

Budget Advisory Committee
September 27, 2019 2:00 p.m.
President's Conference Room

Present:

Phillip Oldham
Claire Stinson
Lori Bruce
Lisa Zagumny
Brandon Johnson
Francis Otuonye
Yvette Clark
Mark Wilson
Deanna Metts
Karen Lykins
Craig Short
Joseph Slater
Paul Semmes
Sandi Smith-Andrews
David Larimore
Jeff Roberts
Lee Wray
Leslie Crickenberger
Mark Stephens
Evelyn Chamber
Terri McWilliams
Joe Chappell
Sandra Bohannon
John Smith
Lisa Russell
Dewayne Wright
Carol Holley
Christy Killman

Absent:

Tom Payne
Marc Burnett
Kevin Braswell
Alice Camuti
Troy Smith
Brad Sells
Emily Wheeler

Dr. Claire Stinson called the meeting to order at 2:04 p.m., thanked everyone for their attendance and distributed the meeting agenda and handouts. The minutes of the April 9, 2019 meeting were distributed previously via email.

Approval of Agenda: Dr. Stinson asked for a motion for the approval of the agenda. Mark Wilson moved to approve the agenda, Sandy Smith-Andrews 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 April 9, 2019. Mark Wilson moved to approve the minutes and Lisa Zagumny seconded. Dr.

Stinson asked for discussion. There was no discussion and the minutes were approved unanimously.

Revenue Review: Dr. Stinson advised FY2019 ending unrestricted fund balance of \$4,887,245.57, which was sufficient to reinstate operating fund balance. The investment pool fund balance ended with \$1,172,792. \$775,182.80 was obligated to be invested in program start-ups in FY2020. Engineering state appropriation fund balance ended with \$1,866,612. Research match, faculty research and indirect cost carryforwards ended with \$783,331. Fall revenues exceeded proposed budget by \$998,000, composed of \$349,500 in-state and out-of-state \$648,500. The out-of-state was primarily related to international enrollments. The Five-Year Strategic Financial Plan Committee had recommended to take \$1.5 million out of international enrollment budget estimates last year, this amounted to 180 FTE. We were down about 50 FTE which resulted in additional revenue from 130 FTE and it did impact the in-state tuition as those students pay both in-state and out-of-state tuition. The funds will be used to address one-time needs only due the unpredictability. The TNeCampus is transitioning to Tech provided online courses. Precautions are being taken to make sure revenues are not counted both in the eCampus and the in-state tuition rates. The effects of TNeCampus will not be known until November when TBR sends that data out. There was a new online course fee of which \$523,000 will be distributed back to the colleges. \$491,000 will be put into the general access fee components, which included the rec center and athletics. The specialized academic course fees were projected to be up \$188,000 based on fall enrollments and spring projections.

Carryforwards: Dr. Stinson advised carryforward of fee resources consisted of \$1,243,333.66 technology access fee, \$658,709.15 student activity fee (various activities) and \$1,325,832.98 specialized academic course fees. A portion of the technology access fee will be used in installing the technology in the new lab science building. The specialized academic course fee amount will be re-budgeted to the colleges as one-time funding. The total fee carryforward from FY19 to FY20 was \$3,237,875.79.

Expenditure Review: Dr. Stinson advised that approximately \$800,000 in lapsed salaries were distributed back to the departments. Some of the funds were used as seed money for new programs. \$100,000 was used for a match on an ARC equipment grant for the College of Agriculture.

Budget requests that were received had been reviewed by the Five-Year Committee. The recurring requests were about \$867,000. Additional requests received to possibly use investment funds were about \$662,000. One-time expenses outside small capital projects were \$1,021,880. Resources to replace the Hooper Eblen roof have been identified, however, \$1.5 million to do the waterproofing on that building has not been identified. \$550,000 in requests fit into the special fees category. The Provost worked with the colleges on reallocations within the units that amounted to \$580,668. The Provost received an additional \$1,098,000 in requests that she did not recommend to move forward.

Dr. Stinson advised that salary increases were discussed at the June 2019 Board meeting. At that time the Board was not comfortable with going forward with approving any kind of salary increase until fall enrollment was confirmed. At the September 24, 2019 meeting a potential salary increase was presented to the Board which they appeared to be comfortable with. The proposal included a one percent performance pool and one percent bonus pool to be effective January 1, 2020. The Board will not vote until December 2019 as it was contingent on fall enrollments. The cost associated with each pool including fringe benefits was \$921,000. Dean Semmes asked for clarification on the \$921,000. If that was the cost for the entire fiscal year and if the raise would only be effective January it would just be half the cost. Dr. Stinson advised he was correct. The annual cost is what we would be facing July 1, 2020.

Dr. Stinson advised of the \$867,000 recurring expenses requested were being worked through. Some of the costs cannot be avoided. There were some essential positions to be filled. There were faculty positions where the student credit hours were heavy creating the need for some additional permanent faculty positions. The strategic plan working groups identified the need for some support for online course efforts.

Dr. Jeff Roberts asked what some of the program start-ups included. Dr. Bruce advised the PhD in Counseling and Supervision, Nursing and Master of Science in Engineering Management.

Dr. Christy Killman asked how the diversity initiative would be moving forward. Dr. Stinson advised it was being looked at when Marc Burnett retires. It was not included in any of the requests received. Dr. Oldham assured it would continue.

Dr. Larimore asked if the previous year was one percent bonus. Dr. Stinson advised there was \$150,000 the faculty compensation committee set aside years ago, which was the only bonus last year.

Dean Semmes wanted to know if we were permanently trying to set aside funds each year for faculty promotions. Dr. Stinson advised it was included in the proposed budget. Dr. Bruce added that she and Dr. Mark Stephens did a projection on promotions.

Adjournment: The meeting adjourned at 2:54 p.m.

Handouts provided: A: Five-Year Strategic Financial Plan Update
B: Revenue Estimates
C: Carryforward of fee resources
D: Departmental budget requests