

Budget Advisory Committee
April 28, 2023, 3:00 p.m.
President's Conference Room

Members Present:

Claire Stinson
Phil Oldham
Lori Bruce
Lisa Zagumny
Deanna Metts
Robert Wilbanks
Joseph Slater
Jeff Roberts
Michael Allen
Karen Lykins
Chuck Roberts
Alice Camuti
Jeanette Luna
Matt Trengove

Sandi Smith-Andrews
Lee Wray
Tom Payne
Chance Hale
Carl Pinkert
Emalee Hamblen
Lauren Hall
Terri McWilliams
Emily Wheeler
Kevin Braswell
Brian Seiler
Mark Wilson
Kevin Vedder

Members Absent:

Cynthia Polk-Johnson
Troy Smith
Lori Maxwell
Dewayne Wright

Others Present:

Kacee Abbott
Elizabeth Williams
Kim Hanna
Carol Holley
Sharon Holderman

Dr. Claire Stinson called the meeting to order at 3:01 p.m. and thanked everyone for their attendance. The agenda and minutes of the March 24, 2023, meeting was distributed previously via email to committee members.

Approval of Agenda: Dr. Stinson asked for a motion for the approval of the agenda. Dr. Wilbanks moved to approve the agenda, Alice Camuti seconded, there was no discussion, and the agenda was approved unanimously.

Approval of Minutes: Dr. Stinson asked for a motion to approve the minutes for March 24, 2023. Dr. Wilbanks moved to approve the minutes and Alice Camuti seconded. There was no discussion and the minutes approved unanimously.

Dr. Oldham remarks: Dr. Oldham thanked everyone for their attendance. He provided a brief update on the Governor's budget that recently passed by the legislators. The budget included 5% salary pool with the state funding 55%, \$6.5 million in capital maintenance with no new outlay projects. THEC will meet in May to determine tuition binding range.

He indicated enrollment indicators for next year are positive. New budget request will be addressed this fall at revised budget.

Advancement: Dr. Braswell provided an update on advancement. He presented slides with 10- year data for endowment, Foundation's overall holdings and scholarship overview. (Attachment A).

Athletics: Mark Wilson presented information on the proposed FY24 revenues and expenses by category. (Attachment B).

Student Affairs: Dr. Polk -Johnson was unable to attend due to students being displaced by apartment fire. Dr. Oldham gave a brief update on her behalf. He stated Student Affairs position is to improve overall campus life. One of their goals is for campus police department to be nationally accredited as campus safety is a high priority.

Capital Projects & ITS: Dr. Stinson gave an update on Capital Projects and ITS. She advised that the capital budget is separate from the operating budgets. She presented slides on different construction types and funding associated with those project types, any required matches, cost overruns and bonding. She also provided an update on the new Oracle ERP system and process to put into place for maintaining and replacing classroom technology and infrastructure equipment. (Attachment C).

Adjournment: Dr. Stinson thanked everyone for their attendance. The meeting adjourned at 5:04 p.m.

Handouts: A: University Advancement

B: Athletics Proposed FY24

C: Capital Projects & Information Technology Services



University Advancement

Presentation to Budget Advisory Committee

April 28, 2023

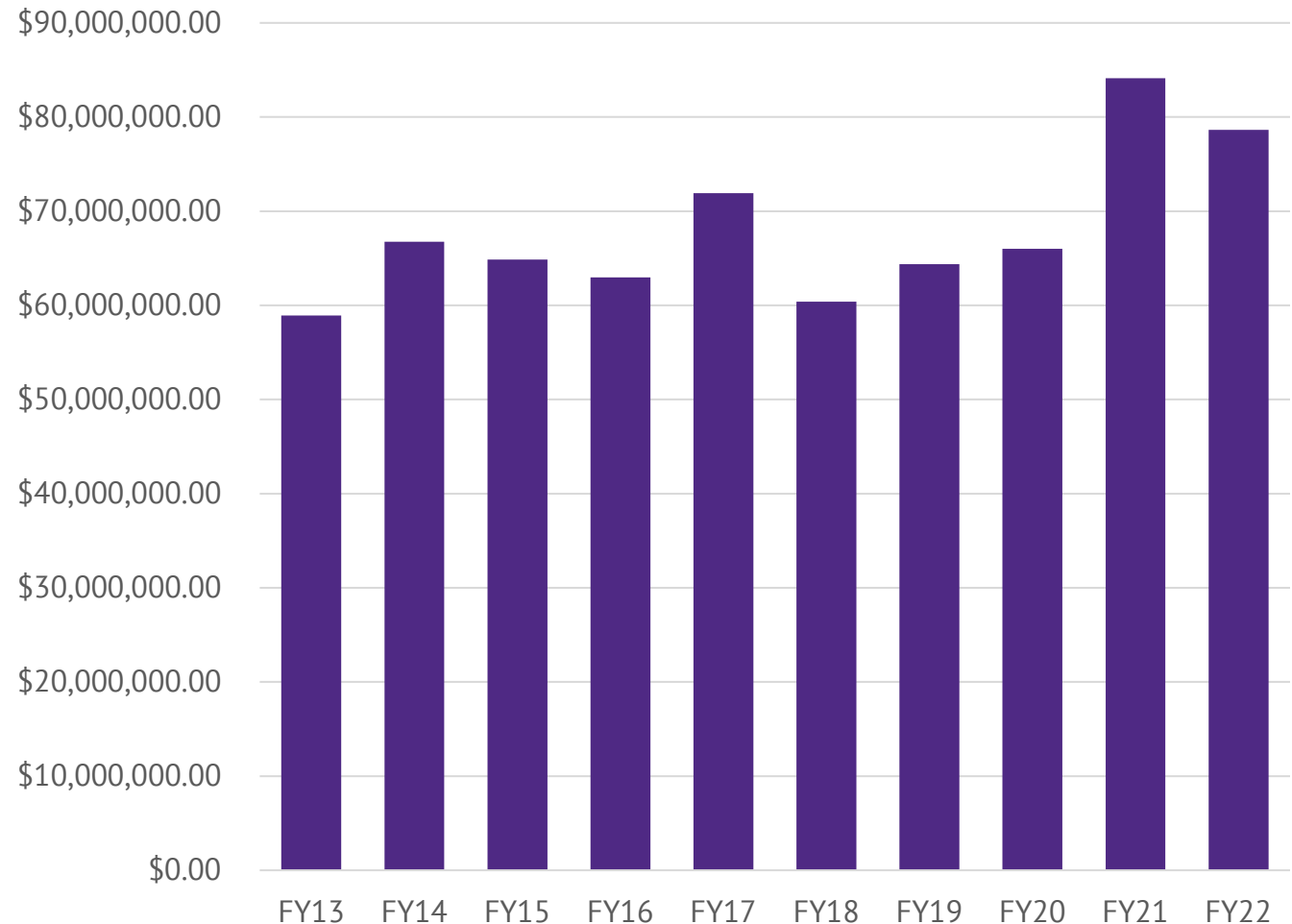


Tech Foundation Endowment Last Ten Years



Tech Foundation Endowment Fair Market Value, FY13 to FY22

- **Since FY13, Tech's endowment has grown from \$58.9M to \$78.6M.***
- **This represents an increase of 33 percent.**
- **We must accelerate this increase – robust fundraising, higher endowment returns.**



*This includes investments of the quasi endowments which are expendable funds.



Foundation's Overall Holdings



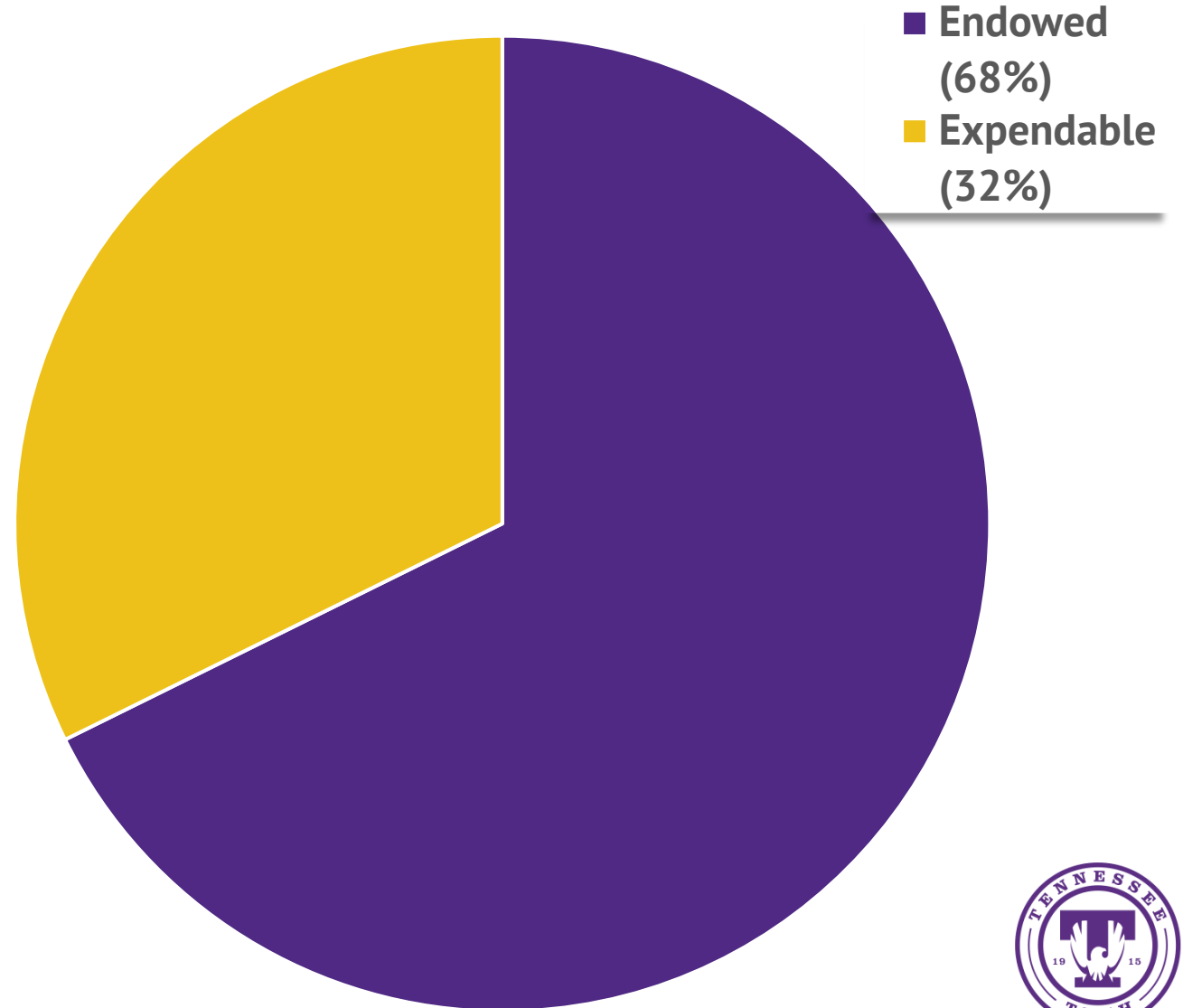
Tech Foundation – Overall Holdings by Investment Pool Endowed (\$78.6M) and Expendable (\$37.5M)

Endowed portion is invested with an eye toward long-term returns, intergenerational wealth.

Expendable portion is invested in ways that allow more immediate access.

Foundation Board:

Spend down the expendable portion.



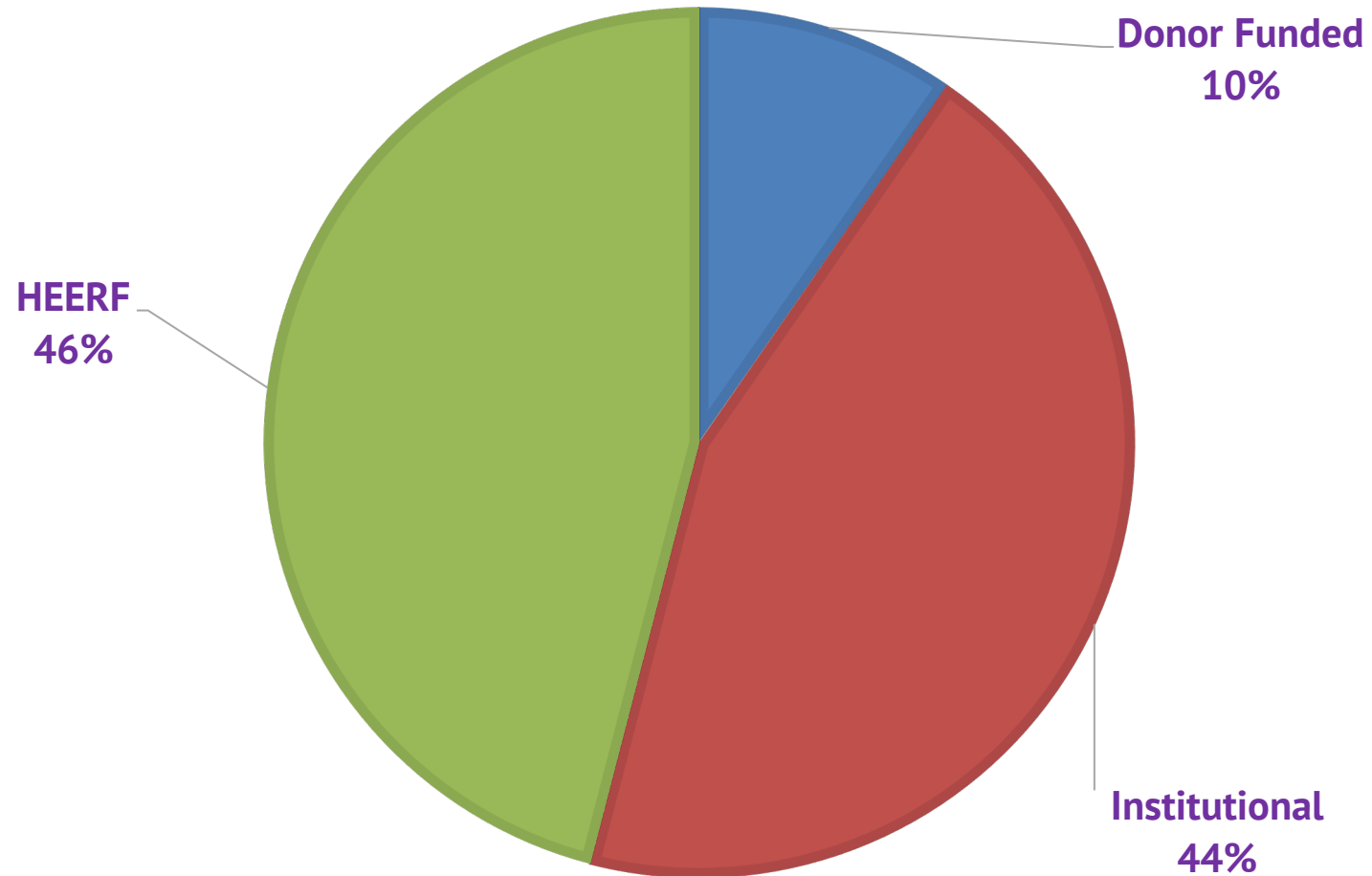
Scholarships Overview



TTU Scholarships Overview 2021-22 (includes HEERF)

*TOTAL TTU SCHOLARSHIPS (\$28,293,966.45)

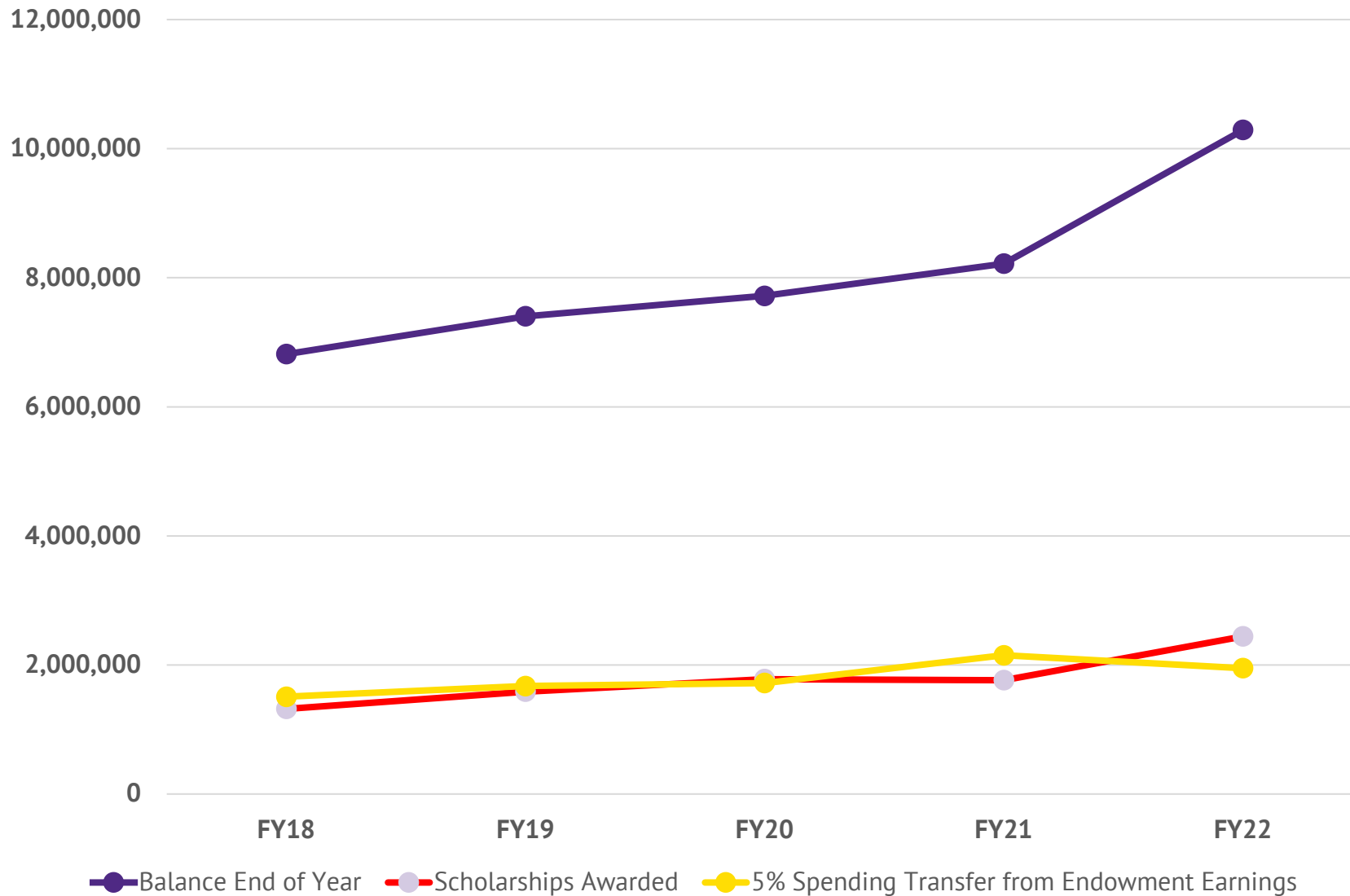
- Scholarship expense (inst/fdn) total was \$28,293,966.45.
- HEERF total was \$13,004,984.
- Institutional funds (non-fdn) total was \$12,559,451.60.
- Foundation funds total was \$2,729,530.85.



*Represents the total scholarship expense as reported on the university's FY22 financial statements.



Donor-Funded Scholarships – Amounts Awarded by Fiscal Year



Key Takeaways

- **Recent endowment growth, while notable, does not meet expectations.**
- **Foundation must play a more decisive role in yielding each year's first-year class.**
- **Our bold vision requires a deeper investment in garnering philanthropic support.**
- **Scholarships will be a top priority in the developing comprehensive campaign.**



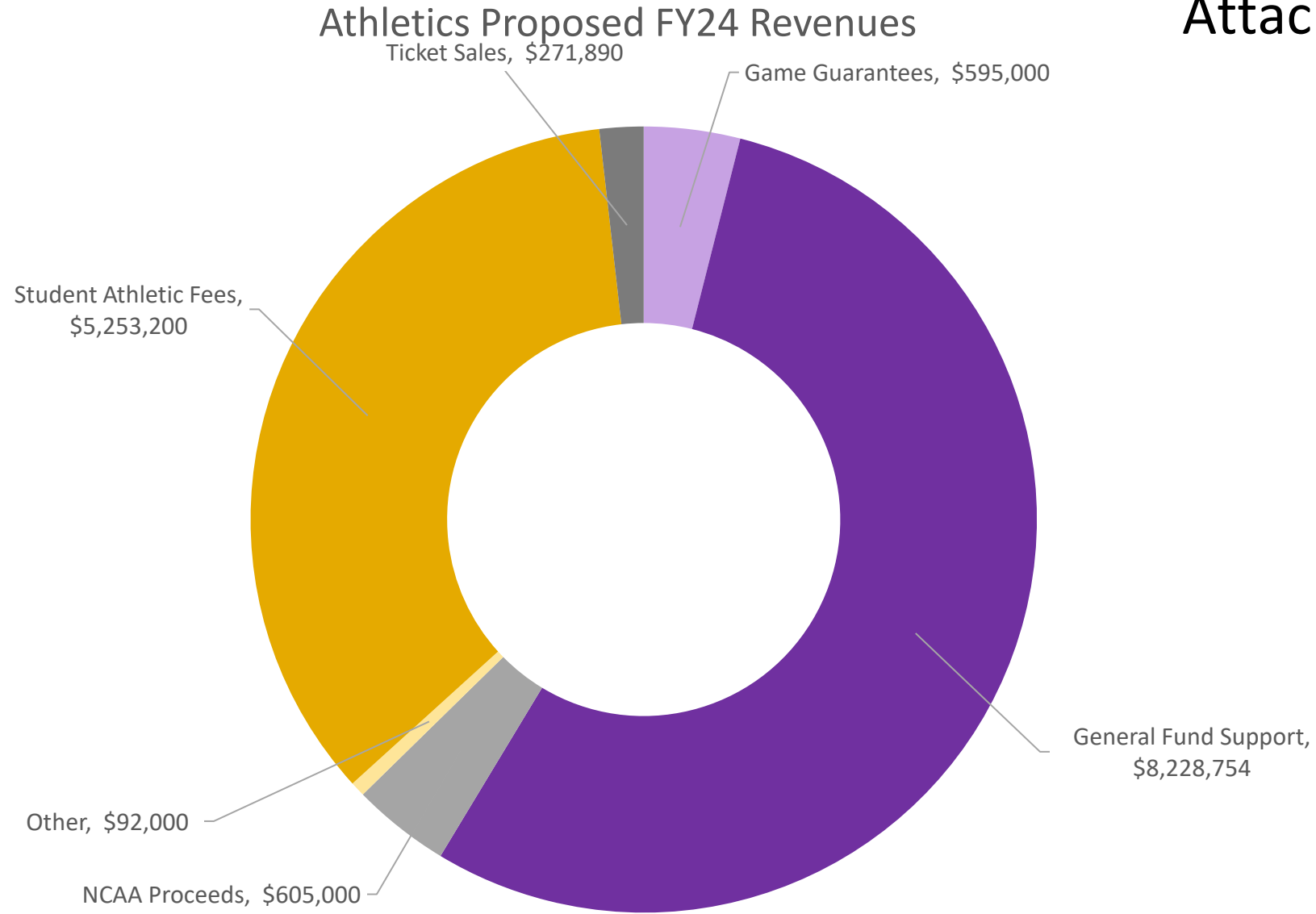


Discussion & Questions





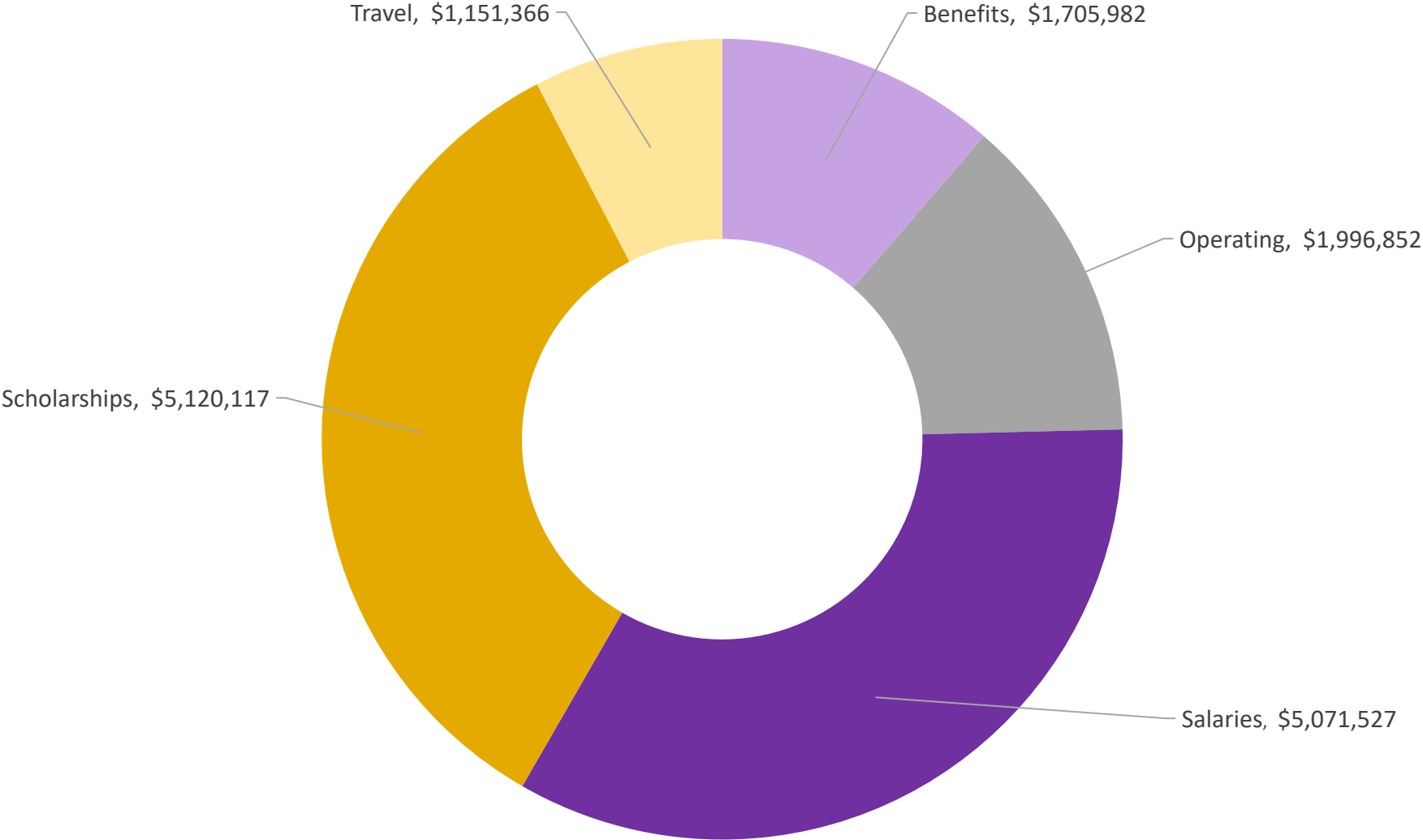
Attachment B



Total Revenues \$15,045,844



Athletics Proposed FY24 Expenses



Total Expenses \$15,045,844



Capital Projects

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Capital Projects

- Budgets for capital projects are separate from operating budget
- New academic buildings
 - State funded with one-time dollars that must be used for the specific project
 - University required to provide 8% matching
 - 1/3 of 8% must be from private gifts
 - Any cost overruns must be funded by University
- Academic buildings renovations
 - Generally funded through State capital outlay or capital maintenance funds
 - One-time dollars that can only be used for the specific project
 - University required to provide 4% match (no gift minimum)
 - Any cost overruns must be funded by University



Capital Projects cont.

- Auxiliary and Athletic
 - State funds are not available for these facilities
 - Major maintenance, new construction and major renovations
 - Primarily bond funded with a dedicated revenue source to service debt
 - University required to commit some level of resources (down payment)
 - University responsible for annual debt service
 - Cost overruns are responsibility of University
 - Major auxiliary activities include
 - Campus recreation
 - Housing
 - Parking
 - Food service



Information Technology Services

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Oracle ERP System

- Replace our Banner HR and Finance Systems
- One-time State appropriated dollars of \$20 million
- Implementation to begin January 2024
- Fully implemented and operational January 2026 (anticipated)
- Preliminary work taking place now
 - Project Manager on-board
 - Scheduling interviews for implementation partner
 - Cloud-readiness work underway
 - Developing website to keep campus informed
 - Identifying structure for implementation teams



ITS Normal Operations

- Processes to put into place
 - Maintaining and replacing classroom technology
 - Maintaining and replacing technology infrastructure and equipment
 - Student touch points
 - Research support
 - Administrative support
 - Information Technology support infrastructure
 - Maintaining and replacing staff technology equipment
 - Funding mechanisms for the above

