



Committee on Finance and Business Operations
Telephonic Meeting
Wednesday, April 8, 2015
9:30 a.m. CDT

- 1) Call to Order
- 2) Roll Call
- 3) Remarks by Chairperson / Chancellor
- 4) New Business
 - a) Review of Background Materials
 - b) Discussion of Information Needs & Next Steps
- 5) Old Business
- 6) Other Business
- 7) Adjourn



TENNESSEE BOARD OF REGENTS
STATE UNIVERSITY & COMMUNITY COLLEGE SYSTEM OF TENNESSEE

Committee on Finance & Business Operations

Maintenance Fee & Tuition Discussion

April 8, 2015

Discussion Topics

- Preliminary Schedule
- Background Information
- Framework for Consideration of Maintenance Fee Proposals
- Review of Indicated Student Revenue Increases
- Other Business
- Next Steps



Preliminary Schedule

- April 8th: Telephonic Meeting
 - Review process and background information
 - Provide staff guidance on informational needs
- May 7th: Proposed Meeting @ TBR Offices
 - Review initial indicated student revenue increase levels
 - Review of information developed, including institutional feedback
 - Community College Collaboration Project Presentation & Discussion
- May 27th: After Committee Chairs Meeting
 - Receive staff recommendations on maintenance fees & tuition
 - Consider making recommendations to the full Board
- June 18th: Committee Meeting
 - “Committee Day” for Quarterly Board Meeting
- June 19th: Board Meeting
 - Committee Recommendations Considered by Board



General Financial Environment

- Governor's budget includes full funding of operating outcomes improvements – additional \$25.7 million (\$16.0 million for TBR).
- This represents a 2.7% increase in recurring general funding (not evenly distributed)
 - Universities: 2.7%
 - Community Colleges: 3.3%
 - Technology Centers: 0.4%
- Governor's budget includes a 1.5% employee salary increase pool
 - 1.5% salary pool not fully funded with state funds



FY 2015-16 State Funds (recommended)

1 2 3 4 5 6	COLUMN	A	B	C	D	E	F	G H I J			
		Recurring 2014-15 Approp.	Outcome Adjustments	Non-formula Operating Increase	Health Insurance	Salary Increase	Total Recommended 2015-16	Total	%	Exc. Salary & Benefits	%
7	APSU	34,239,800	2,029,000	-	136,900	562,000	36,967,700	2,727,900	8.0%	2,029,000	5.9%
8	ETSU	48,048,900	1,852,600	-	265,700	921,800	51,089,000	3,040,100	6.3%	1,852,600	3.9%
9	MTSU	82,830,300	1,247,300	-	346,900	1,430,700	85,855,200	3,024,900	3.7%	1,247,300	1.5%
10	TSU	32,088,900	24,400	-	159,500	613,100	32,885,900	797,000	2.5%	24,400	0.1%
11	TTU	38,394,000	6,400	-	176,700	724,600	39,301,700	907,700	2.4%	6,400	0.0%
12	UOM	89,331,900	3,719,200	-	351,200	1,716,000	95,118,300	5,786,400	6.5%	3,719,200	4.2%
13	Subtotal	324,933,800	8,878,900	-	1,436,900	5,968,200	341,217,800	16,284,000	5.0%	8,878,900	2.7%
14											
15	CHSCC	25,994,800	938,100	-	94,600	408,400	27,435,900	1,441,100	5.5%	938,100	3.6%
16	CLSCC	8,845,800	313,500	-	33,800	137,000	9,330,100	484,300	5.5%	313,500	3.5%
17	COSCC	12,340,600	274,200	-	34,700	186,400	12,835,900	495,300	4.0%	274,200	2.2%
18	DSCC	7,344,200	351,700	-	29,200	111,400	7,836,500	492,300	6.7%	351,700	4.8%
19	JSCC	11,091,600	89,500	-	43,800	170,000	11,394,900	303,300	2.7%	89,500	0.8%
20	MSCC	10,644,700	160,400	-	30,900	166,700	11,002,700	358,000	3.4%	160,400	1.5%
21	NASCC	15,851,000	733,200	-	54,300	292,300	16,930,800	1,079,800	6.8%	733,200	4.6%
22	NECC	13,235,100	1,049,200	-	61,200	242,000	14,587,500	1,352,400	10.2%	1,049,200	7.9%
23	PSCC	23,418,600	1,661,300	-	87,200	422,100	25,589,200	2,170,600	9.3%	1,661,300	7.1%
24	RSCC	17,395,300	316,400	-	48,300	246,100	18,006,100	610,800	3.5%	316,400	1.8%
25	STCC	24,676,500	138,200	-	75,900	368,300	25,258,900	582,400	2.4%	138,200	0.6%
26	VSCC	16,238,600	589,000	-	68,900	292,900	17,189,400	950,800	5.9%	589,000	3.6%
27	WSCC	20,352,800	270,400	-	67,900	271,800	20,962,900	610,100	3.0%	270,400	1.3%
28	Subtotal	207,429,600	6,885,100	-	730,700	3,315,400	218,360,800	10,931,200	5.3%	6,885,100	3.3%
29											
30	TCAT	55,346,600	210,700	-	136,300	676,500	56,370,100	1,023,500	1.8%	210,700	0.4%
31											
32	Academic Units	587,710,000	15,974,700	-	2,303,900	9,960,100	615,948,700	28,238,700	4.8%	15,974,700	2.7%
33											
34	TBR	5,133,100	-	106,300	21,500	203,900	5,464,800	331,700	6.5%	106,300	2.1%
35	Access & Diversity	10,048,800	-	208,100	-	-	10,256,900	208,100	2.1%	208,100	2.1%
36	ETSU-COM	28,948,800	-	599,600	55,600	623,300	30,227,300	1,278,500	4.4%	599,600	2.1%
37	ETSU-FP	6,130,800	-	127,000	9,900	179,800	6,447,500	316,700	5.2%	127,000	2.1%
38	TSU McMinnville Ctr	560,400	-	11,600	-	3,500	575,500	15,100	2.7%	11,600	2.1%
39	TSU Inst. of A&E	2,278,500	-	47,200	-	14,600	2,340,300	61,800	2.7%	47,200	2.1%
40	TSU Coop. Ext	3,108,900	-	64,400	-	32,700	3,206,000	97,100	3.1%	64,400	2.1%
41	TSU Forestry	179,400	-	3,700	-	300	183,400	4,000	2.2%	3,700	2.1%
42	TOTAL	\$ 644,098,700	\$ 15,974,700	\$ 1,167,900	\$ 2,390,900	\$ 11,018,200	\$ 674,650,400	\$ 30,551,700	4.7%	\$ 17,142,600	2.7%



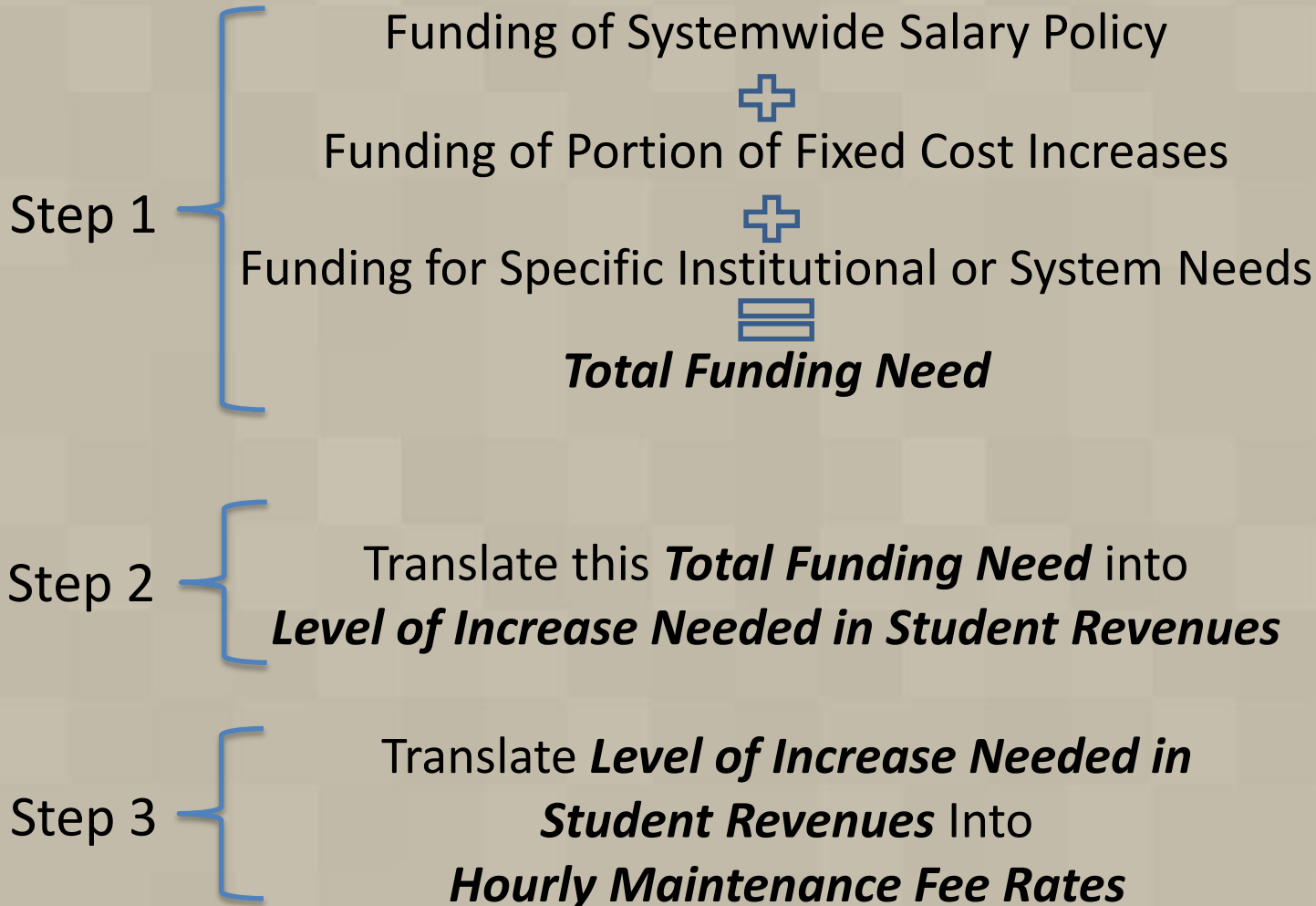
THEC Tuition Guidance

In November 2014, THEC adopted the following tuition guidance for Tennessee's public higher education institutions, assuming that the funding for institutions would be increased by \$25.7 million or 2.7%. The Governor's budget includes this funding.

- 0% to 4% at Universities, Community Colleges, and TCATs



Decision Framework



Salary Increase – Cost vs. State Appropriation

	<u>Cost of 1.5%</u> <u>Salary Inc</u>	<u>State</u> <u>Appropriation</u>	<u>Unfunded</u> <u>Portion</u>	<u>Tuition Inc</u> <u>Needed</u>
APSU	1,005,000	562,000	443,000	0.8%
ETSU	1,648,500	921,800	726,700	0.8%
MTSU	2,558,500	1,430,700	1,127,800	0.8%
TSU	1,096,400	613,100	483,300	0.7%
TTU	1,295,800	724,600	571,200	0.7%
UOM	3,069,300	1,716,000	1,353,300	1.0%
Subtotal	10,673,500	5,968,200	4,705,300	0.8%
CHSCC	602,600	408,400	194,200	0.7%
CLSCC	201,700	137,000	64,700	0.7%
COSCC	275,000	186,400	88,600	0.7%
DSCC	164,300	111,400	52,900	0.8%
JSCC	250,900	170,000	80,900	0.6%
MSCC	246,000	166,700	79,300	0.6%
NASCC	431,200	292,300	138,900	0.5%
NESCC	357,000	242,000	115,000	0.7%
PSCC	622,800	422,100	200,700	0.7%
RSCC	363,100	246,100	117,000	0.8%
STCC	543,500	368,300	175,200	0.7%
VSCC	432,200	292,900	139,300	0.6%
WSCC	401,100	271,800	129,300	0.7%
Subtotal	4,891,400	3,315,400	1,576,000	0.7%
TCATs	831,800	676,500	155,300	0.6%
Total	16,396,700	9,960,100	6,436,600	0.8%



Non Personnel Inflation

CPI, All Urban Consumers, US City Avg	
Dec. 2014	229.909
Dec. 2013	229.174
Annual Change in Index Value	0.735
Annual Percentage Change	0.32%
Share of Inflation to Replace	80%
Inflationary Costs to Replace	0.26%



Non Personnel Inflation

	<u>Operating</u>	<u>Travel</u>	<u>Equipment</u>	<u>Total</u>	Est. Inflation Cost @ 0.26%	Net Maint. Fees & Tuition	Indicated Revenue Increase
APSU	28,782,200	1,764,000	368,500	30,914,700	80,400	54,950,836	0.1%
ETSU	51,425,000	2,042,500	853,500	54,321,000	141,200	87,465,446	0.2%
MTSU	77,070,500	4,858,100	5,974,700	87,903,300	228,500	139,741,515	0.2%
TSU	35,313,500	2,415,000	260,800	37,989,300	98,800	68,327,856	0.1%
TTU	47,335,300	2,000,000	497,900	49,833,200	129,600	78,536,726	0.2%
UOM	117,757,500	10,618,900	1,162,200	129,538,600	336,800	129,690,866	0.3%
Community Colleges	123,189,900	5,552,400	5,584,400	134,326,700	349,200	236,040,410	0.1%
TCATs	19,999,200	988,000	75,000	21,062,200	54,800	27,519,200	0.2%



APSU

Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institution's share of 1.5% salary increase	0.8%	\$ 443,000
Inflation (80%)	0.1%	80,400
Subtotal	<u>0.9%</u>	<u>\$ 523,400</u>
Institutional Request		
Grand Total	<u>0.9%</u>	<u>\$ 523,400</u>
FY 15-16 Incr. in State Funds (outcomes/salary/health ins.)		<u>\$ 2,727,900</u>



ETSU

Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institution's share of 1.5% salary increase	0.8%	\$ 726,700
Inflation (80%)	0.2%	141,200
Subtotal	<u>1.0%</u>	<u>\$ 867,900</u>
Institutional Request		
Grand Total	<u><u>1.0%</u></u>	<u><u>\$ 867,900</u></u>
FY 15-16 Incr. in State Funds (outcomes/salary/health ins.)		<u>\$ 3,040,100</u>



MTSU

Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institution's share of 1.5% salary increase	0.8%	\$ 1,127,800
Inflation (80%)	0.2%	228,500
Subtotal	<u>1.0%</u>	<u>\$ 1,356,300</u>
Institutional Request		
Grand Total	<u>1.0%</u>	<u>\$ 1,356,300</u>
FY 15-16 Incr. in State Funds (outcomes/salary/health ins.)		<u>\$ 3,024,900</u>



TSU

Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institution's share of 1.5% salary increase	0.7%	\$ 483,300
Inflation (80%)	0.1%	98,800
Subtotal	<u>0.8%</u>	<u>\$ 582,100</u>
Institutional Request		
Grand Total	<u><u>0.8%</u></u>	<u><u>\$ 582,100</u></u>
FY 15-16 Incr. in State Funds (outcomes/salary/health ins.)		<u>\$ 797,000</u>



TTU

Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institution's share of 1.5% salary increase	0.7%	\$ 571,200
Inflation (80%)	0.2%	129,600
Subtotal	<u>0.9%</u>	<u>\$ 700,800</u>
Institutional Request		
Grand Total	<u>0.9%</u>	<u>\$ 700,800</u>
FY 15-16 Incr. in State Funds (outcomes/salary/health ins.)		<u>\$ 907,700</u>



UoM

Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institution's share of 1.5% salary increase	1.0%	\$ 1,353,300
Inflation (80%)	0.3%	336,800
Subtotal	<u>1.3%</u>	<u>\$ 1,690,100</u>
Institutional Request		
Grand Total	<u>1.3%</u>	<u>\$ 1,690,100</u>
FY 15-16 Incr. in State Funds (outcomes/salary/health ins.)		<u>\$ 5,786,400</u>



Community Colleges

Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institutions' share of 1.5% salary increase	0.7%	\$ 1,576,000
Inflation (80%)	0.1%	349,200
Subtotal	<u>0.8%</u>	<u>\$ 1,925,200</u>
Institutional Request		
Grand Total	<u><u>0.8%</u></u>	<u><u>\$ 1,925,200</u></u>



FY 15-16 Change in State Appropriations to Community Colleges

<u>Institution</u>	Recurring Change	
	Total	Exc. Salary & Benefits
CHSCC	\$ 1,441,100	\$ 938,100
CLSCC	484,300	313,500
COSCC	495,300	274,200
DSCC	492,300	351,700
JSCC	303,300	89,500
MSCC	358,000	160,400
NASCC	1,079,800	733,200
NE SCC	1,352,400	1,049,200
PS CC	2,170,600	1,661,300
RSCC	610,800	316,400
STCC	582,400	138,200
VSCC	950,800	589,000
WSCC	610,100	270,400
Total	\$ 10,931,200	\$ 6,885,100



Colleges of Applied Technology Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
Institutions' share of 1.5% salary increase	0.6%	\$ 155,300
Inflation (80%)	0.2%	54,800
Subtotal	<u>0.8%</u>	<u>\$ 210,100</u>
Institutional Request	0.0%	-
Grand Total	<u><u>0.8%</u></u>	<u><u>\$ 210,100</u></u>
FY 15-16 Incr. in State Funds (outcomes/salary/health ins.)		<u>\$ 1,023,500</u>



Summary

Indicated Student Revenue Increase

	Increase Required in Student Revenues		
	Salary Increase	Inflation	Total
APSU	0.8%	0.1%	0.9%
ETSU	0.8%	0.2%	1.0%
MTSU	0.8%	0.2%	1.0%
TSU	0.7%	0.1%	0.8%
TTU	0.7%	0.2%	0.9%
UOM	1.0%	0.3%	1.3%
Community Colleges	0.7%	0.1%	0.8%
TCATs	0.6%	0.2%	0.8%



Maintenance Fee & Tuition Rates Used by the TBR System

Types of Rates

- Undergraduate
- Graduate
- Hours Exceeding 12 Undergraduate or 10 Graduate
- Professional Schools
 - Law (UoM)
 - Medical (ETSU)
 - Pharmacy (ETSU)
- Trimester rate (TCAT's)
- Regents On-line Campus Collaborative (ROCC)
- eRate

Rates Set For:

- Each University Individually
- Community College System
- TCAT System
- Regents On-line Campus Collaborative (ROCC)

AND

- Tennessee Residents
- Non-Residents



Other Business



Suggested Next Steps

- Committee members communicate to staff:
 - Any additional information needs; and
 - Feedback on indicated student revenue increase levels
- Staff will analyze feedback from institutions on the indicated maintenance fee increase levels.
- Staff will analyze institution-specific initiatives and summarize for Committee discussion.



End of Document

