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2023 November 17 - Board of Trustees Finance and Administration Committee Agenda and Minutes

Board of Trustees, East Tennessee State University

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EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE
NOVEMBER 2023 MEETING

9:45 – 11:15 a.m. EST
Friday
November 17, 2023

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.
Dorothy Grisham
Dr. Linda Latimer
Ron Ramsey
Aamir Shaikh

AGENDA

- I. Call to Order
- II. Roll Call
- III. [Approval of the Committee Minutes from September 15, 2023](#)
- IV. [Presentation of Tuition Transparency Report – Graham \(5 minutes\)](#)
- V. [Action Item: Approval of FY24 October Revised Budgets – Graham \(10 minutes\)](#)
- VI. [Quarterly Report of Agreements \\$250,000 or greater – Roberts \(5 minutes\)](#)
- VII. [Quarterly Financial Report – Graham \(10 minutes\)](#)
- VIII. [CFO Update – Graham \(10 minutes\)](#)
- IX. Other Business
- X. Adjournment

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

November 17, 2023
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, November 17, 2023, at 9:40 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Committee Chair Steve DeCarlo called the meeting to order at 9:40 a.m.

II. Roll Call

Board Secretary Dr. Adam Green conducted the roll call. The following committee members were physically present:

Committee Chair Steve DeCarlo
Trustee Charles Allen
Trustee Dorothy Grisham
Trustee Dr. Linda Latimer
Trustee Aamir Shaikh

Other Trustees in attendance were Janet Ayers, Melissa Steagall-Jones, and Tony Treadway.

III. Approval of the Committee Minutes from September 15, 2023

The minutes from the September 15, 2023, meeting of the Finance and Administration Committee were approved as submitted, with Trustee Charles Allen making the motion and Trustee Linda Latimer seconding the motion. The motion passed unanimously.

IV. Presentation of Tuition Transparency Report

ETSU Chief Financial Officer Christy Graham reminded the committee that each year, governing boards are required to provide a report to the Tennessee General Assembly's Office of Legislative Budget Analysis on expenditures of revenues derived from tuition and fee increases. Since there was no increase in tuition and fees for FY23 at ETSU, our report will be a very simple one.

V. Action Item: Approval of FY24 October Revised Budgets

Ms. Graham reported that within the October 2023 revised budget presented for the Board's consideration is a 4.5% salary enhancement for ETSU regular employees, with an increase in the minimum wage to \$13.65 per hour and a salary ceiling of \$7,500 per employee. The revised budgets for Quillen College of Medicine, Family Medicine, and Gatton College of Pharmacy contain a 4.5% salary enhancement as well as the elevation of entry compensation to \$15 per hour.

Ms. Graham provided a brief summary of the revenue and expense elements of the proposed October budget revision for the main campus. The revised October budget for the main campus and auxiliary expenditures comes to just over \$360 million. Ms. Graham provided a similar analysis for the College of Medicine budget, the Family Medicine budget, and the College of Pharmacy budget. The revised budget for Pharmacy reflects the \$2.5 million state appropriation for the college that was approved earlier this year by the Tennessee General Assembly.

President Noland indicated that the 4.5% salary enhancement is the largest percentage increase in faculty and staff salaries in the modern history of the university. He also explained that the \$7,500 cap will allow the university to drive resources down toward those on the entry level of the wage scale. He also added that the revised minimum wage is a double-digit increase in salaries at that level.

President Noland noted that the revised October budget includes approximately \$1.5 million for a one-time \$500 transition bonus for full-time, benefits-eligible employees that will be applied to paychecks in the month preceding the Voyager/ERP go-live month, to help with the transition from 12 pay periods to 26 pay periods.

The FY24 October Revised Budget was approved unanimously, after a motion by Trustee Allen, seconded by Trustee Grisham.

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

Mr. Ryan Roberts, Director of Procurement and Contracts, reported these contracts/purchase orders that exceed \$250,000, for the period of April through June 2023:

- Assessment Technologies Institute for an extension and amendment of the contract for NCLEX assessment and preparation for RN licensure, in the amount of \$569,449
- McNeely Pigott & Fox Public Relations to develop a media plan, execute the buy, measure campaign performance, optimize base data and analytics, and offer creative consultation, \$260,000
- Belfor, for emergency mitigation services due to the 2022 freeze event, \$477,470

- Amazon Web Services software service charge, \$255,000

Mr. Roberts informed the committee of one RFP that is in process: broker services for medical residents' health insurance.

VII. Quarterly Financial Report

Ms. Christy Graham, Chief Financial Officer, presented the quarterly financial update comparing operating revenues and expenditures from the current year to the prior year. The report covered the first quarter of the fiscal year. Ms. Graham noted that revenue is growing at the same rate as expenses. A breakdown of revenue by source shows a slight (0.1%) decrease in tuition and fees. The budget reflects flat enrollment with a 2.9% tuition increase. Current operating revenue by source shows a total revenue increase of 1.9%.

VIII. CFO Update

Ms. Graham provided an update on the work of the Strategic Resource Alignment Advisory Committee. The committee is in the data-gathering stage and remains on track with the timeline presented during the last Board of Trustees meeting.

Ms. Graham then gave a status report on the Voyager (Oracle) transition. She indicated that January 1 had been targeted as the go-live date, but that date has now been extended to July 1. She said tremendous progress has taken place, but there are some areas that will require additional evaluation and testing. And the July 1 date will provide a clean start for the fiscal year. Chairman DeCarlo stated that he believes the delay is a wise decision, and President Noland added that more time to train employees is vital to the success of the effort. Ms. Graham told the committee that integrity of financial statements was also a key component in the recommendation to delay.

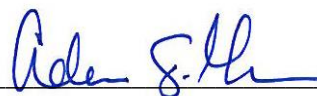
IX. Other Business

There was no other business to come before the committee.

X. Adjournment

Trustee DeCarlo adjourned the meeting at 10:19 a.m.

Respectfully submitted,



Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its February 16, 2024 meeting.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 17, 2023

ITEM: Approval of the Minutes from September 15, 2023

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Dr. Adam Green
Board Secretary

The minutes of the September 15, 2023 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 September 15, 2023 meeting 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

September 15, 2023
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, September 15, 2023, at 10:02 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Committee Chair Steve DeCarlo called the meeting to order at 10:02 a.m.

II. Roll Call

Board Secretary Dr. Adam Green conducted the roll call. All committee members were physically present:

Committee Chair Steve DeCarlo
Trustee Charles Allen
Trustee Dorothy Grisham
Trustee Dr. Linda Latimer
Trustee Ron Ramsey
Trustee Aamir Shaikh

III. Approval of the Committee Minutes from April 21, 2023

The minutes from the April 21, 2023, meeting of the Finance and Administration Committee were approved as submitted, with Trustee Charles Allen making the motion and Trustee Dorothy Grisham seconding the motion. The motion passed unanimously.

IV. Action Item: Approval of Use and Transfer of Debt Service Fee for Athletics

ETSU Chief Financial Officer Christy Graham told the committee that included in the university's program service fee are defined amounts per specific debt of the university. She indicated that our goal is to service the debt of the university and accumulate two years of debt service in a reserve for each project. Because the amounts collected depend on student enrollment, those amounts vary each year. Ms. Graham presented a chart showing three projects that are either overfunded or underfunded based on the amounts being collected. Our

soccer and baseball facility debts are both overfunded while the football stadium is underfunded in the reserve. The reserve holds \$1 million, and the goal is to move this balance to almost \$1.6 million. ETSU currently collects \$29 per student per semester to support this debt service. Staff recommends that ETSU reallocate the \$10 per student that is currently earmarked for soccer debt to football to fully fund the football debt. Staff also recommends that ETSU release \$469,461 from the soccer debt reserve and \$327,499 from the baseball debt reserve to fund athletic facility repairs and improvements. This will leave the debt reserve for soccer with enough to fully fund the remaining debt service and will leave two years' debt service payment in reserve for the baseball debt. The additional program service fee will allow the reserve for football to reach the \$1.6 million mark within the next three years. Ms. Graham asked for the committee's approval to make these changes. (President Noland emphasized that this is not an increase in tuition and fees at all but rather a reallocation of existing fee revenue to cover the debt service payments for football.)

Trustee Allen made a motion that the reallocations be approved. Trustee Grisham seconded the motion. It passed unanimously.

V. Quarterly Financial Report

Ms. Graham presented the quarterly financial report as of the end of June 2023. She indicated that the percentages look very similar to those reported at the end of the previous quarter. Among the key points in the report:

- Revenues increased by 10.57 percent year over year and expenses have gone up 8.76 percent.
- Pharmacy revenue decreased because of a decline in enrollment, with a corresponding decrease in expenses.
- Examining revenue by source, tuition and fee revenues decreased by 2.66 percent, which is related to the out-of-state tuition reset made a few years ago.
- State appropriations increased significantly. The \$20 million received for the implementation of the new ERP system is reflected in the 25 percent increase.
- Tuition and fees and state appropriations continue to constitute the majority of ETSU revenues are fairly evenly distributed.
- Salaries and benefits increased almost 14 percent and scholarships decreased by 13.5 percent.
- All-in revenue and expenses:
 - Revenue increased by 7 percent, and the expenses increased by 6.4 percent. Auxiliary revenue increased significantly at 14.6 percent while the expenses actually decreased. Our all-in revenue is almost \$550 million.
 - Expenses: salary and benefits increased by 12 percent. Scholarships decreased substantially, reflecting the reduction in out-of-state scholarships but also reflecting the Higher Education Emergency Relief Fund Scholarships that we were able to award in 2021-22 but that were not awarded in 2022-23.

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

Mr. Ryan Roberts, Director of Procurement and Contracts, reported on the contracts/purchase orders that exceed \$250,000, for the period of April through June 2023 found in the meeting materials.

Mr. Roberts informed the committee of one RFP that is in process: broker services for medical residents' health insurance.

VII. CFO Update

Ms. Graham reported that the Strategic Resource Alignment Advisory Committee has now begun meeting. In reviewing models for resource allocation, the committee's goals are:

- To develop a framework for setting base budgets and to identify performance-driven metrics for annual adjustments.
- To document budget model management, including policy, governance, and reporting.
- To conduct budget training sessions and workshops for stakeholders and community.

Ms. Graham shared a timeline for the committee's work. Future work of the committee will include a review of Huron budget recommendations, a review of current resource utilization, and an exploration and selection of a new allocation model.

Ms. Graham also provided a brief update on the Voyager (Oracle) transition, which is scheduled to go live in 2024. ETSU is the first university in Tennessee to implement the system and has been able to help other institutions in the state as they begin a similar journey. At ETSU, payroll, human resources, and finance will be the components going live at the first of the year. Ms. Graham said one of the upcoming changes will be conversion to a bi-weekly payroll system for all faculty, staff, graduate students, and students.

President Noland stressed that our priority is to get the transition done right, as opposed to getting it done fast. He emphasized that this is a complete rewiring of the business operations at ETSU.

VIII. Annual Foundation Update

Ms. Pam Ritter, Vice President for University Advancement and President and Chief Executive Officer of the ETSU Foundation, reported that the Foundation had a banner year last year. The Campaign for ETSU raised over \$163 million, surpassing the initial goal of \$120 million.

Other highlights for the division include:

- The launch of a donor recognition site online and on the second floor of Burgin E. Dossett Hall.
- A record number of new inductees into the Distinguished President's Trust, at 74.
- A renaming of The Millennium Center in honor of James and Nellie Brinkley, recognizing their estate gift.
- Two successful "On the Road!" events for ETSU alumni and friends that were held in Atlanta and Charlotte, with plans to go to Houston during this coming year.
- Four Broadway shows staged at the Martin Center, all sellouts.

Ms. Ritter said that 2022-23 was designated as "A Year of Gratitude" for our donors. At a glance, 2022-23 yielded:

- \$14.2 million in new gifts and pledges
- 9,803 gifts
- 4,946 donors, including 974 (or 19.7 percent) who are first-time donors

Among the division's major priorities and initiatives in fund-raising are:

- Academic Building: \$4 million
- Brown Hall (north side): \$1.9 million
- The Integrated Health Services Building: \$3.1 million

Ms. Ritter emphasized that the division's top priority is student opportunities. As an example, she noted the ETSU Marching Bucs' participation in the 2024 Macy's Thanksgiving Day Parade, which will require approximately \$350,000, or some \$1,000 per student.

Ms. Ritter also presented a brief financial overview of the Foundation, pointing out the excellent work done by the Foundation's Investment Committee and investment managers at Goldman Sachs. Our endowment now stands at \$127,150,502, as of June. Fiscal-year-to-date performance of the portfolio held by Goldman Sachs was 12.97 percent as of June.

IX. Annual Capital Projects and Facilities Update

Mr. Jeremy Ross, Chief Operating Officer, presented this report, beginning with a summary of capital disclosures, totaling \$95,650,000. Specific items include a new residence hall, a new parking garage, campus-wide paving and repair, and an elevator for the Millennium parking garage.

The capital maintenance submission totaled \$16,940,000 and includes items such as safety lighting and alarm replacement; roof replacements; steam line repairs and replacements;

electrical repairs and replacement; exterior structural repairs; HVAC and plumbing repairs; and electrical upgrades.

Projects in design, totaling \$191,900,000, include the Integrated Health Services Building; the new Academic Building; phase 1 of Brown Hall; housing maintenance and renovation; phase 2 of University Commons; Powell Hall renovation; and improvements at Thomas Stadium and the Warren-Greene Golf Facility. Phase II of Brown Hall will be resubmitted to THEC for funding consideration as part of their annual review.

Mr. Ross also reported on Campus Master Plan issues, including a revisit of the 2014 Campus Master Plan. Roughly 75 percent of it has been completed. He indicated that a master planning group has been conducting workshops, interviews, and surveys across campus and with the city. Among the themes that are developing is the need for certain new academic programs, which is linked closely with space and enrollment. Other factors that the university is tracking include daytime weekly room hours, daytime station occupancy, parking, most common walking routes to and through campus, and building conditions.

Mr. Ross said the consensus of opinion, gathered through the master planning group, is that recent improvements on campus have created a positive, impactful change in the student experience. Mr. Ross then provided an update on the next phase of the University Commons project. At a cost of \$4.5 million, it is projected to be complete in the fall of 2024. Bids will be released in 30 days, with construction to begin next summer. Mr. Ross called the project “a 30-year dream.”

Mr. Ross told the committee that phase 1 of campus steam line repair was completed in August, at a cost of \$7.45 million. Also completed this summer, at a cost of \$4 million, was the renovation of Gilbreath Hall. In addition, Mr. Ross presented a series of slides related to the renovation of Burleson Hall. That project, estimated to cost about \$8.1 million, is scheduled for completion in the fall of 2025.

Mr. Ross concluded by presenting a brief video featuring the recently completed renovations to Lamb Hall.

X. Other Business

There was no other business to come before the committee.

XI. Adjournment

Trustee DeCarlo adjourned the meeting at 11:22 a.m.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 17, 2023

ITEM: Presentation of Tuition Transparency Report

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Christy Graham
Chief Financial Officer and
Vice President of Business and Finance

Tennessee Code Annotated §49-7 was amended in 2018 and includes the following provision:

49-7-1604

By February 1 of each year, each governing board shall provide a report to the office of legislative budget analysis, for distribution to the general assembly, with information regarding expenditures of revenue derived from any tuition and fees increase in the previous full academic year. The report shall include how revenues were used, the effect on student financial aid, and the effect on the average total cost of attendance per student.

The report below will be delivered to the Office of Legislative Budget Analysis on behalf of the ETSU Board of Trustees.



Compliance with 2018 Public Acts, Chapter 614

Tuition Transparency and Accountability Act

T.C.A. §49-7-1604

By February 1 of each year, each governing board shall provide a report to the office of legislative budget analysis, for distribution to the general assembly, with information regarding expenditures of revenues derived from any tuition and fees increase in the previous full academic year. The report shall include how revenues were used, the effect on student financial aid, and the effect on the average total cost of attendance per student.

For Fiscal Year 2022-23	
*Total Tuition and Mandatory Fee increase @ 15 credit hours	0%

Tuition Sources and Uses	
Tuition increase of 0% = \$0	
Effect of Average Cost of Attendance per student = \$0 per semester @ 15 credit hours	
Effect on Student Financial Aid = None	
Uses of Revenues	Dollars
	\$0

Other Mandatory Fees Sources and Uses	
Other Mandatory Fees increase of 0% = \$0; fee caps at 8 credit hours	
Effect of Average Cost of Attendance per student = \$0 per semester @ 8 credit hours	
Effect on Student Financial Aid = None	
Uses of Revenues	Dollars
	\$0

* All public institutions in Tennessee held tuition and fees flat for 2022-23 academic year.

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

ACTION ITEM

DATE: November 17, 2023

ITEM: Approval of FY24 October Revised Budgets

COMMITTEE: Finance and Administration Committee

RECOMMENDED ACTION: Approve

PRESENTED BY: Christy Graham
Chief Financial Officer and
Vice President of Business and Finance

In compliance with Tennessee Code Annotated 49-8-203 (a) (10) (C), ETSU Budget Control Policy 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) and the three non-formula units (College of Medicine, Family Medicine, and College of Pharmacy). The three budgets prepared each year are:

- 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.

Staff will present for the Trustees consideration the October 2023 revisions to the 2023-24 budgets for the one formula funded unit (Main Campus) and three non-formula units (Quillen College of Medicine, Family Medicine, and Gatton College of Pharmacy). During the April 21, 2023 meeting, the Trustees adopted the proposed 2023-24 budgets for the university. The proposed budgets for the fiscal year are based on the estimates for revenue and expenditures as of the time the budget is prepared. The fall enrollment and adjusted appropriation figures for revenue budgets have been received, along with adjustments from fiscal year-end closing that provides for the carryforward of budgets for operational expenses. Contained within the October 2023 revised budgets is a 4.5 percent salary enhancement for ETSU regular employees (including the President), with an increase to a minimum wage of \$13.65 per hour and a ceiling of \$7,500. The revised budgets for the Quillen College of Medicine, Family Medicine, and the Gatton College of Pharmacy contain a 4.5 percent salary enhancement as well as the elevation of entry compensation to \$15.00 per hour. The details of the original and revised budgets are outlined in the following materials.

MOTION: I move that the Board of Trustees adopt the October revisions to the 2023-24 university budget.

RESOLVED: Upon the recommendation of the Finance and Administration Committee, the Board of Trustees approves the university's October revisions to the 2023-24 university budget.

Main Campus October Revised Budget

	Actual 22-23	Original 23-24	October Revised	Increase (Decrease)	Addition of Carryforward	Total October Revised Budget
Revenue	\$263,739,665	\$268,983,200	\$270,924,600	\$1,941,400	\$0	\$270,924,600
Auxiliaries Revenue	28,884,161	30,109,000	32,177,000	2,068,000	0	32,177,000
<i>Total Revenue</i>	<i>\$292,623,826</i>	<i>\$299,092,200</i>	<i>\$303,101,600</i>	<i>\$4,009,400</i>	<i>\$0</i>	<i>\$303,101,600</i>
Expenditures and Transfers						
Instruction	\$109,283,697	\$120,293,000	\$119,656,170	(636,830)	\$15,002,530	\$134,658,700
Research	4,269,576	6,154,900	6,107,740	(47,160)	5,485,560	11,593,300
Public Service	3,537,993	3,969,300	4,191,660	222,360	1,083,340	5,275,000
Academic Support	22,735,177	26,561,000	26,480,960	(80,040)	5,816,240	32,297,200
Student Services	28,588,786	30,407,900	31,221,600	813,700	1,848,200	33,069,800
Institutional Support	22,111,946	20,815,400	20,730,420	(84,980)	22,918,080	43,648,500
Facilities	17,609,065	21,335,300	21,520,480	185,180	1,632,620	23,153,100
Scholarships	26,502,923	30,221,800	29,475,570	(746,230)	210,330	29,685,900
<i>Total before transfers</i>	<i>234,639,163</i>	<i>259,758,600</i>	<i>259,384,600</i>	<i>(374,000)</i>	<i>53,996,900</i>	<i>313,381,500</i>
Debt Service	6,146,327	6,101,600	6,166,900	65,300		6,166,900
Non-Mandatory Transfers	7,953,561	3,017,500	2,975,700	(41,800)	5,600,000	8,575,700
Auxiliaries Exp & Tnfrs	28,691,384	30,034,800	32,014,200	1,979,400		32,014,200
<i>Total Exp & Transfers</i>	<i>\$277,430,435</i>	<i>\$298,912,500</i>	<i>\$300,541,400</i>	<i>\$1,628,900</i>	<i>\$59,596,900</i>	<i>\$360,138,300</i>

FT Unrestricted and Auxiliary Positions	Original 23-24	October Revised	Increase (Decrease)
Faculty	727	729	2
Administration	37	38	1
Maint/Tech/Support	460	445	(15)
Professional Support	570	579	9
Sub Total	1,794	1,791	(3)
Auxiliaries	45	46	1
Total	1,839	1,837	(2)

Quillen College of Medicine October Revised Budget

	Actual 22-23	Original 23-24	October Revised	Increase (Decrease)
Revenue	70,464,840	80,579,500	76,629,800	(3,949,700)
<u>Expenditures and Transfers</u>				
Instruction	41,835,991	64,668,000	56,613,100	(8,054,900)
Research	5,310,150	4,908,300	6,223,600	1,315,300
Academic Support	8,347,436	9,867,200	9,259,800	(607,400)
Student Services	2,692,479	3,618,600	3,894,500	275,900
Institutional Support	3,281,164	3,962,800	4,067,500	104,700
Facilities	5,492,020	7,400,300	7,369,500	(30,800)
Scholarships	250,000	260,000	260,000	-
Total before transfers	67,209,240	94,685,200	87,688,000	(6,997,200)
Debt Service	93,459	106,000	106,000	-
Non-Mandatory Transfers	173,878	(14,311,400)	(6,463,000)	7,848,400
Total	67,476,577	80,479,800	81,331,000	851,200

FT Unrestricted Positions	Original 23-24	October Revised	Increase (Decrease)
Faculty	169	165	(4)
Administration	5	5	-
Maint/Tech/Support	106	103	(3)
Professional Support	102	110	8
Total	382	383	1

Family Medicine October Revised Budget

	Actual 22-23	Original 23-24	October Revised	Increase (Decrease)
Revenue	20,079,724	19,802,700	20,742,700	940,000
<u>Expenditures and Transfers</u>				
Instruction	13,975,819	14,187,400	15,938,505	1,751,105
Research	120,144	312,100	351,070	38,970
Academic Support	3,478,532	3,914,100	4,142,700	228,600
Institutional Support	1,396,909	1,691,200	1,586,560	(104,640)
Facilities	434,386	487,500	950,560	463,060
Total before transfers	19,405,790	20,592,300	22,969,395	2,377,095
Non-Mandatory Transfers	-	(793,200)	(919,336)	(126,136)
Total	19,405,790	19,799,100	22,050,059	2,250,959

FT Unrestricted Positions	Original 23-24	October Revised	Increase (Decrease)
Faculty	31	33	2
Administration	-	-	-
Maint/Tech/Support	51	51	-
Professional Support	31	31	-
Total	113	115	2

Gatton College of Pharmacy October Revised Budget

	Actual 22-23	Original 23-24	October Revised	Increase (Decrease)
Revenue	\$ 8,724,211	\$ 7,909,100	\$ 8,593,500	\$ 684,400
<u>Expenditures and Transfers</u>				
Instruction	\$ 5,305,193	\$ 4,316,500	\$ 3,865,500	\$ (451,000)
Research	80,861	57,000	564,400	507,400
Public Service	286,110	470,000	655,800	185,800
Academic Support	1,579,177	1,579,700	1,738,600	158,900
Student Services	800,980	877,400	919,900	32,500
Institutional Support	541,543	537,800	577,700	19,900
Facilities	381,114	403,600	414,900	11,300
Scholarships	493	13,000	197,700	184,700
Total before transfers	8,975,471	8,265,000	8,914,500	649,500
Debt Service	672,948	671,400	671,000	(400)
Non-Mandatory Transfers	61,983	(1,027,300)	(395,200)	632,100
Total	\$ 9,710,402	\$ 7,909,100	\$ 9,190,300	\$ 1,281,200

FT Unrestricted Positions	Original 23-24	October Revised	Increase (Decrease)
Faculty	29	30	1
Administration	1	1	-
Maint/Tech/Support	12	12	-
Professional Support	12	11	(1)
Total	54	54	-

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 17, 2023

ITEM: Quarterly Report of Agreements \$250,000 or greater

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Ryan Roberts
Director, Procurement and Contract Services

Staff will provide Trustees with an update of expenses and revenue with amounts totaling \$250,000 or greater for the period of July 2023 – September 2023.

July - September 2023
Contracts / Purchase Orders over \$250,000

Contract/ PO Date		Contractor	Description of Services/Products	Contract / PO Amount	\$ Annual Contract	Competitive	Fiscal Review Approval
Start	End						
08/10/23	08/08/24	Assessment Technologies Institute, LLC	Extension and Amendment of contract for NCLEX assessment and preparation for RN Licensure	\$569,449	\$569,449	Yes	N/A
09/08/23	09/07/24	McNeely Pigott & Fox Public Relations	Develop media plan, execute the buy, measure campaign performance, optimize base data and analytics; offer creative consultation	\$260,000	\$260,000	Yes	N/A
08/01/23	07/31/24	Belfor	Emergency Mitigation Services due to 2022 Freeze Event	\$477,470	\$477,470	No	N/A
07/01/23	06/30/24	Amazon Web Services (AWS)	Amazon Web Services (AWS) Software service charge	\$255,000	\$255,000	Yes	N/A

RFI/RFPs –In-Process and Upcoming

Broker Services for Medical Residents Health Insurance(s) – Upcoming 02/2024

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

INFORMATION ITEM

DATE: November 17, 2023

ITEM: Quarterly Financial Report

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Christy Graham
Chief Financial Officer and
Vice President of Business and Finance

The tables below summarize financial activities for the university through September of fiscal year 2022-23. The comparison is current year to prior year for the same three-month period.

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

Unrestricted E&G Year-to-Year Comparisons Year-to-Date 9-30-2022 & 9-30-2023				
	FY2022-23	FY2023-24	Change	
			\$	%
REVENUES				
By Appropriation Unit				
Main Campus	\$103,272,163	\$109,265,521	\$5,993,358	5.8%
Medicine/Family Med	21,506,615	23,859,946	2,353,331	10.9%
Pharmacy	4,118,902	2,759,857	(1,359,045)	(33.0%)
TOTAL REVENUE	\$128,897,680	\$135,885,324	\$6,987,644	5.4%
By Revenue Source				
Tuition and Fees	\$83,304,889	\$83,189,174	(\$115,715)	(.1%)
State Appropriations	35,893,880	39,089,000	3,195,120	8.9%
Grants, Contracts, Gifts	848,670	858,173	9,503	1.1%
Other	8,850,241	12,748,977	3,898,736	44.1%
TOTAL REVENUE	\$128,897,680	\$135,885,324	\$6,987,644	5.4%

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

Unrestricted E&G Year-to-Year Comparisons Year-to-Date 9-30-2022 & 9-30-2023				
	FY2022-23	FY2023-24	\$	Change %
EXPENDITURES				
By Appropriation Unit				
Main Campus	\$66,872,205	\$69,464,145	\$2,591,940	3.9%
Medicine/Family Med	19,780,111	21,964,802	2,184,691	11.0%
Pharmacy	2,136,990	2,182,031	45,041	2.1%
TOTAL EXPENSE	\$88,789,307	\$93,610,979	\$4,821,672	5.4%
By Natural Classification				
Salaries & Benefits	\$61,527,881	\$63,751,927	\$2,224,047	3.6%
Operating	12,907,601	15,739,515	2,831,914	21.9%
Capital/Equipment	163,698	91,551	(72,147)	(44.1%)
Scholarships/Fellowships	13,949,962	13,643,204	(306,757)	(2.2%)
Transfers to Other Funds	240,165	384,781	144,615	60.2%
TOTAL EXPENSE	\$88,789,307	\$93,610,979	\$4,821,672	5.4%
By Functional Classification				
Instruction	\$41,305,277	\$43,230,143	\$1,924,866	4.7%
Research	1,801,238	2,426,340	625,101	34.7%
Public Services	736,496	895,157	158,662	21.5%
Academic Support	8,789,587	9,420,016	630,429	7.2%
Student Services	7,998,805	8,208,038	209,233	2.6%
Institutional Support	7,760,920	8,716,061	955,140	12.3%
Physical Plant	6,219,441	6,705,662	486,221	7.8%
Scholarships/Fellowships	13,940,120	13,635,730	(304,389)	(2.2%)
Transfers to Other Funds	237,423	373,832	136,402	57.5%
TOTAL EXPENSE	\$88,789,307	\$93,610,979	\$4,821,672	5.4%

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 9-30-2022 & 9-30-2023

	FY2022-23	FY2023-24	Change	
			\$	%
REVENUES				
By Current Fund Type				
Unrestricted E&G	\$128,897,680	\$135,885,324	\$6,987,644	5.4%
Auxiliaries	14,302,171	15,813,716	1,511,545	10.6%
Restricted Funds	54,012,081	49,177,330	(4,834,751)	(9.0%)
TOTAL REVENUE	\$197,211,932	\$200,876,370	3,664,438	1.9%
REVENUES				
By Revenue Sources				
Tuition and Fees	\$83,791,346	\$83,672,236	(\$119,110)	(0.1%)
State Appropriations	36,024,180	39,089,000	3,064,820	8.5%
Grants, Contracts, Gifts	55,087,890	50,648,897	(4,438,993)	(8.1%)
Other	8,006,345	11,652,521	3,646,176	45.5%
Auxiliaries	14,302,171	15,813,716	1,511,545	10.6%
TOTAL REVENUE	\$197,211,932	\$200,876,370	\$3,664,438	1.9%

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

Current Operating Funds (Unrestricted/Auxiliaries/Restricted) Year-to-Year Comparisons Year-to-Date 9-30-2022 & 9-30-2023				
	FY2022-23	FY2022-23	Change	
			\$	%
EXPENDITURES				
By Current Fund Type				
Unrestricted E&G	\$88,789,866	\$93,610,979	\$4,821,113	5.4%
Auxiliaries	2,189,987	2,347,032	157,045	7.2%
Restricted Funds	39,949,992	43,450,289	3,500,297	8.8%
TOTAL EXPENSE	\$130,929,845	\$139,408,300	8,478,455	6.5%
EXPENDITURES				
By Natural Classification				
Salaries & Benefits	\$72,379,930	\$75,279,211	\$2,899,281	4.0%
Operating	18,869,289	23,610,208	4,740,919	25.1%
Capital/Equipment	213,868	156,064	(57,804)	(27.0%)
Scholarships/Fellowships	39,215,845	39,963,999	748,154	1.9%
Transfers to Other Funds	250,913	398,818	147,905	58.9%
TOTAL EXPENSE	\$130,929,845	\$139,408,300	8,478,455	6.5%
EXPENDITURES				
By Functional Classification				
Instruction	\$42,519,619	\$44,842,353	\$2,322,734	5.1%
Research	5,644,765	6,280,238	635,473	11.3%
Public Services	11,388,454	13,862,392	2,473,938	21.7%
Academic Support	8,873,718	9,441,616	567,898	6.4%
Student Services	8,144,794	8,276,216	131,422	1.6%
Institutional Support	8,345,414	9,168,110	822,696	9.9%
Physical Plant	6,259,867	6,758,402	498,535	8.0%
Scholarships/Fellowships	37,325,242	38,058,109	732,867	2.0%
Transfers to Other Funds	237,985	373,832	135,847	57.1%
Auxiliaries	2,189,987	2,347,032	157,045	7.2%
Aux Trsfrs to Other Funds	-	-	-	-
TOTAL EXPENSE	\$130,929,845	\$139,408,300	8,478,455	6.5%

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES

INFORMATION ITEM

DATE: November 17, 2023

ITEM: CFO Update

COMMITTEE: Finance and Administration Committee

PRESENTED BY: Christy Graham
Chief Financial Officer and
Vice President of Business and Finance

Staff will provide an update to the Board on the following initiatives underway across the Division of Business and Finance including:

Business and Finance Initiatives

- ERP/EPM Implementation
 - Update on progress
- Strategic Resource Alignment Advisory Committee
 - Update on progress
 - Conducted two meetings – 9/22 and 10/27
 - Focus on education of the current budget model, the Huron recommendations, and a general review of college and university budgeting.
 - On-going activity
 - Academic data dashboard creation is underway.
 - Initial review of current budgeting practices and policies.
 - Finalizing dashboard, including financial analysis.
 - Pursuing deeper budget analyses.
 - Next steps
 - Creating sub-committees to divide work on setting base budgets, goals and targets, etc.