

Budget Advisory Committee

April 24, 2024 – 1:30 p.m.

President’s Conference Room

Members Present		
Phil Oldham	Claire Stinson	Lori Bruce
Cynthia Polk-Johnson	Lee Wray	John Liu
Karen Lykins	Tom Payne	Lisa Zagumny
Jeff Roberts	Jennifer Shank	Darron Smith
Julie Baker	Robert Wilbanks	Alfred Kalyanapu
Michael Allen	Mustafa Rajabali	Kelsey Hewitt
Terri McWilliams	Emalee Hamblen	Emily Wheeler
Kevin Vedder	Matthew Trengove	Lauren Hall
Others Present		
Diane Smith		
Becky Smith		
John Woodard		
Carol Holley		
Brandon Boyd(for Kevin Braswell)		
Members Absent		
Kevin Braswell	Mark Wilson	Rob Owens
Troy Perdue	Terry Saltsman	Joe Slater
Kim Hanna	Mike Gotcher	Sharon Holderman
Lori Maxwell	Brian Seiler	Dan Warren

Dr. Stinson called the meeting to order at 1:34 p.m. and thanked everyone for their attendance. The agenda and minutes of the February 16, 2024, meeting was distributed previously via email to committee members.

Approval of Agenda: Dr. Stinson asked for a motion for the approval of the agenda. Julie Baker moved to approve the agenda and Tom Payne seconded.

Approval of Minutes: Dr. Stinson asked for a motion to approve the minutes of the February 16, 2024, meeting. Julie Baker moved to approved. Tom Payne seconded.

State Appropriations Budget and Planning for FY2024-25: Dr. Oldham presented information on state appropriates and university budget and had discussions with committee members regarding the information on each slide (Attachment A). The state will fund 55% of salary pool and the university will fund the other 45% from available resources. There is no requirement for the university to fund the 45% but we have never failed to make match, and this is a high priority. The estimated tuition increase is 4% but will be determined by THEC's binding range and Board of Trustee approval. Currently, an increase in enrollment is not anticipated. Anticipated cost increases include salary pool, state-mandated and international scholarships, software contracts, utilities, and other anticipated known expenses. Dr. Oldham stated the high-altitude priorities for any additional funding would be market salaries, operating budgets, reserves, and emerging opportunities.

Computer Refresh Program: Terri McWilliams and John Woodard presented the new computer refresh program and dashboard. This new program will provide savings from being able to do negotiated pricing, help with compliance and security issues and help departments plan better for future anticipated costs. The dashboard is tied to full time employees or instruction labs. Research equipment is excluded as it is not managed by IT. Each division or department head will have access to the dashboard and the dashboard will be reviewed annually and discussed with departments. The projected replacement costs are based on the last 5 years. Departments can use lapse funds towards this. The balances will carry forward each year as R & R.

Adjournment: Dr. Stinson thanked everyone for their attendance and the meeting adjourned at 3:26 p.m.



Update on Proposed FY24-25 Budget



Governor's Operating Budget Recommendations – Tennessee Tech FY2024-25

Outcomes Growth (new funding)	\$853,000
Salary Pool*	\$1,839,600
Group Health Insurance	<u>\$821,100</u>
Total recommended <u>new</u> operating appropriations	\$3,513,700
THEC's Reallocation of Base Outcomes	<u>(\$467,200)</u>
Net increase in operating appropriations (recurring and non-recurring)	\$3,046,500
Non-Recurring Funds that were not extended and will impact programs:	
Rural Reimagined(non-recurring)	(\$1,000,000)
NSF Matching – CEROC (non-recurring)	(\$200,000)
<p>*Salary pool is funded at 55% of required amount for 3% increase <i>Note: These amounts could be subject to change until Legislature passes the Governor's recommended budget.</i></p>	



Proposed Funding Increases FY2024-25

State Appropriations	\$3,046,500
Total funding increases	\$3,046,500



Proposed Cost Increases FY2024-25

Partial funding of 3% salary pool w/fringe benefits (55% provided by State) (Total funding needed \$3,253,653 - \$1,406,305 shift to Revised)	\$1,847,348
Faculty Promotion	\$378,052
State Appropriations allocated to Group Health	\$821,100
Total cost increases	\$3,046,500



Anticipated October Revised Funding Increases FY2024-25

Enrollment Adjustment	
Estimated 4%* Tuition Increase (if approved by BOT)	\$2,743,300
Total estimated funding increases	\$2,743,300

*** 1% Undergraduate tuition increase will generate \$685,800 additional dollars*



Anticipated October Revised Cost Increases FY2024-25

Partial funding of 3% salary pool w/fringe benefits (55% provided by State)	\$1,406,305
(Total funding needed \$3,253,653 - \$1,406,305 shift to Revised)	
Scholarships (State-mandated and International)	\$576,000
Software Contracts	\$430,000
Utilities	\$581,000
Other anticipated known expenses	\$1,297,000
Total estimated cost increases	\$4,290,305



Computer Refresh Program

