

**UPRAC
Minutes
February 23, 2018**

Dr. Richard Brown opened the meeting by introducing Dr. Trae Cotton, the new Vice Chancellor of Student Development. Dr. Brown advised the committee that this meeting would give them a brief update on the FY 2019 budgeting process and asked Chancellor Angle for his opening remarks.

Dr. Angle started by saying that projected revenue is still a work in progress. UTC is moving toward a graduation incentive program (15/4). We would be adopting the model used by UT Knoxville and UT Martin. The 15/4 model would be phased in over 3 years starting in 2019, which would give us one year to recruit students if we take this to the Board of Trustees at the spring meeting in March. Existing students would be grandfathered in. This is all predicated on a tuition increase. The HEPI rate is 2%. That is what UT used last year. There is discussion about having a tuition freeze next year. Even with the success we had in the Complete College Tennessee Act, we would still have a gap. We may need to implement 15/4 in Fall 2018, instead of 2019, if there is a tuition freeze. Dr. Angle will meet with Dr. DiPietro and the UT System CFO next week. We would like to have the HEPI tuition increase for 2018, then implement 15/4 model in 2019. Executives will discuss the 15/4 model with students and faculty to get their feedback. Other 4 year institutions are capped at a 4% tuition increase. The 1 credit hour increase in the first year of 15/4 represents a 6.6% increase. How would the increased revenue be used? 15%-20% would be used for Financial Aid. We also need to look at providing barrier classes that students need for graduation, improving career services, and improving the student experience. FY 2019 budget requests for each department have been pared down, but these numbers are not final. We are still working through the details and need to have a discussion regarding priorities, such as Public Safety and Grounds. Dr. Angle said that three families he spoke with have told him what a beautiful campus this is. We could tolerate nothing for one year, but we would be treading water when we really need to move forward.

While he had the floor, Dr. Brown asked Dr. Angle if he would like to discuss out-of-state tuition as well. Dr. Angle said that we cut Graduate School tuition last year to double the in-state rate. David Miller suggested we lower out-of-state tuition to students in bordering states and South Carolina. This will be doable if we can get 200 more students. We think it is best to match what we did for the graduate students. Lower out-of-state tuition to \$16,000 per year and see the impact. We may find that UTC will be too good of a bargain. The Trustees think we will be inundated with students, which means we can be very selective and not recruit remedial students. Other 4 year universities will be looking at similar reductions. Dr. Angle does not think that the 15/4 model will undermine enrollment. We could position UTC to be a unique niche in the UT System. In-state tuition would be \$10,000 in the final year. Out-of-state maintenance and tuition would be reduced to \$18,000 from \$26,000. Dr. Angle said we could target majors where we have capacity, but not enough students. Then enrollment management truly becomes management.

Dr. Brown reminded the committee that the role of UPRAC is advisory and that they can give their feedback online on the UPRAC website. Members can use this link to submit their questions/comments: <https://www.utc.edu/budget-finance/budget-chatt.php>.

Issues going forward include the HEPI rate, 15/4 tuition model implementation, out-of-state tuition reduction, BAG recommendations, compensation planning (equity vs. market) and THEC Focus Universities (LGIs). In Tennessee, it is very competitive. UTC is still the top performing university in the state. We need to stay on our game.

Restructuring of UT Board of Trustees – Dr. Angle said this is a work in progress. There is an issue of student representation and faculty representation. The Governor is concerned and called to speak with Dr. Angle last week. All we really know right now is that the board will be smaller in the future.

April 2018 – Chancellor Angle will hold a Town Hall Meeting to present the budget.

Before moving carryover funds back to individual departments, each department contributed 30% to the Strategic Investment Fund. This fund will be used to partially offset the technology and furniture expenses for VOIP implementation, State Office Building and Holt Hall improvements.

Total FY 2018 E&G Revenue is \$168,588,082. Tuition and fees equal 66% of total E&G revenue. 43% is spent on instruction.

Our E&G Fund Balance is \$6,500,000 for 2017, which represents 4.04% of unallocated expenditures and transfers. The THEC range on unallocated E&G balances is 2% to 5%.

Proposed FY 2019 Revenue (see slide)

State Appropriations – Governor recommends full funding of these amounts. The CCTA Productivity Rebalancing is money they took from someone else. We can use non-recurring reserves of \$3.1 million and the 2% HEPI tuition increase would add another \$1.6 million. Total FY Proposed Revenue is \$8,901,079. Total division budget requests were originally in excess of \$16 million. The Budget Office has been working with all departments to prioritize their needs. Revised requests are down to \$9.3 million. Requests by department are highlighted below:

Chancellor's Office – recurring funding for a Title IX Trainer, Title IX training for the Title IX team and Title IX promotions and publications. We need to be proactive, not reactive and these funds will allow us to follow recommendations.

Athletics – recurring funding to fully fund the Men's Basketball Head Coach, Strength & Conditioning Position, Men's Basketball Video Coordinator and Women's Basketball Director of Student Athlete Development. Mark Wharton indicated that ticket sales for Football and Wrestling are up, but Basketball ticket sales are flat, so they are looking at that. Non-recurring

funding requests are for academic tutors, athletic training interns, part-time marketing staff, new football headsets and operating funds for the Tennis Center Complex.

Finance & Administration - Recurring fund requests include \$106,000 for 2 additional police officers (looking to increase the number of officers by 9 people over 3 years), an Assistant Director of Arena Operations, and \$150,000 for Custodial and M&O Operating to take care of grounds. Dr. Brown noted that this area is operating on a shoestring. The non-recurring request is for positions in Accounting and Human Resources. Dr. Brown said the department really needs more money, but have cut back their request from \$1.6 million to \$598,000.

Academic Affairs – a third of their recurring funding request is for current positions, some required per accreditation obligation. Transitioning Engineering faculty position to E&G funding. Also funding for Student Success Center Advising, Ph.D. Graduate Assistantships and funding for the College of Business Bloomberg Lab. Non-recurring requests are for the SimCenter HVAC, which needs to be replaced and the Sage Publications subscription for the Library. Dr. Dooley indicated that the original request for Academic Affairs was \$3.5 million, which they reduced to \$1.4 million. He said the top requests of all of the Deans are in this amount.

Research & Graduate School – requesting recurring funding to fully fund two (2) GIS positions, as well as the current Assistant Dean position. Also need a Contract/Post Awards Compliance Specialist. Compliance is important and the amount of work the department is now doing regarding compliance has increased 66%.

Enrollment Management – Vice Chancellor Yancy Freeman remarked on what a wonderful experience the budget process had been. Recurring funding requests are for several positions: Director of Student Success, Admissions Counselor, Study Abroad Program Coordinator, Divisional Budget Manager and Banner Analyst. Also travel funding for admissions recruitment. Non-recurring funding request is for technology and software funding for Financial Aid, Career Placement, Records and the Mocs One Center.

Student Development – Recurring funding request is for a Divisional Budget Manager, an NPHC Advisor, and a Development Officer (Dr. Rowland in Development is funding half of this position). Transition and fully fund Veteran Services position to E&G funding. Also asking for \$50,000 for emergency housing for students in crisis. Anna Lane asked how much space \$50,000 would provide and Dr. Cotton indicated that it would be 3-4 apartments. The department is also requesting operating dollars for building improvements and renovations to the University Center since it serves as the “front door” for the university.

Communications & Marketing – George Heddleston indicated that the department had hired 10 people during his time as Vice Chancellor. Recurring funding is to fully fund the current Lead Web Administrator position plus student wages for the UTC Website redesign. \$30,000 is for the printing and shipping of the UTC magazine. It costs \$62,000 per issue and the 2nd issue is almost done. The summer issue will be online only, so costs are greatly reduced. The department is also requesting operating funds to help academic departments with advertising and marketing. The \$5,000 is non-recurring funds is requested to purchase a phone for the social media position.

Institutional – the \$3 million recurring funding request includes the estimated debt service payment, group health insurance rate increase, 2.5% salary pool and benefits, utilities for all the new square footage that the university has acquired and the UT System Charge and UT Research Foundation Charge. The \$2 million non-recurring request covers the potential revenue

impact of the graduate out-of-state tuition reduction and the funding gap for year 2 of the Ellucian contract.

Scholarships and Fee Waivers – funding request is for scholarship restructure and investment and the reallocation of the Achieve Award and Campus Realignment Fund.

Auxiliary - \$150,000 request for maintenance, operations and reserves. Looking at a parking leveling plan that would give each space the same value, plus bringing on 600 new reserved spaces.

Dr. Brown told the committee that the UC Foundation is great at managing and raising funds. He asked Dr. Bryan Rowland, Vice Chancellor for Development and Alumni Affairs and Executive Director of the UC Foundation, to speak to the committee about alternative revenue. Dr. Rowland said the financial health of the university is very good. The endowment is currently \$135 million, which is an all-time high. \$50 million of the endowment is unrestricted. The Foundation has had investment returns of 13%. Since 1966 the Foundation has transferred \$118 million dollars to the university, and \$3.25 million went to scholarships for our students in the last fiscal year.

Dr. Brown thanked Tyler Forrest and Chris Sherbesman for working with each department on their budgets, the Deans for their good stewardship, Chancellor Angle for making sure that we are recognized, and Dr. Dooley for serving as Interim Provost and Co-Chair of UPRAC. Dr. Brown also reminded the committee that accreditation is coming up. How do we do it? Collaboratively! Rachel Emond thanked everyone for listening to SGA and hearing their concerns.

Theresa Liedtka said she notices that there is no money in the budget for technology and asked about the technology request for the Library. Dean Liedtka noted that the computers in the library are 4 years old and they get a lot of use. Dr. Brown advised her that we will be looking at that.

The meeting adjourned at 3:15pm.