

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE  
FEBRUARY 2023 MEETING

9:45 – 11:15 a.m. EST  
Friday  
February 17, 2023

East Tennessee Room  
D.P. Culp Student Center  
412 J.L. Seehorn Road  
Johnson City, TN

**COMMITTEE MEMBERS**

Steve DeCarlo, Committee Chair  
Charles Allen, Jr.  
Allen Archer  
Dorothy Grisham  
Dr. Linda Latimer  
Dr. Lisa Piercey  
Ron Ramsey

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**AGENDA**

- I. Call to Order
- II. Roll Call
- III. [Approval of the Committee Minutes from November 18, 2022](#)
- IV. [Action Item: Approval of College of Medicine and College of Pharmacy FY24 Tuition – Beaver \(5 minutes\)](#)
- V. [Action Item: Approval of Housing and Meal Plans for FY24 – Beaver \(10 minutes\)](#)
- VI. [Discussion of Comparative Tuition and Mandatory Fees for Tennessee Public Universities – Beaver \(10 minutes\)](#)
- VII. [Discussion of Preliminary Tuition and Mandatory Fees for FY24 Budget Development – Beaver \(5 minutes\)](#)
- VIII. [Discussion of Proposed Salary Pool for FY24 Budget Development – Pate \(10 minutes\)](#)
- IX. [Quarterly Financial Update – Pate \(10 minutes\)](#)
- X. Other Business

XI. Adjournment

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 17, 2023

ITEM: Approval of the Minutes from November 18, 2022

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Adam Green  
Board Secretary

The minutes of the November 18, 2022 meeting of the Finance and Administration Committee are included in the meeting materials.

**MOTION: I move that the Board of Trustees adopt the resolution, approving the minutes as outlined in the meeting materials.**

**RESOLVED: The reading of the minutes of the November 18, 2022 meeting of the Finance and Administration Committee is omitted, and the minutes are approved as presented in the meeting materials, provided that the Secretary is authorized to make any necessary edits to correct spelling errors, grammatical errors, format errors, or other technical errors subsequently identified.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

November 18, 2022  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, November 18, 2022, at 9:30 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

**I. Call to Order**

Trustee Ron Ramsey called the meeting to order at 9:30 a.m.

**II. Roll Call**

Board Secretary Dr. Adam Green led the roll call.

Committee members present were:

Trustee Allen Archer

Trustee Dorothy Grisham

Trustee Dr. Linda Latimer

Trustee Dr. Lisa Piercey

Trustee Ron Ramsey

*Absent: Trustees Charles Allen and Committee Chair Steve DeCarlo*

Trustees Dr. Virginia Foley and Melissa Steagall-Jones also participated in the meeting.

Dr. Green informed the acting committee chair that a quorum was present.

**III. Approval of the Finance and Administration Committee Minutes from September 16, 2022**

The minutes from the September 16, 2022, meeting of the Finance and Administration Committee were approved as submitted with Board Chair Dr. Linda Latimer making the motion and Trustee Grisham seconding the motion. The motion passed unanimously.

#### **IV. Presentation of Tuition Transparency Report**

Staff provided the committee with the institution's annual Tuition Transparency Act Report. In accordance with Tennessee Code Annotated §49-7-1604, the report, included in the agenda materials, will be provided to the Tennessee General Assembly by February 1, 2023.

#### **V. Action Item: Approval of Fiscal Year 2023 October Revised Budgets**

In compliance with Tennessee Code Annotated 49-8-203 (a) (10 (C)), ETSU Budget Control Policy requires three budgets be prepared each year and submitted to the Board of Trustees for approval. The university prepares budgets for the one formula funded unit (Main Campus), two non-formula units (College of Medicine and Family Medicine) and one self-funded unit (College of Pharmacy).

Staff presented ETSU's revised October budgets for committee members' consideration. Fall enrollment and adjusted appropriation figures for revenue budgets were revised, along with adjustments from fiscal year-end closing that provides for the carryforward of budgets for operational expenses. Contained within the October 2022 Revised budgets is a four percent salary enhancement for ETSU regular employees with a floor of \$1,200 and a ceiling of \$7,000. Details of the original and revised budgets were included in agenda materials.

Following the presentation, Trustee Steagall-Jones asked a question to clarify whether the budget numbers presented reflected unrestricted or restricted funds. Dr. BJ King responded that the budget presentation included only unrestricted E&G funds and does not include restricted or plant funds.

There was no further discussion by the committee. Trustee Grisham made a motion to approve the budget. Board Chair Latimer seconded. The motion passed unanimously.

#### **VI. Action Item: Naming of the Millennium Center Building**

Staff presented a request for naming of the Millennium Center Building in recognition of the achievements and contributions of business leader and ETSU alumnus Mr. James Brinkley and his wife, Nellie. Staff recommended that the Millennium Center, home to programs offered by the College of Business and Technology, be renamed as the *James and Nellie Brinkley Center*. Committee discussion centered on acknowledging Mr. Brinkley's outstanding legacy of service. Trustee Grisham made a motion to approve. Board Chair Latimer seconded. The motion passed unanimously.

## **VII. Quarterly Reports of Agreements \$250,000 or Greater**

Staff presented a list of agreements with amounts totaling \$250,000 or greater for the period of June-August, 2022.

## **VIII. Quarterly Financial Report**

Staff presented the Quarterly Financial Reports as an informational item comparing information from September 2021 to September 2022. The presentation included an overview of revenues and expenditures for the unrestricted, restricted, and auxiliary funds and included figures for the main campus, medicine, and pharmacy budget units. Detailed information is located in the committee agenda materials.

## **IX. Budget Model and Operational Efficiency Update**

Dr. Mike Hoff provided an update on staff efforts to review the university budget model and streamline operations, both of which were identified as priorities by the Committee for 125 Chapter II. Since March 2022, ETSU has been engaged with Huron Consulting to conduct a review of the current internal budget model and overall operations of the institution in order to recommend changes in process and structures that would yield efficiencies. Dr. Hoff outlined the following goals for this process:

- Yield Cost Savings and Efficiencies
- Advance Career Pathing and Enhance Employee Training and Engagement
- Enhance Brand Recognition and Community Engagement
- Make Data-Driven Decisions
- Build Towards Strategic Goals Through Increased Input

Strategic priorities to support these goals include:

- Optimize the Budget Model
- Enhance Centralized Services
- Analyze and Update the Academic Portfolio
- Refine the Strategic Enrollment Plan
- Enhance Research Administration
- Undertake Housing Transformation

These projects will be advised by ETSU's existing governance groups and supported through executive sponsors, a steering committee, and project work groups.

Following Dr. Hoff's presentation, Trustee Grisham emphasized the university's goal of increasing community engagement as a top priority.

**X. Committee Discussions**

There was no additional discussion.

**XI. Other Business**

No other committee business was brought forward.

**XII. Adjournment**

The committee was adjourned by Trustee Ramsey.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 17, 2023

ITEM: Approval of College of Medicine and College of Pharmacy  
FY24 Tuition

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Michel Beaver  
Associate Vice President for Tax and Revenue

The Quillen College of Medicine is not requesting tuition increases for the 2023-24 academic year. However, the College of Medicine is requesting the implementation of a special tuition rate for a new accelerated track program available to students newly admitted. Named Tri-Trails, this program provides selected students with the ability to complete the medical school curriculum within three years instead of the usual four, followed by a match into one of five primary care residency programs at Quillen in Family Medicine, Internal Medicine, or Pediatrics. Students accepted to Quillen apply to be considered for the Tri-Trails program prior to matriculation. The proposed annual tuition of \$41,952 for Tri-Trails students will be 1.15 times the traditional medical student tuition rate and will increase with any future traditional student increases. The Tri-Trails rate would be assessed during the M2 and M3 years for those students to cover the costs of implementing the compressed curriculum timeline for these students. This accelerated tuition rate is comparable in amount to other medical schools that provide similar tracks. Overall, the accelerated program option at Quillen allows students to complete medical school in less time with less cost.

The Gatton College of Pharmacy is not requesting tuition increases for the 2023-24 academic year. The College is committed to minimizing costs and promoting affordability for its largely underserved student body. The College of Pharmacy conducted a peer tuition assessment which shows a 5-year mean annual increase of 2 percent; however, the College is requesting no increase for tuition for FY24. The College will rely on funding from expense reductions (voluntary faculty buyout) and reserves to balance their budget while continuing to pursue appropriation assistance from the state.

Consistent with university policy, the program service fee will increase as applicable with the main campus fee increase.



	Tuition	Program Service Fees
Quillen Traditional M1 – M4	\$36,480	TBD
Quillen Tri- Trails Accelerated M2 & M3	\$41,952	TBD
Gatton P1 - P4	\$38,674	TBD

**MOTION: I move that the Finance and Administration Committee recommend adoption of the following resolution by the Board of Trustees:**

**RESOLVED: The proposed tuition for the College of Medicine and the College of Pharmacy for 2023-24 is approved as presented in the meeting materials contingent on the approval of the Governor’s budget.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 17, 2023

ITEM: Approval of Housing and Meal Plans for FY24

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Michel Beaver  
Associate Vice President for Tax and Revenue

The proposed 2023-24 rates for Housing are based on increased costs for utilities, maintenance, custodial, and staffing; renovations; demand; amenities; and affordability. Housing will also be increasing rates for summer use by students and camps. Summer rates have not increased in a number of years.

A comparison of current (2022-23 academic year) housing rates for Tennessee public institutions may be found below:

<b>2022-2023 Housing Rates for Public TN Institutions</b>								
<b>Residence Halls</b>					<b>Apartments</b>			
<b>Institution</b>	<b>Double/ Shared Occupancy : Low</b>	<b>Double/ Shared Occupancy : High</b>	<b>Private: Low</b>	<b>Private: High</b>	<b>Double Occupancy: Low</b>	<b>Double Occupancy: High</b>	<b>Private: Low</b>	<b>Private: High</b>
APSU	\$3,255.00	\$3,850.00	\$4,070.00	\$4,820.00	\$3,940.00	\$4,100.00	\$3,940.00	\$4,125.00
ETSU	\$2,035.00	\$3,335.00	\$3,052.00	\$5,340.00	\$3,320.00	\$4,070.00	\$2,965.00	\$3,700.00
MTSU	\$2,390.00	\$2,942.00	\$3,061.00	\$3,440.00	\$3,153.00	\$3,976.00	\$3,457.00	\$3,564.00
TSU	\$1,979.00	\$2,104.00	N/A	N/A	\$3,272.00	\$3,272.00	N/A	N/A
TTU	\$2,580.00	\$4,070.00	\$3,378.00	\$5,040.00	N/A	N/A	N/A	N/A
Memphis	\$2,330.00	\$3,010.00	\$2,870.00	\$3,550.00	\$2,690.00	\$4,440.00	N/A	N/A
UT-Chatt.	N/A	N/A	N/A	N/A	\$2,814.00	\$4,328.00	\$4,653.00	\$4,653.00
UT-Knoxville	\$2,900.00	\$3,605.00	\$4,175.00	\$4,945.00	\$3,525.00	\$5,175.00	\$4,945.00	\$4,945.00
UT-Martin	\$1,966.00	\$1,966.00	\$2,522.00	\$2,803.00	\$3,293.00	\$3,460.00	\$2,221.00	\$3,919.00

The proposed adjustment to meal plan rates is based on market increases as projected by Sodexo, ETSU's food service provider. It should be noted that the meal plan cost to students below do not fully fund inflationary costs passed on by the contracted food service provider. These inflationary factors

will be addressed in subsequent years. Business and Finance staff prepared a meal plan price comparison to other Tennessee public universities and ETSU remains low compared to other institutions. Other unlimited seven day plans with dining dollars range from \$7.95/meal to \$5.64/meal compared to \$5.76/meal at ETSU. Only one university is priced lower than ETSU.

<b>FY23-24 Auxiliary Unit Non-Mandatory Charge Request</b>						
<b>Description</b>	<b>Current</b>	<b>Proposed</b>	<b>Increase</b>	<b>Prior Increase</b>	<b>Revenue Generated</b>	<b>Justification</b>
Residence Halls	\$2,035 - \$5,340	\$2,135 - \$5,600	\$100-\$260/term or 5.63% average	\$0	\$395,000	Housing is a 100% auxiliary enterprise operation.
Apartment	\$2,965 - \$4,070	\$3,125 - 4,270	\$160 - \$200/term or 5.28% average	\$0	\$496,000	Housing is a 100% auxiliary enterprise operation.
Silver 7 day Any Time Meal Plan	\$1,915	\$1,975	\$60/term - 3.13%	\$55/term	Revenue passed through to Sodexo	The Sodexo contract increase is 8.45% and is based on the consumer price index for Meals Away from Home.

**MOTION: I move that the Finance and Administration Committee recommend adoption of the following resolution by the Board of Trustees:**

**RESOLVED: The proposed rates for Housing and Food Service for 2023-24 is approved as presented in the meeting.**

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: February 17, 2023

ITEM: Discussion of Comparative Tuition and Mandatory Fees for Tennessee Public Universities

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Michel Beaver  
Associate Vice President for Tax and Revenue

The Board of Trustees must consider certain criteria when considering an increase in tuition and mandatory fees. Those criteria include:

1. Level of state support;
2. Total cost of attendance;
3. Efforts to mitigate the financial effect on students;
4. Tennessee Higher Education Commission (THEC) binding tuition and mandatory fee increase ranges;
5. Other factors affecting the university's financial stability such as projected student enrollment; university enrollment goals; market and cost factors for higher education; new program or new facility cost; and cost related to operations, programs of study, or individual courses.

University management has outlined the current year assessment as follows:

1. **Level of state support** – THEC based their tuition models for 2023-24 on a core Consumer Price Index of 6.3 percent and flat enrollment. The inflation factor for the three state supported units at ETSU equates to an appropriation increase of \$13.9 million. The Governor's proposed budget includes funding for the university's share of outcome funding, an inflation factor for a portion of the non-salary base budget, the state's portion of a five percent salary pool for eligible employee classes, and the state's portion of the increase in health insurance.
2. **Total cost of attendance** – tuition and fees did not increase in FY23. Tuition and mandatory fees for FY23 at ETSU continue to be comparable to other public institutions of higher education in the state. A comparison of tuition and mandatory fees are listed in the chart below, and ETSU remains below the state average.

3. **Efforts to mitigate the financial effect on students** – The university continues to explore options to mitigate cost increases and promote affordability. Reviews of academic and administrative areas are ongoing and should identify areas to improve services, reduce costs, or allow assets to be used more effectively for students.
4. **THEC binding tuition and mandatory fee increase ranges** – THEC proposed a zero to three percent tuition and mandatory fee limit at their November 2022 meeting. It is anticipated that the Commission will vote on a binding limit during the May 2023 meeting. With the release of the Governor’s budget, it is anticipated that THEC will approve a zero to three percent tuition and fee increase for FY24.
5. **Other factors affecting the university’s financial stability:**
  - a. Projected student enrollment and university enrollment goals - The university’s overall enrollment increased for the first time since Fall of 2017, and first-time freshmen projections for Fall 2023 remain strong. The university is continuing efforts and activities to grow enrollment as defined in the strategic plan. Tuition and fees must remain competitive in the marketplace and students should be able to identify the value inherent in the education provided by ETSU over other institutions.
  - b. Market and cost factors for higher education
    - i. The enrollment market for higher education shows a declining number of high school graduates in the region and increased competition from community colleges, other state universities, regional private institutions and border state colleges and universities.
    - ii. Faculty and staff salaries are the primary cost driver for the university.
    - iii. New out-of-state tuition rates were implemented for Fall 2021 based on market research and have also reduced out-of-state scholarship expense.
    - iv. Salary increases were included in the Governor’s proposed budget to fund the state’s portion of a five percent salary pool.
  - c. New program or new facility cost – Costs related to new programs are largely being absorbed in the colleges per the budget model implemented in FY19. Facility costs have primarily been driven by inflationary costs related to utilities, but may increase with new square footage at Lamb Hall. Other ongoing renovation and maintenance projects could reduce energy costs with efficiencies.
  - d. Cost related to operations, programs of study, or individual courses – Data from THEC show the core Consumer Price Index increased by 6.3 percent. The university’s programs of study and some individual courses are compared to other institutions with similar programs or courses to determine the market pressures for offering the programs.

A five-year history of student maintenance and mandatory fees is presented below in comparison to Tennessee Locally Governed Institutions (LGIs) and the University of Tennessee System:

<b>Tuition (Maintenance Fees)</b>										
	<b>2018-19</b>	<b>% Incr</b>	<b>2019-20</b>	<b>% Incr</b>	<b>2020-21</b>	<b>% Incr</b>	<b>2021-22</b>	<b>% Incr</b>	<b>2022-23</b>	<b>% Incr</b>
APSU	\$6,888	2.9%	\$7,044	2.3%	\$7,044	0%	\$7,146	1.45%	\$7,146	0%
ETSU	7,422	2.7%	7,572	2.0%	7,572	0%	7,722	1.98%	7,722	0%
MTSU	7,380	2.8%	7,554	2.4%	7,554	0%	7,704	1.99%	7,704	0%
TSU	6,900	2.6%	7,026	1.8%	7,026	0%	7,128	1.45%	7,128	0%
TN Tech <sup>3</sup>	7,860	2.7%	8,040	2.3%	9,060	12.7%	9,240	1.99%	9,240	0%
Memphis <sup>2</sup>	8,064	0.0%	8,232	2.1%	8,232	0%	8,352	1.46%	8,352	0%
UTC <sup>1</sup>	6,888	0.0%	7,836	13.8%	7,836	0%	7,992	1.99%	7,992	0%
UTK <sup>1</sup>	11,110	0.0%	11,332	2.0%	11,332	0%	11,332	0.00%	11,332	0%
UTM <sup>1</sup>	8,052	3.0%	8,214	2.0%	8,214	0%	8,378	2.00%	8,378	0%
UTS							9,000		9,000	
Univ. Avg	\$7,840		\$8,092		\$8,208		\$8,399		\$8,399	

<sup>1</sup> UT-Knoxville implemented 15/4 fee structure in 2013-14. UT-Martin implemented 15/4 fee structure in 2016-17. UT-Chattanooga implemented 15/4 fee structure in 2019-20.

**Fees shown represent the rates for incoming freshmen in the UT system.**

<sup>2</sup> University of Memphis implemented guaranteed tuition in 2019-20.

**Fees shown for UM represent the rates for non-guaranteed tuition.**

<sup>3</sup>TTU implemented 15/4 fee structure in 2020-21

<b>Mandatory Fees</b>										
	<b>2018-19</b>	<b>% Incr</b>	<b>2019-20</b>	<b>% Incr</b>	<b>2020-21</b>	<b>% Incr</b>	<b>2021-22</b>	<b>% Incr</b>	<b>2022-23</b>	<b>% Incr</b>
APSU	\$1,583	3.5%	\$1,583	0.0%	\$1,583	0%	\$1,615	2.02%	\$1,615	0%
ETSU	1,855	3.6%	1,919	3.5%	1,919	0%	1,952	1.72%	1,952	0%
MTSU	1,826	3.0%	1,870	2.4%	1,870	0%	1,888	1.02%	1,888	0%
TSU	1,107	5.4%	1,157	4.5%	1,157	0%	1,207	4.32%	1,207	0%
TN Tech	1,243	2.1%	1,278	2.8%	1,278	0%	1,282	0.31%	1,282	0%
Memphis	1,637	0.0%	1,704	4.1%	1,704	0%	1,704	0.00%	1,704	0%
UTC	1,776	0.0%	1,820	2.5%	1,820	0%	1,856	1.98%	1,856	0%
UTK	1,896	1.9%	1,932	1.9%	1,932	0%	1,912	-1.00%	1,912	0%
UTM	1,460	3.0%	1,534	5.1%	1,534	0%	1,534	0.00%	1,534	0%
UTS							1,200		1,200	0
University Average	\$1,598		\$1,644		\$1,644		\$1,615		\$1,615	

### Total Tuition and Mandatory Fees

	2018-19	% Incr	2019-20	% Incr	2020-21	% Incr	2021-22	% Incr	2022-23	% Incr
APSU	\$8,471	3.0%	\$8,627	1.8%	\$8,627	0%	\$8,761	1.55%	\$8,761	0%
ETSU	9,277	2.9%	9,491	2.3%	9,491	0%	9,674	1.93%	9,674	0%
MTSU	9,206	2.9%	9,424	2.4%	9,424	0%	9,593	1.79%	9,593	0%
TSU	8,007	3.0%	8,183	2.2%	8,183	0%	8,335	1.86%	8,335	0%
TN Tech <sup>3</sup>	9,103	2.6%	9,318	2.4%	10,338	10.99%	10,522	1.78%	10,522	0%
Memphis <sup>2</sup>	9,701	0.0%	9,936	2.4%	9,936	0%	10,056	1.21%	10,056	0%
UTC <sup>1</sup>	8,664	0.0%	9,656	10.4%	9,656	0%	9,848	1.99%	9,848	0%
UTK <sup>1</sup>	13,006	0.03%	13,264	2.0%	13,264	0%	13,244	-0.15%	13,244	0%
UTM <sup>1</sup>	9,512	3.0%	9,748	2.5%	9,748	0%	9,912	1.68%	9,912	0%
UTS							10,200		10,200	
University Average	\$9,439		\$9,739		\$9,852		\$10,015		\$10,015	

<sup>1</sup> UT-Knoxville implemented 15/4 fee structure in 2013-14. UT-Martin implemented 15/4 fee structure in 2016-17. UT-Chattanooga implemented 15/4 fee structure in 2019-20.

**Fees shown represent the rates for incoming freshmen in the UT system.**

<sup>2</sup> University of Memphis implemented guaranteed tuition in 2019-20.

**Fees shown for UM represent the rates for non-guaranteed tuition.**

<sup>3</sup>TTU implemented 15/4 fee structure in 2020-21

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: February 17, 2023

ITEM: Discussion of Preliminary Tuition and Mandatory Fees for FY24 Budget Development

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Michel Beaver  
Associate Vice President for Tax and Revenue

The Tennessee Higher Education Commission (THEC) proposed a binding limit of zero to three percent on mandatory tuition and fees at the November 2022 Commission meeting. The Governor’s proposed budget was presented February 6, 2023, and the increase in appropriations for FY24 corresponds to a zero to three percent tuition increase for undergraduate programs for the next academic year. The budget for main campus for FY24 will be prepared based upon a 2.95 percent increase for tuition, a 2.45 percent increase in program service fee for a total increase of 2.85 percent at 15 credit hours.

	Rate Per Term				Additional Revenue	Purpose of Funding
	FY23 Actual	2023-24 Prelim	2023-24 Increase \$	2023-24 Increase %		
Undergrad Tuition @ 15 cr hr	\$3,861	\$3,975	\$114	2.95%	\$2,940,000	Funding for university share of the 5% salary pool and tuition-based scholarships
*UG Year 4 Returning O/S & International	\$9,591	\$9,591	\$0	0.0%		
*UG Year 1 – 3 – GA, KY, NC, SC, VA	\$405	\$420	\$15	3.70%		
*UG Year 1 – 3 – 44 other states	\$1,905	\$1,920	\$15	0.79%		
Graduate Tuition @ 12 cr hr	\$5,075	\$5,075	\$0	0.0%		
Grad Out-of-State @ 12 cr hr	\$7,560	\$7,560	\$0	0.0%		



\*The Board approved an undergraduate out-of-state enrollment strategy at the September 2020 meeting for new domestic students Fall 2021. All other out-of-state tuition has not increased since Fall 2018.

Undergraduate academic-year costs are shown below and in comparison to the Tennessee public universities on [page 15](#).

**Tuition and Fee Review For Budget Development**  
**Undergraduate In-State Tuition and Mandatory Fees – Per Academic Year**

	2022-23	2023-24		
	Actual	Preliminary	\$ Increase	% Increase
Undergrad Tuition @ 15 cr hr	\$7,722	\$7,950	\$228	2.95%
Mandatory Fees	1,952	2,000	48	2.45%
Total UG Tuition and Mandatory Fees	\$9,674	\$9,950	\$276	2.85%

All fee increases included in this item are contingent on the passage of the Governor’s budget and THEC approval of binding limits for tuition and fees.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: February 17, 2023

ITEM: Discussion of Proposed Salary Pool for FY24 Budget Development

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Margaret Pate  
Senior Associate Vice President for Budget and Financial Planning

The Governor’s proposed budget was released on February 6, 2023, and includes state funding for a portion of a five percent salary pool. Calculations from the Tennessee Higher Education Commission depict state funding for 55 percent of a salary pool with related benefits for the main campus. The College of Pharmacy funds any salary increase through tuition. The College of Medicine and Family Medicine receive an appropriation through state funding for non-formula units.

The table below illustrates the approximate additional state appropriation needed to fund a five percent salary pool for the main campus. These calculations are based on the files obtained from THEC, which they also provide to the State Division of Finance and Administration.

	\$ Needed for Pool	State 55% Funding for Pool	Funding through Student Fees
Main Campus 5%	\$ 8,012,400	\$ 4,406,500	\$ 3,605,900

Staff has not yet developed a plan for the distribution of any salary improvement funding. Staff is proposing holding state appropriations for salaries in pools until the State budget is adopted and enrollment for Fall 2023 is known. Any Board approved salary adjustments will be implemented in November 2023.

The history of salary improvement funding is displayed in the table below:

Year	Across-the Board			Equity Increase to Market	Service Bonus
2023-24	TBD				
2022-23	4.0%	\$1,200 min	(1)(2)		
2021-22	3.5%	\$700 min	(2)(3)		
2020-21	(4)	0.0%			\$500 (5)(6)
2019-20	2.0%	\$500 min	(2)		
2018-19	2.5%	\$500 min	(2)		
2017-18	2.0%	\$500 min	(2)	1% pool \$3,000 ceiling	
2016-17	2.0%	\$500 min	(2)		
2015-16	2.0%	\$500 min	(2)	Pharmacy faculty only	
2014-15	0.0%				
2013-14	1.5%	\$250 min	(2)	4.25%	

(1) Maximum increase \$7,000

(2) Employees with annual performance evaluations which are unsatisfactory or performance far below expectations do not participate in salary increases.

(3) Maximum increase \$10,000

(4) No funding for salary increase was included in the final state budget for FY21. An appropriation amendment in spring 2021 provided funding for a one-time bonus payment in June 2021.

(5) Employed April – May 30, 2021

(6) Service bonus is prorated based on percentage of contract.

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: February 17, 2023

ITEM: Quarterly Financial Update

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Margaret Pate  
Senior Associate Vice President for Budget and Financial Planning

The tables below summarize financial activities for the university through the second quarter of fiscal year 2022-23. The comparison is current year to prior year for the same six-month period.

**Table 1 – Unrestricted E&G Revenues by Unit and Revenue Source**

<b>Unrestricted E&amp;G Year-to-Year Comparisons Year-to-Date 12-31-2021 &amp; 12-31-2022</b>				
	<b>FY2021-22</b>	<b>FY2022-23</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>REVENUES</b>				
<b>By Appropriation Unit</b>				
Main Campus	\$181,857,997.48	\$207,767,148.98	\$25,909,151.50	14.25%
Medicine/Family Med	45,725,693.38	44,878,910.36	(846,783.02)	(1.85%)
Pharmacy	9,315,718.11	8,104,450.75	(1,211,267.36)	(13.00%)
<b>TOTAL REVENUE</b>	<b>\$236,899,408.97</b>	<b>\$260,750,510.09</b>	<b>\$23,851,101.12</b>	<b>10.07%</b>
<b>By Revenue Source</b>				
Tuition and Fees	\$153,084,037.77	\$150,060,017.12	(\$3,024,020.65)	(1.98%)
State Appropriations	63,689,300.00	92,368,500.00	28,679,200.00	45.03%
Grants, Contracts, Gifts	1,829,432.94	1,477,608.03	(351,824.91)	(19.23%)
Other	18,296,638.26	16,844,384.94	(1,452,253.32)	(7.94%)
<b>TOTAL REVENUE</b>	<b>\$236,899,408.97</b>	<b>\$260,750,510.09</b>	<b>\$23,851,101.12</b>	<b>10.07%</b>

**Table 2 – Unrestricted E&G Expenditures by Appropriation Unit and Classification**

<b>Unrestricted E&amp;G</b>				
<b>Year-to-Year Comparisons</b>				
<b>Year-to-Date 12-31-2021 &amp; 12-31-2022</b>				
	<b>FY2021-22</b>	<b>FY2022-23</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>EXPENDITURES</b>				
<b>By Appropriation Unit</b>				
Main Campus	\$118,883,515.79	\$122,004,384.33	\$3,120,868.54	2.63%
Medicine/Family Med	37,835,202.10	43,314,720.30	5,479,518.20	14.48%
Pharmacy	4,528,592.79	5,407,008.27	878,415.48	19.40%
<b>TOTAL EXPENSE</b>	<b>\$161,247,310.68</b>	<b>\$170,726,112.90</b>	<b>\$9,478,802.22</b>	<b>5.88%</b>
<b>By Natural Classification</b>				
Salaries & Benefits	\$117,641,900.39	\$127,884,114.24	\$10,242,213.85	8.71%
Operating	22,213,960.40	29,932,439.08	7,718,478.68	34.75%
Capital/Equipment	597,539.63	210,848.34	(386,691.29)	(64.71%)
Scholarships/Fellowships	18,227,730.93	15,051,025.43	(3,176,705.50)	(17.43%)
Transfers to Other Funds	2,566,179.33	(2,352,314.19)	(4,918,493.52)	(191.67%)
<b>TOTAL EXPENSE</b>	<b>\$161,247,310.68</b>	<b>\$170,726,112.90</b>	<b>\$9,478,802.22</b>	<b>5.88%</b>
<b>By Functional Classification</b>				
Instruction	\$80,159,500.83	\$86,330,036.88	\$6,170,536.05	7.70%
Research	3,090,678.23	4,849,179.13	1,758,500.90	56.90%
Public Services	1,162,933.51	1,388,786.11	225,852.70	19.42%
Academic Support	15,799,484.51	17,376,278.48	1,576,793.97	9.98%
Student Services	14,152,710.26	16,709,419.35	2,556,709.09	18.07%
Institutional Support	13,426,111.13	18,142,302.28	4,716,191.15	35.13%
Physical Plant	12,668,607.05	13,231,399.43	562,792.38	4.44%
Scholarships/Fellowships	18,221,105.93	15,051,025.43	(3,170,080.50)	(17.40%)
Transfers to Other Funds	2,566,179.33	(2,352,314.19)	(4,918,493.52)	(191.67%)
<b>TOTAL EXPENSE</b>	<b>\$161,247,310.68</b>	<b>\$170,726,112.90</b>	<b>\$9,478,802.22</b>	<b>5.88%</b>

**Table 3 – Current Operating Funds Revenues by Fund Type and Revenue Source**

**Current Operating Funds (Unrestricted/Auxiliaries/Restricted)  
Year-to-Year Comparisons  
Year-to-Date 12-31-2021 & 12-31-2022**

	<b>FY2021-22</b>	<b>FY2022-23</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>REVENUES</b>				
<b>By Current Fund Type</b>				
Unrestricted E&G	\$236,899,408.97	\$260,750,510.09	\$23,851,101.12	10.07%
Auxiliaries	24,662,858.84	28,488,151.01	3,825,292.17	15.51%
Restricted Funds	74,054,710.90	79,419,277.08	5,364,566.18	7.24%
<b>TOTAL REVENUE</b>	<b>\$335,616,978.71</b>	<b>\$368,657,938.18</b>	<b>\$33,040,959.47</b>	<b>9.84%</b>
<b>REVENUES</b>				
<b>By Revenue Sources</b>				
Tuition and Fees	\$153,947,124.78	\$150,929,236.60	(\$3,017,888.18)	(1.96%)
State Appropriations	63,827,233.43	92,629,400.00	28,802,166.57	45.13%
Grants, Contracts, Gifts	74,727,415.63	79,266,153.77	4,538,738.14	6.07%
Other	18,452,346.03	17,344,996.80	(1,107,349.23)	(6.00%)
Auxiliaries	24,662,858.84	28,488,151.01	3,825,292.17	15.51%
<b>TOTAL REVENUE</b>	<b>\$335,616,978.71</b>	<b>\$368,657,938.18</b>	<b>\$33,040,959.47</b>	<b>9.84%</b>

**Table 4 – Current Operating Funds Expenditures by Fund Type and Classification**

<b>Current Operating Funds (Unrestricted/Auxiliaries/Restricted)</b>				
<b>Year-to-Year Comparisons</b>				
<b>Year-to-Date 12-31-2021 &amp; 12-31-2022</b>				
	<b>FY2021-22</b>	<b>FY2022-23</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>EXPENDITURES</b>				
<b>By Current Fund Type</b>				
Unrestricted E&G	\$161,247,310.68	\$170,726,112.90	\$9,478,802.22	5.88%
Auxiliaries	4,604,605.60	5,661,071.77	1,056,466.17	22.94%
Restricted Funds	64,733,430.06	61,861,218.78	(2,872,211.28)	(4.44%)
<b>TOTAL EXPENSE</b>	<b>\$230,585,346.34</b>	<b>\$238,248,403.45</b>	<b>\$7,663,057.11</b>	<b>3.32%</b>
<b>EXPENDITURES</b>				
<b>By Natural Classification</b>				
Salaries & Benefits	\$139,473,801.80	\$150,278,898.23	\$10,805,096.43	7.75%
Operating	33,963,536.96	45,207,058.56	11,243,521.60	33.10%
Capital/Equipment	683,272.02	332,884.81	(350,387.21)	(51.28%)
Scholarships/Fellowships	48,229,902.34	39,549,445.03	(8,680,457.31)	(18.00%)
Transfers to Other Funds	8,234,833.22	2,880,116.82	(5,354,716.40)	(65.03%)
<b>TOTAL EXPENSE</b>	<b>\$230,585,346.34</b>	<b>\$238,248,403.45</b>	<b>\$7,663,057.11</b>	<b>3.32%</b>
<b>EXPENDITURES</b>				
<b>By Functional Classification</b>				
Instruction	\$85,088,623.92	\$88,558,581.85	\$3,469,957.93	4.08%
Research	7,897,009.45	11,103,065.98	3,206,056.53	40.60%
Public Services	19,275,753.16	23,710,805.64	4,435,052.48	23.01%
Academic Support	15,910,200.61	17,617,060.57	1,706,859.96	10.73%
Student Services	14,810,309.42	17,225,344.89	2,415,035.47	16.31%
Institutional Support	14,190,235.07	18,960,411.50	4,770,176.43	33.62%
Physical Plant	12,798,717.52	13,294,024.96	495,307.44	3.87%
Scholarships/Fellowships	47,775,058.37	39,237,919.47	(8,537,138.90)	(17.87%)
Transfers to Other Funds	8,234,833.22	2,880,116.82	(5,354,716.40)	(65.03%)
Auxiliaries	4,604,605.60	5,661,071.77	1,056,466.17	22.94%
Aux Trsfrs to Other Funds	-	-	-	0%
<b>TOTAL EXPENSE</b>	<b>\$230,585,346.34</b>	<b>\$238,248,403.45</b>	<b>\$7,663,057.11</b>	<b>3.32%</b>

**Table 5 – Statement of Net Position - All Funds**

**STATEMENT OF NET POSITION**  
**Year-to-Date 12-31-2021 & 12-31-2022**

	<b>Education and General Funds</b>	<b>Agency, Loan &amp; Endow. Funds</b>	<b>Plant Funds</b>	<b>Total YTD FY23</b>	<b>Total FY22</b>
<b>ASSETS</b>					
Cash	\$95,811,680.74	\$18,601,347.54	\$102,180,020.35	\$216,593,048.63	\$167,048,592.02
Investments	48,899,058.15	-	13,600,000.00	62,499,058.15	64,442,299.34
Accounts Receivable	90,981,484.68	1,103,635.77	23,011.42	92,108,131.87	86,401,368.05
Inventories & Prepaid Exp	(3,046,620.49)	-	-	(3,046,620.49)	(131,561.58)
Net Pension Asset	14,640,776.00	-	-	14,640,776.00	856,288.00
Capital Assets	-	-	409,310,648.77	409,310,648.77	403,947,897.19
Capital Approp Rec'able	-	-	77,799,057.39	77,799,057.39	32,024,033.51
Other Assets	99,455.27	482,625.95	-	582,081.22	962,669.22
<b>Total Assets</b>	<b>247,385,834.35</b>	<b>20,187,609.26</b>	<b>602,912,737.93</b>	<b>870,486,181.54</b>	<b>755,551,585.75</b>
<b>DEFERRED OUTFLOW</b>					
Bond Refunding	-	-	6,079,722.00	6,079,722.00	6,806,974.73
Pensions	28,227,492.46	-	-	28,227,492.46	12,941,180.00
OPEB	7,257,809.00	-	-	7,257,809.00	6,669,617.00
<b>Total Def Outflows</b>	<b>35,485,301.46</b>	<b>-</b>	<b>6,079,722.00</b>	<b>41,565,023.46</b>	<b>26,417,771.73</b>



	<b>Education and General Funds</b>	<b>Agency, Loan &amp; Endow. Funds</b>	<b>Plant Funds</b>	<b>Total YTD FY23</b>	<b>Total FY22</b>
<b>LIABILITIES</b>					
Accounts Payable	2,586,666.21	2,688.50	-	2,589,354.71	3,882,800.53
Accrued Liabilities	8,863,809.13			8,863,809.13	8,443,444.51
OPEB Obligation	16,965,266.00			16,965,266.00	18,607,300.00
Student Deposits	794,160.28			794,160.28	669,081.32
Unearned Revenue	231,335.65			231,335.65	223,435.65
Compensated Absences	17,759,138.74			17,759,138.74	17,194,769.72
Accrued Interest Payable			803,050.72	803,050.72	-
Long-term Liabilities			157,680,172.73	157,680,172.73	168,509,391.14
Deposits Held for Others		2,059,763.49		2,059,763.49	1,332,187.20
Net Pension Liability				-	35,180,898.00
Due to Grantors		3,611,607.13		3,611,607.13	4,359,362.13
<b>Total Liabilities</b>	<b>47,200,376.01</b>	<b>5,674,059.12</b>	<b>158,483,223.45</b>	<b>211,357,658.58</b>	<b>258,402,670.20</b>
<b>DEFERRED INFLOWS</b>					
Bond Refunding	-	-	77,123.59	77,123.59	265,130.48
Pensions	49,246,318.00	-	-	49,246,318.00	704,883.00
OPEB	9,470,524.00	-	-	9,470,524.00	9,820,146.00
<b>Total Def Inflows</b>	<b>58,716,842.00</b>	<b>-</b>	<b>77,123.59</b>	<b>58,793,965.59</b>	<b>10,790,159.48</b>
<b>NET POSITION</b>					
Net Investment in Capital	-	-	247,977,198.50	247,977,198.50	234,077,071.38
Restricted Net Position	15,813,931.84	-	-	15,813,931.84	15,090,459.74
Unrestricted Net Position	161,139,985.96	14,513,550.14	202,454,914.39	378,108,450.49	263,608,996.68
<b>Total Net Position</b>	<b>176,953,917.80</b>	<b>14,513,550.14</b>	<b>450,432,112.89</b>	<b>641,899,580.83</b>	<b>512,776,527.80</b>