

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

9:45 – 11:15 a.m. EDT
Friday
September 15, 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.
Dorothy Grisham
Dr. Linda Latimer
Ron Ramsey
Aamir Shaikh

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AGENDA

- I. Call to Order
- II. Roll Call
- III. [Approval of the Committee Minutes from April 21, 2023](#)
- IV. [Action Item: Approval of Use and Transfer of Debt Service Fee for Athletics – Graham \(10 minutes\)](#)
- V. [Quarterly Financial Report – Graham \(10 minutes\)](#)
- VI. [Quarterly Report of Agreements \\$250,000 or greater – Roberts \(5 minutes\)](#)
- VII. [CFO Update – Graham \(10 minutes\)](#)
- VIII. [Annual Foundation Update – Ritter \(10 minutes\)](#)
- IX. [Annual Capital Projects and Facilities Update – Ross \(10 minutes\)](#)
- X. Other Business
- XI. Adjournment

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 15, 2023

ITEM: Approval of the Minutes from April 21, 2023

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Adam Green
Board Secretary

The minutes of the April 21, 2023 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 April 21, 2023 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

April 21, 2023
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, April 21, 2023, at 9:48 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Committee Chair Steve DeCarlo called the meeting to order at 9:48 a.m.

II. Roll Call

Board Secretary Dr. Adam Green conducted the roll call. All committee members were physically present.

Committee members attending were:

Committee Chair Steve DeCarlo
Trustee Charles Allen
Trustee Allen Archer
Trustee Dorothy Grisham
Trustee Dr. Linda Latimer (who joined after the approval of the minutes)
Trustee Ron Ramsey

Trustee Dr. Virginia Foley also attended the meeting.

III. Approval of the Committee Minutes from February 17, 2023, and March 28, 2023

The minutes from the February 17, 2023, meeting of the Finance and Administration Committee and the March 28, 2023, called meeting of the committee were approved as submitted, with Trustee Ron Ramsey making the motion and Trustee Dorothy Grisham seconding the motion. The motion passed unanimously.

IV. Action Item: Approval of Spring Estimated and July Proposed Budgets

ETSU Chief Financial Officer Christy Graham reminded the committee that the spring estimated budget for fiscal year 2023 and the proposed July budget for fiscal year 2024 were

reviewed and discussed in detail at the called Finance and Administration committee meeting held on March 28.

Ms. Graham summarized, for the committee, a series of budget considerations:

- Budget hearings are being conducted all across campus this spring.
- The main campus, the College of Medicine, and Family Medicine were provided an appropriation for a salary pool in Governor Bill Lee’s budget.
- For the main campus, state appropriations fund approximately 55 percent of the salary pool.
- The Tennessee Higher Education Commission’s binding tuition increase for undergraduate education is recommended between 0 percent and 3 percent for FY 24. The rate will be confirmed in May.

Ms. Graham reviewed budget summaries for the main campus, the College of Medicine, Family Medicine, and the Gatton College of Pharmacy.

Ms. Graham told the committee that the College of Pharmacy budget shows a decrease in revenue due to enrollment, and there is a reduction of two positions. She introduced Dr. Debbie Byrd, Dean of the Gatton College of Pharmacy, who announced that, the day before the ETSU Board of Trustees meeting, the Tennessee General Assembly allocated \$2.5 million in recurring funding for the college. It is the first such state funding for the college. Dean Byrd expressed thanks to the Board, the Northeast Tennessee legislative delegation, faculty, staff, students, and community members for writing letters and supporting the quest for state funding.

Dr. Noland added that a great deal of “behind-the-scenes” work will transpire to adjust the College of Pharmacy budget accordingly and that a revised budget will be presented to the Board at a called meeting later this spring.

Trustee Grisham made a motion that the spring estimated budget for fiscal year 2023 and the proposed July budget for fiscal year 2024 be approved as submitted, with the realization that some adjustments will be needed. Trustee Ramsey seconded the motion, and it passed unanimously.

V. Quarterly Financial Report

Ms. Graham presented the quarterly financial report as of the end of February 2023. The report compares operating revenues and expenditures from the current year to the prior year. Changes for revenues and expenditures continue to be in alignment with the October budget revisions. Revenue is up overall. The table “Revenue & Expenses by Fund Type Through 2-28-23” indicates a 7.59 percent increase in total revenue and a 1.27 percent increase in total expenditures.

VI. Quarterly Report of Agreements \$250,000 or Greater

Mr. Ryan Roberts, Director of Procurement and Contracts, reported on contracts/purchase orders that exceed \$250,000, for the period of January through March 2023 found in the meeting materials.

Mr. Roberts informed the committee of two requests for proposals that are in process: LiveNation, to serve as the first booking agency for the Martin Center, and Axis Security, for security services campus wide.

VII. Action Item: Capital Budget Submittals and Disclosures

Mr. Jeremy Ross, Chief Operating Officer, submitted the Capital Budget and Disclosures list for FY2023-24 for the committee's consideration.

In addition, Mr. Ross provided the following updates:

- A temporary certificate of occupancy has been issued for Lamb Hall.
- University Commons is projected to be completed by fall of 2024, with the project being affected by materials shortages.
- Ross Drive: Outdoor areas will be completed soon.
- Mr. Ross traveled to Boston in February to accept an international award from the ACUI for the transformation of the Culp Center.
- Mr. Ross shared with the Board a series of concepts of the new academic building, which, because of inflationary increases, has been resubmitted to the state at a total cost of \$62.5 million. It is expected to be completed by the fall of 2025.

Trustee Allen made a motion that the capital budget submittals and disclosures be approved as presented. Trustee Grisham seconded the motion. It passed unanimously.

VIII. Other Business

There was no other business to come before the committee.

IX. Adjournment

The meeting was adjourned at 10:48 a.m. by Trustee DeCarlo.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: September 15, 2023

ITEM: Use and Transfer of Debt Service Fee for Athletics

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Christy Graham
Chief Financial Officer and
Vice President of Business and Finance

The Division of Business and Finance, as well as the Department of Athletics, is requesting approval to reallocate \$797,250 from the debt service reserve funds for soccer and baseball to renewal and replacement for other athletic facility projects. The debt service reserve typically holds two years debt service payments. The reserve for both soccer and baseball are holding more than the required amount.

It is also recommended that the \$10 program service fee assessed for soccer stadium debt be reallocated to football debt to cover the required facilities commitments.

| <u>Current</u> | Soccer | Baseball | Football |
|------------------------------|-----------|-------------|--------------|
| Total Remaining Debt Service | \$842,242 | \$1,608,014 | \$19,337,096 |
| Years Remaining | 3.5 | 8.5 | 24.5 |
| Average Payment | 240,641 | 189,178 | 789,269 |
| Program Service Fee | \$10 | \$9 | \$29 |
| Current amount in Reserve | 1,312,003 | 705,855 | 1,044,225 |
| <u>Recommendation:</u> | | | |
| Program Service Fee | \$0 | \$9 | \$39 |
| Transfer to Athletic R&R | 469,461 | 327,499 | |
| Remaining amount in reserve | \$842,242 | \$378,356 | \$1,044,225 |

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

RESOLVED: The proposed recommendation to reallocate debt reserve funds to other athletic facility projects and to reallocate the program service fee for soccer to football is approved as presented in the meeting materials.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 15, 2023

ITEM: Quarterly Financial Update

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Christy Graham
Chief Financial Officer and
Vice President of Business and Finance

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

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

| Unrestricted E&G Year-to-Year Comparisons Year-to-Date 6-30-2022 & 6-30-2023 | | | | |
|---|----------------------|----------------------|---------------------|---------------|
| | FY2021-22 | FY2022-23 | Change | |
| | | | \$ | % |
| REVENUES | | | | |
| By Appropriation Unit | | | | |
| Main Campus | \$244,002,867 | \$278,422,757 | \$34,419,890 | 14.11% |
| Medicine/Family Med | 85,317,543 | 88,146,367 | 2,828,824 | 3.32% |
| Pharmacy | 10,067,893 | 8,682,106 | (1,385,787) | -13.76% |
| TOTAL REVENUE | \$339,388,303 | \$375,251,230 | \$35,862,927 | 10.57% |
| By Revenue Source | | | | |
| Tuition and Fees | \$166,377,640 | \$161,956,557 | (\$4,421,083) | -2.66% |
| State Appropriations | 132,643,176 | 165,798,613 | \$33,155,437 | 25.00% |
| Grants, Contracts, Gifts | 6,046,069 | 5,975,071 | (\$70,998) | -1.17% |
| Other | 34,321,418 | 41,520,989 | \$7,199,571 | 20.98% |
| TOTAL REVENUE | \$339,388,303 | \$375,251,230 | \$35,862,927 | 10.57% |

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

| Unrestricted E&G | | | | |
|---|----------------------|----------------------|---------------------|--------------|
| Year-to-Year Comparisons | | | | |
| Year-to-Date 6-30-2022 & 6-30-2023 | | | | |
| | FY2021-22 | FY2022-23 | Change | |
| | | | \$ | % |
| EXPENDITURES | | | | |
| By Appropriation Unit | | | | |
| Main Campus | \$220,515,152 | \$243,575,354 | \$23,060,202 | 10.46% |
| Medicine/Family Med | 81,315,812 | 85,924,959 | 4,609,147 | 5.67% |
| Pharmacy | 9,802,744 | 9,434,010 | (368,734) | -3.76% |
| TOTAL EXPENSE | \$311,633,708 | \$338,934,323 | \$27,300,615 | 8.76% |
| By Natural Classification | | | | |
| Salaries & Benefits | \$218,507,567 | \$248,208,350 | \$29,700,783 | 13.59% |
| Operating | 50,482,267 | 48,878,670 | (\$1,603,597) | -3.18% |
| Capital/Equipment | 1,462,370 | 1,405,300 | (\$57,070) | -3.90% |
| Scholarships/Fellowships | 30,903,153 | 26,745,356 | (\$4,157,797) | -13.45% |
| Transfers to Other Funds | 10,328,351 | 13,696,647 | \$3,368,296 | 32.61% |
| TOTAL EXPENSE | \$311,633,708 | \$338,934,323 | \$27,300,615 | 8.76% |
| By Functional Classification | | | | |
| Instruction | \$152,162,691 | \$168,639,519 | \$16,476,828 | 10.83% |
| Research | 6,920,826 | 9,690,617 | 2,769,791 | 40.02% |
| Public Services | 2,657,400 | 3,888,910 | 1,231,510 | 46.34% |
| Academic Support | 31,413,539 | 35,247,385 | 3,833,846 | 12.20% |
| Student Services | 26,695,756 | 31,629,985 | 4,934,229 | 18.48% |
| Institutional Support | 26,113,379 | 26,487,237 | 373,858 | 1.43% |
| Physical Plant | 24,490,505 | 22,900,612 | (1,589,893) | -6.49% |
| Scholarships/Fellowships | 30,903,152 | 26,753,411 | (4,149,741) | -13.43% |
| Transfers to Other Funds | 10,276,458 | 13,696,647 | 3,420,189 | 33.28% |
| TOTAL EXPENSE | \$311,633,708 | \$338,934,323 | \$27,300,615 | 8.76% |

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 6-30-2022 & 6-30-2023**

| | FY2021-22 | FY2022-23 | Change | |
|-----------------------------|----------------------|----------------------|---------------------|--------------|
| | | | \$ | % |
| REVENUES | | | | |
| By Current Fund Type | | | | |
| Unrestricted E&G | \$339,388,302 | \$375,251,230 | \$35,862,928 | 10.57% |
| Auxiliaries | 25,207,263 | 28,884,161 | 3,676,898 | 14.59% |
| Restricted Funds | 146,900,558 | 143,197,117 | (3,703,441) | -2.52% |
| TOTAL REVENUE | \$511,469,124 | \$547,332,508 | \$35,863,384 | 7.01% |
| REVENUES | | | | |
| By Revenue Sources | | | | |
| Tuition and Fees | \$167,336,918 | \$162,911,909 | (\$4,425,009) | -2.64% |
| State Appropriations | 133,184,136 | 166,383,070 | 33,198,934 | 24.93% |
| Grants, Contracts, Gifts | 150,221,479 | 146,576,678 | (3,644,801) | -2.43% |
| Other | 35,556,096 | 42,605,200 | 7,049,104 | 19.83% |
| Auxiliaries | 25,197,495 | 28,855,651 | 3,658,156 | 14.52% |
| TOTAL REVENUE | \$511,469,124 | \$547,332,508 | \$35,863,384 | 7.01% |

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

| Current Operating Funds (Unrestricted/Auxiliaries/Restricted) | | | | |
|--|----------------------|----------------------|---------------------|--------------|
| Year-to-Year Comparisons | | | | |
| Year-to-Date 6-30-2022 & 6-30-2023 | | | | |
| | FY2021-22 | FY2022-23 | Change | |
| | | | \$ | % |
| EXPENDITURES | | | | |
| By Current Fund Type | | | | |
| Unrestricted E&G | \$311,633,708 | \$338,934,323 | \$27,300,615 | 8.76% |
| Auxiliaries | 25,291,360 | 24,560,998 | (730,362) | -2.89% |
| Restricted Funds | 124,114,038 | 126,846,907 | 2,732,869 | 2.20% |
| TOTAL EXPENSE | \$461,039,106 | \$490,342,227 | \$29,303,121 | 6.36% |
| EXPENDITURES | | | | |
| By Natural Classification | | | | |
| Salaries & Benefits | \$263,461,478 | \$295,246,750 | \$31,785,272 | 12.06% |
| Operating | 83,740,423 | 88,881,419 | 5,140,996 | 6.14% |
| Capital/Equipment | 1,780,302 | 2,025,165 | 244,863 | 13.75% |
| Scholarships/Fellowships | 91,148,220 | 75,915,731 | (15,232,489) | -16.71% |
| Transfers to Other Funds | 20,908,682 | 28,273,162 | 7,364,480 | 35.22% |
| TOTAL EXPENSE | \$461,039,106 | \$490,342,227 | \$29,303,121 | 6.36% |
| EXPENDITURES | | | | |
| By Functional Classification | | | | |
| Instruction | \$162,991,303 | \$174,646,574 | \$11,655,271 | 7.15% |
| Research | 17,548,829 | 23,588,768 | 6,039,939 | 34.42% |
| Public Services | 41,356,074 | 51,846,380 | 10,490,306 | 25.37% |
| Academic Support | 31,745,707 | 35,677,168 | 3,931,461 | 12.38% |
| Student Services | 28,759,970 | 33,179,106 | 4,419,136 | 15.37% |
| Institutional Support | 27,925,719 | 34,748,125 | 6,822,406 | 24.43% |
| Physical Plant | 24,757,814 | 23,064,783 | (1,693,031) | -6.84% |
| Scholarships/Fellowships | 90,385,871 | 75,333,678 | (15,052,193) | -16.65% |
| Transfers to Other Funds | 10,276,458 | 13,696,647 | 3,420,189 | 33.28% |
| Auxiliaries | 14,678,708 | 16,975,330 | 2,296,622 | 15.65% |
| Aux Trsfrs to Other Funds | 10,612,652 | 7,585,668 | (3,026,984) | -28.52% |
| TOTAL EXPENSE | \$461,039,106 | \$490,342,227 | \$29,303,121 | 6.36% |

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 15, 2023

ITEM: Quarterly Reports of Agreements \$250,000 or Greater

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Ryan Roberts
Procurement and Contract Services

The meeting materials include a list of agreements with amounts totaling \$250,000 or greater for the period of April 2023 – June 2023. This report does not include contracts or agreements associated with software/systems maintenance agreements, contracts with the federal government, and construction projects which are approved through the State Building Commission.

April - June 2023

Contracts / Purchase Orders over \$250,000

| Contract/ PO Date | | Contractor | Description of Services/Products | Contract / PO Amount | \$ Annual Contract | Competitive | Fiscal Review Approval |
|--------------------------|------------|------------------------------|---|-----------------------------|---------------------------|--------------------|-------------------------------|
| Start | End | | | | | | |
| | | | | | \$172,500 Yr 1 | | |
| | | | | | \$181,461 Yr 2 | | |
| 03/15/23 | 03/14/28 | Live Nation Worldwide, Inc | Booking services for the Martin Center Foundation Grand Hall | \$949,422 | \$190,422 Yr 3 | Yes | N/A |
| | | | | | \$199,383 Yr 4 | | |
| | | | | | \$205,656 Yr 5 | | |
| 04/22/23 | 04/22/23 | NuKing Uffpop, Inc. | Jason Derulo performance on 4/22/23 | \$225,000 | \$225,000 | No | N/A |
| 04/22/23 | 04/22/23 | RKS Touring | Rainbow Kitten Surprise performance on 4/22/23 | \$250,000 | \$250,000 | No | N/A |
| 05/09/23 | 05/08/28 | Corporate Moving Specialists | General Relocation services for both large relocation projects and smaller projects | \$2,000,000 | Per PO Basis | Yes | N/A |
| 06/01/23 | 05/31/28 | Axis Security, LLC | Event Security Services | \$2,000,000 | Per PO Basis | Yes | N/A |
| 07/01/23 | 06/30/26 | Ring Central | Phone system - Services, Licenses & Products | \$1,688,406 | \$337,681 per year | Yes | N/A |

RFI/RFPs –In-Process and Upcoming

Broker Services for Medical Residents Health Insurance(s) – Upcoming 02/2024

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 15, 2023

ITEM: CFO Update

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Christy Graham
Chief Financial Officer and
Vice President of Business and Finance

Staff will provide an update to the Board on the following initiatives underway across the Division of Business and Finance including:

- Launch of Strategic Resource Alignment Committee
 - The charge of the Committee is the following:
 - Support the evaluation and prioritization of the recommendations from Huron related to enhancing services and achieving savings to allow for reinvestment in institutional priorities.
 - Review and provide feedback on resource allocation (budget model) modifications and related analyses.
 - Receive reports from other committees and working groups supporting related institutional initiatives that are not the specific scope of this Committee. Such topics include but will not be limited to academic structure, strategic enrollment planning, research administration, and housing transformation.
 - When necessary, establish working groups to address specific topical areas that require deeper study or input from members of the ETSU community not serving on the Committee, and share the results of the working groups back with the Committee on a timely basis.
 - Communicate, at the direction of the President, with respective constituencies throughout the project.
 - Committee Membership
 - Timeline
- Update on Progress of ERP/EPM Implementation

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 15, 2023

ITEM: Foundation Update

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Pam Ritter
Vice President for University Advancement
President/CEO of ETSU Foundation

University Advancement is charged with enhancing the philanthropic mission of East Tennessee State University. Once the funding is secured, the Foundation Board of Directors ensure the funds are managed through Trusts, Unrestricted gifts, Restricted gifts, Gifts-in-Kind, Real Estate and Endowments. Ms. Pam Ritter will provide committee members with an update on the status of the Foundation including investment portfolio information and expenditures on behalf of the University. Highlights for 2022-2023 include:

- Comprehensive Campaign Goal of \$120M concluded June 30, 2022; raised over \$163 million
- Endowment: \$127,150,502 as of June 2023
- Presentation of 2022-23 ETSU Foundation Annual Report
- Record-number of new inductees into Distinguished President's Trust
- The Office of University Advancement includes:
 - *ETSU Foundation* – Pam Ritter, President/CEO
Investment return for 2022-23: 12.97%
 - *Stewardship/Donor Relations* – appointed Joe Smith as Executive Director; he is the first person to hold this position
 - *Major Gifts* – John King, Assoc. Vice President
Expanded our team of Directors of Development to include two new fundraisers dedicated to Intercollegiate Athletics
 - *Alumni Association* – Whitney Goetz, Executive Director
Led alumni engagement activities throughout the year, including two events in Atlanta and Charlotte.
 - *Martin Center for the Arts* – Jennifer Clements, Executive Director
Brought Broadway to the Appalachian Highlands for the first time; all shows were performed to sold-out audiences, and next season will include six shows.



EAST TENNESSEE STATE
UNIVERSITY

ETSU Foundation Overview

September 15, 2023

ETSU began with a gift...



...a gift of land





University Advancement

Major Gifts
Planned Giving
Annual Giving
Advancement Services
Communications & Stewardship
ETSU Foundation
National Alumni Association
University Events
Martin Center for the Arts



OUR MISSION

The Mission of the ETSU Foundation is to maximize sustainable philanthropic support for East Tennessee State University by building relationships and obtaining, elevating, and investing private giving for the institution.



OUR VISION

We increase private giving to ETSU by delivering an integrated program of communications, marketing, face-to-face engagement, and stewardship. Results of this approach will build deep and long-term relationships with alumni, friends, and potential partners that will ensure ever-increasing support for today and for the future.



OUR STRATEGIC GOALS

- Increase total net production (gifts and pledges) to \$25M per year – every year – by 2026.
- Engage donors and build enthusiasm for ETSU programs.
- Develop Regional Arts Engagement by enhancing Martin Center opportunities.





The 2022-23 Year

A quick look back



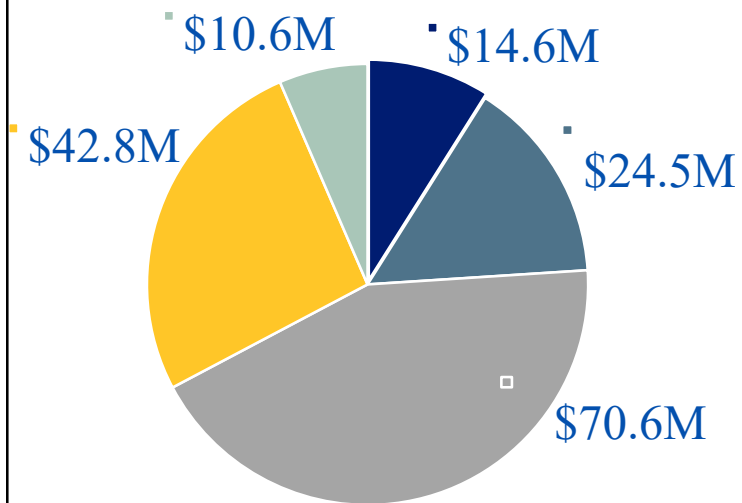
THE CAMPAIGN FOR ETSU

Initial Goal:
\$120 million

Amount
Raised:
**\$163
million**



The Campaign for ETSU



The **Campaign for ETSU** raised funds for four priority areas:

- Student Scholarships - **\$42.8M**
- Faculty Opportunities - **\$24.5M**
- Programs & Centers - **\$70.6M**
- Facilities- **\$14.6M**

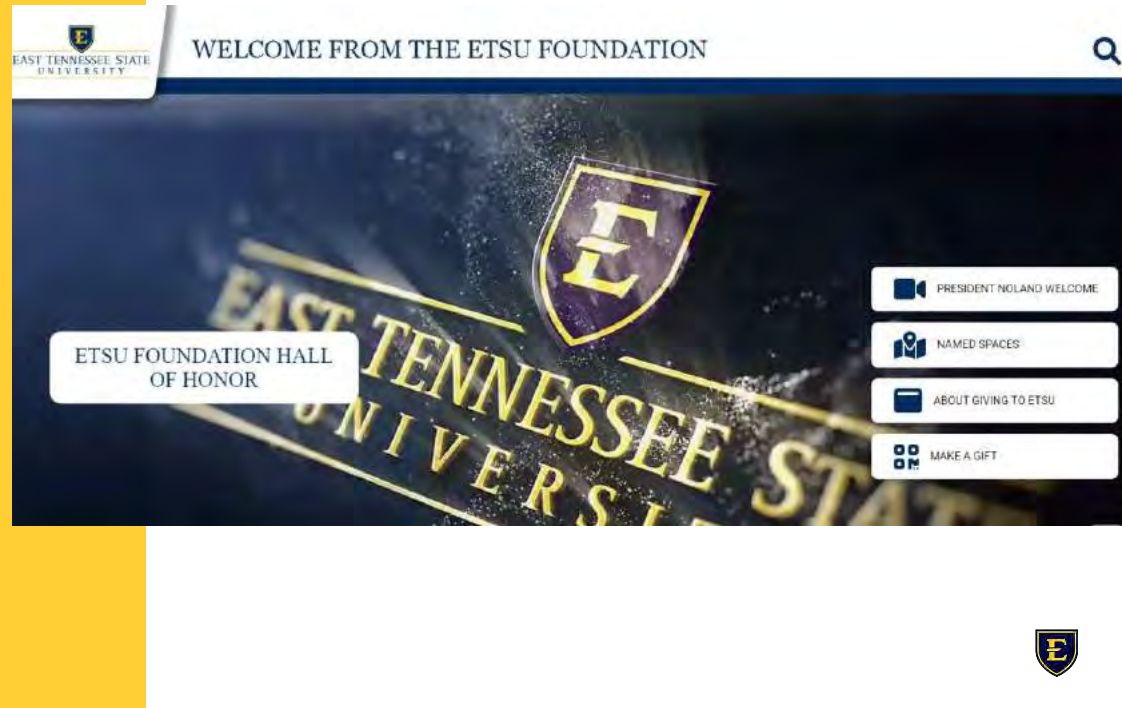
Some gifts were made for **Unrestricted funding (\$10.6M)**.



Donor E-Recognition Site

Launched
Summer 2023

Available online
and displayed on
second floor of
Dossett Hall



DPT Carillon Society

74 new members
in 2023!

Record number!

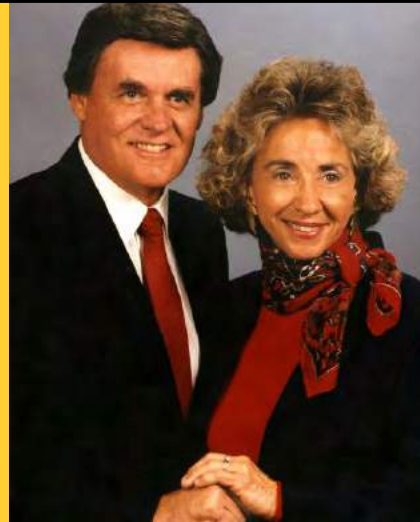


These 74 new Carillon Society members alone have given more than three quarters of a million dollars to ETSU.



The James and Nellie Brinkley Center

Dedicated April 2023



On The Road!

**“An Evening
with ETSU”**

Atlanta (January 2023)

&

Charlotte (May 2023)



**Broadway
arrived in the
Appalachian
Highlands!**

***Four Broadway
shows, all
performed to
sold-out
audiences***



Day of Giving 2023

April 18

\$358,000 raised

**12% increase from
previous year**

1,060 gifts



2022-23: A Year of Gratitude



Advancement Strategic Goal
Raise \$25M per Year by 2026

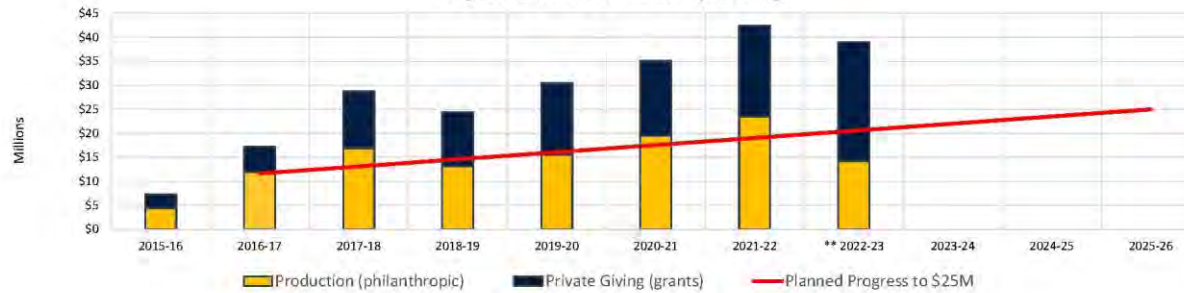
ETSU Total Production

Internal Projections to Meet Target Goal, with Actuals

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | ** 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|-----------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|--------------|--------------|--------------|
| Planned Progress to \$25M | | \$11,635,000 | \$13,120,000 | \$14,605,000 | \$16,090,000 | \$17,575,000 | \$19,060,000 | \$20,545,000 | \$22,030,000 | \$23,515,000 | \$25,000,000 |
| Production (philanthropic) | \$4,460,019 | \$11,984,419 | \$16,905,638 | \$13,132,916 | \$15,562,271 | \$19,488,176 | \$23,517,458 | \$14,296,093 | | | |
| Private Giving (grants) | \$2,862,470 | \$5,276,071 | \$11,842,990 | \$11,305,518 | \$14,887,001 | 15,587,771 | \$18,940,475 | \$24,708,529 | | | |
| Totals | \$7,322,489 | \$17,260,490 | \$28,748,628 | \$24,438,434 | \$30,449,272 | \$35,075,947 | \$42,457,933 | \$39,004,622 | | | |

** estimated as of 6/30/2023

Progress to \$25M in Philanthropic Giving



2022-23 Net Production

- Goal: \$20.5M





Major Priorities & Initiatives

2023-24



Top Priority: Facilities

Appendix B2

RENDERINGS



RENOVATED COURTYARD ENTRY / LEVEL 2 CONNECTOR



BROWN

CLARKNEXSEN
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**Brown Hall (North Side) –
\$1.9M**

Academic Building - \$4M



Top Priority: Facilities



Integrated Health Services Building - \$3.1M

Baseball Stadium - \$2.1M



Top Priority: Student Opportunities



Macy's 2024 Thanksgiving Day Parade - \$350K (or \$1K per student)

Scholarships



Other New Initiatives

- Enhanced **partnership with Intercollegiate Athletics** by hiring two Directors of Development (Eryn Samuels and Desmond Pierce). They are part of the Advancement team.
- Appointed full-time **Stewardship/Donor Relations Officer** who has created a stewardship plan for 2023-24. Activities will include creation of [micro-sites](#) that tell the stories of the work of our donors.
- Continue with metrics for evaluating performance of Directors of Development.





FINANCIAL OVERVIEW

ETSU Foundation



Foundation Investment Committee

- Goldman Sachs – Investment Managers
- Market Value June 2023 - **\$127,150,502**
- Investment Committee meeting with Financial Managers quarterly
- Last meeting held July 2023



Investment Pool Asset Class Ranges

| <u>Asset Class</u> | <u>Minimum</u> | <u>Maximum</u> |
|-------------------------------|----------------|----------------|
| Investment Grade Fixed Income | 10.00% | 30.00% |
| Other Fixed Income | 2.50% | 15.00% |
| Hybrid Fixed Income | 0.00% | 10.00% |
| US Equity | 25.00% | 65.00% |
| Non-US Equity | 5.00% | 30.00% |
| Asset Allocation Investments | 0.00% | 10.00% |

Source: Investment Policy Statement June 2019



EAST TENNESSEE STATE
UNIVERSITY

Portfolio Held by Goldman Sachs as of June 2023

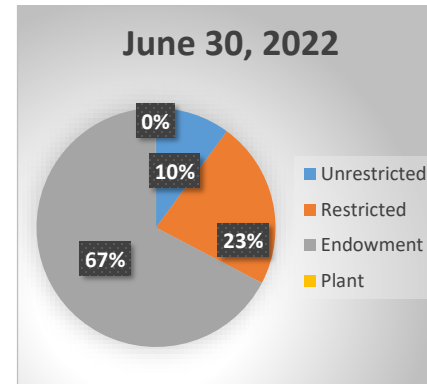
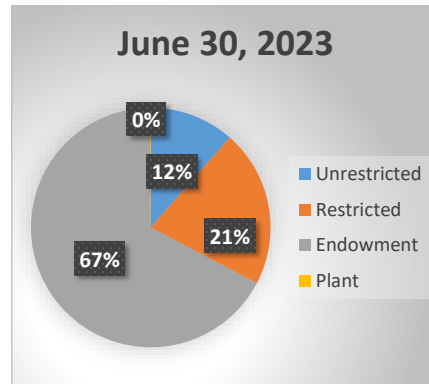
| Asset Class | Value | Percent | YTD Perf | FYTD Perf |
|--|----------------------|---------------|---------------|---------------|
| Deposits and Money Market | \$ 503,932 | 0.40% | 2.34% | 3.76% |
| Investment Grade Fixed Income | 18,722,859 | 25.0% | 2.62% | 2.81% |
| Hybrid Fixed Income | 3,501,222 | 2.80% | 1.05% | 0.24% |
| Other Fixed Income | 9,510,553 | 7.50% | 4.69% | 8.38% |
| US Equity | 75,793,454 | 59.60% | 14.18% | 17.61% |
| Non-US Equity | 13,011,692 | 10.20% | 13.74% | 20.48% |
| Asset Allocation Investments | 6,106,789 | 4.80% | 8.68% | 8.38% |
| Total Invested | \$127,150,501 | 100.0% | 10.54% | 12.97% |
| Benchmark Performance - | | | | |
| 60/40 MSCI All Country World/Barclays Capital US Gov | | | | 13.72% |
| 70/30 MSCI All Country World/Barclays Capital US Gov | | | | 15.15% |

Source: Goldman Sachs 2nd Quarter Portfolio Review

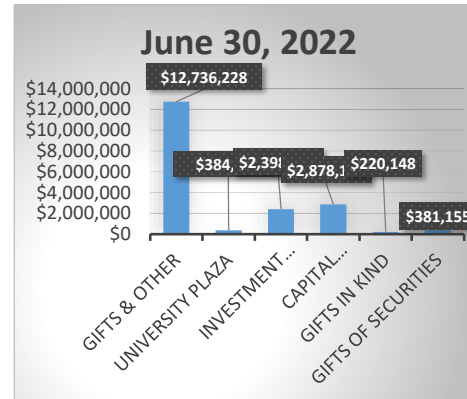
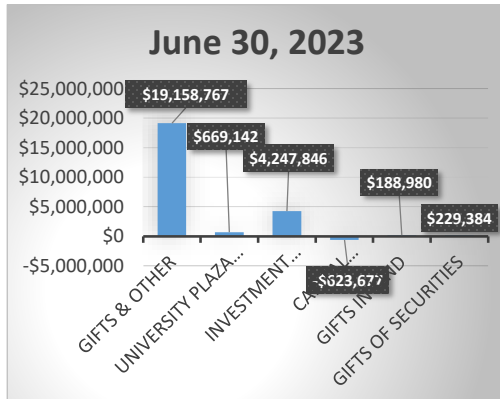


EAST TENNESSEE STATE
UNIVERSITY

Total Assets by Fund Type



FY Income Comparison



Endowment Spending Policy

- In April 2023, the Foundation Board adopted an updated spending policy for endowments.
- The Foundation will utilize the total return concept in allocating endowment income.
- The Board approved the distribution of 4% of the preceding twelve-quarter moving average of market value of endowment investments, effective for fiscal year 2024.

Source: Investment Policy Statement June 2019



Thank you.

Pamela S. Ritter
ETSU Vice President for University Advancement and
President & CEO of the ETSU Foundation



EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: September 15, 2023

ITEM: Annual Capital Projects and Facilities

COMMITTEE: Update Finance and Administration

PRESENTED BY: Committee

Jeremy Ross
Chief Operating Officer

Staff will provide an update on Capital Projects and Facilities Operations. Capital disclosures, maintenance, and outlay for 2023-24 will be discussed. Design and construction projects that are in process will be presented.

CAPITAL PLANNING

September 15, 2023



CAPITAL, MAINTENANCE, & DISCLOSURES

Capital Disclosures

| | |
|---------------------|------------------------------------|
| \$40,000,000 | New Residence Hall |
| \$55,000,000 | Parking Garage |
| \$ 300,000 | Campus Wide Paving and Repair |
| \$ 350,000 | Millennium Parking Garage Elevator |
| \$95,650,000 | Total |

Capital Maintenance Submission

| | |
|---------------------|-------------------------------------|
| \$ 1,600,000 | Safety Lighting & Alarm Replacement |
| \$ 3,800,000 | Roof Replacements |
| \$ 3,400,000 | Steam Line repairs & Replacement |
| \$ 1,200,000 | Electrical Repairs & Replacement |
| \$ 1,740,000 | Exterior Structural Repairs |
| \$ 2,700,000 | HVAC & Plumbing Repairs |
| \$ 2,500,000 | Electrical Upgrades |
| \$16,940,000 | Total |

Projects in Design

| | |
|----------------------|-------------------------------------|
| \$ 43,900,000 | Integrated Health Services Building |
| \$ 62,500,000 | New Academic Building |
| \$ 47,000,000 | Brown Hall, North Phase 1 |
| \$ 25,000,000 | Housing Maintenance & Renovation |
| \$ 4,000,000 | University Commons Phase II |
| \$ 5,000,000 | Powell Hall Renovation |
| \$ 3,000,000 | Thomas Stadium |
| \$ 1,500,000 | Warren Greene Golf Facility |
| \$191,900,000 | Total |

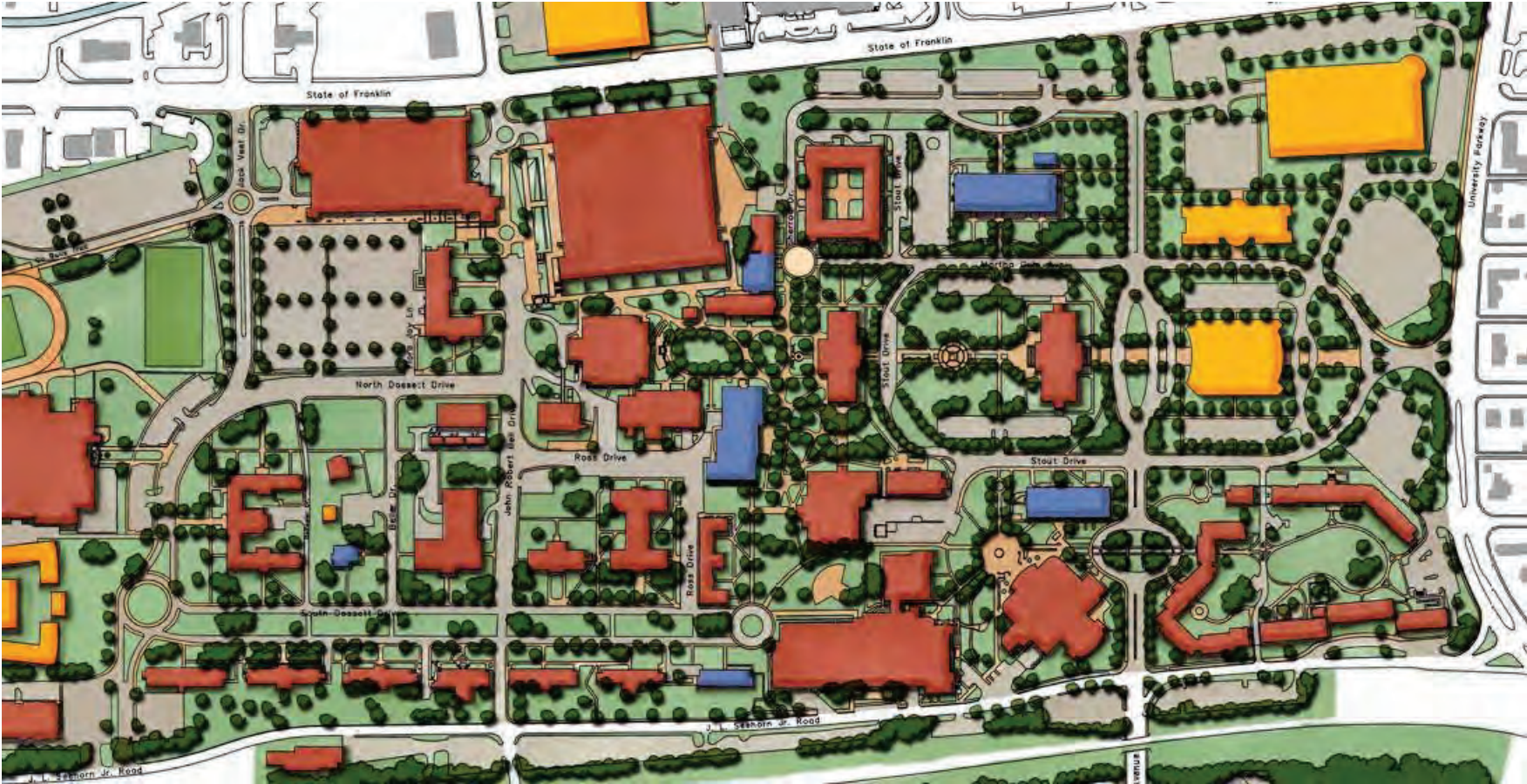
Capital Outlay Request

| | |
|----------------------|---------------------------|
| \$ 49,500,000 | Brown Hall, South Phase 2 |
| \$ 49,500,000 | Total |

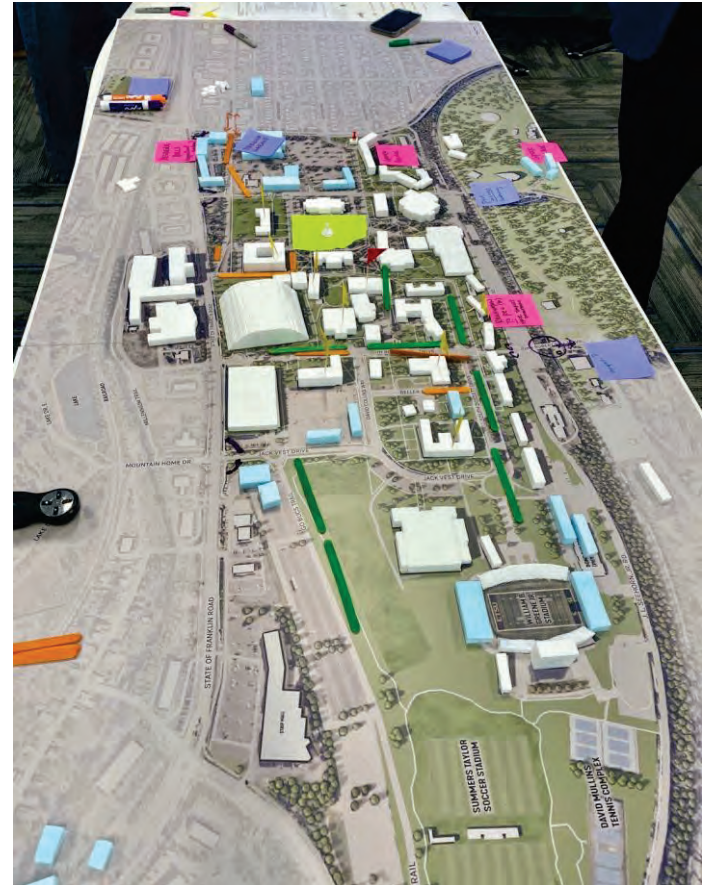
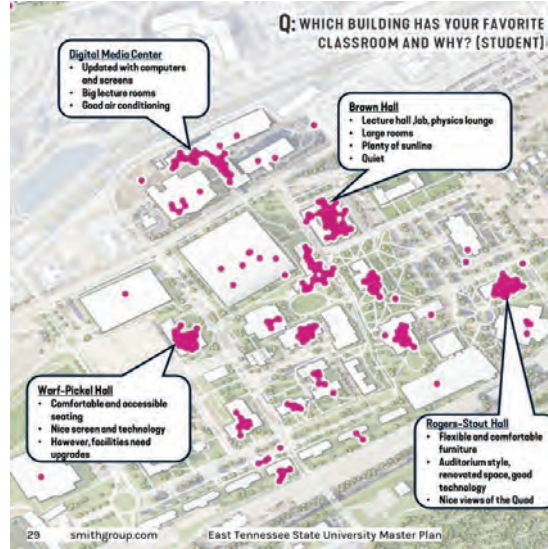
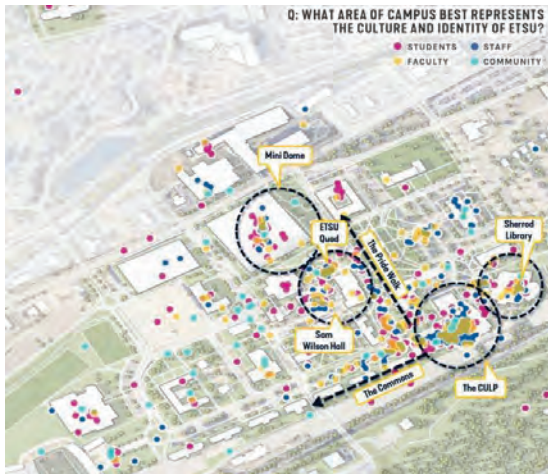
Projects Nearing or Recently Completed

| | |
|---------------|-------------|
| \$ 26,100,000 | Lamb Hall |
| \$ 600,000 | Master Plan |

EAST – WEST AXIS



MASTER PLANNING



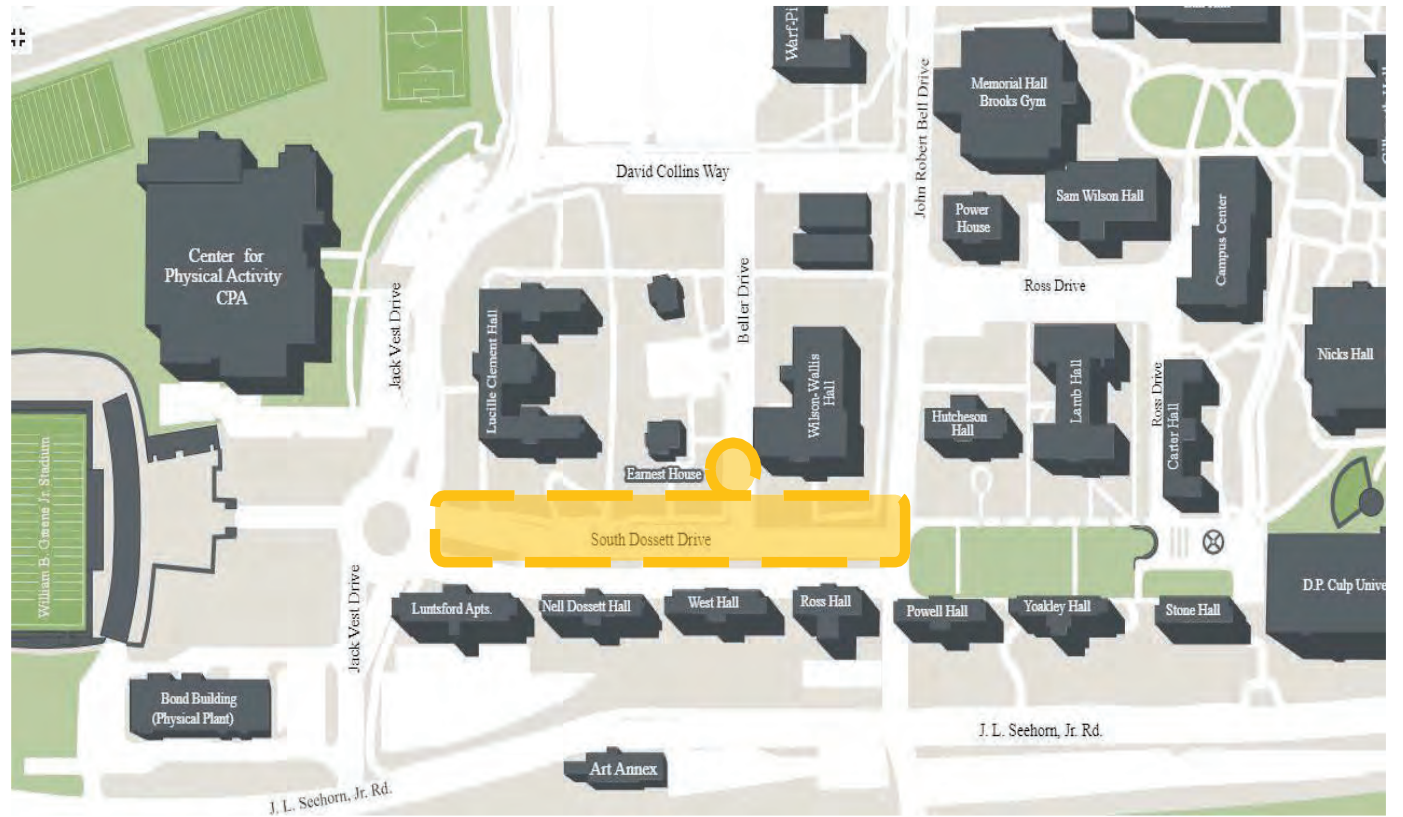
UNIVERSITY COMMONS

Project Information

Cost: \$4,000,000

Completion: Fall 2024

Status: Schematic Design. Bids will be released in 2023. Construction to begin Summer 2024



UNIVERSITY COMMONS

Project Information

Cost: \$4,000,000

Completion: Fall 2024

Status: Schematic Design. Bids will be released in 2023. Construction to begin Summer 2024



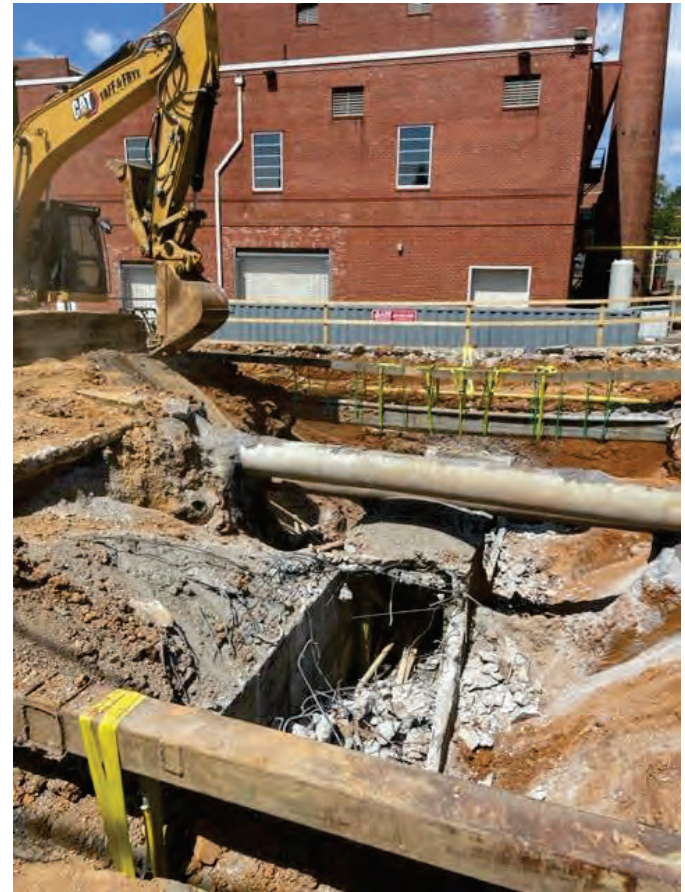
STEAM LINE REPAIR

Project Information

Cost: \$7,450,000

Completion: August 2023, Phase I

Status: Fluid



STEAM LINE REPAIR

Project Information

Cost: \$7,450,000

Completion: August 2023, Phase I

Status: Fluid



STEAM LINE REPAIR

Project Information

Cost: \$7,450,000

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STEAM LINE REPAIR

Project Information

Cost: \$7,450,000

Completion: August 2023, Phase I

Status: Fluid



GILBREATH

Project Information

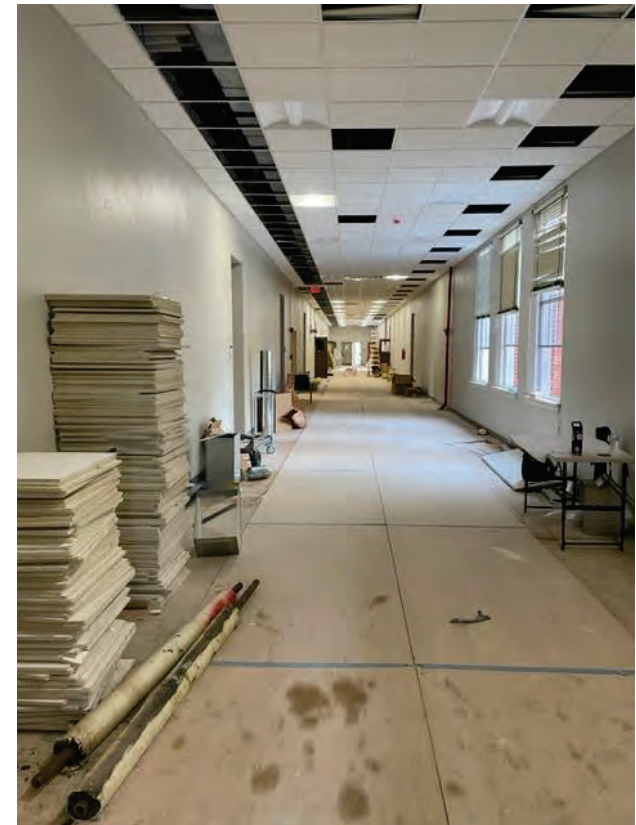
Cost: \$3,000,000

Completion: August 2023,

Status: Complete

Project Pictures

First of August



GILBREATH

Project Information

Cost: \$3,000,000

Completion: August 2023,

Status: 65% Complete



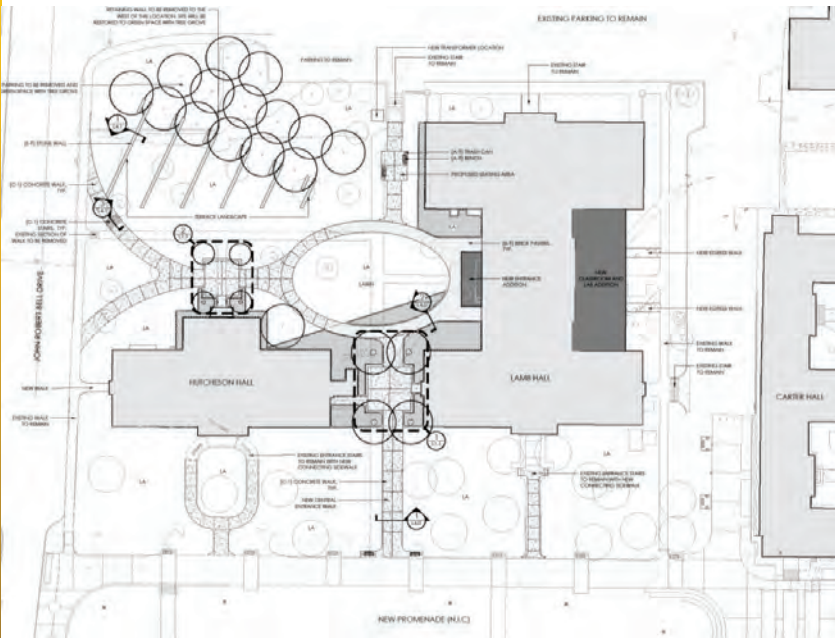
ROSS DRIVE

Project Information

Cost: \$26,100,000

Completion: May 2023

Status: Substantial Completion Achieved



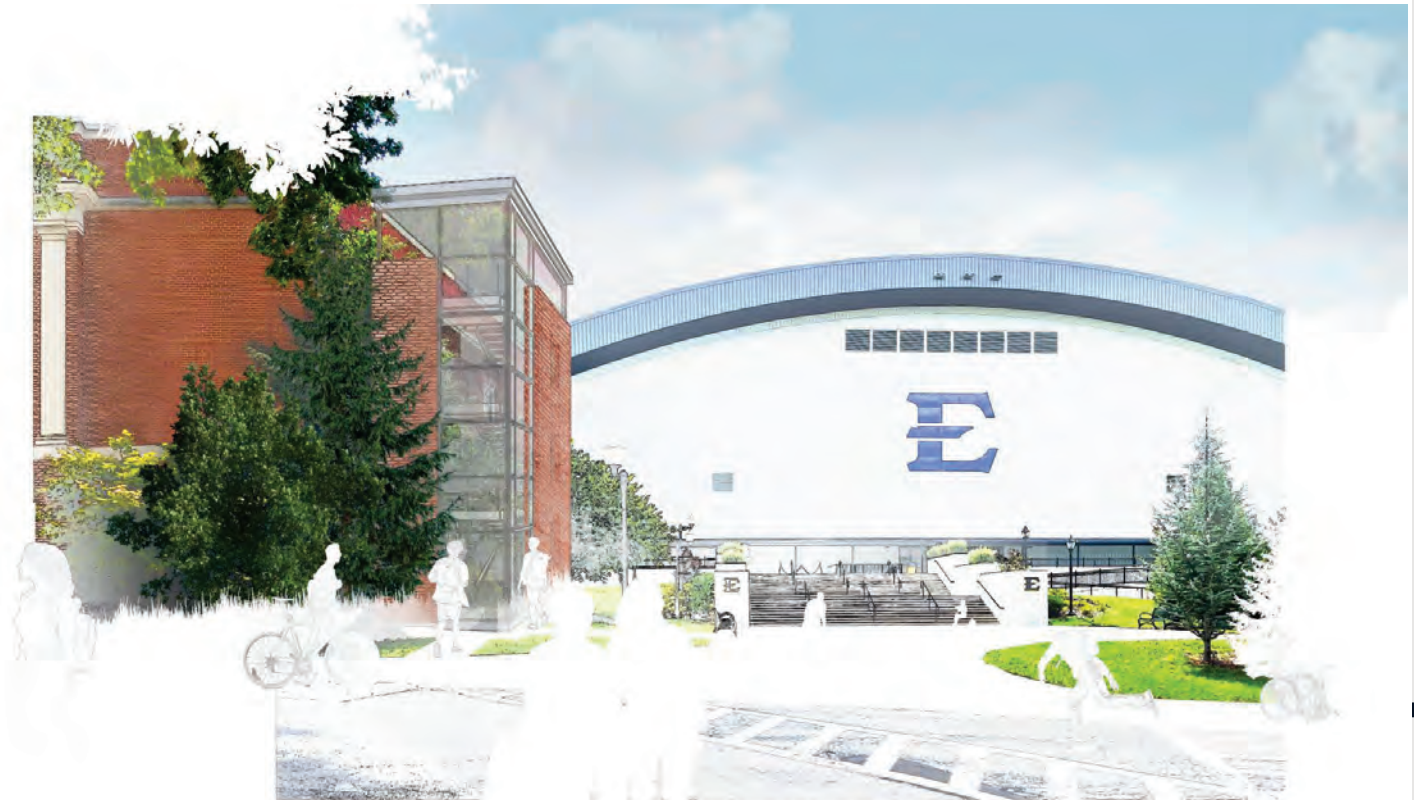
NEW ACADEMIC BUILDING- CONCEPTS

Project Information

Cost: \$8,113,953 – Burleson Hall

Completion: Fall 2025

Status: Design Development Complete



NEW ACADEMIC BUILDING- CONCEPTS

Project Information

Cost: \$8,113,953 – Burleson Hall

Completion: Fall 2025

Status: Design Development Complete



81 LEVEL 3 FURNITURE PLAN
DATE 12.17.22



81 LEVEL 4 FURNITURE PLAN
DATE 12.17.22

NEW ACADEMIC BUILDING- CONCEPTS

Project Information

Cost: \$8,113,953 – Burleson Hall
Completion: Spring 2025
Status: Design Development Complete



NEW ACADEMIC BUILDING- CONCEPTS

Project Information

Cost: \$8,113,953 – Burleson Hall

Completion: Fall 2025

Status: Design Development Complete





THANK YOU