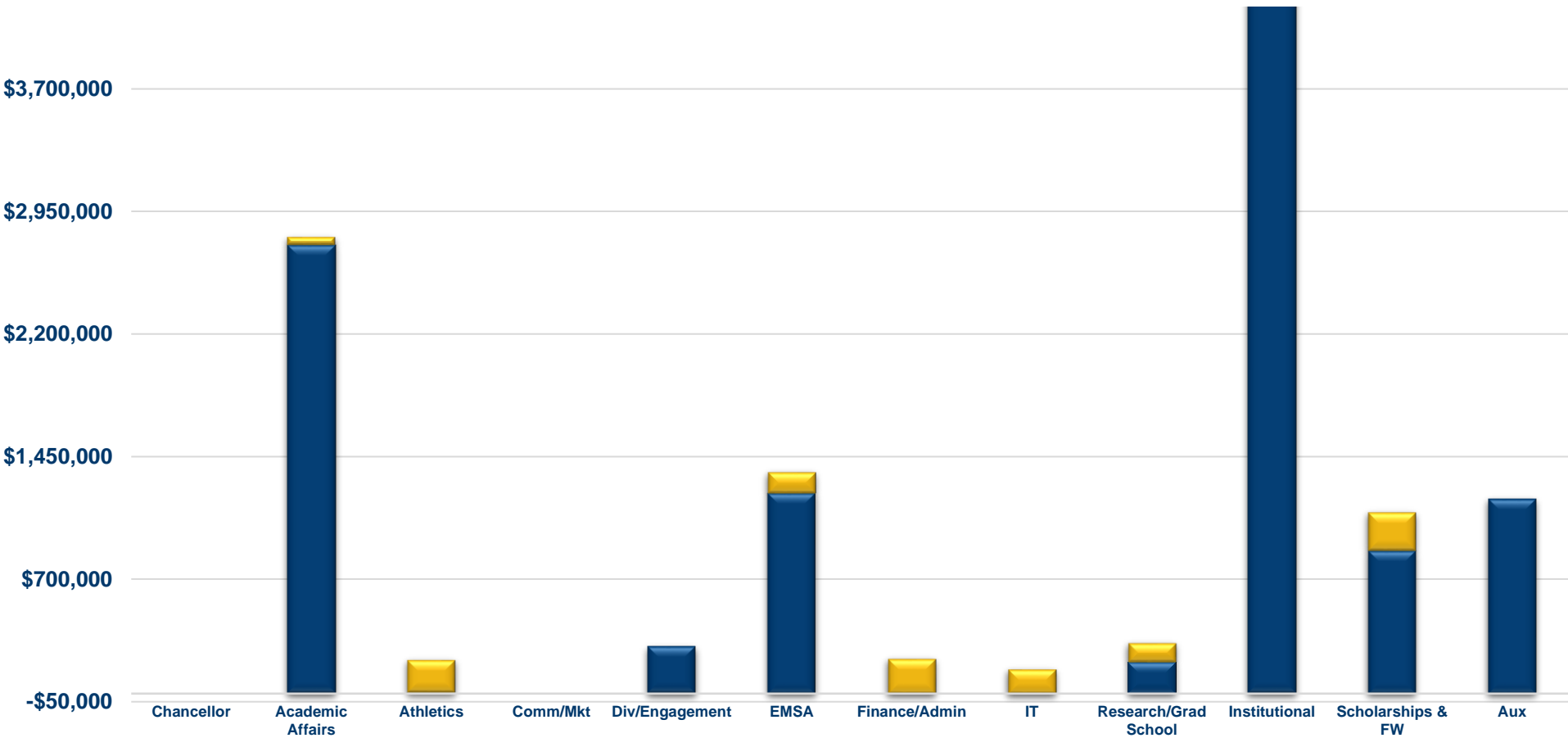
**Total**  
**\$229,874,749**

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# FY 23 E&G Proposed New Revenue



# FY 23 Proposed New Expenses



■ Recurring = \$11,739,351

■ Non-Recurring = \$1,737,375

*Institutional includes all centrally funded compensation pools.*

# FY 2023 Proposed Budget – Academic Affairs

## New Budget Allocations



## Highlights

- Lecturers for additional sections in roadblock courses
- Additional academic advisor and tutoring in colleges
- Prior commitments for new tenure-track faculty
- Tenure-track faculty for new programs and program changes/growth

# FY 2023 Proposed Budget – Athletics

## New Budget Allocations



## Highlights

- Workout equipment for Brenda Lawson Student Athlete Success Center
- Academic support



# FY 2023 Proposed Budget – Div. & Engagement

## New Budget Allocations



## Highlights

- Vice Chancellor and Administrative Assistant positions

# FY 2023 Proposed Budget – Enroll. Mgt & S.A.

## New Budget Allocations



## Highlights

- Academic support and advisement
- Tutoring and academic support services
- Assistant Director of Health Services position
- Director of Counseling permanent funding for position
- College Advancement Mentor program
- Summer Bridge program
- Reallocation of positions for approved UC Renovation project

# FY 2023 Proposed Budget – Finance & Admin.

## New Budget Allocations



## Highlights

- Building exterior maintenance
- Human Resources administrative support

# FY 2023 Proposed Budget – Information Tech.

## New Budget Allocations



## Highlights

- Data warehouse consulting

# FY 2023 Proposed Budget – Research & Grad.

## New Budget Allocations



## Highlights

- Deputy Vice Chancellor position
- Center for Urban Informatics operations and building rent
- UG research support

# FY 2023 Proposed Budget – Institutional

## New Budget Allocations



## Highlights

- 4.0% compensation pool to address minimum wage, compression, faculty promotions, UCF rollovers, faculty equity, staff equity, and market/merit increase
- Employer health premium adjustments
- System administration fee increase
- ERP system implementation
- Property insurance increase
- SACSCOC reaffirmation & QEP development

# FY 2023 Proposed Budget – Scholarships & FW

## New Budget Allocations



## Highlights

- UT Promise increase income threshold from \$50K to \$60K
- Military members in-state rate
- Need based scholarships
- Grant in aid
- Music scholarships

# FY 2023 Proposed Compensation Pools

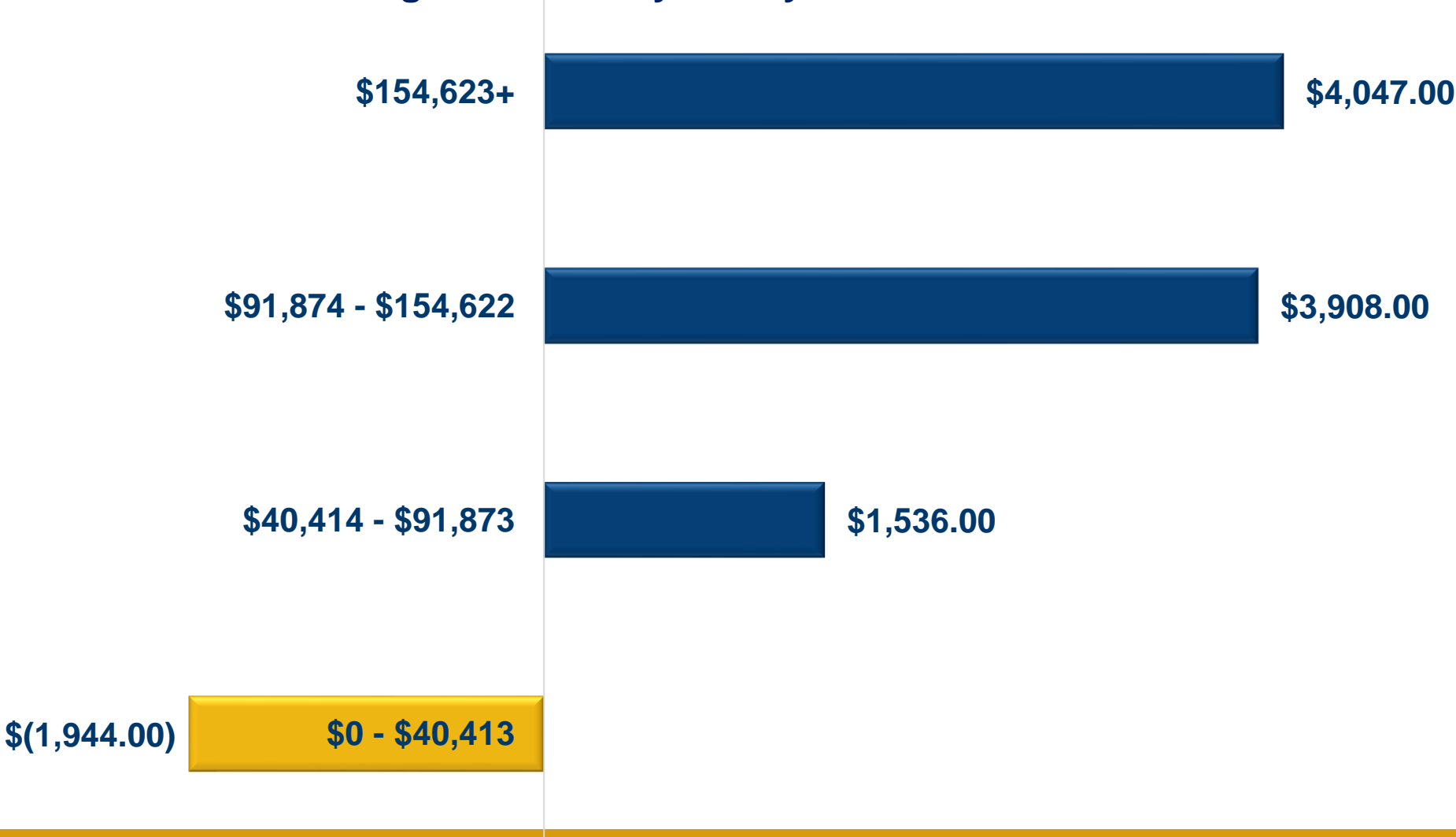
- 4% Total compensation pool
  - State proposed increase
  - State funds 72% of proposed increase
- Salary pool allocation
  - Raise minimum wage to \$13.00/hr for regular employees
  - Minimum wage investment compression
  - Tenure and non-tenure promotions & UCF rollovers
  - Faculty market equity
  - Staff market equity
  - 3% market and merit



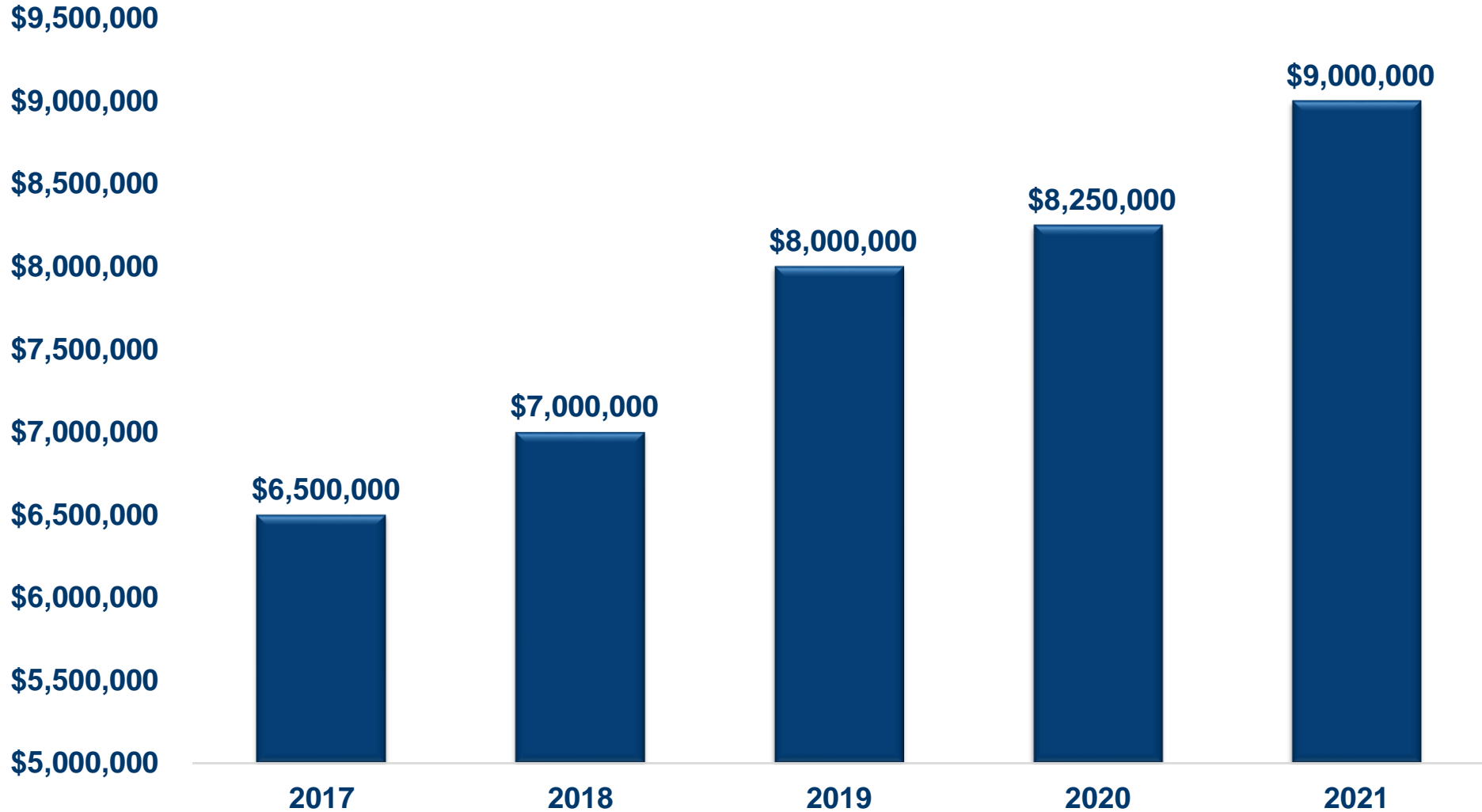
# Financial Health Indicators

# FY 2022 Net Price Summary

## Average Net Price by Family Income Quartiles



# FY 17-21 E&G Fund Balance



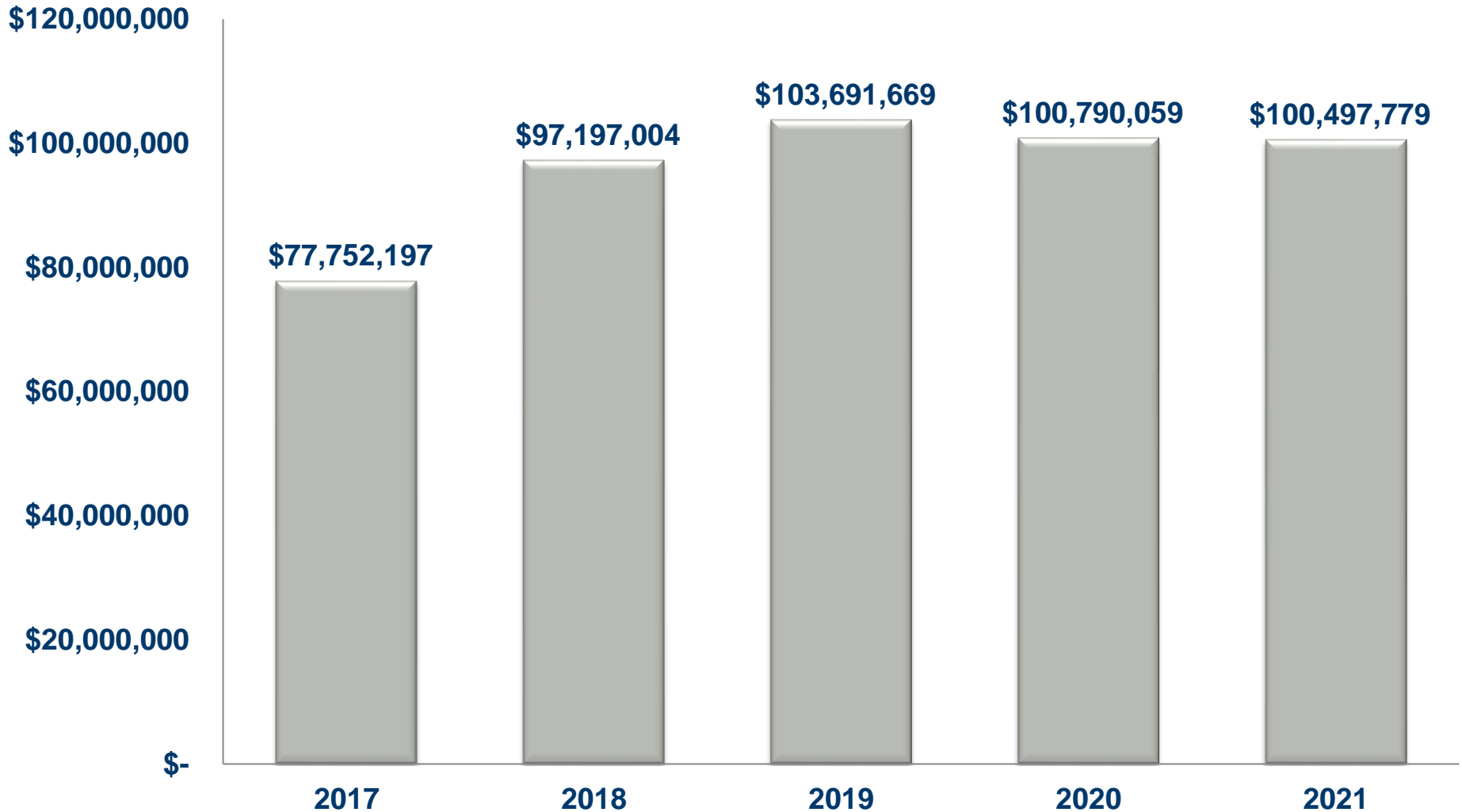
*The fund balance represents 4.73% of unallocated expenditures and transfers.*

# FY 17-21 Auxiliary Fund Balance



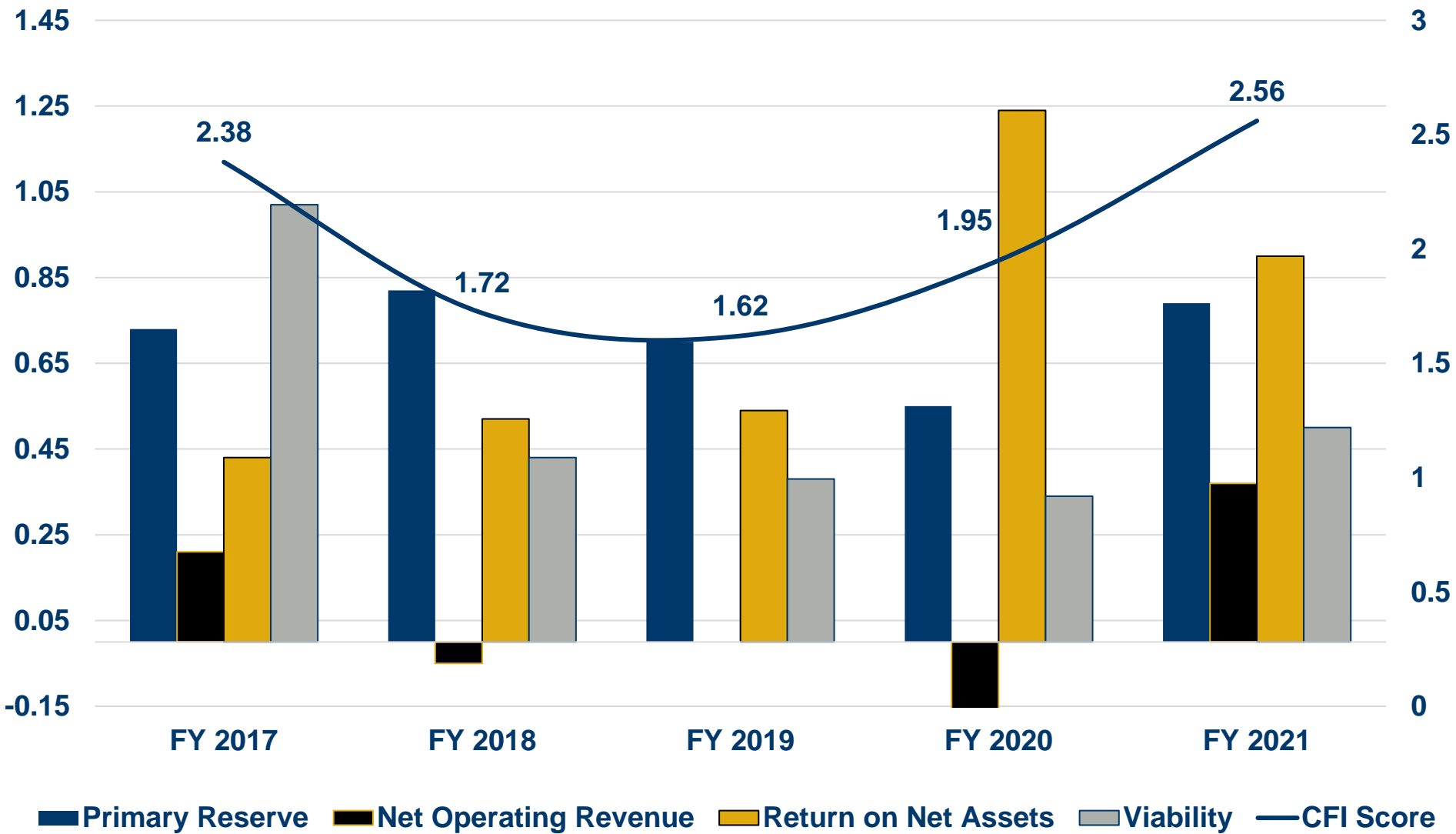
*The fund balance represents 4.47% of unallocated expenditures and transfers.*

# FY 17-21 Notes & Bonds Payable

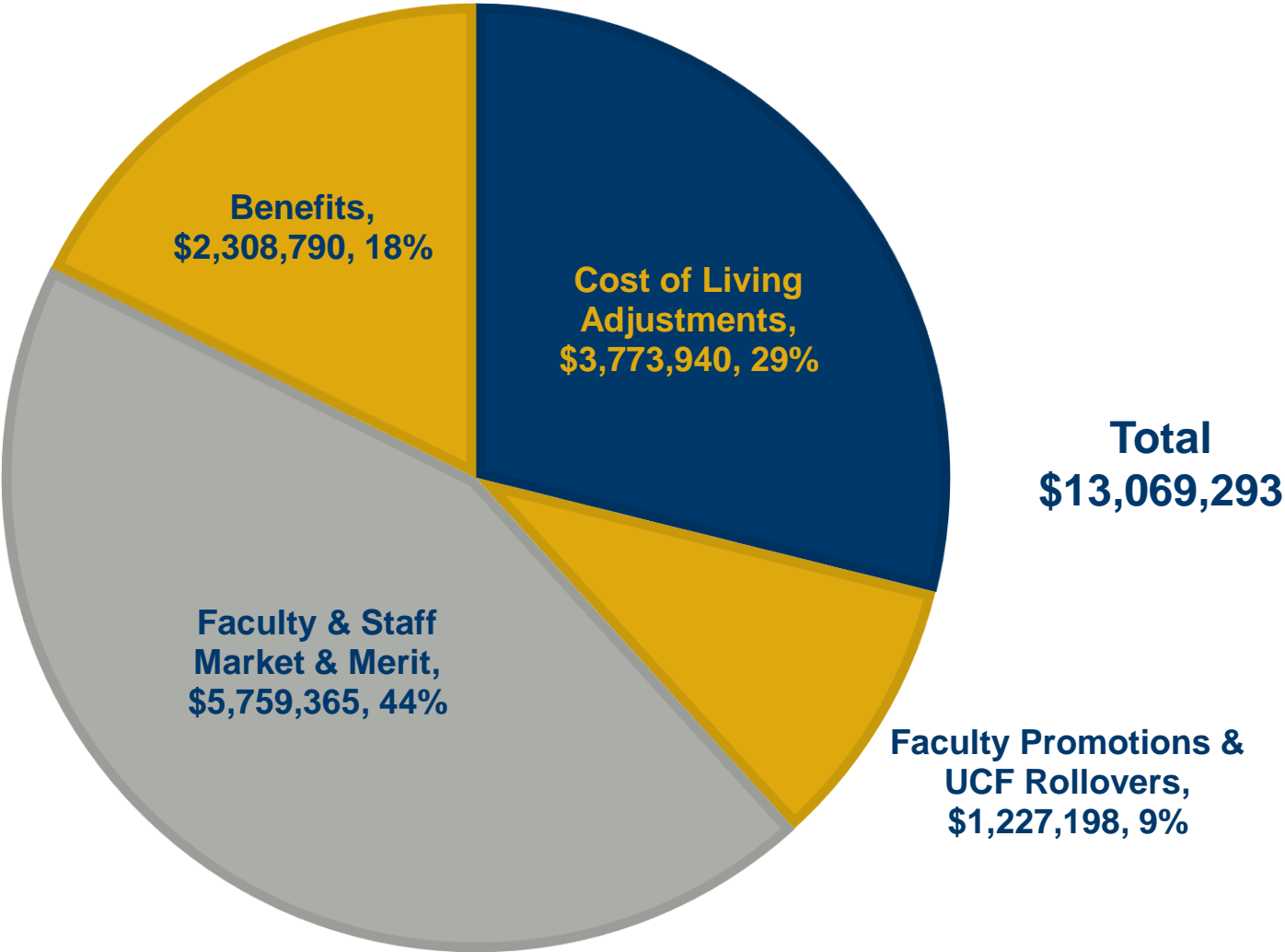


*In FY 2023 an amount of \$25.6M of bonded debt will be added for the Wolford Athletics Center.*

# FY 17-21 Composite Financial Index



# FY 19-23 Institutional Compensation Investment



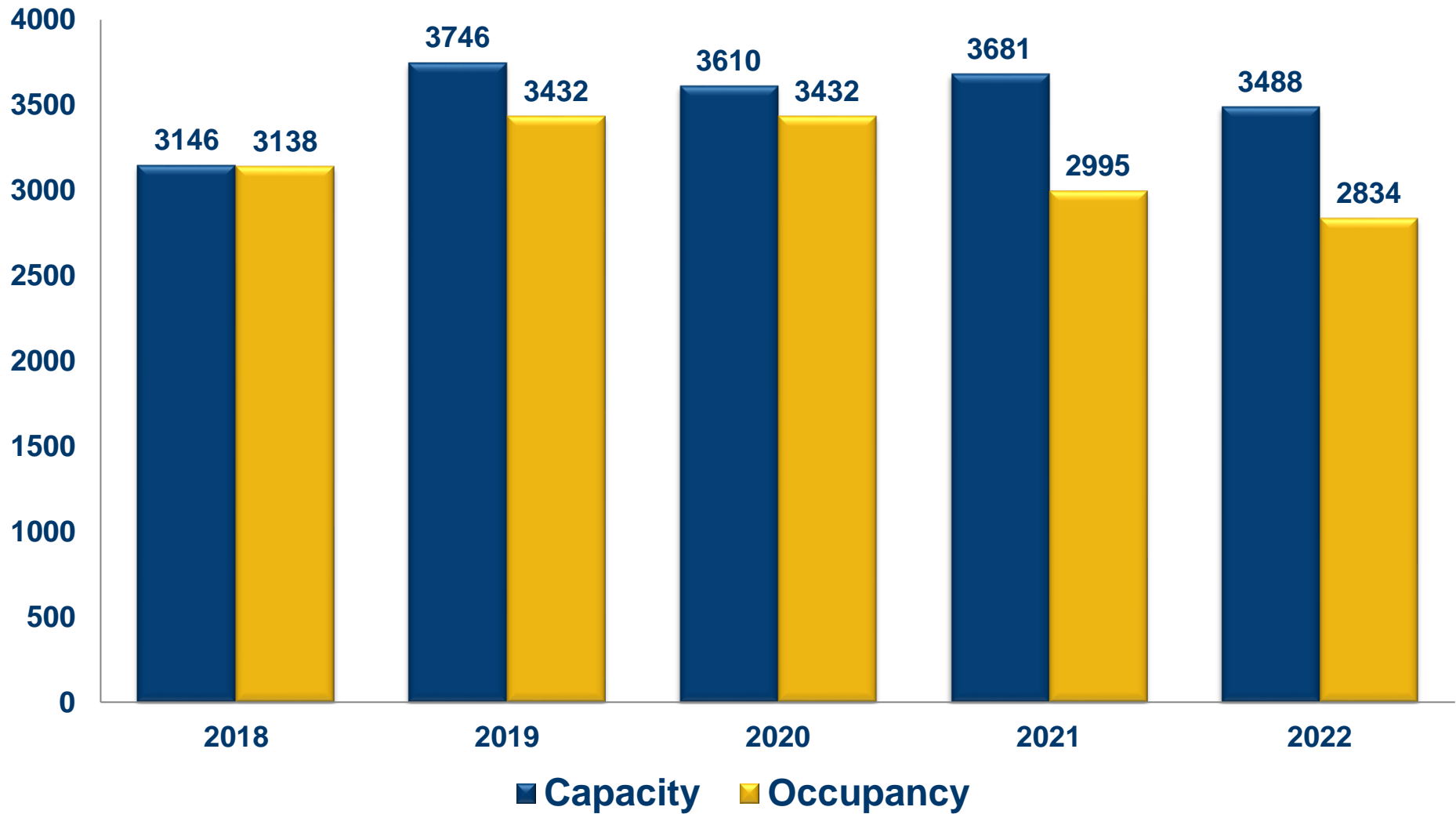
*Graph includes FY 22 proposed compensation plans.*

# Institutional Minimum Wage Investment Plan





# FY 18-22 Residence Hall Occupancy Rates



# FY 2023 Capital Appropriations

- Health Sciences Building - \$55,936,000
- 540 McCallie (CSOB) Renovation - \$38,400,000
- Brock Hall Upgrades - \$10,820,000



# UC Foundation Endowment

Endowment Breakdown	Value – 2/28/22
Unrestricted/Institutional Support	\$ 55,932,046
Scholarships	42,530,875
Academic Support	76,522,379
Professorships	19,828,310
Faculty Development	1,019,781
<b>Total Endowment Value</b>	<b>\$ 195,833,391</b>

*The Foundation also has real estate assets that appraised for \$114 million in 2012.*

# FY 23 UC Foundation Planned Distribution

Distribution Category	Distribution
Unrestricted/Institutional Support	\$ 108,247
Unrestricted/Development and Alumni Affairs Operating	1,823,612
Scholarships	1,386,646
Academic Support	1,942,209
Professorships	652,427
Faculty Development	33,599
<b>Total FY 2023 Planned Disbursements</b>	<b>\$ 5,946,740</b>

# Thank You

A special thank you is extended to the following for continuing to be outstanding stewards of resources and for assistance with the budget planning process:

Executive Leadership Team

Academic Deans

Unit Leaders

Department Heads

Business Managers

Office of Budget and Finance

# Questions