

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE
APRIL 2022 MEETING

9:45 – 11:15 a.m. EST
Friday
April 22, 2022

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.
Kara Gilliam
Dorothy Grisham
Dr. Linda Latimer
Ron Ramsey

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AGENDA

- I. Call to Order
- II. Roll Call
- III. [Approval of the Committee Minutes from February 18, 2022 and March 30, 2022](#)
- IV. [Action Item: Approval of Extension of Fixed Price for Online Masters in Criminal Justice & Criminology – Bidwell \(10 minutes\)](#)
- V. [Action Item: Approval of Tuition Rate for High School Dual Enrollment Students – Levesque \(10 minutes\)](#)
- VI. [Action Item: Approval of Spring Estimated and July Proposed Budgets – King \(20 minutes\)](#)
- VII. [Quarterly Financial Report – King \(10 minutes\)](#)
- VIII. [Quarterly Report of Agreements \\$250,000 or greater – Roberts \(5 minutes\)](#)
- IX. [Action Item: Capital Budget Submittals and Disclosures – Ross \(10 minutes\)](#)
- X. Other Business
- XI. Adjournment

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: April 22, 2022

ITEM: Approval of the Minutes from February 18, 2022 and
March 30, 2022

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Adam Green
Board Secretary

The minutes of the February 18, 2022 meeting and the March 30, 2022 special called 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 February 18, 2022 and the March 30, 2022 meetings 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

February 18, 2022
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, February 18, 2022, at 9:45 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Committee Chair Steven DeCarlo called the meeting to order at 9:45 a.m.

II. Roll Call

Board Secretary Dr. Adam Green led the roll call and confirmed to the Committee Chair that a quorum was present.

Committee Members present were:

Trustee Charles Allen
Trustee Kara Gilliam
Board Chair Dr. Linda Latimer
Trustee Ron Ramsey
Trustee Kelly Wolfe
Committee Chair Steven DeCarlo
Absent: Trustee Dorothy Grisham

Trustees Janet Ayers, Virginia Foley, and Melissa Steagall-Jones also participated in the meeting.

III. Approval of the Finance and Administration Committee Minutes from November 19, 2021

The minutes from November 19, 2021, were approved as submitted, with Trustee Charles Allen making the motion and Trustee Ron Ramsey seconding the motion. The motion passed unanimously.

IV. Action Item: Approval of the College of Medicine and College of Pharmacy Fiscal Year 2023 Tuition

Chief Financial Officer Dr. B.J. King presented the Quillen College of Medicine and Gatton College of Pharmacy proposed tuition increases for the 2022-2023 Academic Year.

A revision in the Quillen College of Medicine (COM) curriculum structure necessitates aligning the fee assessment with those changes. The Committee meeting materials included information regarding the changes. A task force was formed to investigate the process, and 10 peer institutions were reviewed as part of the curriculum restructure. Of the 10 institutions, nine were discovered to have equal tuition pricing for all classes. Beginning with the 2022-23 academic year, COM will be comparable with these other institutions in terms of curriculum and instruction delivery, as well as fee assessment. A two percent increase is proposed and a smoothing out of the fee assessment over a four-year period. The proposed fee assessment model for COM is Year M1: \$38,658 for 18 months of pre-clerkship; Year M2: \$38,658 for 18 months of pre-clerkship; Year M3: \$38,658 for 12 months of pre-clerkship; and Year M4: \$35,712 for 14 months of pre-clerkship.

The Gatton College of Pharmacy is also proposing a two percent fee increase. The current term fee is \$18,958, and the proposed term fee is \$19,337. There have been no price increases in the previous two years, and a cost study was completed to justify the fee increase.

The Quillen College of Medicine and the Gatton College of Pharmacy FY23 Tuition was approved as submitted, with Trustee Ron Ramsey making the motion and Board Chair Dr. Linda Latimer seconding the motion. The motion passed unanimously.

V. Action Item: Approval of Housing and Meal Plans for Fiscal Year 2023

Dr. King presented the Housing and Meal Plans for FY23. To promote affordability and remain competitive with local market forces, staff does not recommend student housing fee increases for the upcoming academic year. ETSU did not increase fees for housing in FY21.

The proposed meal plan rate adjustment is based on market increases as projected by Sodexo, ETSU's food service provider. Due to cost increases based on the consumer price index for meals, it is necessary to adjust meal plan fees to reflect these costs. Although Sodexo will raise the meal plan door rate by 4.3 percent, an increase of only

three percent is proposed for student meal plans paid to the University. Funds from the University's Dining Services Auxiliary Unit will cover the cost differential.

The Housing and Meal Plans Proposal for FY23 was approved as submitted, with Trustee Kelly Wolfe making the motion and Trustee Ron Ramsey seconding the motion. The motion passed unanimously.

VI. Discussion of Proposed Salary Pool for Fiscal Year 2023 Budget Development

Dr. King presented proposed information relevant to a salary pool for FY23 budget development. The Governor's Budget proposes state funding for a four percent salary pool. According to the Tennessee Higher Education Commission's calculations, which are included in the Governor's proposed budget, the state would fund 55 percent of the salary increase, or \$3.27 million. An additional 45 percent, or \$2.7 million, would have to be financed by the University through enrollment growth or reallocation of other resources. Because the pool's funding is contingent on enrollment, any Board-approved salary adjustments will take effect in November 2022. The Governor's budget also proposed \$2.8 million in salary enhancement funding for the College of Medicine and Family Medicine. The Committee meeting materials contained a table outlining the history of salary improvement funding.

President Noland offered clarification in response to questions regarding the four percent salary pool provided by Governor Lee's budget. The President noted that Dr. King and her staff had prepared an analysis for the revenue from the Governor's budget, both for salary purposes as well as operating purposes. Together, the salary revenue, plus the operating revenue, will allow ETSU to offset the 45 percent or the \$2.7 million that the University is expected to fund. This will put the University in a position of going into the fall with a four percent salary pool for the campus, eliminating the need to raise tuition rates for undergraduate in-state students. President Noland cautioned that this is not a four percent across the board raise but rather a four percent pool directed toward salaries in targeted areas.

VII. Discussion of Comparative Tuition and Mandatory Fees for Tennessee Public Universities

The Committee reviewed comparative tuition and mandatory fee information for all the public universities in Tennessee. As outlined below, Dr. King advised the Committee that the Tennessee Tuition Transparency and Accountability Act compels the Board to evaluate many factors before increasing tuition. Details were included with the meeting materials.

- Level of state support.
- Total cost of attendance.
- Efforts to mitigate the economic effect on students.
- THEC binding tuition and mandatory fee increase ranges.
- Other factors affecting the university's financial stability include projected student enrollment and university enrollment goals; market and cost factors for higher education; new program or new facility costs; and costs related to operations, programs of study, or individual courses.

A five-year history of student tuition (maintenance fees) and mandatory fees compared to Tennessee Locally Governed Institutions (LGIs) and the University of Tennessee System was included in the meeting materials. Dr. King noted that the total tuition fees for ETSU are lower than average compared to other public universities in Tennessee.

VIII. Discussion of Preliminary Tuition and Mandatory Fees for Fiscal Year 2023 Budget Development

The Governor's proposed budget was presented with a zero percent tuition and mandatory fee increase for in-state undergraduate students. The university proposes a zero percent tuition and mandatory fee increase for all undergraduate and graduate students for FY23.

IX. Quarterly Financial Update

Dr. King presented the Committee with the quarterly financial update for the second quarter of fiscal year 2021–2022, comparing the current year (12/31/2021) to the prior year (12/31/2020) for the same 6-month period. Dr. King provided the following details regarding the financial activities of the University during the second quarter:

- The main campus revenue remains constant over the past year.
- Family Medicine revenue increased due to increased medical resident participation agreements, state appropriation increases, and ancillary increases.
- Gatton College of Pharmacy tuition revenue declined due to enrollment shifts. With a decrease in enrollment, Pharmacy has re-aligned their expenditure budget with their revenue budget.
- The unrestricted grants, contracts, and gifts were increased due to \$375,000 in gifts for the Blue Cross Blue Shield Blue Sky Program.
- A donation of \$181,000 worth of engineering equipment was received. Gifts in kind must be recorded as both revenue and expense.

- Medicine and Family Medicine expenditures were down slightly.
- The retirement incentive program has impacted the salaries and benefits line in a positive manner.
- Auxiliary income increased with ground-based activities on campus and housing occupancy rates.
- The total amount for Higher Education Emergency Relief Funds (HEERF) was \$62.9 million, with about 7.5 million left to drawdown.

The Committee discussed Gatton College of Pharmacy tuition, which is higher than the University of Tennessee pharmacy program. Ideas for securing public funding for the College in order to shift the student cost to a level comparable with the other public pharmacy schools were discussed.

Dr. King provided the Committee with a balance sheet at the request of Trustee Allen during the November 19, 2021 meeting. She pointed out that the balance sheet contains many items that do not change throughout the year due to reliance on information from the state that is only provided once a year. Dr. King discussed the following data on balance sheet information:

- Due to increased appropriations and HEERF funding, cash was up about \$20 million over the previous year-end.
- December accounts receivable was down, but December is traditionally a peak period for amounts due from students for spring term. The deadline for the fee payment was January 31, 2022, and the year-end report will reflect the adjustments.
- Liabilities increased slightly, but net pension and other assets remained relatively stable.
- Liabilities and accounts payable were somewhat higher, which is believed to be related to the two administrative closure days faculty and staff received in December. At year-end, there will be a significant change in unearned revenues, cash accounts receivable, student deposits, and prepaids.

Dr. King concluded the Quarterly Financial Update with information regarding a new Enterprise Resource Planning System (ERP) for ETSU. The funding for this system is included in the Governor's budget, which consists of a \$20 million appropriation for ETSU. Human Resources, Payroll, and Finance will be put in place first, followed by student implementation.

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

As an information item, Dr. King provided the Committee with a list of contracts and purchase orders that exceed \$250,000, covering the time period of October-December 2021.

XI. Action Item: Approval of Bonded Project for Housing and Residence Life

On behalf of Housing and Residence Life, Chief Operating Officer Jeremy Ross requested approval of a \$29.8 million bonded project for renovations and maintenance upgrades in multiple buildings. The request stems from an examination of current housing inventory as well as national and regional housing trends. According to Dr. Ross, the Division of Housing and Residence Life already has enough revenue to cover the debt service for these renovations. The buildings impacted will be Lucille Clement, which has a budget of \$11,800,000; Buc Ridge, which has a budget of \$5,000,000; Dossett Hall, which has a budget of \$5,000,000; West Hall, which has a budget of \$5,000,000; Stone Hall, which has a budget of \$2,000,000, and Luntsford Apartments, which has a budget of \$1,000,000.

The Housing and Residence Life \$29.8 million bonded project was approved as submitted, with Trustee Ron Ramsey making the motion and Board Chair Dr. Linda Latimer seconding the motion. The motion passed unanimously.

XII. Other Business

There were no other business items to discuss.

XIII. Adjournment

Committee Chair Steve DeCarlo adjourned the meeting at 11:30 a.m.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

March 30, 2022
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee held a special called meeting on Wednesday, March 30, 2022, at 11:00 a.m. The meeting was conducted via teleconference, and public attendance to the meeting was available via livestream.

XIV. Call to Order

Committee Chair Steven DeCarlo called the meeting to order at 11:02 a.m.

XV. Roll Call

Due to the fact that Trustees participated remotely by electronic means, Board Secretary Dr. Adam Green asked a series of questions before calling the roll. Additionally, because the Trustees were participating remotely, Dr. Green informed Trustees that any votes taken must be taken by roll call.

In accordance with Tennessee Code 8-44-108 section (c) (3), Dr. Green asked the following questions to those who participated remotely:

- Are you able to clearly hear us so that you can participate in this meeting?
- Can you please identify any persons present in the room with you from which you are participating in this meeting?

Dr. Green proceeded with the roll call, and each Committee Member present responded that they could hear clearly and that they were alone in the room from which they were participating in the meeting.

Committee members present were:

Trustee Charles Allen
Student Kara Gilliam
Trustee Dorothy Grisham
Trustee Kelly Wolfe

Committee Chair Steve DeCarlo
Board Chair, Dr. Linda Latimer, joined after roll call
Absent: Trustee Ron Ramsey

Dr. Green informed Chairman DeCarlo that although a physical quorum was not present, a quorum did indeed exist by the inclusion of those members participating by electronic means.

In accordance with Tennessee Code 8-44-108 section (b) (2), Dr. Green offered the following circumstances which necessitated the reason for holding the meeting:

- It is necessary for the Finance and Administration Committee of the Board to review and approve undergraduate tuition and fees, the proposed salary pool for Fiscal Year 2023, and to review the budget proposal for 2022-2023 prior to the full Board of Trustees meeting on April 22.
- The prompt necessity of this Committee's meeting did not provide adequate time for this Committee's membership to make necessary arrangements to be physically present for a quorum.
- Dr. Green noted that participation by a quorum of the committee members by electronic or other means of communication was necessary.

A roll call vote was proposed to determine the necessity of holding the special meeting. Trustee Charles Allen made a motion to proceed with the vote, and Trustee Dorothy Grisham seconded the motion. A unanimous affirmative vote signified that a necessity did exist for the meeting to continue.

In addition to the Finance and Administration Committee Members, Trustees Janet Ayers, Virginia Foley, and Melissa Steagall-Jones participated in the meeting.

XVI. Approval of Proposed Salary Pool for FY23 for Budget Development

The proposed salary pool for FY23 was presented to the Finance and Administration Committee by Dr. B.J. King, Chief Financial Officer. Dr. King reminded the Committee that a four percent salary pool for higher education was recommended in the Governor's budget for the State of Tennessee in his annual State of the State address.

Staff proposed budgeting for the salary pool but deferring implementation until November when fall enrollment is certain. This approach is consistent with the approach that was utilized for the current fiscal year.

The Proposed Salary Pool for FY23 was approved as submitted, with Trustee Dorothy Grisham making the motion and Board Chair Dr. Linda Latimer seconding the motion. A roll call vote was taken, and the motion passed unanimously.

XVII. Approval of Proposed Tuition and Mandatory Fees for Budget Development

Dr. King presented the proposed tuition and mandatory fees for undergraduate students for the upcoming academic year. Detailed information was included in the agenda materials. Trustees were reminded that Tennessee Tuition Transparency and Accountability Act compels the Board to evaluate many factors when considering tuition and fee rates:

- Level of state support.
- Total cost of attendance.
- Efforts to mitigate the economic effect on students.
- THEC binding tuition and mandatory fee increase ranges.
- Other factors affecting the university's financial stability include projected student enrollment and university enrollment goals; market and cost factors for higher education; new program or new facility costs; and costs related to operations, programs of study, or individual courses.

Based upon Governor Lee's proposed budget and the anticipated decision by the Tennessee Higher Education Commission (THEC) to approve a zero percent tuition/mandatory fee increase for undergraduate, staff proposed a zero percent tuition increase for in-state undergraduate students.

Dr. King requested the Committee's approval of a zero percent tuition and mandatory fee increase, as shown on page eight of the meeting agenda, applicable to the undergraduate and graduate students. Trustee Kelly Wolfe made a motion to approve Dr. King's proposal, followed by a second from Trustee Charles Allen. A vote by roll call was taken, and the motion passed unanimously.

The Full Board will take formal action regarding tuition and mandatory fees during their April quarterly meeting.

XVIII. Presentation of Spring Estimated and July Proposed Budgets

Dr. King stated that numerous aspects were considered when preparing the spring estimated and July proposed budgets which include:

- All university divisions participated in annual budget hearings.

- Salary pools were provided in the Governor's budget for the Main Campus, the College of Medicine, and Family Medicine.
- The state appropriation for the Main Campus salary funds approximately fifty-five percent of what is needed for the pool.
- New revenues or efficiencies within ETSU's budget will be required to fully fund the Main Campus salary pool match, faculty promotions, inflationary costs for employee benefits not paid by the state, inflationary costs for operations and increased campus footprint, and for an SGA wellness initiative which will impact Counseling, the University Health Center, and the Center for Physical Activity in FY23.

Dr. King presented the proposed budgets for the Main Campus, Quillen College of Medicine (COM), Family Medicine, and the non-state funded Gatton College of Pharmacy (GCOP). Detailed proposed budgets were included in the agenda materials.

The Committee and the Full Board will take formal action regarding FY23 budgets during their April quarterly meeting

XIX. Other Business

There were no other business items to discuss.

XX. Adjournment

A motion to adjourn was made by Trustee Kelly Wolfe and seconded by Trustee Charles Allen. The motion passed unanimously, and Committee Chair DeCarlo closed the meeting.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: April 22, 2022

ITEM: Approval of Extension for Fixed Price Online Masters in Criminal Justice and Criminology

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Joe Bidwell
Interim Dean, College of Arts and Sciences

The Board of Trustees approved a fixed price model for the launch of a fully online Master of Arts degree in Criminal Justice and Criminology in the Fall of 2018. The model established a total cost for each credit hour at \$550, containing the following components: tuition - \$470; program fee - \$30; and an online fee - \$50. The approved model guaranteed no price increase to student cohorts for three years, and extended to cohorts recruited for Academic Year (AY)19-20, AY20-21, and AY21-22.

In partnership with the Registrar, the Bursar, ETSU Online, and many others, the college and department have been very successful in launching and growing this program. Enrollment in the online program has increased from an initial Fall 2019 cohort of 20 students to a current cohort of 37 students in Fall 2021 and should grow to at least 42 students from existing cohorts in Fall 2022. For reference, the existing traditional program enrollment stood at 12 students in Fall 2018. Fifteen students have either graduated or will graduate by the end of the Summer 2022 term. Total program enrollment for both traditional and online students was at 54 students in Fall 2021.

Admitted students have cited the primary drivers of interest in the program to include the fixed cost model, the inclusion of materials, the diversity of course offering and faculty expertise, along with the curriculum flexibility, therefore the college requests approval to extend the fixed price tuition model of \$550 per credit hour for new student cohorts joining the program in AY22-23, AY23-24, and AY24-25 so that the program can continue to both maintain and grow enrollment.

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

RESOLVED: The proposed extension of the fixed price for fully online Master of Arts degree in Criminal Justice and Criminology is approved as presented in the meeting materials.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: April 22, 2022

ITEM: Approval of Tuition Rate for High School Dual Enrollment Students

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Heather Levesque
Director of Undergraduate Admissions

During the 2021 Tennessee Legislative Session, lawmakers passed SB 482 and HB 752, which increased the grant award for students participating in dual enrollment. With Governor Bill Lee’s signature, the law became effective on January 1, 2022.

The grant, which is administered by The Tennessee Student Assistance Corporation (TSAC), is increasing from \$1,200 for four classes implemented as \$500, \$500, \$200, \$0 to \$2,172 for four classes implemented as \$543, \$543, \$543, \$543. The current per credit hour rate is \$166 to equal the grant award for the first two classes.

Staff is proposing increasing the fee to \$181 per credit hour to match the state afforded grant funds for the first four classes.

	Current/cr hr	Paid by	Proposed/cr hr	Paid by
Grants 1 – 2	\$166 cr hr/ \$498 course	TSAC grant \$500	\$181 cr hr/ \$543 course	TSAC grant \$543
Grant 3 current	\$166 cr hr/ \$498 course	TSAC \$200/ETSU scholarship \$300		
Grant 4 current	\$166 cr hr/ \$498 course	ETSU scholarship		
Grant 3 & 4- proposed			\$181 cr hr/ \$543 course	TSAC grant \$543

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

RESOLVED: The proposed increase in tuition for Dual Enrollment courses is approved as presented in the meeting materials.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: April 22, 2022

ITEM: Approval of Spring Estimated and July Proposed Budgets

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: B.J. King
Chief Financial Officer

In compliance with Tennessee Code Annotated 49-8-203 (a) (1) (C) ETSU policy Budget Control requires three budgets be prepared each year and submitted to the Board of Trustees for approval. The university prepares budgets for the one formula funded unit (Main Campus), two non-formula units (College of Medicine and Family Medicine) and one self-funded unit (College of Pharmacy). The three components for each budget are as follows:

1. The proposed budget to fund the fiscal year beginning July 1;
2. The revised fall budget that is prepared after the fall enrollment cycle and financial statement preparation for the prior fiscal year; and
3. The estimated spring budget that is submitted at the same time as the proposed budget for the next fiscal year.

The Board will consider the 2021-22 spring estimated budgets and the July 2022-23 proposed budgets for the one formula funded unit, two non-formula units and one self-funded unit. In meetings held during the last year, the Board approved the 2021-22 July proposed and October revised budgets. The proposed budgets for the new fiscal year are based on the estimates for revenue and expenditures known at the time the budget is prepared. Details of these budgets are outlined below.

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

RESOLVED: The estimated Spring 2021-22 and proposed July 2022-23 budgets that incorporate the previously approved salary pool by the committee are approved as presented in the meeting materials contingent on the approval of the Governor's budget and THEC binding tuition limit.

Main Campus Budget

	Actual 20-21	Orig. 2021-22	Oct. Revised	Est. Spring	July Proposed	F22 to FY23
Revenue	\$ 257,646,700	\$ 271,968,800	\$ 266,760,600	\$ 267,100,000	\$ 276,650,300	\$ 4,681,500

Expenditures and Transfers

Instruction	\$ 101,757,538	\$ 111,077,600	\$ 121,844,100	\$ 121,148,500	\$ 113,653,400	\$ 2,575,800
Research	3,382,885	4,038,600	7,581,800	7,321,700	5,290,900	1,252,300
Public Service	2,545,371	2,781,300	3,178,700	3,371,100	3,190,600	409,300
Academic Support	22,245,924	24,667,200	28,580,000	27,803,900	24,881,500	214,300
Student Services	24,615,706	25,178,400	26,082,500	26,335,300	26,210,900	1,032,500
Institutional Support	17,075,965	18,559,000	22,025,100	31,826,900	19,267,000	708,000
Facilities	15,003,038	17,958,000	18,846,200	19,548,100	19,354,000	1,396,000
Scholarships	33,302,817	35,340,500	33,926,200	33,624,300	29,994,400	(5,346,100)
Total before transfers	219,929,244	239,600,600	262,064,600	270,979,800	241,842,700	2,242,100
Debt Service	5,775,895	5,861,900	5,658,600	5,658,600	5,658,600	(203,300)
Non-Mandatory Transfers	7,323,449	3,123,400	2,667,600	(6,201,800)	2,972,500	(150,900)
Auxiliaries Exp & Tnfrs	18,478,984	23,178,800	24,624,600	24,918,400	25,926,000	2,747,200
Total	\$ 251,507,572	\$ 271,764,700	\$ 295,015,400	\$ 295,355,000	\$ 276,399,800	\$ 4,635,100

FT Unrestricted and Auxiliary Positions

	Orig. 20-21	Oct. Revised	July Proposed	F21 to F22
Faculty	711	714	730	19
Administration	40	39	38	(1)
Maint/Tech/Support	473	467	467	(6)
Professional Support	525	536	551	26
Sub Total	1,749	1,756	1,786	37
Auxiliaries	44	44	45	1
Total	1,793	1,800	1,831	38*

*Staff will work to repurpose vacant positions when filling new position requests.

Quillen College of Medicine Budget

	Actual 20-21	Orig. 21-22	Oct. Revised	Est. Spring	July Proposed	F22 to F23
Revenue	\$ 63,264,277	\$ 66,740,400	\$ 67,711,700	\$ 67,711,800	\$ 73,117,500	\$6,377,100
<u>Expenditures and Transfers</u>						
Instruction	\$ 40,364,981	\$ 47,075,200	\$ 50,384,400	\$ 48,977,600	\$ 47,647,400	\$572,200
Research	1,762,046	3,965,900	5,164,300	6,708,100	7,350,900	3,385,000
Academic Support	6,315,672	7,682,700	7,624,400	7,659,600	9,277,700	1,595,000
Student Services	1,590,230	1,679,900	2,072,500	2,255,500	2,488,700	808,800
Institutional Support	3,376,912	3,496,200	3,827,300	3,943,500	3,935,700	439,500
Facilities	4,270,562	6,799,100	6,980,600	7,177,600	7,164,600	365,500
Scholarships	255,000	260,000	265,000	265,000	260,000	-
Total before transfers	57,935,403	70,959,000	76,318,500	76,986,900	78,125,000	7,166,000
Debt Service	95,894	105,000	105,000	105,000	105,900	900
Non-Mandatory Transfers	7,191,249	(4,379,300)	(8,090,900)	(8,804,300)	(5,213,200)	(833,900)
Total	\$ 65,222,546	\$ 66,684,700	\$ 68,332,600	\$ 68,287,600	\$ 73,017,700	\$6,333,000

FT Unrestricted and Auxiliary Positions	Orig. 20-21	Oct. Revised	July Proposed	F21 to F22
Faculty	158	158	161	3
Administration	7	7	6	(1)
Maint/Tech/Support	110	108	108	(2)
Professional Support	88	90	96	8
Total	363	363	371	8*

*Staff will work to repurpose vacant positions when filling new position requests.

Family Medicine Budget

	Actual 20-21	Orig. 21-22	Oct. Revised	Est. Spring	July Proposed	F22 to F23
Revenue	\$ 18,214,550	\$ 18,191,400	\$ 18,448,600	\$ 19,008,600	\$ 18,526,700	\$ 335,300
<u>Expenditures and Transfers</u>						
Instruction	\$ 12,399,769	\$ 12,298,300	\$ 12,140,200	\$ 13,592,300	\$ 12,651,200	\$ 352,900
Research	184,398	286,400	260,600	175,600	287,500	1,100
Academic Support	3,488,543	3,882,300	3,840,500	3,764,300	3,902,400	20,100
Institutional Support	1,376,403	1,627,300	1,714,100	1,574,300	1,663,400	36,100
Facilities	407,260	499,200	429,400	531,600	405,000	(94,200)
Total before transfers	17,856,373	18,593,500	18,384,800	19,638,100	18,909,500	316,000
Non-Mandatory transfers	336,313	(397,000)	(575,000)	(197,800)	(372,700)	24,300
Total	\$ 18,192,686	\$ 18,196,500	\$ 17,809,800	\$ 19,440,300	\$ 18,536,800	\$ 340,300

FT Unrestricted and Auxiliary Positions	Orig. 19-20	Oct. Revised	July Proposed	F21 to F22
Faculty	35	35	32	(3)
Administration	-	-	-	-
Maint/Tech/Support	52	52	52	-
Professional Support	29	29	30	1
Total	116	116	114	(2)

Gatton College of Pharmacy Budget

	Actual 20-21	Orig. 21-22	Oct. Revised	Est. Spring	July Proposed	F22 to F23
Revenue	\$ 10,624,894	\$ 9,610,800	\$ 9,974,700	\$ 9,681,300	\$ 8,286,500	(\$1,324,300)
<u>Expenditures and Transfers</u>						
Instruction	\$ 6,323,887	\$ 6,538,200	\$ 7,158,600	\$ 6,969,000	\$ 5,782,400	(\$755,800)
Research	122,609	112,500	480,800	422,900	99,800	(12,700)
Academic Support	1,190,306	1,181,500	1,358,000	1,525,000	1,466,100	284,600
Student Services	559,914	655,800	711,400	662,800	663,300	7,500
Institutional Support	533,977	566,300	630,200	596,800	515,400	(50,900)
Facilities	483,345	341,700	487,100	494,700	343,400	1,700
Scholarships	418,314	13,000	213,700	196,500	13,000	-
Total before transfers	9,632,352	9,409,000	11,039,800	10,867,700	8,883,400	(525,600)
Debt Service	676,668	675,000	675,600	675,100	672,900	(2,100)
Non-Mandatory Transfers	(450,773)	(473,200)	855,800	850,000	(1,269,800)	(796,600)
Total	\$ 9,858,247	\$ 9,610,800	\$ 12,571,200	\$ 12,392,800	\$ 8,286,500	(\$1,324,300)

FT Unrestricted and Auxiliary Positions	Orig. 20-21	Oct. Revised	July Proposed	F21 to F22
Faculty	35	33	30	(5)
Administration	1	2	2	1
Maint/Tech/Support	14	12	12	(2)
Professional Support	15	12	12	(3)
Total	65	59	56	(9)

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: April 22, 2022

ITEM: Quarterly Financial Update

COMMITTEE: Finance and Administration Committee

PRESENTED BY: B.J. King
Chief Financial Officer

The tables below summarize financial activities for the university through the February of fiscal year 2021-22. The comparison is current year to prior year for the same six-month period.

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

	Unrestricted E&G Year-to-Year Comparisons Year-to-Date 2-28-2021 & 2-28-2022			
	FY2020-21	FY2021-22	Change \$	%
REVENUES				
By Appropriation Unit				
Main Campus	\$200,045,457.13	\$202,212,334.12	\$2,166,876.99	1.08%
Medicine/Family Med	52,142,309.42	57,897,535.13	5,755,225.71	11.04%
Pharmacy	10,499,908.67	9,541,673.44	(958,235.23)	(9.13%)
TOTAL REVENUE	\$262,687,675.22	\$269,651,542.69	\$6,963,867.47	2.65%
By Revenue Source				
Tuition and Fees	\$164,364,063.67	\$158,059,364.41	(\$6,304,699.26)	(3.84%)
State Appropriations	77,447,400.00	84,929,900.00	7,482,500	9.66%
Grants, Contracts, Gifts	2,683,130.16	3,349,733.75	666,603.59	24.84%
Other	18,193,081.39	23,312,544.53	5,119,463.14	28.14%
TOTAL REVENUE	\$262,687,675.22	\$269,651,542.69	\$6,963,867.47	2.65%

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

Unrestricted E&G				
Year-to-Year Comparisons				
Year-to-Date 2-28-2021 & 2-28-2022				
	FY2020-21	FY2021-22	Change	
			\$	%
EXPENDITURES				
By Appropriation Unit				
Main Campus	\$167,018,282.73	\$156,530,636.71	(\$10,487,646.02)	(6.28%)
Medicine/Family Med	51,278,606.94	50,902,212.93	(376,394.01)	(0.73%)
Pharmacy	7,066,130.90	5,908,441.53	(1,157,689.37)	(16.38%)
TOTAL EXPENSE	\$225,363,020.57	\$213,341,291.17	(\$12,021,729.40)	(5.33%)
By Natural Classification				
Salaries & Benefits	\$158,477,825.78	\$157,413,840.92	(\$1,063,984.86)	(0.67%)
Operating	26,969,320.27	33,584,961.14	6,615,640.87	24.53%
Capital/Equipment	497,518.56	649,203.80	151,685.24	30.49%
Scholarships/Fellowships	32,799,688.38	29,344,838.27	(3,454,850.11)	(10.53%)
Transfers to Other Funds	6,618,667.58	(7,651,552.96)	(14,270,220.54)	(215.61%)
TOTAL EXPENSE	\$225,363,020.57	\$213,341,291.17	(\$12,021,729.40)	(5.33%)
By Functional Classification				
Instruction	\$109,671,595.89	\$106,723,939.43	(\$2,947,656.56)	(2.69%)
Research	3,495,402.91	3,970,739.84	475,336.93	13.60%
Public Services	1,595,249.48	1,710,425.22	115,175.74	7.22%
Academic Support	21,779,148.65	21,819,828.77	40,680.12	0.19%
Student Services	16,341,534.41	19,557,276.43	3,215,742.02	19.68%
Institutional Support	17,948,253.25	18,948,597.58	1,000,344.33	5.57%
Physical Plant	15,113,898.41	18,925,953.59	3,812,055.18	25.22%
Scholarships/Fellowships	32,799,269.99	29,336,083.27	(3,463,186.72)	(10.56%)
Transfers to Other Funds	6,618,667.58	(7,651,552.96)	(14,270,220.54)	(215.61%)
TOTAL EXPENSE	\$225,363,020.57	\$213,341,291.17	(\$12,021,729.40)	(5.33%)

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 2-28-2021 & 2-28-2022**

	FY2020-21	FY2021-22	Change	
			\$	%
REVENUES				
By Current Fund Type				
Unrestricted E&G	\$262,687,675.22	\$269,651,542.69	\$6,963,867.47	2.65%
Auxiliaries	17,429,667.97	24,338,774.36	6,909,106.39	39.64%
Restricted Funds	85,055,085.87	116,089,360.07	31,034,274.20	36.49%
TOTAL REVENUE	\$365,172,429.06	\$410,079,677.12	\$44,907,248.06	12.30%
REVENUES				
By Revenue Sources				
Tuition and Fees	\$165,029,092.70	\$158,953,180.04	(\$6,075,912.66)	(3.68%)
State Appropriations	77,859,645.92	85,338,915.10	7,479,269.18	9.61%
Grants, Contracts, Gifts	86,307,156.60	117,761,453.34	31,454,296.74	36.44%
Other	18,546,865.87	23,687,354.28	5,140,488.41	27.72%
Auxiliaries	17,429,667.97	24,338,774.36	6,909,106.39	39.64%
TOTAL REVENUE	\$365,172,429.06	\$410,079,677.12	\$44,907,248.06	12.30%

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

Current Operating Funds (Unrestricted/Auxiliaries/Restricted)				
Year-to-Year Comparisons				
Year-to-Date 2-28-2021 & 2-28-2022				
	FY2020-21	FY2021-22	Change	
			\$	%
EXPENDITURES				
By Current Fund Type				
Unrestricted E&G	\$225,363,020.57	\$213,341,291.17	(\$12,021,729.40)	(5.33%)
Auxiliaries	5,342,069.85	6,220,715.97	878,646.12	16.45%
Restricted Funds	79,229,129.79	116,313,869.42	37,084,739.63	46.81%
TOTAL EXPENSE	\$309,934,220.21	\$335,875,876.56	\$25,941,656.35	8.37%
EXPENDITURES				
By Natural Classification				
Salaries & Benefits	\$184,207,927.74	\$186,732,192.63	\$2,524,264.89	1.37%
Operating	41,660,040.43	53,234,820.33	11,574,779.90	27.78%
Capital/Equipment	1,004,857.64	784,836.19	(220,021.45)	(21.90%)
Scholarships/Fellowships	75,974,875.63	86,854,516.76	10,879,641.13	14.32%
Transfers to Other Funds	7,086,518.77	8,269,510.65	1,182,991.88	16.69%
TOTAL EXPENSE	\$309,934,220.21	\$335,875,876.56	\$25,941,656.35	8.37%
EXPENDITURES				
By Functional Classification				
Instruction	\$115,417,296.45	\$113,373,225.41	\$(2,044,071.04)	(1.77%)
Research	9,531,379.24	10,511,617.18	980,237.94	10.28%
Public Services	22,606,106.50	26,505,143.23	3,899,036.73	17.25%
Academic Support	21,963,281.52	21,957,266.84	(6,014.68)	(0.03%)
Student Services	16,586,310.35	20,276,429.67	3,690,119.32	22.25%
Institutional Support	20,551,635.95	23,636,411.73	3,084,775.78	15.01%
Physical Plant	15,418,082.09	19,126,314.57	3,708,232.48	24.05%
Scholarships/Fellowships	75,431,539.49	85,999,241.31	10,567,701.82	14.01%
Transfers to Other Funds	7,086,518.77	8,269,510.65	1,182,991.88	16.69%
Auxiliaries	5,342,069.85	6,220,715.97	878,646.12	16.45%
Aux Trsfrs to Other Funds				0.0%
TOTAL EXPENSE	\$309,934,220.21	\$335,875,876.56	\$25,941,656.35	8.37%

Table 5 – Statement of Net Position - All Funds

STATEMENT OF NET POSITION
Year-to-Date 2-28-2021 & 2-28-2022

	Education and General Funds	Agency, Loan & Endow. Funds	Plant Funds	Total YTD FY22	Total YTD FY21
ASSETS					
Cash	\$84,274,169.78	\$16,918,710.68	\$94,905,404.55	\$196,098,285.01	\$153,384,561.66
Investments	50,818,308.10		13,600,000.00	64,418,308.10	63,364,127.68
Accounts Receivable	30,411,731.16	1,979,939.60	20,800.00	32,412,470.76	21,059,076.30
Prepaid Exp & Inventories	(5,809,567.94)			(5,809,567.94)	382,725.02
Net Pension Asset	856,288.00			856,288.00	968,981.00
Capital Assets			404,107,468.79	404,107,468.79	403,350,793.47
Other Assets	150,501.56	812,167.66	37,355.00	1,000,024.22	1,255,010.66
Total Assets	160,701,430.66	19,710,817.94	512,671,028.34	693,083,276.94	643,765,275.79
DEFERRED OUTFLOW					
Bond Refunding			6,806,974.73	6,806,974.73	4,755,623.09
Pensions	12,941,180.00			12,941,180.00	12,905,440.92
OPEB	6,669,617.00			6,669,617.00	6,030,064.00
Total Def Outflows	19,610,797.00		6,806,974.73	26,417,771.73	23,691,128.01

	Education and General Funds	Agency, Loan & Endow. Funds	Plant Funds	Total YTD FY22	Total FY21
LIABILITIES					
Accounts Payable	3,456,838.14			3,456,838.14	3,698,856.48
Accrued Liabilities	26,068,522.51		123,971.11	26,192,493.62	27,655,322.15
Student Deposits	692,247.18	202,841.00		895,088.18	569,026.44
Unearned Revenue	223,935.65			223,935.65	3,811.25
Compensated Absences	17,194,769.72			17,194,769.72	16,591,365.47
Long-term Liabilities			140,756,123.69	140,756,123.69	143,912,513.96
Deposits Held for Others		722,179.73		722,179.73	501,483.45
Net Pension Liability	35,180,898.00			35,180,898.00	30,412,385.00
Due to Grantors		3,611,607.13		3,611,607.13	4,875,717.13
Total Liabilities	82,817,211.20	4,536,627.86	140,880,094.80	228,233,933.86	228,220,481.33
DEFERRED INFLOWS					
Bond Refunding			265,130.48	265,130.48	71,451.11
Pensions	704,883.00			704,883.00	4,954,289.00
OPEB	9,820,146.00			9,820,146.00	9,933,824.00
Total Def Inflows	10,525,029.00		265,130.48	10,790,159.48	14,959,564.11
NET POSITION					
Net Investment in Capital			234,292,008.21	234,292,008.21	231,204,585.60
Restricted Net Position	15,090,459.74		17,277,793.83	32,368,253.57	21,887,438.84
Unrestricted Net Position	71,879,527.72	15,174,190.08	126,762,975.75	213,816,693.55	171,184,333.92
Total Net Position	\$86,969,987.46	\$15,174,190.08	\$378,332,777.79	\$480,476,955.33	\$424,276,358.36

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: February 18, 2022

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

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Ryan Roberts
Procurement and Contract Services

Included below is a list of agreements, both expense and revenue, with amounts totaling \$250,000 or greater for the period of January 2022 – March 2022.

January - March 2022

Contracts / Purchase Orders over \$250,000

Contract/ PO Date		Contractor	Description of Services/Products	Contract / PO Amount	\$ Annual Contract	Competitive	Fiscal Review
Start	End						Approval
07/01/21	06/30/25	Tri Cities Regional Emergency Physicians, PC	Amended contract to provide services in 6 hospitals, previously provided in 2 emergency departments	\$536,000/ 4 years	\$134,000	No	N/A
01/01/22	12/31/24	Elsevier	Science Direct subscription for Medical Library	\$1,733,734/ 3 years	\$577,911	No	N/A
02/23/22	02/23/23	Huron Consulting Services	Budget Model Review and Operational Assessment	\$423,000	\$423,000	Yes	N/A

RFI/RFPs –In-Process and Upcoming

ERP Deployment Partner – ITS ERP

Trademark Licensing – University Counsel/Marketing

This report does not include contracts or agreements associated with revenue, software/systems maintenance agreements, contracts with the federal government, and construction projects which are approved through the State Building Commission.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: April 22, 2022

ITEM: Capital Budget Submittals and Disclosures FY22-23

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Jeremy Ross
Chief Operating Officer

The overall goal of facilities planning for the Tennessee Higher Education Commission (THEC) is to provide physical facilities that enable each institution to provide a quality educational atmosphere to fulfill their role and mission. This goal is accomplished through annual recommendation for the funding of projects in capital outlay and capital maintenance as follows:

Capital outlay projects utilize state funding in whole or in part. They include new facilities or additions required by enrollments or significant changes in programmatic requirements; major renovation which change the function, use or capacity of existing space; major expansions or conversion of central energy plants; and major renovation projects which upgrade or appreciable extend the life of an existing facility.

Capital maintenance projects recommended each year provide a multi-year commitment to protect the integrity of the building structures or bring the equipment or systems in the buildings into compliance with current federal, state, and local standards.

Below is a list of ETSU's capital projects and priorities for fiscal year 2022-2023:

Capital Outlay - \$154,100,000 – Submitted 09/15

1. Brown Hall Renovation North (\$47,700,000)
2. Integrated Health Services Building (\$43,900,000)
3. ETSU Academic Building (\$62,500,000)

Capital Maintenance - \$7,550,000 – Submitted 08/02

1. HVAC and Steam Line Repairs (Phase 2) (\$3,800,000) 2nd part of FY21-22's allocation
2. Multiple Buildings Roof Replacements (\$2,800,000) 2nd part of FY21-22's allocation
3. Radio Tower Repair & Replacement (\$950,000)

Capital Disclosures - \$36,945,000 – Submitted 08/02 & 01/18/22

1. Sam Wilson Renovation & Addition (\$31,250,000)
2. John Robert Bell Drive Upgrade (\$1,200,000) Nicks Hall Nursing Renovation (\$1,500,000)
3. Warren-Greene Golf Complex Renovation (\$495,000)
4. Kingsport Program Expansion (Nursing Allendale – Sim Lab) (\$2,500,000)

MOTION: I move that the Board of Trustees adopt the following resolution, approving the submission of the capital outlay, capital maintenance, and disclosed projects as presented in committee to the Tennessee Higher Education Commission.

RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees approves the university's submission of the capital outlay, capital maintenance, and disclosed projects to the Tennessee Higher Education Commission.