

# Budget Council Meeting Minutes

April 16, 2025

## Attendance

Dr. Robert Dooley	Dr. Gerald Hale	Brent Goldberg
Mark Wharton	JAY Blackburn	Harriett Chambers
Dr. Gretchen Potts	Stacie Grisham	Dr. Ethan Carver
Dr. Valerie Rutledge	Dr. Elizabeth Crawford	Dr. Deborah McAlister
Dr. Artanya Wesley	Dr. Reinhold Mann	Vickie Farnsworth
Dr. Pam Riggs-Gelasco	Dr. Michael Jones	Dr. Ahad Nasab
Dr. Linda Frost	Susan Lazenby	Tony Parsley
Allison Evans	Dr. Laure Pou	Lee Pierce
Kim White	Stacy Lightfoot	Chris Sherbesman
Melita Rector		

## FY26 Budget, Funding, Strategic Plan

We are fortunate to have the largest freshman class for the past two fall semesters. However, this has created a constraint on our infrastructure. As we continue to grow our student body, we need to invest in a new dining hall, parking garage and capital projects. We are in the process of defining our next strategic plan, and the FY26 budget will serve as the baseline for this strategic plan. For this FY26 budget, efforts are being made to address faculty and staff pay as well as transitioning non-recurring items that have been a part of our expenses for past few years into budgeted recurring items. For FY26 budget, THEC recommended \$40 million for State Institutions and the state granted \$17 million. UTC lost funding from the productivity formula but gained funding from the formula growth, resulting in \$246,700 of new funding from state appropriations for these buckets. UTC is receiving another \$1,819,800 from state appropriations for salary pool.

## Tuition Increases

THEC recommended a 0-5% increase in tuition. It was reported that most LGI Institutions are going to raise tuition close to 5%. UTK is not increasing tuition, and UTC and UTM are increasing tuition by 3%. UTC's 3% increase will be for in-state and out of state tuition. A 3% increase keeps UTC affordable and below UTM cost. Concerns were raised about potential negative impacts from LGI institutions' larger tuition increases. The concern is that THEC may say no tuition increase for anyone next year.

In addition to increasing tuition, UTC will increase differential fee and transportation and mandatory fee by 3%. Transportation fee is being recommended for increase to help cover the new parking structures at 8<sup>th</sup> and Houston. This new parking structure will serve the new residence hall as well as other parking needs on campus. A new differential fee for the LEAD program is being submitted as well as an increase for the mosaic summer fee. Housing, meal plans and parking will all increase by 4%.

### **Compensation, Expense Allocations and Other Funding Sources**

The state set the salary pool at 2.6%, with 60% of the salary pool cost covered by the state. UTC is planning to invest approximately \$5.7M in compensation including a 2.5% market adjustment for employees, faculty promotions and rollovers and faculty and staff market/compression adjustments. New funding will be invested in scholarships, grant-in-aid (GIA), graduate assistantships, faculty positions, HR staff position and men's basketball. Our men's basketball team won a national championship this year and needs additional funding. EMSA recruitment and marketing ad placements have been funded nonrecurring for several years and will now be funded as recurring items. To meet these funding needs, budget looked at funding opportunities. Part of the budget plan is to increase late fee and recoveries budget, out-of-state maintenance fee and shift faculty salaries to online fee. Online fee has not been budgeted recurring in past years, but it is consistent revenue stream. Shifting faculty salaries to online fee will free up funds for market/compression adjustments. The goal is to reach the Market Median for faculty salaries. UTC engaged Segal in late fall 2023 for a faculty compensation update. This data will be updated for the 3% FY25, 2.5% FY26 and promotion raises received by faculty. Our first goal is to reach Market Median with TN Higher Education Institutions. Once we achieve that we will work on Market Median with SREB2/3 institutions. Gretchen Potts stated faculty morale is low; communicating these efforts may help improve it. The goal for staff is for the range penetration to be at least 25%. We will focus on the ranges below this.

### **DASH Implementation**

The DASH meeting with UT System representatives this morning was productive. The system is acquiring additional resources to address DASH fixes. Ledgers are not yet available.

### **Voluntary Retirement Incentive Program (VRIP)**

There are 215 employees who were eligible for VRIP, and 53 will take the VRIP. The board requires a process to justify refilling positions vacant by VRIP candidates. All position requests to refill the positions are due by April 30<sup>th</sup>. Areas with VRIP candidates should consider redistributing duties and aim to leave positions open for at least six months to cover payouts. If there are urgent needs to refill positions sooner, you need to contact Brent.

### **Enrollment Projections and Budget Planning**

This new FY26 budget is reliant on enrollment projections. To break even, enrollment must be at least 11,775 students; the goal is 11,900 students. If enrollment falls below 11,900 by the 14th day of fall 2025, a reevaluation of the recurring budget will be necessary. The Budget Team maximized the revenue sources for this FY26 budget, and we don't anticipate the opportunity to realize large buckets of new revenue like we were able to for this year. With this maximized budget, we anticipate generating less reserves so we will not be able to invest in one-time items like we have in prior years.