



Presentation to Audit & Business Committee
Board of Trustees
September 26, 2024

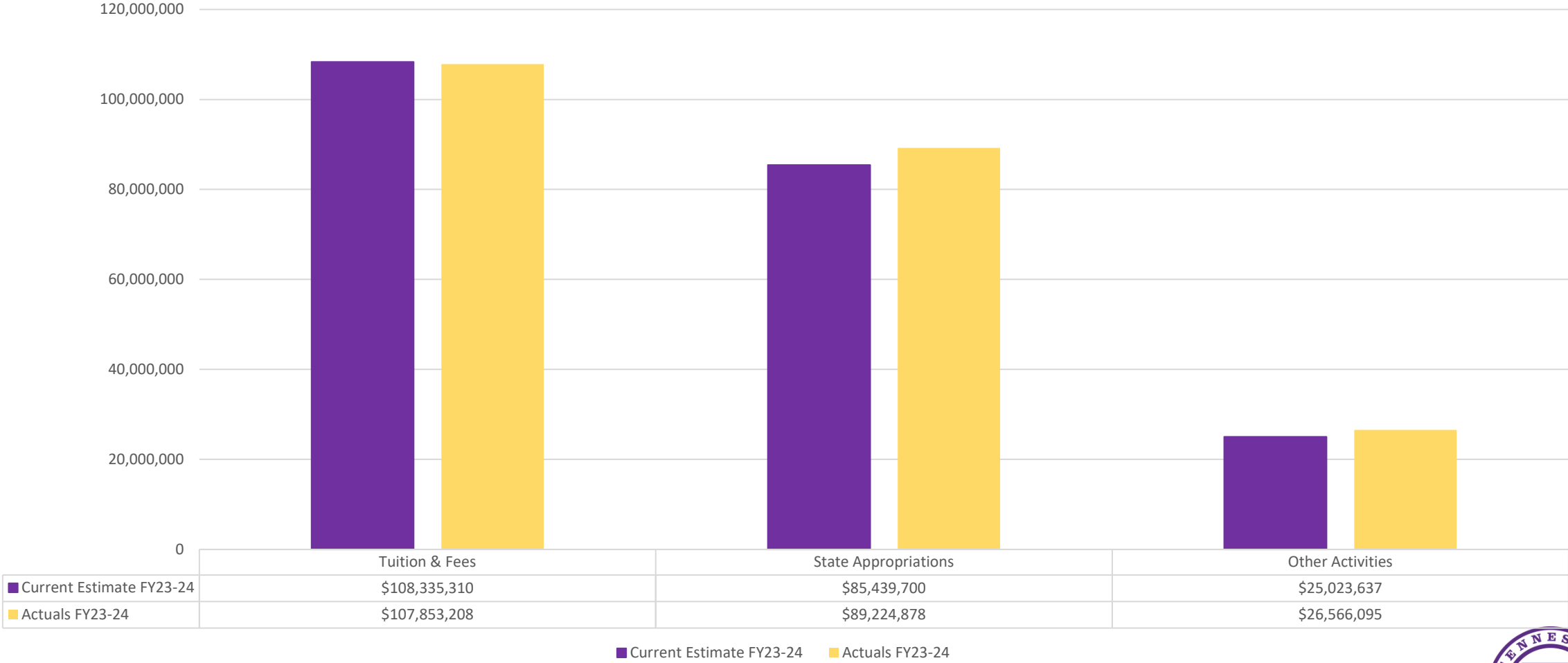




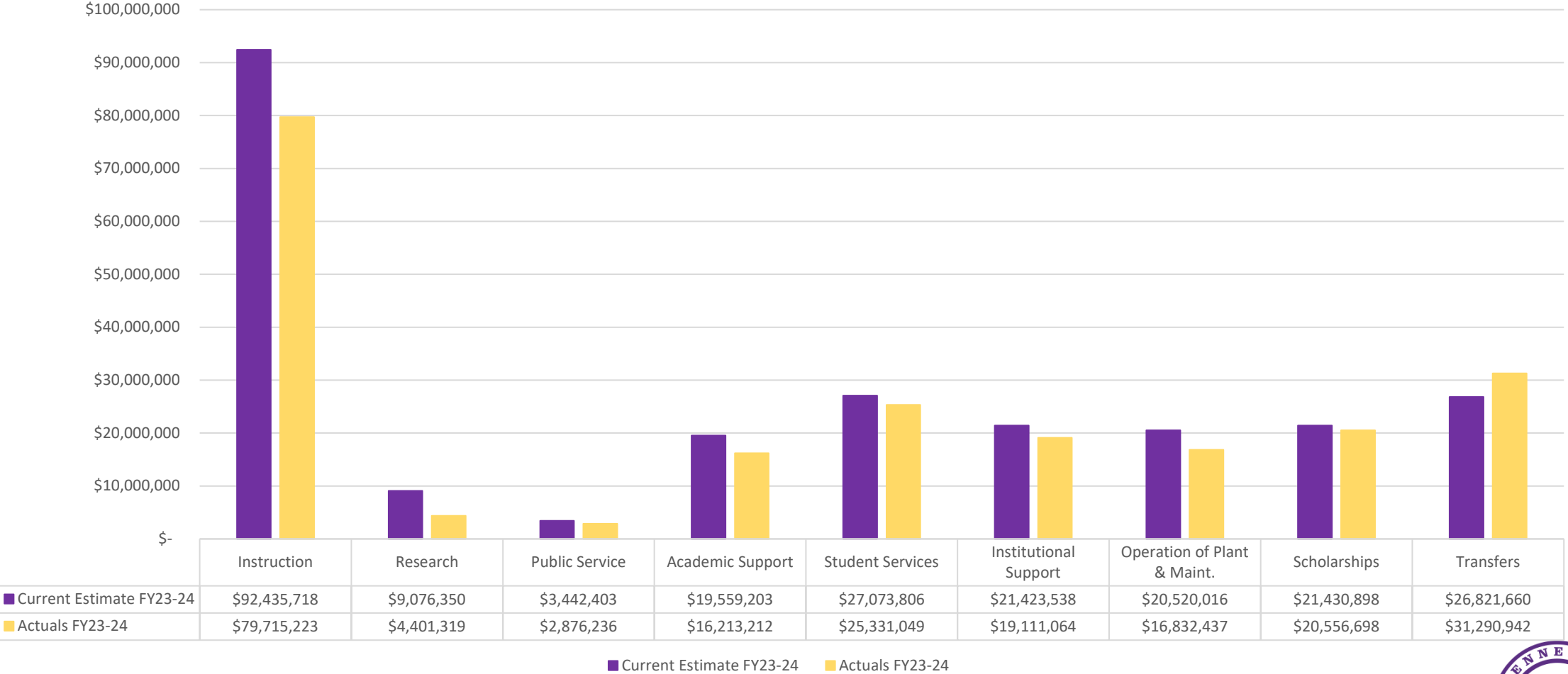
Financial Update



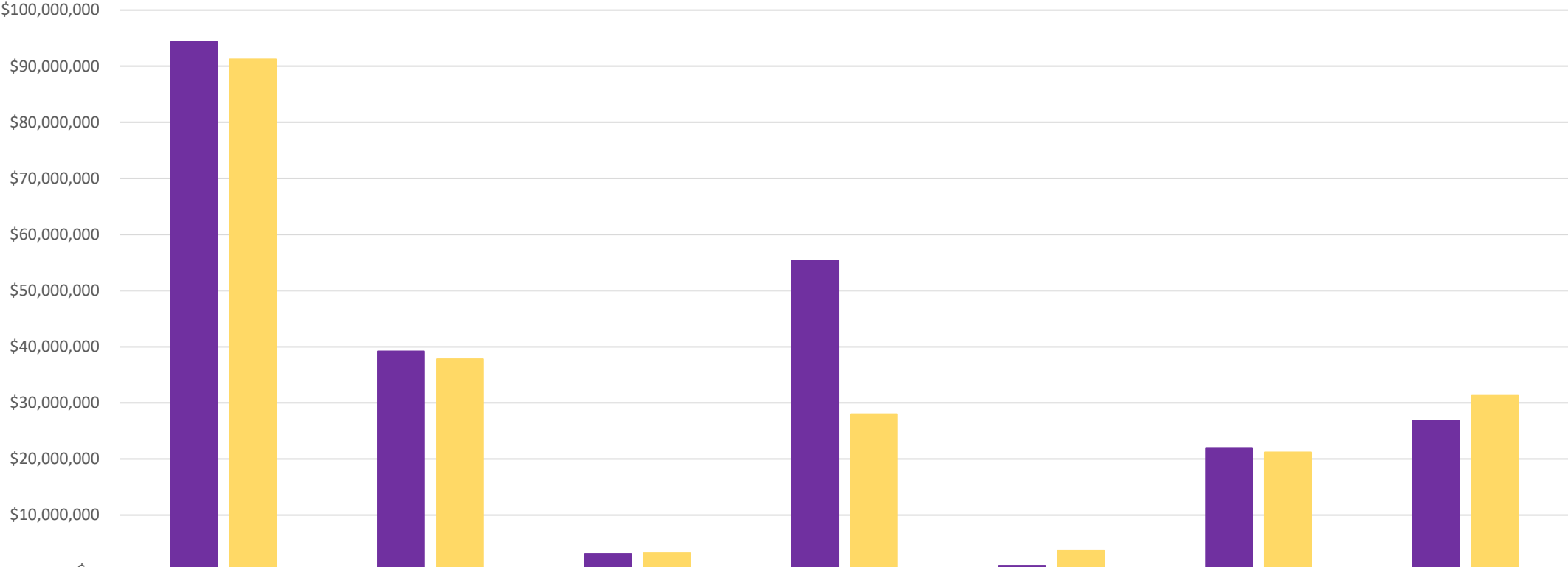
Comparison FY23-24 Current Estimate Budget vs. End-of-Year Actual Revenue Comparison (unaudited)



Comparison FY23-24 Current Estimate Budget vs. End-of-Year Actual Functional Program Expense (unaudited)



Comparison FY23-24 Current Estimate Budget vs. End-of-Year Actual Natural Expense (unaudited)



| | Salaries & Wages | Fringe Benefits | Travel | Operating & Utilities | Capital | Scholarships | Transfers |
|----------------------------|------------------|-----------------|-------------|-----------------------|-------------|--------------|--------------|
| ■ Current Estimate FY23-24 | \$94,311,857 | \$39,174,075 | \$3,084,974 | \$55,408,530 | \$992,253 | \$21,990,243 | \$26,821,660 |
| ■ Actuals FY23-24 | \$91,227,148 | \$37,772,491 | \$3,237,144 | \$27,990,879 | \$3,634,770 | \$21,174,807 | \$31,290,942 |

■ Current Estimate FY23-24 ■ Actuals FY23-24



End-of-Year Fund Balance June 30, 2024 (Unaudited)

| | |
|--|---------------------|
| Fund balance June 30, 2024 | \$33,127,953 |
| Non-discretionary carryforwards (working capital, encumbrances, designated fees) | \$5,275,049 |
| Automatically approved departmental carryforwards (special state appr, online fees, indirect cost, etc.) | \$15,974,412 |
| One-time costs | \$3,717,366 |
| Reserve for capital projects (over budget projects) | \$3,074,126 |
| 2% to 5% budget reserve | \$5,087,000 |



Revised Tuition and Fee Estimates (as of 9/4 Census) vs. Proposed Budget FY24-25

Fall 2024 revised revenue estimates (compared to July Proposed Budget)

| | |
|--|--------------------|
| Estimated Tuition Revenue Adjustments for Revised Budget* | \$4,080,081 |
| Regular Academic Year | \$4,086,068 |
| Out-of-State regular academic Year | (\$204,574) |
| DMBA, MACC, MSN | \$201,810 |
| Summer School | \$55,023 |
| Out-of-state Summer School | (\$58,246) |

*Tuition increase in UG & G tuition generated approximately \$3,739,362





Capital Budget Update



Capital Outlay Request FY2025-26

Request for State Funding

| Fiscal Year | Priority | Project | Estimated Project Cost | Project Description |
|-------------------------------------|----------|---|------------------------|---|
| 2025-26 | 1 | Social Sciences Building | \$100,030,000 | Demolish Matthews Daniel and Crawford Halls. Construct a new building that will provide classrooms, faculty offices and support spaces for the Colleges of Education and Arts & Sciences. |
| 2025-26 | 2 | Incremental Funding For Advanced Construction & Manufacturing Engineering | \$27,200,000 | Request for additional funding to cover inflationary costs. |
| Funding sources: | | | | |
| State capital appropriations | | | \$117,051,600 | |
| Match required | | | \$10,178,400 | |





Disclosed Projects



Disclosed Projects

| Project | Project Cost | Project Description |
|---|--------------------|--|
| Academic Wellness Center Renovation for Athletics | \$3,070,000 | Renovate the natatorium for use by Athletics training and football program meeting rooms |
| Total Request | \$3,070,000 | |





Performance Evaluation & Performance-Based Compensation Analysis





Employee Performance Evaluations



Staff (Non-Faculty) Performance Evaluation Process

- **Year 9 of the Performance Evaluation Process**
- **Staff evaluation elements**
 - Focus on individual employee performance
 - Ensure employees have a voice in their evaluation
 - Allow for specific goals and achievements to be recognized
 - Stress job-specific performance
 - Include a self-evaluation component



Staff (Non-Faculty) Performance Evaluation Components

- **Core Competencies aligned to TTU Strategic Plan objectives (20%)**
 - Academic Excellence, Student Success, Community Engagement, Meaningful Innovation, Supporting Environment, Value Creation
- **Wings Up Way (20%)**
 - People Over Process, Treat Everyone With Kindness, Serve Students First, Go The Extra Mile, Personal Responsibility, Make the Process Easier Not Harder, Find Solutions, Not Excuses
- **Position-Specific Duties (60%)**
 - Evaluate performance based on meeting specific duties and goal accomplishment aligned with position



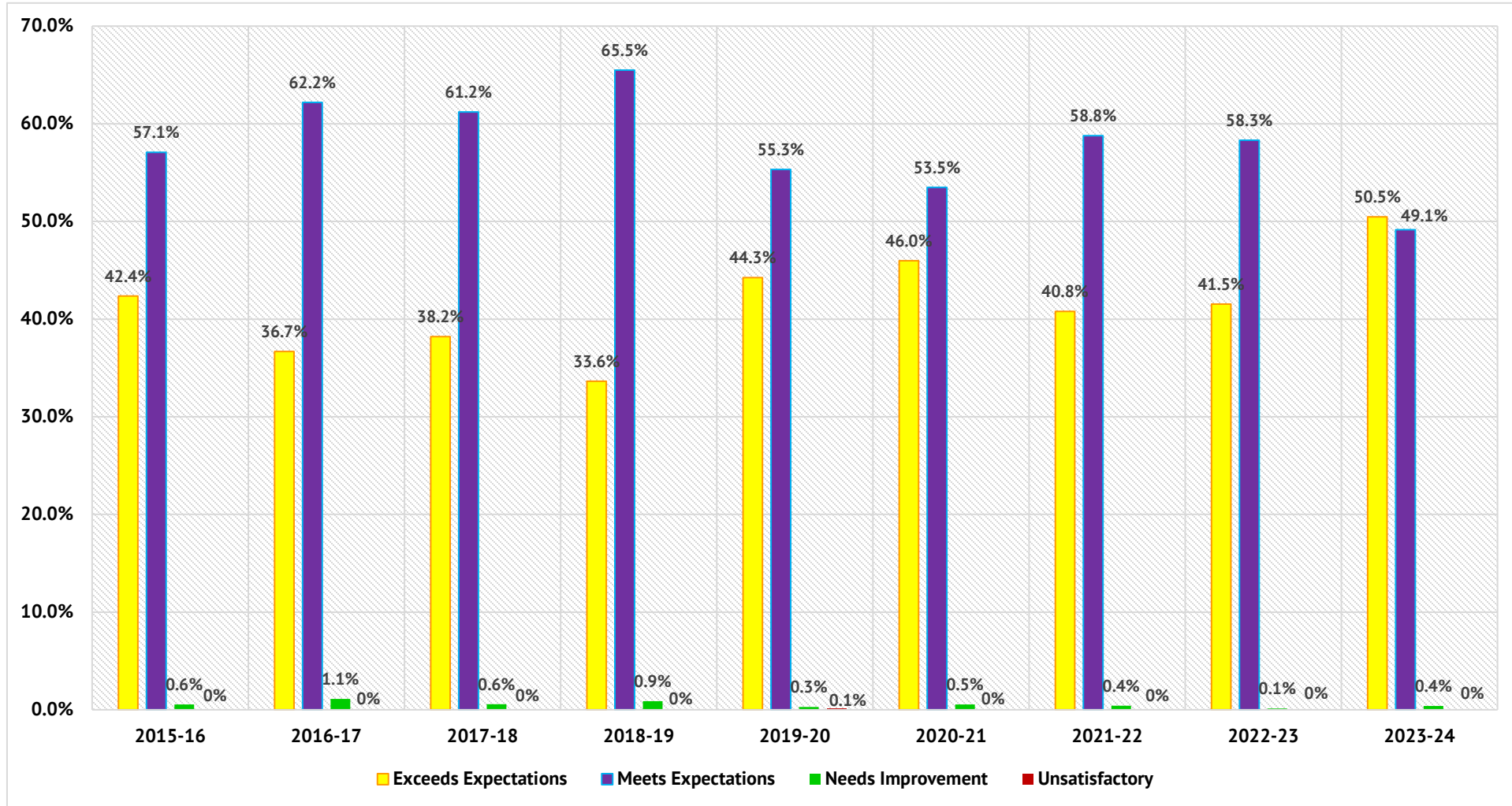
Staff (Non-Faculty) Performance Evaluation Training

- Conducted mandatory training for supervisors with 100% participation (175)
- Provided voluntary staff employee training (90)
- Emphasized the importance of periodic employee and supervisor performance meetings throughout the evaluation period



Staff (Non-Faculty)

% of Employees Rated in Performance Category



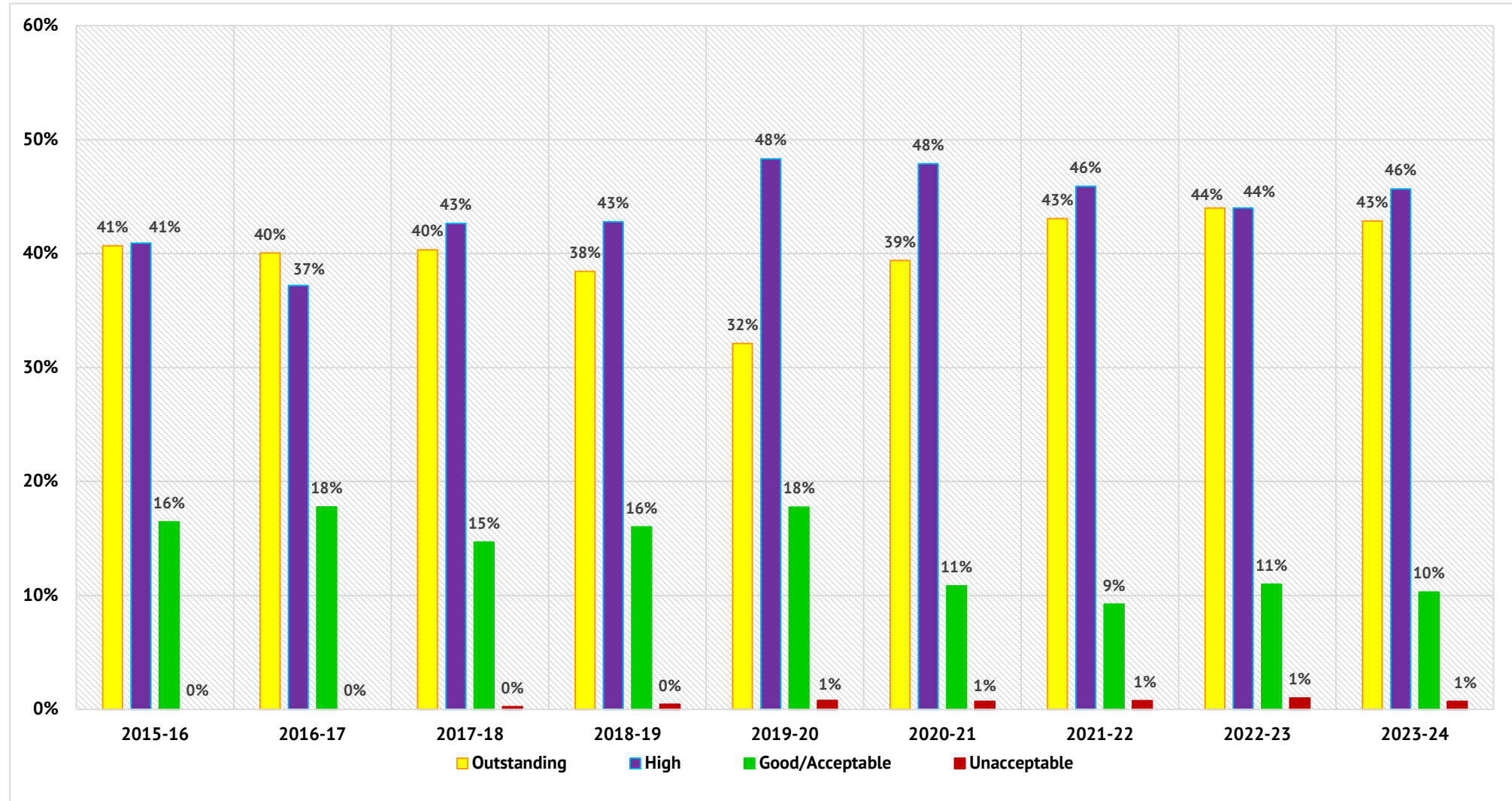
Faculty Performance Evaluation Process

- All faculty, both tenured and non-tenured, are evaluated annually by the department chairperson and the college dean
 - Teaching
 - Advisement
 - Research/Scholarship/Creative Activity
 - Service/Outreach
 - Administration
 - Other (as assigned and detailed)



Faculty

% of Employees Rated in Performance Category



Performance Evaluations – Next Steps

- **Add evaluation component for supervisory responsibilities**
- **Provide a template for creating individual development plans (IDPs) unique to each employee**





Performance Based Compensation



Performance Based Compensation Model

3% Salary Pool for FY 25*

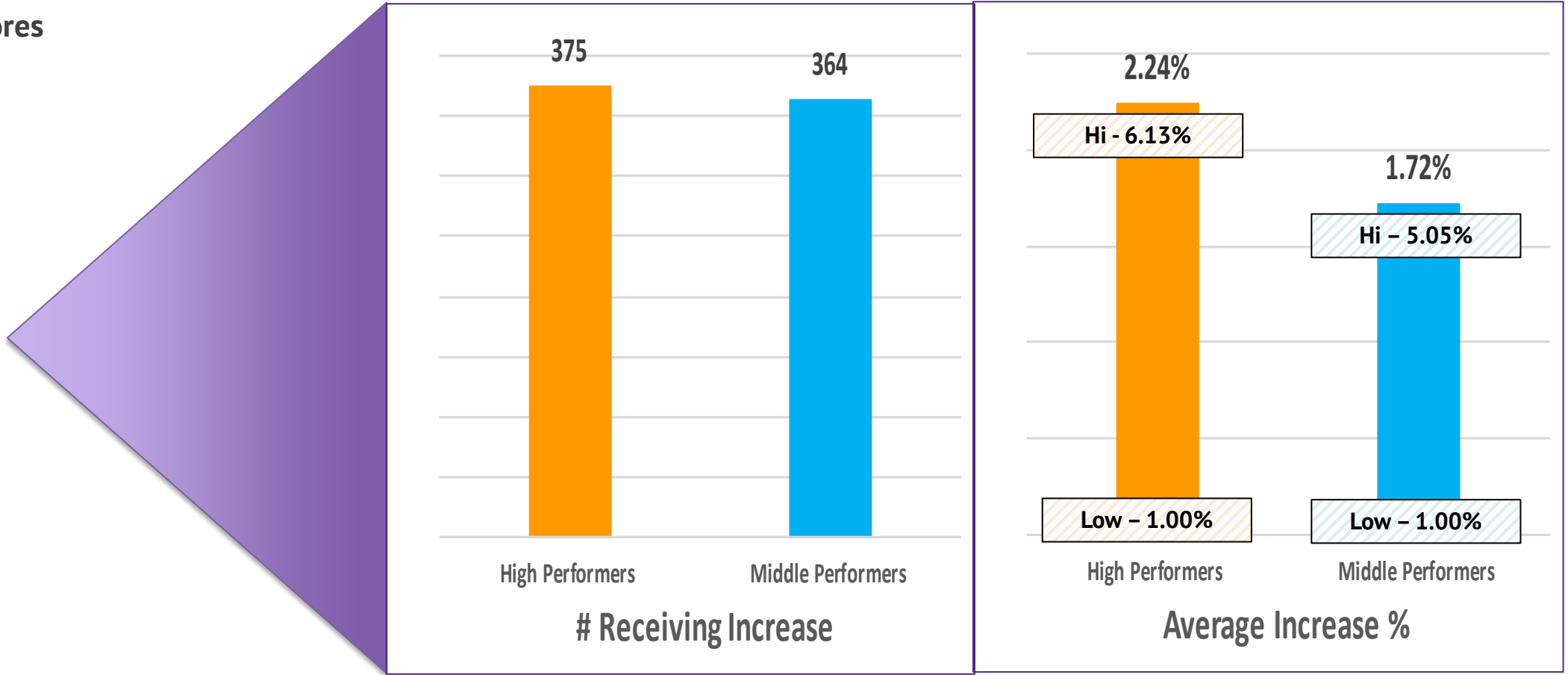
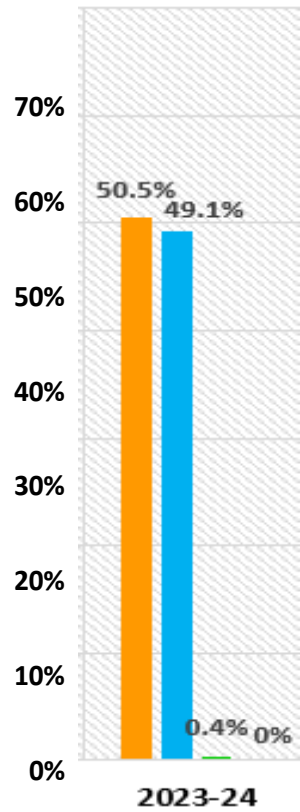
- 1% allocated to Phase 2 of the Classification & Compensation Study
- 2% allocated for merit-based performance
 - **Eligibility**
 - **Faculty** = 2024 Performance Evaluation Scores of acceptable or better rating
 - **Staff** = 2024 Performance Evaluation Scores of meets expectations or better rating
 - Hire date on or before December 31, 2023
 - Employee NOT placed on a Performance Improvement Plan during the fiscal year (July 1, 2023 – June 30, 2024)
 - **Merit Ranges:** Minimum of 1% to Maximum of 7%

*Note – 3% pool set by the State of TN, of which 55% is funded by the state and 45% is funded by the university



2023-24 Staff (Non-Faculty) – Distribution of Base Salary Merit Increase by Category*

Performance Scores



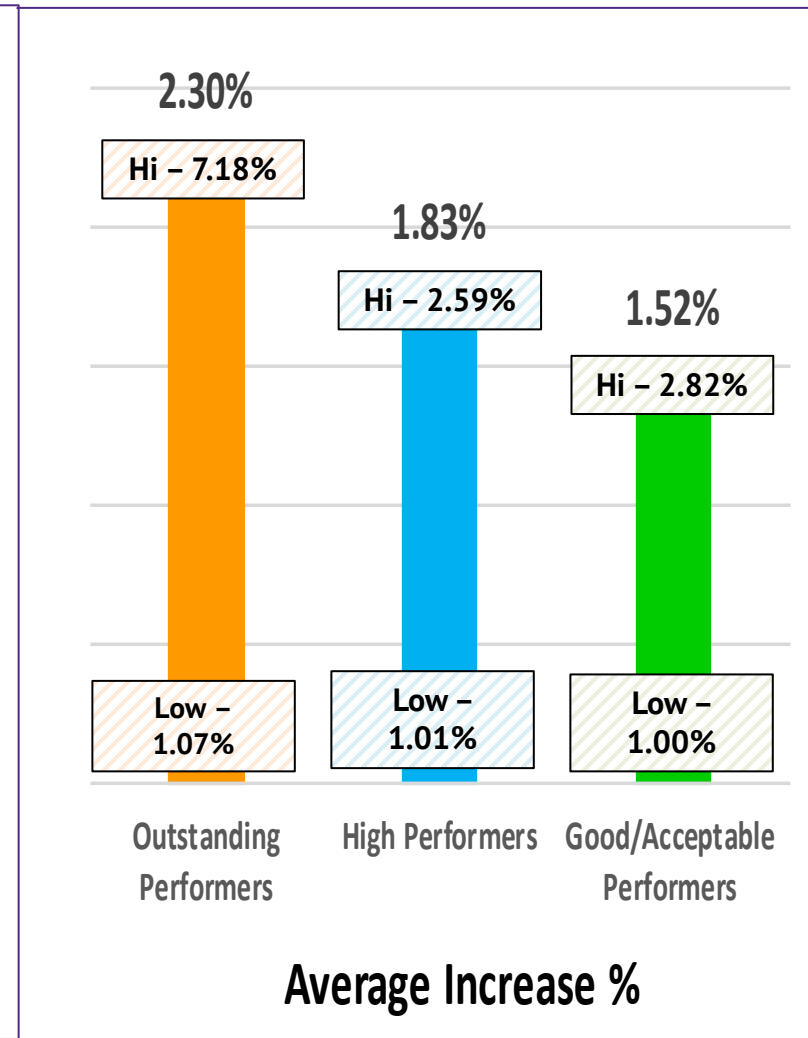
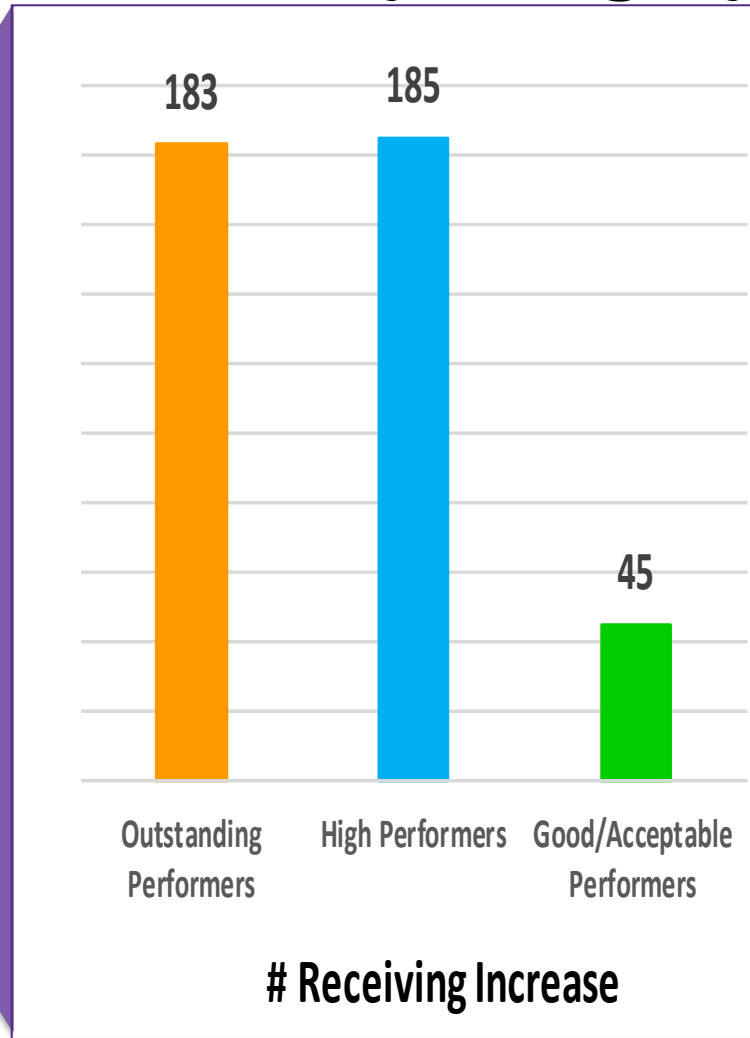
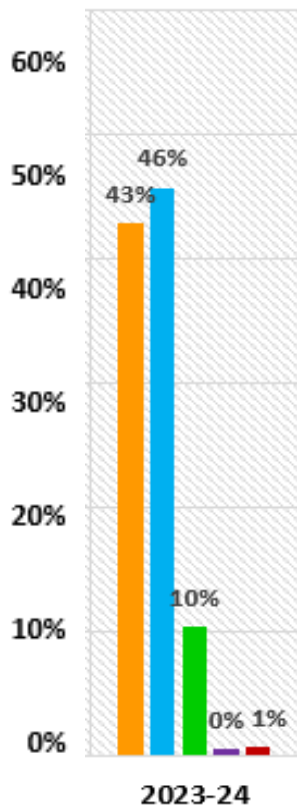
■ Exceeds Expectations
 ■ Meets Expectations
 ■ Needs Improvement

* Note - Includes only merit and excludes Compensation Study Adjustments



2023-24 Faculty - Distribution of Base Salary Merit Increase By Category*

Performance Scores



■ Outstanding
 ■ High
 ■ Good/Acceptable
 ■ Unacceptable

* Note- Includes only merit and excludes Compensation Study Adjustments





Classification & Compensation Study Status Update



Classification & Compensation Study

- Objectives:
 - Providing competitive compensation to faculty and staff
 - Providing a supporting classification system for staff positions
 - Providing a strategy for managing these structures now and in the future



Classification & Compensation Study – Phase 2

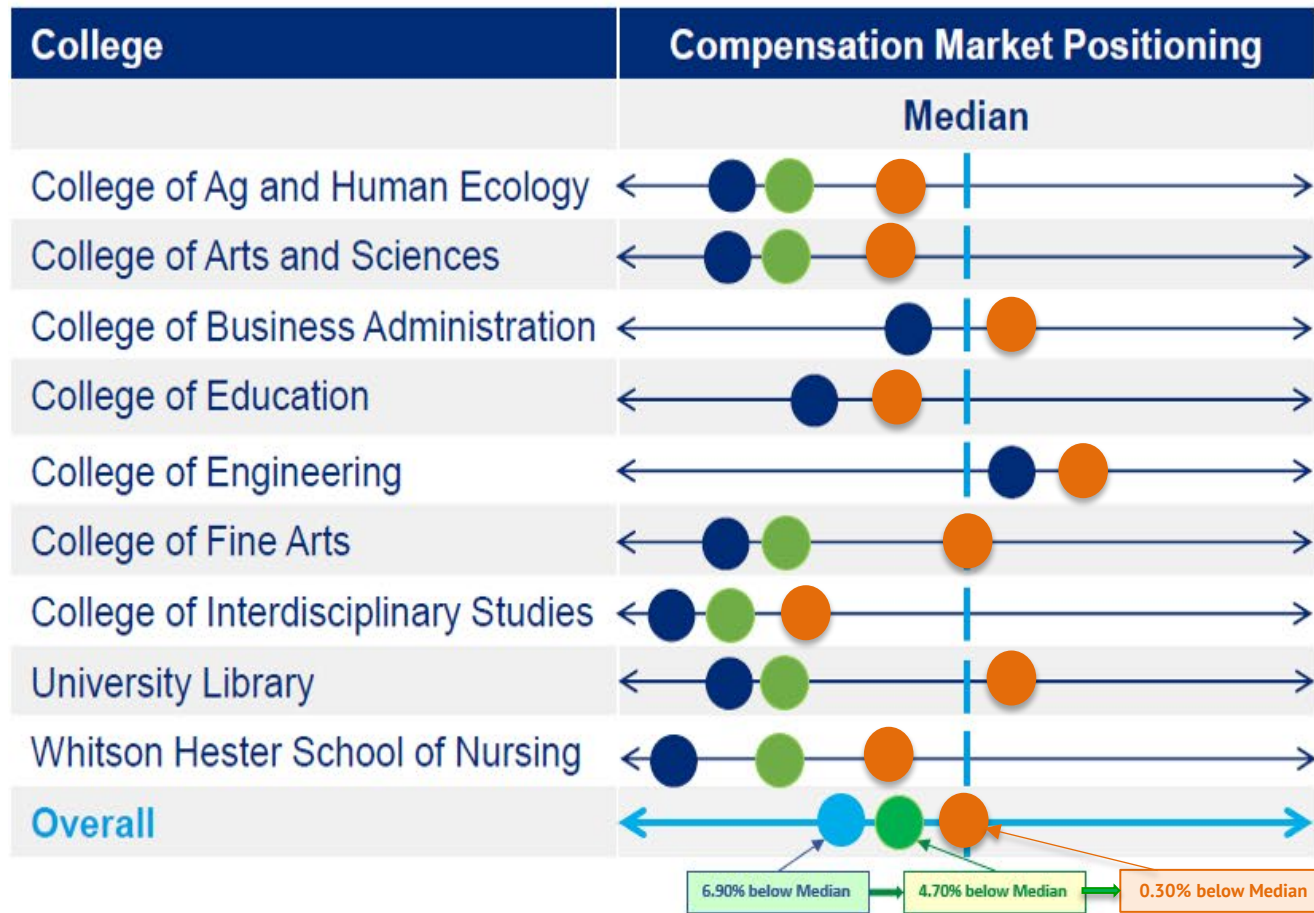
- **Support, Professional, Management & Executive Staff** (August 2024)
 - Increase salary levels to the minimum of salary ranges established by the Classification & Compensation Study
 - Review and revise job architecture for identified positions based on supervisor input, comparison with similar positions and consistency with the job architecture framework
- **Faculty** (October 2024)
 - Provide inversion corrections & market minimum adjustments for full-time, permanent faculty



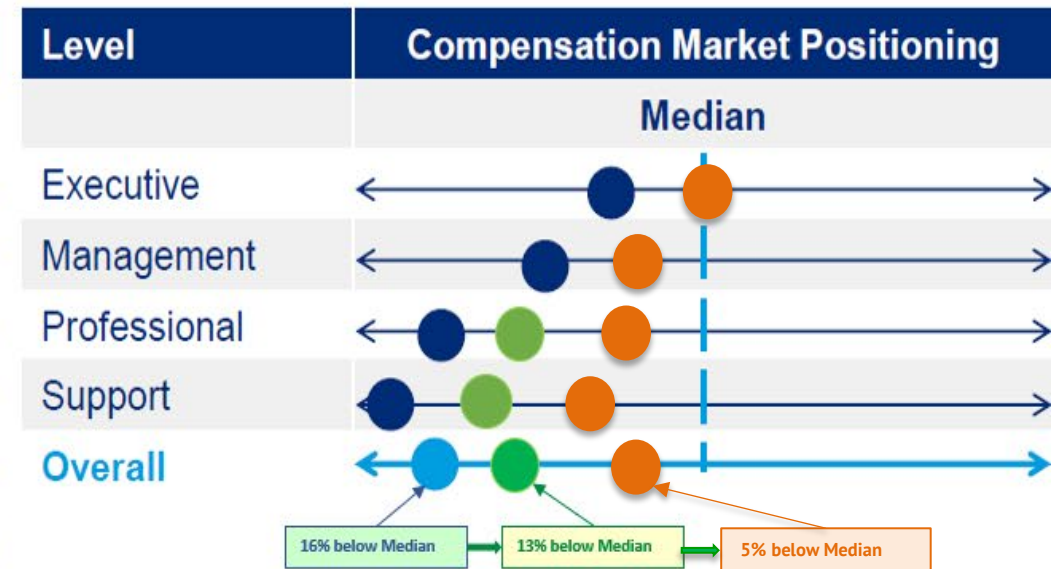
Compensation Study Outcomes

Phase 1 (April 2024) and Phase 2 (Fall 2024)

(FACULTY)



(NON-FACULTY)



Key: Blue Circles – Before Adjustments; Green Circles – After Phase 1 Adjustments; Orange Circles – After Phase 2 Adjustments*

* Includes Merit, Promotions, Inversion Adjustments and Adjustments to Market Minimum



Classification & Compensation Study – Phase 3

- **Staff (FY2026)**
 - Provide adjustments based on a review and consideration of service time and performance scores to address compression/inversion
- **Faculty (FY2026)**
 - Continue progress on moving salaries closer to the market median





Fair Labor Standard Act (FLSA) Salary Threshold Update



FLSA – Salary Threshold Revisions

On April 23, 2024, the Department of Labor (DOL) announced a significant change to the FLSA's minimum salary threshold for overtime eligibility.

- Effective July 1, 2024, the minimum annual salary required for exemption from the FLSA's minimum wage and overtime provisions threshold increased to **\$43,888**
 - Twenty-one (21) TTU employees were reclassified to non-exempt status
- Effective January 1, 2025, the minimum annual salary required for exemption from the FLSA's minimum wage and overtime provisions threshold is scheduled to increase again, to **\$58,656***
 - One hundred eighty-seven (187) TTU employees will be reviewed for reclassification to non-exempt status

* Some potential this increase will not go into effect.





Tenure Upon Appointment Recommendations



