

**THE UNIVERSITY OF TENNESSEE AT CHATTANOOGA
ADVISORY BOARD MEETING**

9:00 AM EST
Tuesday
February 16, 2021

Zoom Meeting
<https://tennessee.zoom.us/j/95791776229>

ORDER OF BUSINESS

I.	CALL TO ORDER AND ROLL CALL	2
II.	OPENING REMARKS	2
III.	ELECTION OF BOARD SECRETARY	2
IV.	APPROVAL OF THE MINUTES OF OCTOBER 5, 2020.....	2
V.	CHANCELLOR'S REPORT.....	3
VI.	ACADEMIC AFFAIRS UPDATE.....	4
VII.	ENROLLMENT MANAGEMENT AND STUDENT AFFAIRS UPDATE	7
VIII.	FINANCIAL REPORT AND BUDGET PREVIEW	8
IX.	APPOINTMENT OF STUDENT REPRESENTATIVE.....	11
X.	OTHER BUSINESS.....	11
XI.	CLOSING REMARK.....	12
XII.	ADJOURNMENT	12

I. CALL TO ORDER AND ROLL CALL

Chair Scott LeRoy called the meeting to order at 9:03 a.m. Mr. David Steele, Chief of Staff, called roll. The following Board members were present:

Muecke Barker
Jamie Harvey
Carole Hoffman
Scott LeRoy (Chair)
Rachel Worley

A quorum was present.

Others in attendance included: Dr. Steven Angle, UTC Chancellor; Ms. Vicki Farnsworth, Vice Chancellor for Information Technology and CIO; Mr. Tyler Forrest, Vice Chancellor for Administration and Finance; Dr. Yancy Freeman, UTC Vice Chancellor of Enrollment Management, Student Success and Student Affairs; Dr. Jerold Hale, Provost and Senior Vice Chancellor for Academic Affairs; Mr. Yousef Hamadeh, University Associate General Counsel; Ms. Gina Stafford, Assistant Vice Chancellor for Communications and Marketing; Mr. David Steele, Chief of Staff; Mr. Lofton Stuart, Interim Vice Chancellor for Development and Alumni Affairs and Executive Director of the UC Foundation, Inc.

II. OPENING REMARKS

Chair LeRoy welcomed the Board members and attendees to the meeting. He noted that there were a couple of initial items of business that needed be addressed and proceeded with raising those items for consideration.

III. ELECTION OF BOARD SECRETARY

The first item for consideration was the election of a new secretary for the Board. The first secretary of the Board was Ms. Terry Denniston, prior Chief of Staff for the Chancellor. Chair LeRoy called on Chancellor Angle for a recommendation for filling the secretary position. Chancellor Angle nominated Mr. David Steele, the new UTC Chief of Staff. Chair LeRoy called for a motion to elect Mr. Steele as secretary. Dr. Jamie Harvey moved to nominate Mr. Steele as secretary, and Ms. Carole Hoffman seconded the motion. Chair LeRoy asked if there was any discussion or further comments; there were none. A roll call vote was taken, and Mr. Steele was unanimously elected as the new secretary. Chair LeRoy congratulated Mr. Steele on his appointment.

IV. APPROVAL OF THE MINUTES OF OCTOBER 5, 2020

Chair LeRoy next asked for a motion to approve the minutes for the October 5, 2020 Board meeting, a copy of which was provided to the Board members prior to the meeting. Ms. Hoffman

made a motion to approve the minutes, with Dr. Harvey seconding. A roll call vote was taken, and the minutes were approved unanimously. A copy of the October 5, 2020 meeting minutes approved by the Board are included in **Appendix A** to these minutes.

V. CHANCELLOR'S REPORT

Chair LeRoy called on Chancellor Angle for his report. Chancellor Angle noted that the University has been dealing with COVID-19 for a year now and that the start of the spring semester has gone pretty well. Chancellor Angle shared updates on the following items:

- Student/Faculty/Staff COVID-19 testing. Students moving into housing for the spring semester were tested upon arrival. 2,311 students were tested, 11 were positive. A routine testing site has been set up at the Collins Street Annex in the mobile trailer; about 1,000 students, faculty and staff are being tested per week. UTC has been averaging a less than 1% positivity rate, about half a percent. People are still following best practices of social distancing and wearing masks. Class sizes are smaller, and there is more face-to-face instruction than in the fall.
- UTC has applied to be a vaccine distribution site, so once UTC is able to obtain the vaccine, it can be administered to those groups of individuals targeted by the State of Tennessee for the roll-out. Hamilton County is doing Group A1b – those 70 years old and above and health care professionals. UTC is hoping that, when the call for more people to be vaccinated is made, UTC will be able to administer it on campus and would do that through the Collins Street Annex site also.
- Building projects. The Hunter Hall renovation is going to start this spring, funded by the State of Tennessee. UTC is self-funding the McKenzie Arena addition/renovation project. The initially budget, which was approved through the State Building Commission, was \$22 million, but as the project has neared completion, the cost estimate is now \$29.15 million, an increase of \$7.15 million. UTC is going to bond some of the funds and get some additional gift funding to cover the costs, and the revised budget will go back to the State Building Commission next month for approval. The Chancellor indicated that he does not anticipate any problems because it is self-funded.
- UTC is moving forward with planning for a health science and nursing building. UTC is working with the Hamilton County mayor, Mayor Coppinger, who has been wonderful to deal with. UTC is discussing taking ownership of the parking lot property owned by the County on the corner of East Third Street and Palmetto Street, opposite the Kennedy Outpatient Center for the Children's Hospital. This has moved along pretty far now, and Chancellor Angle is confident the project will go forward. Chancellor Angle also mentioned that the Governor's budget was funding the formula.
- Salary increases. The State is funding about 60% of a 4% increase; UTC will have to come up with \$1.5 million from other sources to make up the difference. UTC is looking at proposing a 2% tuition increase for the coming year, which should cover the salary increases. Chancellor Angle thanked the State delegation for their support for the funding

received from the State, noting that they have been strong advocates for UTC and great partners to help UTC compete.

Chair LeRoy asked about the impact of the COVID-19 pandemic on student housing space and whether a number of dorm rooms would be set aside again next semester for students who need to quarantine. Chancellor Angle responded that UTC has 279 beds available for isolation or quarantine, primarily all of which are in Stagmaier Hall. Chancellor Angle stated that there have been disruptions during the year, noting as an example, that all of the football receivers, linebackers and coaches were in quarantine for the first week of the semester and that UTC postponed the first football game from the 20th of February to the 27th of February as a result.

Chancellor Angle noted that the student-athletes' academic performance is the best UTC has ever seen, with an average 3.4 last semester and a 90% graduation rate. He further noted that the overall student retention rate has gone up in spite of COVID-19, but UTC remains concerned about the interpersonal side of a college education and interacting with other people, and developing social and support networks. The Student Affairs staff is working hard to be creative and get events and activities for students to be out. The students appear to be really happy to have more face-to-face options, and UTC is looking forward to a fall that will be much more like the fall of 2019. Chair LeRoy commented that it was encouraging to get the news that the UT System plans to open up as usual during the Fall 2021 semester.

VI. ACADEMIC AFFAIRS UPDATE

Chair LeRoy next called on Provost Hale for an update on Academic Affairs. Provost Hale noted that, as the Chancellor said, UTC is planning on a Fall 2021 semester that looks a lot like the Fall 2019 semester did. However, being unsure about the trajectory the virus might take, he has asked the deans to have a fallback position ready in their scheduling and planning that would resemble the Spring 2021 semester in terms of the distribution of course modalities. UTC is hoping to keep students excited for the fall of 2021 with something that looks very normal and quite usual for the students who would have matriculated to UTC before the pandemic began.

- *Strategic Plan:* Provost Hale also provided an update on the 2025 Strategic Plan. He noted that a lot of the heavy lifting for the coordination of the process has been done with the assistance of David Steele, Alexis Hurley and Tom Griscom, and the subcommittee chairs, including Vice Chancellors Farnsworth and Forrest. The participants from the campus community and the greater Chattanooga community participating in the process to date have done some incredible work. The Chancellor's charge was for continuity and renewal. The renewal portion is to continue to do what UTC is doing well but also to reimagine some of the goals and some of the strategies for reaching the goals that were in the previous strategic plan. The vision, mission and values did not change, but there are some things that will change.

The process began with four subcommittees: one related to teaching and learning; one related to diversity, equity and inclusion; one related to research and innovation, and another related to stewardship. Those four subcommittees correspond roughly to the four sets of goals or the four pillars that were in the current strategic plan. Those subcommittee are co-chaired by members of the faculty and staff on campus. Each of subcommittee has between twenty and thirty members, and each of them includes either community representation and/or student

representation, so UTC is getting input from a very broad spectrum of our community partners as well as students, faculty and staff.

Aside from the four subcommittees, there is also an Integration Committee, charged with taking the reports from the four subcommittees and creating a document that integrates the subcommittee reports into a single document. This committee is comprised of some members who were not on the subcommittees and some members from the four subcommittees who moved over to the Integration Committee. The Integration Committee will meet for the first time this coming Friday, and it will begin crafting a document that will be shared more widely with the Chattanooga community, the campus community and various constituency groups to get feedback and suggestions. The Board is represented on the Integration Committee by Chair LeRoy. UTC wants to make sure that the entire process is as transparent and as inclusive as possible, and there is a website set up (utc.edu/StratPlan) where one can find a timeline, the subcommittee composition, the Integration Committee composition and other information.

The subcommittees are reaching out to members of the campus community and the greater Chattanooga community to gather information they might need in order to put their reports together, and there has been engagement from community stakeholders that is quite broad. Over 75% of the respondents who have put something in the campus-wide suggestion box were not involved in the prior plan which means that UTC is not hearing from the same people over and over again and that there are some new voices recommending things, including people who are new to the campus community and some who did not participate in the last strategic plan.

Provost Hale provided an update on some of the work of the various subcommittees.

- The Teaching and Learning Subcommittee is keeping its focus on the mission of teaching excellence, outstanding student supports, experiential and high impact learning environments, and alignment with State and regional workforce needs. It is involved in reimagining UTC's general education requirements, which is important because the General Education curriculum is the only common experience that every single UTC student has. UTC is looking at developing a General Education curriculum that really focuses on what kinds of skill sets students need to succeed when they graduate and enter the workforce. There is discussion of developing more innovative and flexible instructional modalities, which has accelerated because of the global pandemic. The pandemic has spurred UTC to be more flexible with instructional modalities and more adaptable to changes. Finally, there is a commitment to cohort experiences in which the same students will be scheduled in many of the same classes, which will help facilitate intellectual and social connections between students. Such environments are shown to play a very important role in enhancing student success and student retention from year to year.
- The Diversity, Equity and Inclusion Subcommittee is taking a comprehensive approach to equity, diversity and inclusion that will pervade the entire strategic plan, and UTC is relying on its incredible community connections in order to make that happen. In the Provost's view, diversity, equity and inclusion is an incredibly important goal for UTC,

because it is a really important aspect of student success initiative. The more diverse the faculty is, the more that students, and especially students from underrepresented groups, will want to stay on campus and so UTC's student retention numbers and student graduation numbers will go up. There will be more specific definitions and metrics for this goal in the new strategic plan compared to the last strategic plan that will allow for accountability for making progress on its goals.

- The Research and Innovation Subcommittee remains focused on applied research and research that has an intentional community impact. UTC also wants more thoughtful integration between teaching and research so that the research being performed informs what goes on in the classroom and vice-versa. It is also the case that the research and innovation that takes place will, just as equity, diversity and inclusion will, pervade other aspects of the strategic plan. UTC wants more specific definitions and metrics to help raise the research profile of the university.
- The Stewardship Committee is keeping a focus on student support and student success. UTC is focused on finding supplemental revenue streams and a commitment to transparency and accountability. This strategic plan will include strategies related to the health and wellness of the campus community. There is also intentional integration with the campus master plan, and the campus master planning process will begin shortly.

Provost Hale stated that the subcommittees have finalized their draft reports and that the Integration Committee's review and preparation of the reports will begin this Friday. The campus and community input points will be occurring with some regularity and coming up pretty rapidly, along with the review by this Board before it is completed and submitted to UT Board of Trustees for approval. The target is to be able to have the strategic plan approved by the UT Board of Trustees at its June 2021 meeting.

- *SACSCOC Accreditation Reaffirmation:* Provost Hale also reported that, simultaneously with the development of the strategic plan, the campus is beginning to make more substantial progress towards the reaffirmation of its SACSCOC accreditation. Theresa Liedtka, the Dean of the Library, would be the project manager to help with the process. One of the things that is required in every SACSCOC reaffirmation is a Quality Enhancement Plan (QEP), and it is a commitment that every campus makes over that next 10-year period of time with a specific strategic initiative that is supposed to enhance the entire campus. A QEP Committee has been formulated to develop the Quality Enhancement Plan. A timeline and charge are being prepared for the committee so it can begin its work. The budget for the SACSCOC reaffirmation process, which is not an inexpensive process, is nearly finalized as well. In summary, the reaffirmation for UTC's accreditation is moving along and on schedule. UTC received a one-year variance because of the COVID-19 pandemic, so SACSCOC representatives will now be on campus in the spring of 2023 for their campus site visit. UTC is happy to have Dean Liedtka on board. Provost Hale stated that Dean Liedtka is a person who gets things done and he anticipates that the process will go smoothly.

Chair LeRoy thanked Provost Hale and opened it up for questions. Chair LeRoy noted that it sounded like a very compressed timeline for the strategic plan. Provost Hale responded that it is a very compressed timeline but one that a lot of thought was given to and that UTC is confident

that it can be met. He commented that the subcommittees did incredible work in a relatively short period of time and it is moving right along.

Provost Hale concluded his report, stating that the other things that he would have mentioned about Academic Affairs, the Chancellor covered quite ably. He is really pleased with the response of the entire campus community related to the way that fall worked for UTC. Provost Hale wanted to lead by example, and so he, Vice Provost Matt Matthews, and Vice Chancellor for Enrollment Management and Student Affairs Yancy Freeman are all teaching face-to-face classes this semester. There are still a number of faculty members who are a little anxious about returning to face-to-face instruction, and they thought that it was important to be out in front of that issue, and his students are excited to have a face-to-face class. The virus and its dangers have been taken seriously. Safety protocols to keep the campus community safe have been taken very seriously and they have worked. He thinks it is a credit to the entire campus community, but especially to the University Health staff. He remarked that Dr. Chris Smith, Dr. Dawn Ford, and Dr. Yasmine Key, have done really incredible work for UTC.

Chair LeRoy thanked Provost Hale for his report.

VII. ENROLLMENT MANAGEMENT AND STUDENT AFFAIRS UPDATE

Chair LeRoy called on Dr. Yancy Freeman to give an update on enrollment and student affairs. Dr. Freeman opened by saying that he is the most blessed and fortunate person on campus to get to work with a group of very talented unsung heroes who have been on campus fully since March of 2020 when UTC started vacating students out of the residence halls. He stated that he is very proud of the persons in his division in particular and the tremendous amount of work that they have done to not only keep the entire campus safe but also to encourage students and to be a sounding board and a friendly face when they needed it.

A copy of Dr. Freeman's slideshow presentation can be found [here](#). Dr. Freeman's report included the following key notes:

- Student enrollment. UTC's enrollment numbers are basically flat compared to last year. Enrollment is three-tenths of a percentage point down from last spring, which is not too bad considering some of his colleagues across the state had double-digit decreases in their enrollment overall. In the fall, it was slightly ahead of the last fall, and this spring it is just slightly below where it was last spring, so the campus has not received a significant enrollment hit. Graduate enrollment was up a little bit and undergraduate was down a little bit, but overall it remained stable.
- Housing. Occupancy rates for spring in Probasco South Campus housing are at 86% of total rentable beds; North Campus is at 73%, and the total is 80% overall for the campus. Normally occupancy is around 100% for the fall and mid-90s in the spring, so the pandemic has had an impact on campus housing occupancy rates. However, is anticipated that the North Campus housing budget will at least be even and that there will be some surplus funds for South Campus Housing. Campus residents were tested prior to coming back in the spring, with less than 1% positivity rate for those students who tested. There is continued additional cleaning and sanitizing in those buildings. Housing has also implemented a no-visitor policy to limit the number of people coming in and out of the

residence halls. Housing has also been doing routine testing, and everyone who has gone in and out of housing, including the residence directors and the janitorial facilities staff, have been tested. There are 279 quarantine/isolation beds on campus for students. Dr. Freeman also reiterated that 1600 of the approximately 2800 residential students made the Deans' List, which was 54% of residential students overall. That number is usually around 35%. Students have excelled academically, and the data continues to show that the best way to get on the Dean's List and to do well academically and acclimate to the campus is to live on campus.

- Health and wellness. UTC has focused on continuing to increase counseling and telehealth services. UTC is doing tele-counseling, tele-advising, and tele-health appointments, and there are after-hours appointments for students. There are so many resources available for students around help, action and resources, and the students are taking advantage of them.
- Student cohorts. The Cohort 2025 program is going to be a signature program for the campus entering into the Fall 2021 semester. Cohort 2025 will provide a cohort experience for all new freshmen students starting in Fall 2021. There will also be living-learning communities or other residential programs, so there will be a very strong residential component to Cohort 2025 that should serve to further connect students to their cohort members and to the campus.

Chair LeRoy thanked Dr. Freeman for his presentation and opened it up for questions. Chair LeRoy asked if the application process for Fall 2021 was underway yet. Dr. Freeman confirmed that it is underway and has been since August 1, 2020. The number of applications started very low compared to past years, but applications have picked up and new freshman applicants are currently dead even with where they were last year. Dr. Freeman does have concerns about transfer numbers because Chattanooga State, Cleveland State and Motlow State all experienced double-digit decreases in enrollment this past fall and spring. Those are UTC's major feeder schools for transfer students, and transfers are significantly down right now. He is hopeful it will begin to catch up as more individuals get vaccinated and feel more comfortable with coming back to college campuses.

VIII. FINANCIAL REPORT AND BUDGET PREVIEW

Chair LeRoy called on Vice Chancellor Tyler Forrest for a financial report and budget preview.

Mr. Forrest expressed his pleasure with the great work of the financial teams, operational teams and emergency services teams throughout the pandemic. They have gone above and beyond to not only maintain the health of the campus but also the financial well-being of the campus.

He then presented an overview of the University's current financial status. A copy of Mr. Forrest's slideshow presentation can be found [here](#). Mr. Forrest's report included the following key notes:

- The revised budget that was adopted last fall is sitting right now at about \$204 million dollars. \$60 million of that \$204 million is coming from State appropriations; this figure has topped 30% for the first time in several years. UTC is very thankful for the support of the Board as

well as the local State delegation for continued support to help get that number up as it truly does make a big difference in keeping the amount in tuition and fees down.

- On the expense side, 49% of the expense budget sits within Academic Affairs, going straight to the instructional costs of the institution, which is within the range UTC wants to maintain. The other big expense component is Student Services, which consists of athletics, general student support, and scholarships. On the revenue side, tuition and fees were at about 97%. Collections are expected to exceed 100% by the end of the fiscal year. State appropriations are only sitting at 66% but that will also be at 100% by the end of the fiscal year. The only other revenue item Mr. Forrest brought to attention was sales and services which will be down in that category, largely due to Athletics because of lower ticket sales resulting from the pandemic. Expenses are trailing at about \$112 million in total expenditures, which is right on par with what would be expected. There is another \$51 million outstanding in encumbrances, so where there is a \$44 million surplus right now, there will not be a \$44 million surplus come the end of the fiscal year. It will likely be, assuming the trends continue, a few million dollars surplus, which is where we prefer to keep it at the end of every fiscal year.
- The general campus reserves, unobligated, are about \$6.5 million. There are some other reserve categories as well, the two largest being mandatory fees, which is 100% designated to various projects and student activities on campus, and auxiliaries, sitting at \$7.3 million. That is also used for future capital maintenance, capital outlay projects, and anything unexpected that comes up in managing some of those pretty extensive units throughout the year. The fund balance continues to be strong and well within the THEC range, sitting at \$9.1 million in the unlikely event we need that. These are good numbers; UTC wants them to be as high as they possibly can going into a SACSCOC accreditation visit within the next couple of years as SACSCOC looks at these numbers very closely from a financial health standpoint.
- The CARES Act is most commonly known in higher education as HEERF I, with the most recent allocation from Congress referred to as HEERF II. HEERF I is almost entirely expended on campus or obligated. Those dollars have been used to impact 4,800 students. Through block grants and emergency funds, \$2 million was prorated back to the auxiliary units for refunds that were given. He anticipates being able to prorate even more of those refunds that were given last fiscal year as well going into the end of this fiscal year, that will help those units a little bit more. Those dollars have been used to purchase PPE, cleaning supplies and Plexiglass. A tremendous amount of the dollars have been used to support technology enhancements for individual students and in various classrooms to allow for teaching online. HEERF II are the funds most recently received through the federal Department of Education allocation. Going out tomorrow will be additional block grants to students within the parameters outlined in that act, and those will total right at about \$4.7 million. It is anticipated that they will impact about the same number of students as the last time. Chancellor Angle has also supported adding \$1 million of the institutional funds received from this HEERF grant to the student emergency fund, which was found to be very helpful last year in supporting students who really got in a bind as a result of COVID-19 or other just unfortunate life circumstances. A good bit of these funds will also be used for testing costs so UTC can keep the campus open. A continued testing program is needed, so these dollars will be used for that as well. This HEERF II can be used for revenue lost, which was something that was

much more limited in HEERF round one. UTC will try to offset some revenue that was lost where the auditors and the Department of Education can agree, to put these funds to the best use. Like the previous fund, it will be used to continue to purchase PPE, technology and other upgrades as needed.

- Because UTC has been more successful with student progress and retention, scholarship costs increased more than initially planned. This has been occurring for the past couple years and UTC backfilled it with non-recurring money as needed, but right now the scholarship gap between funded and actuals has grown to about \$2 million, and UTC expects that gap to be right at \$4 million in FY22. That's a challenge but a good challenge to have. UTC is working through the budget process right now and trying to figure out how to address that over a multi-year period and close that gap, because it is something that has to continue to be invested in. Athletics will continue to be a challenge just based on the nature of the situation but hope to see a recovery there as well. Regarding the budget process, there was a meeting with the internal UPRAC yesterday and then Chancellor Angle and his team will finalize the budget, hopefully in March, with a townhall in April, a presentation to this Board in May, and then, if the Board approves the budget recommendation, it would go to the UT Board of Trustees in June for its final approval.
- UTC was fortunate to get good news from Governor Lee's proposed budget, which will hopefully be adopted "as is" by the General Assembly later this year. UTC is also pushing for a 2% increase in tuition and fees. Both of those are key for UTC's financial success. There was not a tuition increase at all last year. Just to cover some inflationary costs, a 2% increase would be reasonable going into this coming year. If approved, that would bring in about \$2.2 million. An additional \$2.3 million will come in from round three of "Soar in Four." This is where students are being phased into that program and those have specific allocations that have to be followed on those funds. UTC should get about \$1.4 million from the State as a result of the revenue growth formula, and \$2.5 million on a 4% salary pool. UTC will get additional funding for group health insurance, which keeps premiums low for our employees, and hopefully will not have a large increase there. A 2% increase in mandatory fees is being considered, largely due to the need to move the UC programming project and capital renovation project forward, and then a 3% increase in all of the auxiliary unit, because those units do not receive any State appropriations.

Chair LeRoy thanked Mr. Forrest for his presentation and asked if there were any questions. Chair LeRoy noted that the requested 2% tuition increase will not be welcome but that it is important to remind everyone that UTC did not request an increase last year and has not had an increase for two or three years and inflation, while low, does exist. He further added that he thought UTC is the lowest in the UT System in terms of tuition. Mr. Forrest confirmed that, sharing that, based on statewide market share, UTC is right on the lower middle segment and thus competitive statewide.

Ms. Hoffman asked about the voluntary retirement option and its financial impact thus far. Mr. Forrest shared that there are about 30 individuals taking advantage of that program and the division leaders have used those dollars to do some internal reallocations within the divisions and move them to higher priorities, in some cases not replacing the position that retired but perhaps shifting it to something else. UTC will begin realizing next fiscal year some central

benefits savings as a result of the program, because most of the individuals who retired are part of the grandfathered-in retirement system and the new ones will be part of the new hybrid system which is less costly to the university. Mr. Forrest concluded that the program has been successful twice now and he imagines that in the next 4-5 years UTC might consider it again.

IX. APPOINTMENT OF STUDENT REPRESENTATIVE

Chair LeRoy next addressed the appointment of a new student representative on the Board. He noted that Rachel Worley has been with the Board for most of the last year and her term is not yet over. With the way the academic year is running and having to do things through Zoom, the Board members were unable to visit the candidate's presentations to the Student Government Association (SGA) but David Steele provided a video for each of them to watch on the two candidates. Mr. Steele also sent out their profiles, with student activities, GPA, and involvement in campus and outside activities. The SGA gave favorable recommendations to both candidates.

Chair LeRoy commented that he was very impressed with Omar Dedovic, mainly because of his involvement with the students and on-campus life, his involvement in SGA and where he hopes to go. Chair LeRoy then moved that Omar Dedovic be appointed as the next student representative and called for a second. Judge Barker asked if Omar was the second person on the video or the first. Chair LeRoy responded he was the first. Judge Barker noted that he liked the second one better, but it was close. Ms. Hoffman seconded Chair LeRoy's motion. Chair LeRoy then called for any discussion. Dr. Harvey noted that she did not see the videos, but she did read their materials and she was also impressed with Omar's background and his forethought. Chair LeRoy agreed his responses were very good, noting that he particularly liked the way he kept referring back to what he could do to make things better for the students, which is what the student representative is all about. He then asked if there was any other discussion. There being none, he called for any further nominations. There being none, a roll call vote was taken, and Omar Dedovic was elected unanimously.

Chair LeRoy commented that the Board will miss Rachel Worley, but will still have one more meeting with her, and that they appreciated her patience and participation. He remarked that it has not been an easy year to be involved but she has been with the Board every time and is certainly appreciated and look forward to seeing her through the rest of her term. Ms. Worley thanked him and noted that she will be considering graduate school at UTC.

X. OTHER BUSINESS

Chair LeRoy noted he had not been contacted by any Board members about any issues to raise. He noted that there may be a couple of things to look at coming up in terms of the bylaws and how the Board operates, but nothing to bring before the Board today and probably not at the next meeting. Chair Leroy asked if there was any other business. Chancellor Angle asked the Board if they would like a meeting set up with local delegation in the General Assembly. Hamilton County has the Chair of the Senate Budget Committee and the House Budget Committee represented on its delegation. The representatives are always interested in higher education, noting that it is one of their priorities and that they might want to have the opportunity to interact with the Board. It has been done before, and Chancellor Angle thought it went well. Chair LeRoy was in favor of meeting with the representatives, noting that they are probably not going to be able to meet while they are in session, but maybe sometime in April before the May Board meeting. Chancellor Angle agreed he would work with Patsy Hazlewood, the chair of the local delegation, to set

something up. Chair LeRoy shared that he was at the last meeting with the Board and representatives and thought it was very helpful to hear directly from the legislative delegation.

XI. CLOSING REMARKS

None.

XII. ADJOURNMENT

Chair Leroy asked for a motion to adjourn. Judge Barker so moved, and the motion was seconded. A roll call vote was taken, and the motion passed by unanimous vote. The meeting was adjourned.

THE UNIVERSITY OF TENNESSEE AT CHATTANOOGA
ADVISORY BOARD MEETING

1:00 PM EST
Monday
October 5, 2020

Zoom Meeting
<https://tennessee.zoom.us/j/99525377249>

ORDER OF BUSINESS

I.	CALL TO ORDER AND ROLL CALL	2
II.	OPENING REMARKS	2
III.	ELECTION OF BOARD CHAIR	2
IV.	APPROVAL OF THE MINUTES OF MAY 7, 2020	3
V.	CHANCELLOR'S REPORT AND INTRODUCTION OF NEW MEMBERS	3
VI.	ACADEMIC AFFAIRS UPDATE.....	4
VII.	STRATEGIC PLAN UPDATE	6
VIII.	ENROLLMENT MANAGEMENT AND STUDENT AFFAIRS UPDATE	7
IX.	YEAR-END FINANCIAL REPORT	10
X.	OTHER BUSINESS.....	13
XI.	CLOSING REMARKS	13
XII.	ADJOURNMENT	14

I. CALL TO ORDER AND ROLL CALL

Chair Fred Decosimo called the meeting to order at 1:01 p.m. Ms. Terry Denniston, Secretary, called roll. The following Board members were present:

Muecke Barker
Fred Decosimo (Chair)
Serina Desai
Jamie Harvey
Carole Hoffman
Scott LeRoy
Rachel Worley

A quorum was present.

Others in attendance included: Dr. Steven Angle, UTC Chancellor; Dr. Richard Brown, UTC Executive Vice Chancellor of Finance and Administration; Ms. Vicki Farnsworth, Vice Chancellor for Information Technology and CIO; Mr. Tyler Forrest, Associate Vice Chancellor for Administration and Finance; Dr. Yancy Freeman, UTC Vice Chancellor of Enrollment Management, Student Success and Student Affairs; Dr. Jerold Hale, Provost and Senior Vice Chancellor for Academic Affairs; Mr. Yousef Hamadeh, University Associate General Counsel; Mr. George Heddleston, Vice Chancellor for Communications and Marketing; Ms. Gina Stafford, Assistant Vice Chancellor for Communications and Marketing; Mr. David Steele, Director of Civic Engagement; and Ms. Kim White, UT Board representative.

II. OPENING REMARKS

Chair Decosimo thanked everyone for attending the meeting, acknowledging Ms. Kim White's attendance as a UT Board representative. He invited Judge Muecke Barker to make opening remarks. Judge Barker noted that the initial Board members serve for staggered terms, and his term was ending June 30, 2020. Chancellor Angle had asked Judge Barker if he would be interested in staying on the Board for a longer period. Judge Barker responded he would, and did not hear anything further until about 10 days ago, when he was notified by the Governor's office that the Governor had nominated him and that he has to be confirmed by the Tennessee General Assembly. Judge Barker noted that the General Assembly does not go into session until January 2021, and he was unsure of his current status on the Board. Mr. Hamadeh noted that, after reviewing the Advisory Board Bylaws, Judge Barker's appointment is valid as long as he is confirmed by the General Assembly within 90 days of the appointment and is authorized to sit on the Board.

III. ELECTION OF BOARD CHAIR

Chair Decosimo moved on to the election of a new chair for the Board. He noted that he appreciated everyone's confidence in him for the past two years and then nominated Mr. Scott LeRoy for the position of chair of the Board, which would start with the next meeting. Mr. LeRoy

is the former chair of the UTC Alumni Association, is an active member of the UC Foundation, and is a graduate of UTC. He has children and now a grandson at UTC as well. Ms. Desai seconded the nomination. A roll-call vote was taken, and Mr. LeRoy was elected unanimously as the new chair.

IV. APPROVAL OF THE MINUTES OF MAY 7, 2020

Chair Decosimo asked for a motion to approve the minutes of the May 7, 2020 meeting, a copy of which was provided to the Board members prior to the meeting. Judge Barker made a motion to approve the minutes, with Mr. LeRoy seconding. A roll-call vote was taken and the minutes were approved unanimously. A copy of the May 7, 2020 meeting minutes approved by the Board are included in **Appendix A** to these minutes.

V. CHANCELLOR'S REPORT AND INTRODUCTION OF NEW MEMBERS

Chancellor Angle welcomed two new Board members to the meeting. Dr. Jamie Harvey, the faculty representative, is an Associate Professor in Health and Human Performance, past-president of the UTC Faculty Senate, and a real MOC supporter and fan. Ms. Rachel Worley is the student member of the Board. She is a senior majoring in Business Management and scheduled to graduate in May of 2021. Chancellor Angle also welcomed Kim White to the meeting, a UC Foundation Board member and a UTC alum.

Chancellor Angle shared information regarding the following items:

- Number of faculty/staff active COVID cases. UTC has been in the 30-60 range for a while; when students returned to campus in August, UTC went up to a little above 120 active cases. That number has come back down as UTC has managed some of the interactions. The spread was not in class but rather social situations outside of class, according to the information UTC has reviewed. The work put in by everyone to get ready for this fall was just phenomenal.
- About 60% of courses are 100% online; enrollment is strong.
- There are about 279 beds being held aside for isolation and quarantine. Some students were spaced out and students were allowed to cancel their housing contracts basically until the first day of move-in. UTC has about 88-89% occupancy, given COVID and the fact that a number of UTC's students have 100% online courses.
- The importance of the face-to-face interactions that is a part of the UTC experience is even more apparent to all. The engagement outside of the classroom, the activities with clubs and organizations, the opportunities to do research or work on a project or get involved in the community, are all part of the UTC experience. UTC is doing everything it can to preserve that experience, but sometimes there is no replacement for sitting down with somebody and talking to them face-to-face. For freshmen in particular, who finished high school online and under COVID, starting college can be a little tough. UTC is trying to

reach out to students, engage them and interact as best it can, sometimes in virtual ways, many times in small groups.

- In the face of a contentious presidential election and the social justice issues going on last spring, Chancellor Angle issued a statement in the middle of June – UTC Stands Against Racism – which identified a number of items UTC will be pursuing. Chancellor Angle has assigned each of the vice chancellors with tasks to accomplish those items. Due to COVID, the search for a Vice Chancellor for Diversity and Engagement was put on hold. UTC is now ready to move forward with the search with the goal to hire a vice chancellor to work with federal compliance matters, diversity issues, training issues, engagement and helping to manage some of the diversity funding that is available to help incentivize the engagement and involvement of students, faculty, and staff. The search will be conducted this fall and UTC hopes to have a new vice chancellor in place in January if all goes well. This is a critical hire for the leadership team.

Dr. Angle stated that Dr. Freeman, Dr. Hale and Dr. Brown would be updating the Board on different aspects of UTC's operations. Chancellor Angle noted he has very proud of the UTC leadership and community members and all that they have accomplished in the face of the pandemic. There is no rule book for what UTC is doing now and it has been a really difficult situation, but UTC has been able to safely open. UTC has managed the risks and focused on the health of the campus community and the quality of its academic programs. Some of the things UTC has learned will help the university as it moves forward. Chancellor Angle further noted UTC is on the right path with community engagement, hands-on learning, and helping get its students practicing what they have learned in the classroom with real-world experiences.

Judge Barker asked if a search firm was being used for the vice chancellor search. Chancellor Angle responded that UTC is using the executive search coordinator from the UT System, Ashlie Czyz. Ms. Czyz has done a number of searches and she just ran a similar search for UT Martin. She also ran the search for the UT Martin Chancellor position, which Chancellor Angle chaired. Chancellor Angle worked with Ms. Czyz and commented that she is very capable. UTC is also saving money by not having to hire a search firm.

VI. ACADEMIC AFFAIRS UPDATE

Chair Decosimo next asked Provost Hale for an Academic Affairs update. Provost Hale shared information regarding the following items:

- The Spring 2020 semester began with 80% of courses totally face-to-face, and 20% of them online, which were mostly asynchronous online, where professors would upload assignments and the students would access the course contents and add their materials. In March, around spring break, UTC did a total pivot where all courses were converted to 100% online because of the pandemic. Provost Hale complemented the faculty, staff and students for their flexibility and the way that they approached what was a very demanding and very unusual situation. UTC got through the spring semester very well, according to the feedback they received.

- For the Fall semester, only 2.7% of classes were totally face-to-face, 34.8% were hybrid, mostly rotating face-to-face, and 62.5% online only. Provost Hale noted that he had told faculty members on numerous occasions that they would have no fewer challenges for the fall semester than they had in the spring – it's just that the challenges would be very different challenges than they were during the springtime.
- UTC conducted a "pulse" survey to gauge the student experience during the fall. 1,768 students responded; over 50% reported experiencing "more than average" or "tremendous" stress. 64.1% agreed or strongly agreed that they would excel academically, so one of the heartening things was learning that, even though it was a very different experience for students, a large majority still believe that they will do very well in the current environment that UTC is offering. 32.6% agree or strongly agreed that they feel a part of the UTC community – that is a concern both to Vice Chancellor Freeman and the Provost, and Vice Chancellor Freeman will address some of the very creative ways that the Student Affairs staff and other people on his team are addressing that particular issue.
- Academic Affairs also wanted to get some information from the pulse survey that would help with spring scheduling, and students were asked what type of courses they would prefer. For three or more of their courses, 45% of the students said they wanted face-to-face course offerings and 37.5% that said they wanted online asynchronous classes. That indicated that students were being very realistic and they knew that spring was likely to look in some ways a lot like fall and very different from previous spring semesters. Regarding online courses, students indicated that they preferred courses that would provide them with flexibility with their time and those would be the asynchronous ones. Provost Hale will be with the Council of Deans to discuss spring scheduling and he believes that the spring schedule will be something that will more closely reflect the student preferences than the fall semester, when there was no good data about what the students might prefer and what type of courses they would opt into given the chance. There were a number of challenges for the fall semester; some staffing challenges, there was the untimely passing of Dr. Kyle Knight, a very popular professor in the Department of Chemistry and Physics, and some adjunct faculty members who had been teaching for quite some time opted out of teaching for either that academic term or the entire year. There were also classroom configuration issues, and safety protocols are now in place that UTC believes are working very well. One of the safety protocols is to have social distancing in classrooms, which decreased classroom capacity between 25% and 30%, which led to some staffing challenges such as trying to find faculty members to cover the additional courses that we needed to offer. All of the department heads, program directors and faculty members really stepped up to those challenges and helped schedule the classes that were needed to schedule.
- There were also some professional development challenges for faculty and staff. There were restrictions on professional travel limitations, which kept some of faculty members from being able to complete their research and from being able to report their research to professional meetings.
- There have also been some research challenges for faculty members whose research involves the observation of human behavior and typically takes place in settings that are

not conducive to social distancing protocols. There have been some instructional challenges where faculty members were asked to do things as part of their instructional regime and climate that they had never done before. However, Provost Hale noted he was pleased to report UTC has found work-arounds for many of the professional challenges. He specifically recognized the Walker Center for Teaching and Learning as well as Vice Chancellor Farnsworth's information technology group and the faculty and staff in the library who have really helped faculty, staff and students with their instructional challenges.

- Vice Chancellor Farnsworth's team has done a really incredible work getting technology up and running when it was available. UTC has experienced some supply chain issues that appear to have been resolved, but they kept some classrooms from being as technologically equipped as desired when at the beginning of the semester.
- There were challenges for students as well. There were some attendance limitations so that students were involved in classroom environments the likes of which they had never experienced before. There were contact limitations that made it harder for students to stay in contact with one another. It also made it a little more difficult for them to stay in contact with professors. And then for some of our students who were doing and reporting their own research at professional academic conferences, they were experiencing many of the same travel limitations. The attendance limitations also relate to some of our student activities on campus because we have limitations to group sizes that students would work through. The students have also really risen to the challenge, and he could not say enough about what they have done, whether it is the wearing of masks on campus, whether it is adapting to non-normative kinds of classroom environments, or whether it is finding ways to connect safely with one another or connect with their faculty members, so the entire campus community has really done an incredible job.

Ms. Hoffman asked if there was any follow-up with the students who answered that they were under tremendous stress. Dr. Freeman shared that UTC could not respond directly to the survey participants because the survey was anonymous. However, UTC has instituted a number of things to address the concern, from group counseling to additional support mechanisms in the residence halls to check on students.

VII. STRATEGIC PLAN UPDATE

Provost Hale next presented a brief update on the 2025 Strategic Plan. UTC wants to make sure that the Strategic Plan, which will help guide for goal setting and goal achievement over the next five to six years, is guided by the principles that UTC holds dear; stays true to core values so that it will reflect who UTC is, what we do, and why it matters; and that it will have quality impact on the students and on the community. The university feels that it is important that it impact both the campus community and the greater Chattanooga community as one of the core values at UTC is to have a strong relationship with the greater Chattanooga community. Connecting students with experiential opportunities and facilitating both economic and social futures in the community will be important as well. There are tremendous opportunities relating to the next

strategic plan to help with the student experience, help with students transitioning from high school to college and building on some of the strengths seen in the Honors College model.

Provost Hale also noted that the general education requirements at UTC are the only common graduation requirements that all UTC students must meet and that UTC is looking at refreshing general education requirements so that they look less like a pull-down menu of courses and more like a series of competencies and strengths that UTC wants all of its students to graduate with when they finish up their time at UTC.

Provost Hale next stated UTC has real opportunities related to diversity and engagement. UTC believes that both diversity and engagement with the community are essential to the future of its students and to the future of the university. UTC wants to establish clear and measurable actions that will help us with recruitment of students, retention and graduation of minority students, and recruitment and retention of faculty and staff who will resemble the student body.

Provost Hale described the process for developing the Strategic Plan. The Provost was charged by the Chancellor to oversee the strategic planning process. There will be four subcommittees or workgroups to develop measurable objectives mostly related in some way to the thematic areas of the current goals. From those workgroups, there is also a 22-member Integration Committee. The Integration Committee will take the work product from those four workgroups and integrate it into a single cohesive document so that we can then begin to share with key constituencies from campus and in the community for feedback. The campus committees have been set up and the work is underway. A draft of the website has been developed – it is very easy to navigate and very informative. The website will give regular updates and dashboards for progress made. The future parts of the process include sessions with the campus, community, the Advisory Board, President Boyd and the UT Board of Trustees to get feedback and hopefully approval of the Strategic Plan as it moves forward.

VIII. ENROLLMENT MANAGEMENT AND STUDENT AFFAIRS UPDATE

Dr. Yancy Freeman was called to give an update on enrollment and student affairs. Dr. Freeman first shared that it is his 25th year at UTC and it has definitely been one of the most interesting and probably the most challenging year of any year. Dr. Freeman noted that echoed Chancellor Angle's comments that UTC did not have a playbook in terms of dealing with a pandemic and it has been challenging but he could not think of a better group of people to work with and to walk through this process with regarding how to keep the safety and well-being of students first in mind.

Dr. Freeman shared updates on the following items:

- There was a half-percent increase in fall enrollment, which was a very welcome development given the uncertainty caused by the pandemic which resulted in many colleges experiencing double-digit decreases in enrollment. The increase in enrollment was led by the Graduate School, and Dr. Freeman thanked his colleagues in the Graduate School for their great work. There was a slight increase in undergraduate of about 63 students at the Day 14 count.

- Some general enrollment trends are: students are enrolled from 70 different Tennessee counties, 40 different states and 40 different foreign countries, so a very diverse student population; first-year retention rate is 77%, a 5% jump in the retention rate from last year; and a 49.9% 6-year graduation rate, that rate was closer to 36% overall a few years ago. UTC's first generation program started last year which matches first gen faculty and staff with our first gen students to give our students a chance to see that there are people out there who were the first in their families to go through college and succeeded. UTC had almost a 4% increase in those students who participated in the pilot program last year. This is the 2nd year of that program and it continues to show dividends in terms of encouraging students, giving them confidence about coming back and giving them a connection to the campus.
- UTC has two residential colleges that are set up in university housing right now –one in the Gary W. Rollins College of Business and one in the College of Engineering and Computer Science. Dean Rutledge will be starting another one in the College of Health, Education and Professional Studies. Those residential colleges offer a cohort experience for students; they are living, learning and socializing together which helps them avoid getting lost in the shuffle of the college experience.
- UTC's student housing occupancy rates held steady in the face of the pandemic. UTC allowed students to get out of their housing contracts at the beginning of the semester if they felt uncomfortable coming to campus. Despite that option, UTC still had almost 3,000 students check in and our campus housing occupancy rate was 88%. UTC was encourage with that rate given the circumstances.
- UTC is focused on keeping housing open. When housing was shut down last March, there were students that did not have a place to go so UTC ended up keeping a number of students on campus. There were also students who had technology difficulties and no reliable access to internet or Wi-Fi, so they ended up having to stay due to converting to online classes. A number of students ended up staying in housing on campus in the spring. UTC has adopted a comprehensive plan to keep housing safe so that it can remain open. There is additional cleaning in hallways, near stairwells, elevators; hand sanitizer stations; hand sanitizer wipes available for residents; and UTC has hired additional personnel to help with sanitizing the common spaces for students. UTC is currently not allowing visitors to its residential halls.
- There are 270+ quarantine beds in the event that students get sick and need to be quarantined or isolated. Those spaces are being handled on campus with UTC medical staff to help students to get quarantined and to work through the process to get them healthy and back in the general environment with the rest of the students. Dr. Freeman shared pictures of what all has been done on campus to keep students safe and engaged at the same time.

Mr. LeRoy asked about the five-point jump in the retention rate and if there was anything in particular that would have led to it. Dr. Freeman noted that the university has been very strategic in planning around the things that have been done. The residential colleges are new, the first

generation programs are new, and UTC has instituted pre-registration for all first-time students. Dr. Freeman further noted that UTC has been very deliberate about checking on and monitoring the students, and that all of these efforts have contributed to the increased retention rate.

Chair Decosimo noted he had sent Dr Freeman three questions in the chat. He asked if UTC had more transfers than usual. Dr. Freeman responded that transfers were flat this year versus last year, a lot of which came from students who returned this year. A lot of the increase in enrollment came from students who transferred to UTC. UTC was down slightly in first-time freshmen this fall vs last fall, a lot of that is because of COVID, but UTC is hoping to gain some of those students back in the spring and hopefully fall '21.

Another question in the chat was around how many student hospitalizations UTC has had. Dr. Freeman was aware of just one case where a student had been hospitalized due to COVID-related issues. That student was admitted at Erlanger because it is the closest hospital to campus, and we kept in constant contact with the student and the family until the family, which lived several hours away, could arrive to be able to check on their daughter.

Judge Barker asked how UTC retention and graduation rate compares with UT Martin and UT Knoxville. Dr. Freeman responded that UTC is slightly higher than UT Martin and slightly lower than UT Knoxville, which is typical in terms of enrollment.

Ms. Kim White asked, assuming that the percentage of Hamilton County students increased this year, whether UTC was tracking that. Dr. Freeman responded that UTC got about 3% more than typical; the enrollment of Hamilton County student typically is 45% of the overall student body. Dr. Freeman worked with Vice Chancellor of Communications and Marketing George Heddleston to develop a marketing campaign this year to encourage students stay closer to home which helped pull some additional local students in. UTC also extended the admission deadline and the scholarship deadline for students who might have been thinking about going somewhere else. Dr. Freeman further noted an increase in the number of students from local high schools with large numbers of minority students, Howard, Tyner, Brainerd High School, and East Ridge. Those numbers almost were up 25% above the previous year.

Ms. Hoffman asked how UTC handles flu vaccines. Dr. Freeman responded there is a new UT Board policy that is going into effect to require all students, faculty, staff and administrators to get the flu vaccine this year. UTC does offer the vaccine on campus and has partnered with Access Pharmacy to provide it. Access Pharmacy was on campus last Friday giving flu vaccine shots in the University Center. They are going to do it in one of the residence halls. Access Pharmacy will file insurance for individual students who have insurance. UTC also has a number of vials that are free for students who cannot afford it.

At the conclusion of Dr. Freeman's presentation, Chair Decosimo noted that about 10 years ago, the UC Foundation was asked to fund a couple of extra Resident Assistants to go around to students who had been absent more than a couple of times and knock on their doors and explain to them the correlation between going to class and graduating. That seemed to have been an early, quick cause of improvement. Dr. Freeman noted that it did, and that UTC still uses it. The seed funding to help get that off the ground was appreciated.

IX. YEAR-END FINANCIAL REPORT

Chair Decosimo next asked Vice Chancellor for Finance and Administration Richard Brown to present information on the year-end financial report.

Dr. Brown began by encouraging Board members to visit the campus. UTC is a Tree Campus USA campus for the third year in a row. After 15-20 years, UTC has planted 1,000 new hardwood trees on the campus. The campus is an arboretum as well. It has been found from research that 70% of the time, students and their families make a decision to attend a university by the way it looks and the way it feels upon a first visit. So UTC is committed to keeping the campus beautiful.

Dr. Brown next thanked Chancellor Angle for his leadership through out this period. COVID-19 hit in the third quarter of the fiscal year, right in the middle of April and May, and UTC had to really pivot and do some things to ensure business continuity. Dr. Brown's presentation included the following key notes about the year-end financial report.

- Budget. A few changes were put in place regarding the budget. Spending was slowed, and UTC took a hard look at any expenditures over \$10,000. Travel was slowed, which saved a lot of money. A selective hiring freeze was implemented – if a department had an open position, it was not filled if it was not required. As a result of those actions, the budget will be balanced in the black. UTC's financial position remains healthy, and its reserves are healthy.
- Fall opening preparation. Some things had to be done to prepare the campus to open effectively in the fall, training of employees, and deep cleaning all the buildings. UTC spent over \$150,000 on facemasks and mailed two facemasks to every student coming into the university as well as making sure that they were available for faculty and staff. Hand sanitizer has been placed throughout campus.
- Challenges and opportunities going forward. Enrollment is an area to monitor. His office is working closely with Dr. Freeman to make sure that UTC's tuition and fees stay competitive in the state. UTC is facing SACS reaffirmation of accreditation coming up in the next couple of years, so UTC's financial index position and scores have to be strong.
- The COVID-19 impact on athletics and auxiliary units, like all NCAA competitive programs, has been significant. UTC probably will lose in excess of \$2.2 million as a result. Even on auxiliary units, food services, housing, bookstores, all of those things, are challenged as a result of COVID-19.
- About 1/3 of our faculty and staff work from home right now.
- Capital outlay. How UTC builds new facilities may become limited in the next five years. It is not expected that there will be more than \$50-\$100 million projects coming out of the state any time soon.
- Philanthropy and fundraising will continue to be important. The relationship with the UC Foundation always continues to be a real winner for this campus, and it is going to be

very important moving forward. UTC estimates that over 25-30% of base budget revenues will be coming from philanthropy across the country.

- COVID 2020 financial impacts. UTC issued about \$5.94 million in refunds as a result of COVID. These refunds came from the residence halls, meal plans and food service, and parking for the spring semester. UTC also experienced foregone revenue, about \$1.4 million, because of the absence of students, faculty and staff on campus. In the current budget year, in 2021, the foregone revenue, UTC lost a 1.5% tuition increase at \$1.76 million; a 1.5% decrease in mandatory fees of \$395,000; lack of funding for the State appropriations funding formula of \$1.9 million; a return to the State of \$1.5 million in State appropriations for a salary pool; a loss of online access fees in the amount of \$3.7 million; and a loss in Athletics revenue of \$1.5 million due to lost ticket sales and other revenues from cancelled Athletics events.
- On a positive note, UTC did receive stimulus funds of approximately \$9.5 million under the CARES Act \$9.5. UTC has spent about \$4.7 million directly for students and about \$4.7 million toward institutional funds. The State of Tennessee, through THEC, also provided approximately \$467 million in CARES funds. These funds had a significant impact on UTC's ability to get through the pandemic. These funds impacted over 5,000 students through block grants and emergency funds because most families in Tennessee were economically challenged as a result of COVID-19. UTC also prorated \$2 million return to auxiliary student services to help reinfuse the funds lost as a result of COVID-19. UTC used the funds to purchase PPE, technology, and cleaning supplies/services.
- Highlights for the fiscal year end. The budget was balanced in the fiscal black. UTC's fund balances are within the THEC preferred ranges. The UTC auxiliary service units are challenged but are stable. Food service will probably lose about \$4 million because the significant decrease in the volume of students the work force has been adjusted to make it manageable. The other good news is that UTC is leveraged in a stable way - all UTC notes and bonds payable have dedicated revenue streams, which is important for purposes of accreditation reaffirmation.

Chair Decosimo asked Dr Brown to explain what "E&G Funds" and "Auxiliary Funds" are. Dr. Brown explained that E&G Funds are "Educational and General Funds" and refer generally to funds that come from State government or from tuition and fees. Auxiliary Funds are restricted funds - they come from things like bookstore operations, food services, and non-State supported allocations.

Dr. Brown asked Associate Vice Chancellor Tyler Forrest to go over the year-end divisional balances. Mr. Forrest noted that the year-end divisional balances are the total balance by division. The approved carryovers include F&As, lab fees, and other approved adjustments that were made prior to the end of the fiscal year, and the net balance was the year-end balance less approved carryovers. Mr. Tyler shared the following information for each division:

- Chancellor. The net balance was \$16,870;

- Academic Affairs. By far the institution's largest division, has a year-end balance of almost \$4.2 million, with the bulk of the approved carryovers coming from that division totaling almost \$3 million, that is where most of the lab fees and F&As sit for the institution, resulting in a \$1.2 million net balance;
- The Vice Chancellor for Research had a net balance of \$276,248 after several approved carryovers;
- Administration and Finance - \$626,000;
- Enrollment Management and Student Affairs almost \$400,000;
- Information Technology came in right at zero
- Athletics has a slight deficit. As Dr. Brown mentioned, last year as will be this year as well, will be a very difficult year for Athletics. The fact that they only lost \$471,000 is a significant positive under the circumstances.
- Communications and Marketing right at a \$45,000 net balance.
- The Institution, which is everything that does not fall within a division (largely scholarships, central benefits, other fee adjustment accounts) - right at \$539,000.
- In the auxiliary units, a combination of housing and general auxiliaries, at a negative \$218,000. Those units were largely offset by the prorated share of \$2 million in CARES Act that Dr Brown previously mentioned. Without that, you would have seen that number being right at about \$2.2 million, so that helps substantially with those units.

The total net balance was \$2.4 million. Mr. Forrest noted that these are not audited numbers, but he does not expect them to change much.

Mr. Forrest next identified the Mandatory Fee Balances (which are all fees that are not part of in-state tuition or out-of-state tuition; so anything that the Board designates as a mandatory fee):

- Green Fee. The surplus balances except one. \$180,000 transferred to reserves.
- Facilities Fee. \$1.4 million transferred to reserves, a lot of that goes to capital and other cleaning needs and stuff like that across campus.
- Technology Fee. Finished right at a zero transfer.
- The Health Fee, something that UTC has had to tap into a couple of times this year, finished with \$156,000 transferring to reserves.
- Student Activity Fee - \$97,000.

- The Debt Service Fee - \$826,000 – that might seem like a higher number but UTC has been saving for a number of years to do a renovation to the University Center so those funds will go towards an initial down payment on that project.
- Library Fee. \$120,000 that largely covers inflation.
- The Online Access Fee actually has a negative since that fee was not charged for the summer semester.
- \$250,000 was added to the E&G Fund Balance, bringing that to \$8.25 million. As was mentioned, that is 4.38% unallocated balance there.
- On the auxiliary side, UTC added \$25,000 to that fund balance, bringing that to \$925,000.
- Notes and Bonds Payable is hovering right at campus-wide at \$100.7 million. UTC anticipates in adding roughly \$18.5 million to that balance in FY23 for the Wolford addition to McKenzie Arena.

Chair Decosimo thanked Dr Brown and Mr. Forrest for their presentations and asked Dr. Brown what UTC's deficit would have been had UTC not received any CARES Act funds. Dr. Brown responded that the deficit would probably have been about \$10 million in the aggregate. UTC would not be carrying forward a lot of the balances if those funds were not put into place. UTC's use of the CARES Act is being audited now and UTC feels confident that it used them in the right way.

X. OTHER BUSINESS

Chair Decosimo asked if there was any other business. Judge Barker asked Chancellor Angle about the status of the search for the Probasco Chair of Free Enterprise. Chancellor Angle responded that the chair has been filled by Claudia Williamson. She is moving from Mississippi State to UTC. Chancellor Angle stated that an announcement has been made. Chair Decosimo shared that he was on that search committee and the level of applicants was about as impressive as could be imagined. Judge Barker shared that meant so much to Scotty Probasco, and he was the liaison of that chair for awhile, so it means a lot to him too. Chancellor Angle noted that David Steele posted a link in the chat to the announcement for Claudia Williamson.

Chair Decosimo announced the proposed dates and times of the upcoming Board meetings: January 19, 2021 at 9:00am and May 6, 2021 at 3:00pm. He thanked everyone for their participation.

XI. CLOSING REMARKS

In closing, Chancellor Angle thanked Chair Decosimo for having been the inaugural chair of the Advisory Board and getting it off to a good start. He also expressed looking forward to working with Mr. LeRoy in his role as chair for the next two years. The Board has been new to all members and one of the functions of the Board is the Strategic Plan. Chancellor Angle thinks both Chair Decosimo and Mr. LeRoy are involved and engaged in the Integration Committee and working

on behalf of the Board so that there will be some opportunity for input there. The plan will be vetted broadly before it is finalized and it is very likely the Integration Committee will decide that finishing the Strategic Plan by March 31 will be the optimal timeline given everything that has to be done the rest of the semester. UTC is kind of under the COVID overload as it is trying to figure out a path forward. That will give a lot of opportunity for feedback, input, and making sure UTC gets it right as we move forward. He thanked everyone for their involvement and engagement, noting that the faculty and staff at UTC have just stepped up in a phenomenal way to help provide opportunities for students. The students have been so adaptable and flexible. It is different and it is not the optimal way to be doing some things but it is certainly allowing students to move forward with their education, and he stated that he hopes that they learn that flexibility and adaptability is going to be a part of their life as well as ours as we deal with unexpected occurrences that come up.

XII. ADJOURNMENT

Chair Decosimo asked for a motion to adjourn. Judge Barker so moved, and the motion was seconded. A roll-call vote was taken, and the motion was passed by unanimous vote. The meeting was adjourned.