

**BUDGET COUNCIL
(Formerly UPRAC)
Minutes
December 11, 2023**

Attended: Steve Angle, Brent Goldberg, Jerold Hale, Robert Dooley, Stacie Grisham, Kim White, Theresa Liedtka, Vanasia Parks, Chris Sherbesman, Allison Evans, Loman Martin, Mark Wharton, Vicki Farnsworth, Valerie Rutledge, Melita Rector, Stacy Lightfoot, Pamela Riggs-Gelasco, Abeer Mustafa, Ahad Nasab, Tony Parsley, Laure Pou, Chamyra Teasley, Susan Lazenby, Linda Frost, Brian O’Leary

Absent: Bryan Johnson, Thomas Wilson, Michelle Deardorff, Joshua Tyler

Vice Chancellor Mr. Brent Goldberg and Provost Jerold Hale, Budget Council Co-Chairs, welcomed everyone to the Budget Council (formerly UPRAC) financial report meeting.

Mr. Goldberg recognized Chancellor Angle and asked him to please start the meeting with welcome and opening remarks.

Chancellor Angle thanked everyone for attending today’s meeting. Chancellor Angle stated that they are trying to change the budget process name so we can be more transparent and adopt the new name to Budget Council and trying to move past the UPRAC name. With the new name, we will engage more people in what we are doing. Chancellor Angle thanked everyone who participated and attended all the Budget Input Sessions.

Chancellor Angle turned the meeting over to Provost Hale.

Provost Hale thanked and welcomed everyone for attending today’s meeting. Provost Hale stated that academic priorities are embedded within the Budget Council presentation. Provost Hale said that the budget priorities will affect Academic Affairs to help secure the funding for our new Health Science Building that we hope to break ground on soon and for the new academic programs that were a result from the THEC expectations to get these programs approved.

Provost Hale turned the meeting over to Mr. Goldberg. Mr. Goldberg thanked everyone for coming and thanked Mr. Chris Sherbesman, Ms. Allison Evans, and Mr. Loman Martin for all the hard work they did behind the scenes in putting this presentation together.

Mr. Goldberg reiterated that they held eight budget input sessions and six of those were open to all campus with a good turnout. Mr. Goldberg mentioned that Facilities had their own session due to their work schedules and one for Athletics as their budget is different. Mr. Goldberg reviewed the Budget Council presentation to the committee. **(Please review the Budget Council Meeting presentation that is on the Budget and Finance website).**

Mr. Goldberg stated that after the budget sessions were completed, they sent out surveys for questions and comments and they received 363 responses. Mr. Goldberg said out of all the budget themes, parking, travel, investing in infrastructure and maintenance were the main concerns. Mr. Goldberg mentioned that Finance and Administration will share a one-page list of all priorities to campus.

Mr. Goldberg and Mr. Sherbesman said that THEC recommended the lowest revenue amount in history. Mr. Goldberg stated that due to the THEC recommendation, UTC may have a tuition increase but we will have to wait until we hear from the Board of Trustees. Chancellor Angle stated that President Boyd said that due to THEC funding it will probably be detrimental to our programs, and we may need to have a 2-3% tuition increase. Chancellor Angle mentioned that THEC has a new executive director, and they funded a billion dollars in TCATS last year for capital projects and these projects are number two in front of UTC. THEC was part of a billion-dollar allocation last year and UTC was number two last year. The number one project this year is the Social Science Building at MTSU. Chancellor Angle stated that UTK's Chemistry Building is either number one or two followed by MTSU and UTC is number six. Chancellor Angle said that this year will be a tight budget year as THEC will not make many investments.

Ms. Vanasia Parks asked if the out-of-state tuition would increase or stay the same. Mr. Sherbesman stated that we are not seeking an increase for out-of-state tuition.

Mr. Goldberg discussed projected expense details by division and stated that these funds are recurring and there are no non-recurring funds. Chancellor Angle stated that for the intercollegiate athletics expenses this has been an ongoing budget challenge. Athletics had to cut back and set standards on their coaches and transportation costs for events that have gone up 30-40%. Chancellor Angle mentioned that intercollegiate athletics have been very responsible with their budget and even have done fundraising and ticket sales. The Mocs Give Day raised \$1.1 million dollars and are really hustling and have a 91% student graduation rate. Chancellor Angle said that their budget is not an extravagant budget number.

Dr. O'Leary asked are their revenues against the \$1.7 operations cost with Athletics. Mr. Goldberg stated that this number is the gap between revenue and cost. Mr. Goldberg said instead of banking on surpluses it's best to budget on an occurring basis. Mr. Sherbesman stated that with Athletics there are other revenue sources that support this budget.

Mr. Goldberg mentioned the University Marketing – Ad Placements cost is recurring due to recruiting new students. Chancellor Angle stated that UTC must be out in the community to market the University and stated that our admittances are up over 39% with a record freshman class. Chancellor Angle mentioned that campus housing is mentioned in the cost as we want all freshmen to stay on campus. Mr. Goldberg stated that new freshman, acceptances, and transfer students are up.

Dr. O'Leary asked if there was a formula for increasing faculty with the increase of admittances. Provost Hale stated that the institutional dashboard posted an increase in the number of faculty over a period where we had a slight decrease in enrollment. Provost Hale said that even if we hit enrollment targets, we will still have more faculty than we did last year.

Dr. O'Leary asked what the Innovation Fund is. Chancellor Angle stated that we are looking to use some of these funds in AI, other ideas to help faculty to incorporate AI in teaching, cost, speakers, software and hopefully this will help with costs.

Mr. Sherbesman stated that during the budget process, we will need to have all of our balance budget finalized for the campus by March 2024. Mr. Sherbesman said that during all the proposal phases for approval, the preparation for all schedules must be submitted to the system along with the disclosure reports and presentations. The next step will go to the Campus Advisory Board for approval then finally an approval will come from the Board of Trustees by the end of June 2024. Mr. Sherbesman is asking all to please make sure you meet all the deadlines. Mr. Sherbesman stated the Budget Office will be reaching out to everyone to start the budget process and please call with any questions in the meantime. Mr. Goldberg is asking each of you to think about what you really need in your budget request even if you think it will not get funded, as this will help us develop a pipeline of needs as this documentation will help with all requests. Chancellor Angle reiterated to please make a list of all your ideas as this will help us with our funding streams.

Dr. Dooley asked, with a \$3/4 million shortfall, how do we plan to cover this. Mr. Goldberg stated that we need to see what is in the Governor's budget and to look at enrollment to see how this will be covered. Otherwise, this will flip to non-recurring. Mr. Sherbesman stated that we may need to do some multi-year phase ins as we must put items off due to the lack of monies, but we look at all items to see how we can utilize our monies the best way.

Ms. Liedtka asked about the timeline for internal reallocations. Mr. Goldberg stated we are increasing transparency, asking input from faculty/staff, we are starting strategic planning, and we are asking to see the priorities in budgets. Mr. Goldberg is asking everyone to come up with a strategic financial plan. Provost Hale stated regarding the timeline depends on the internal reallocations within each department. Provost Hale mentioned that some needs are currently going through the reallocation process in terms of shifting faculty resources and prioritizing certain vacancies over others. Provost Hale stated that this process depends on the individual as well.

Ms. Farnsworth asked what the timeline for online fees is. Mr. Goldberg stated that we are in the process of meeting to discuss eliminating online fees and rolling this into maintenance fees. Mr. Goldberg did state that online fees are a significant source of revenue as we pay for canvas and other things for the University. Dr. Nasab asked if the graduate online fee is different than the undergraduate online fee. Mr. Sherbesman stated that it remains the same. Chancellor Angle stated with online fees, we are trying to simplify the itemization of the bill when the student receives it. Mr. Sherbesman stated that there will be conversations to discuss the benefits of improving the system.

Mr. Goldberg asked the committee if they had any other questions or concerns regarding all the information they have received today. Mr. Sherbesman stated that after reviewing the document, please let us hear back from each of you by either calling the Budget and Finance Office or via the "Budget Chatt" inquiry/dialogue - located on the Budget and Finance website, as it is anonymous, to give feedback, comments or to ask any questions regarding any aspect of the budget process. **Please remember all Budget Council materials are placed on the Budget and Finance website.**