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

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# Committee on Finance & Business Operations

May 7, 2015

Revised 5-6-15

# Agenda

- Report on Institutional Efficiency Initiatives
- Proposal to Eliminate Charge for Hours 13, 14, & 15
- Review of Employee Compensation Pool
- Review of Indicated Student Revenue Increases
- Review of Incidental Fee Items
- Review of Huron Report



# Report on Institutional Efficiencies

- Requested data from institutions on efficiency initiatives as part of Fall Institutional Briefings
- “Inventory of Recent Efficiency and/or Cost Savings Initiatives” details:
  - Over 300 individual initiatives
  - Covering multiple functional areas
  - With specific savings of over \$15 million identified
  - Many initiatives focus on improved service to students



# Summary of Efficiencies Report

Area	Count	Saving - Low End	Savings - High End
Academic Affairs	16	\$ 250,300	\$ 250,300
Auxiliary Services	1	\$ 60,000	\$ 70,000
Business Operations	96	\$ 783,614	\$ 866,389
Energy Efficiency	53	\$ 3,586,407	\$ 3,586,407
Financial Aid	26	\$ 145,575	\$ 145,575
Human Resources	25	\$ 5,656,800	\$ 5,656,800
Information Technology	29	\$ 1,709,204	\$ 1,709,204
Maintenance & Operations	24	\$ 2,871,000	\$ 2,921,000
Other	1	\$ 19,000	\$ 19,000
Process Improvements	6	\$ 170,000	\$ 170,000
Public Safety	6	\$ 81,500	\$ 83,500
Student Services	43	\$ 521,000	\$ 521,000
Total	326	\$ 15,854,400	\$ 15,999,175



# Discussion Of Proposal To Eliminate Charge For Hours 13, 14, & 15



# Background

- Prior to 2009-10
  - Base hourly rate established
  - Base rate charged for each hour up to 12 hours
  - No charge for hours over 12
- 2009-10 Change
  - Hours 1 to 12: base rate established & charged for each hour
  - Hours 13 +: each hour charged at 20% of base rate



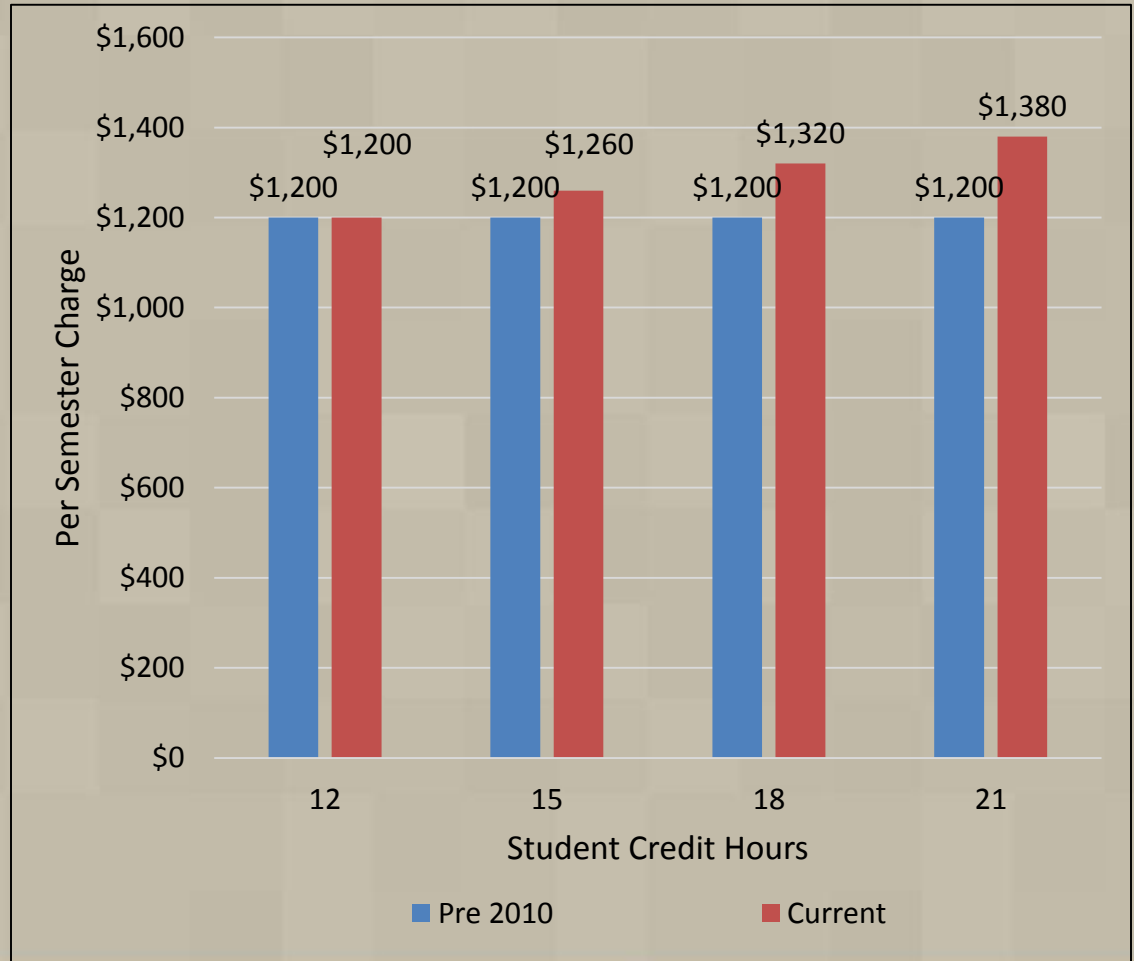
# Background

- Motivation for 2009-10 Change
  - Fairness to part time students
    - Part time students pay a rate that effectively subsidizes full time students taking more than 12 hours
  - Manage course dropping/shopping phenomenon
    - Discourage students from enrolling in more hours than they intend to complete
      - Deny seats to other students needing course for completion
      - Driver of inefficient resource use (assignment of classroom space, faculty, other)



# How Did Charging Methods Compare?

Hours	Pre 2010	Current
1	\$ 100	\$ 100
2	\$ 100	\$ 100
3	\$ 100	\$ 100
4	\$ 100	\$ 100
5	\$ 100	\$ 100
6	\$ 100	\$ 100
7	\$ 100	\$ 100
8	\$ 100	\$ 100
9	\$ 100	\$ 100
10	\$ 100	\$ 100
11	\$ 100	\$ 100
12	\$ 100	\$ 100
13	\$ -	\$ 20
14	\$ -	\$ 20
15	\$ -	\$ 20
16	\$ -	\$ 20
17	\$ -	\$ 20
18	\$ -	\$ 20
19	\$ -	\$ 20
20	\$ -	\$ 20
21	\$ -	\$ 20



\$100 rate used for illustration purposes only





# Challenges & Opportunities

- Timely completion requires 15 hours per semester
  - Does current pricing method discourage 15 hour enrollment?
  - What does our experience show?
  - Does research support removing barriers and encouraging student to take 15 hours /semester?



# The longer you take, the less likely you are to graduate

- Studies, such as “Time is the Enemy” by *Complete College America* confirms the link between time to graduation and likelihood of graduation.
- Graduation rates for part-time students are less than half that of full-time students in 2 and 4 year institutions.\*

\*Completecollege.org Tennessee state data interface



Students of all academic abilities are more likely to graduate taking 15 hours.

- Academically similar students who take 15 hours are more likely to graduate than their colleagues who take 12 hours.\*
- This effect holds true for students across the ability spectrum and in both 2 and 4 year schools.
- These effects are especially pronounced for minority and first generation students .

\*Attewell and Mohagnhan, “Academic momentum at the gate” (preprint) – American Education Research Association  
This study lines up with data analysis from TBR Academic Affairs



# Encouraging 15 hours is a success initiative

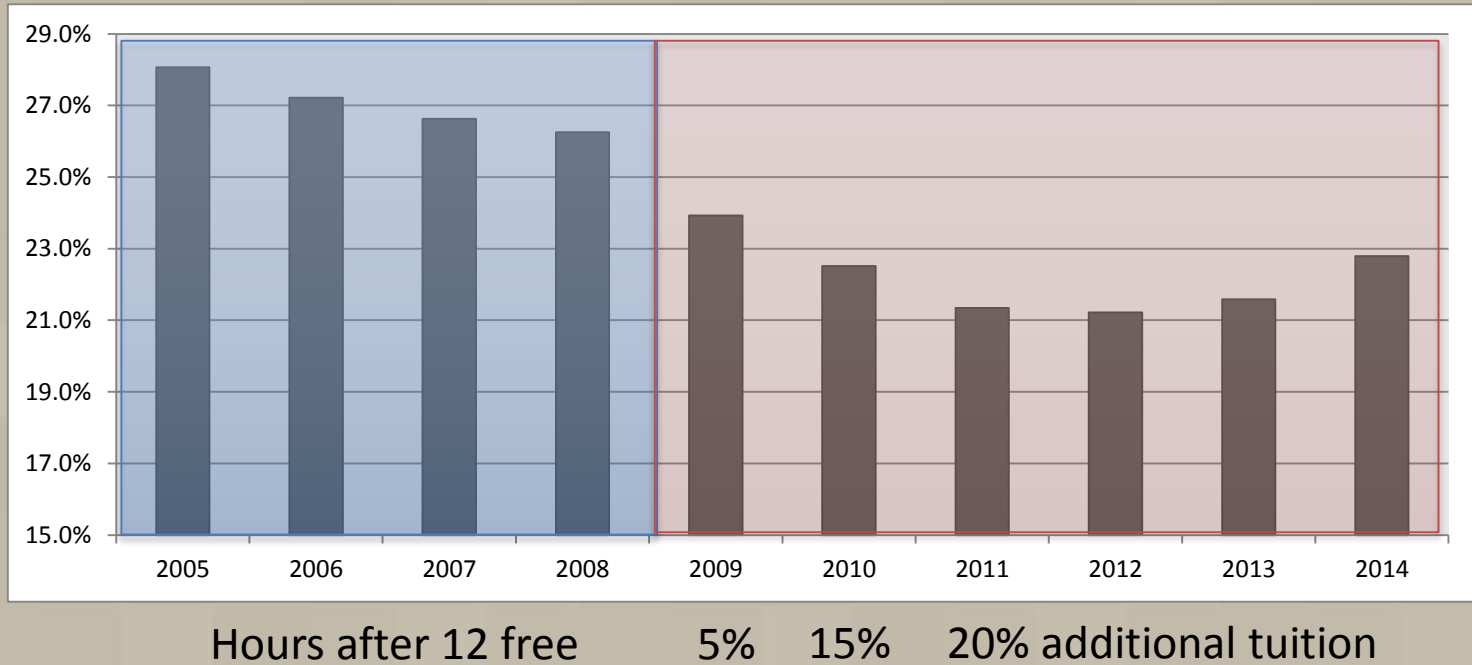
- At universities, students who take 15 hours have a graduation rate 5% higher than similar students who take 12 hours.\*
- At community college, students who take 15 hours have a graduation rate 10% higher than similar students who take 12 hours.\*

\*Attewell and Mohagnhan, “Academic momentum at the gate” (preprint) – American Education Research Association  
This study lines up with data analysis from TBR Academic Affairs



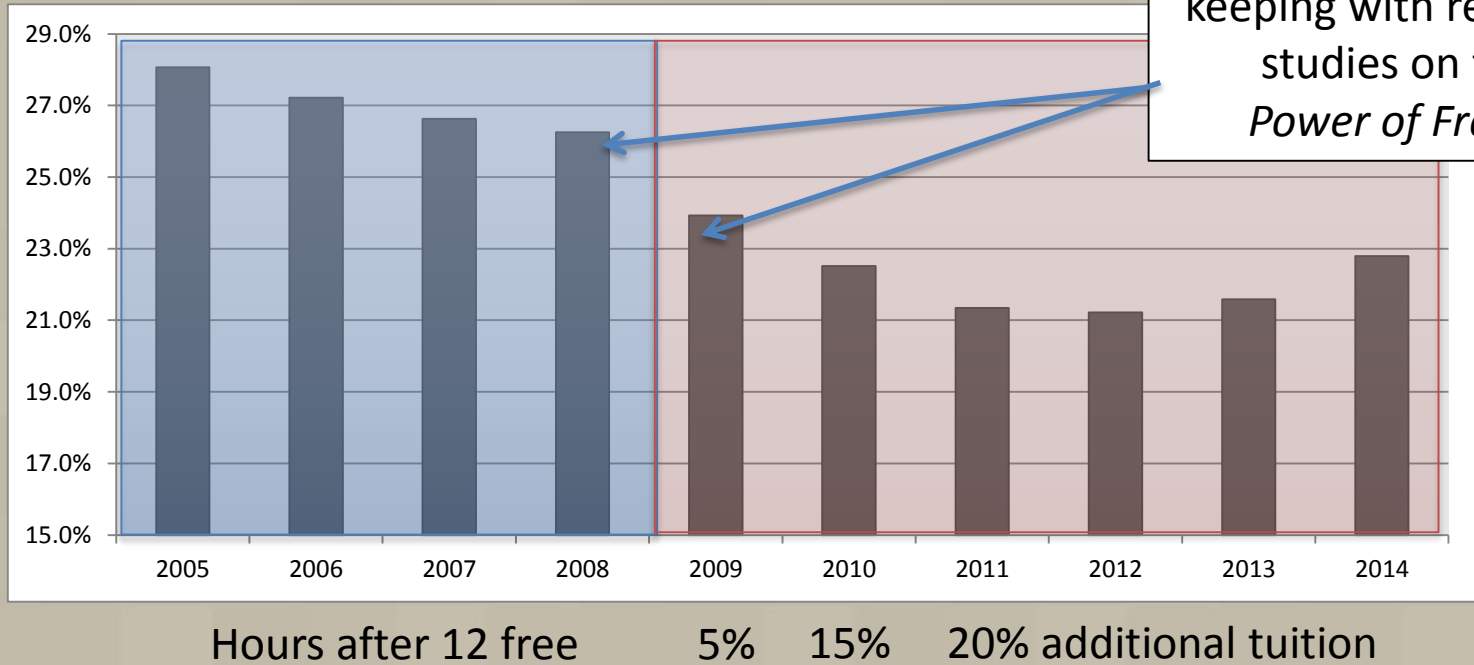
# The current pricing method disincentivizes 15 hour enrollment

Proportion of students taking 15 or more hours



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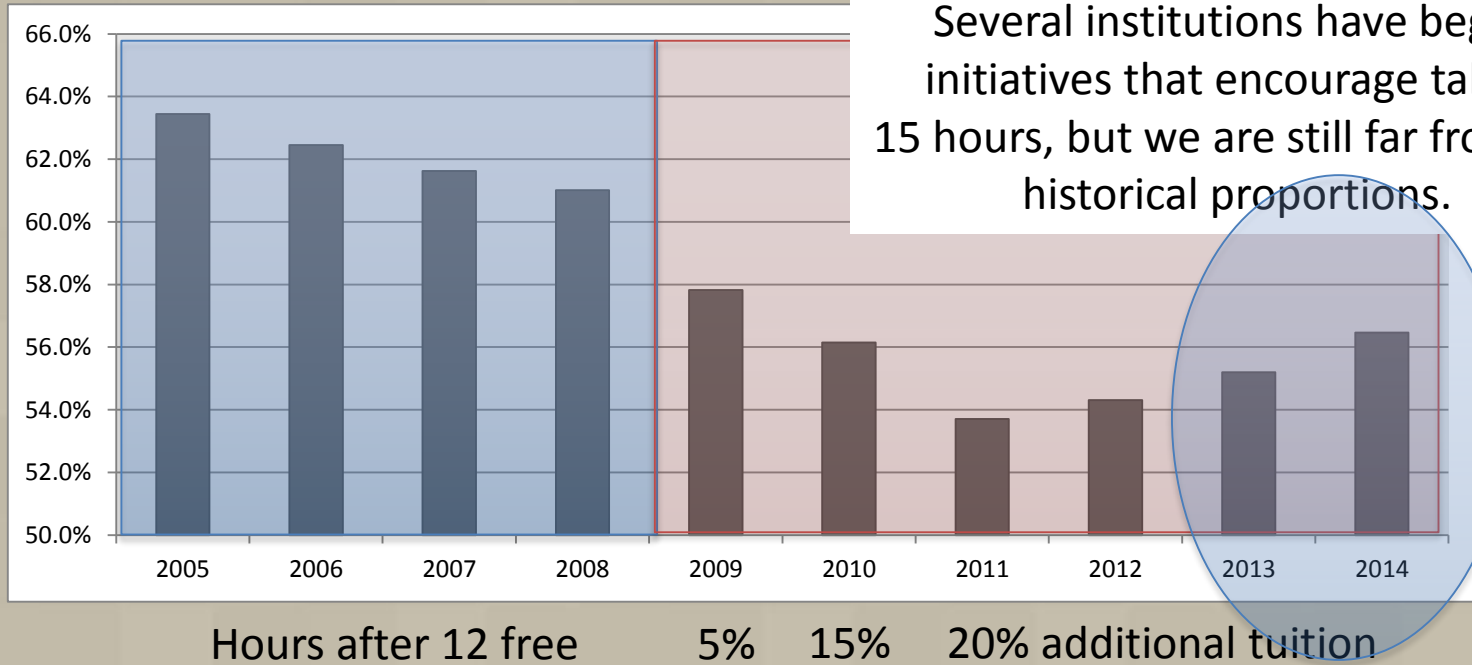
Decrease of 8% is in keeping with research studies on the *Power of Free* \*

\*Kristina Shampanier, Nina Mazar, and Dan Ariely (2007), "Zero as a Special Price: The True Value of Free Products." Marketing Science. Vol. 26, No. 6: 742-757.



# The current pricing method disincentivizes 15 hour enrollment

Proportion of **full time** students taking 15 or more hours



# The effects of making hours 13, 14, & 15 free

- In a pilot implementation of this idea at APSU
  - The proportion of full-time students taking at least 15 hours increased by 7.5%.
  - The proportion of full-time students increased by 11%.
  - The students who took at least 15 hours were retained to the spring at higher rates, earned more credits and finished the semester with a higher GPA than their historical colleagues.





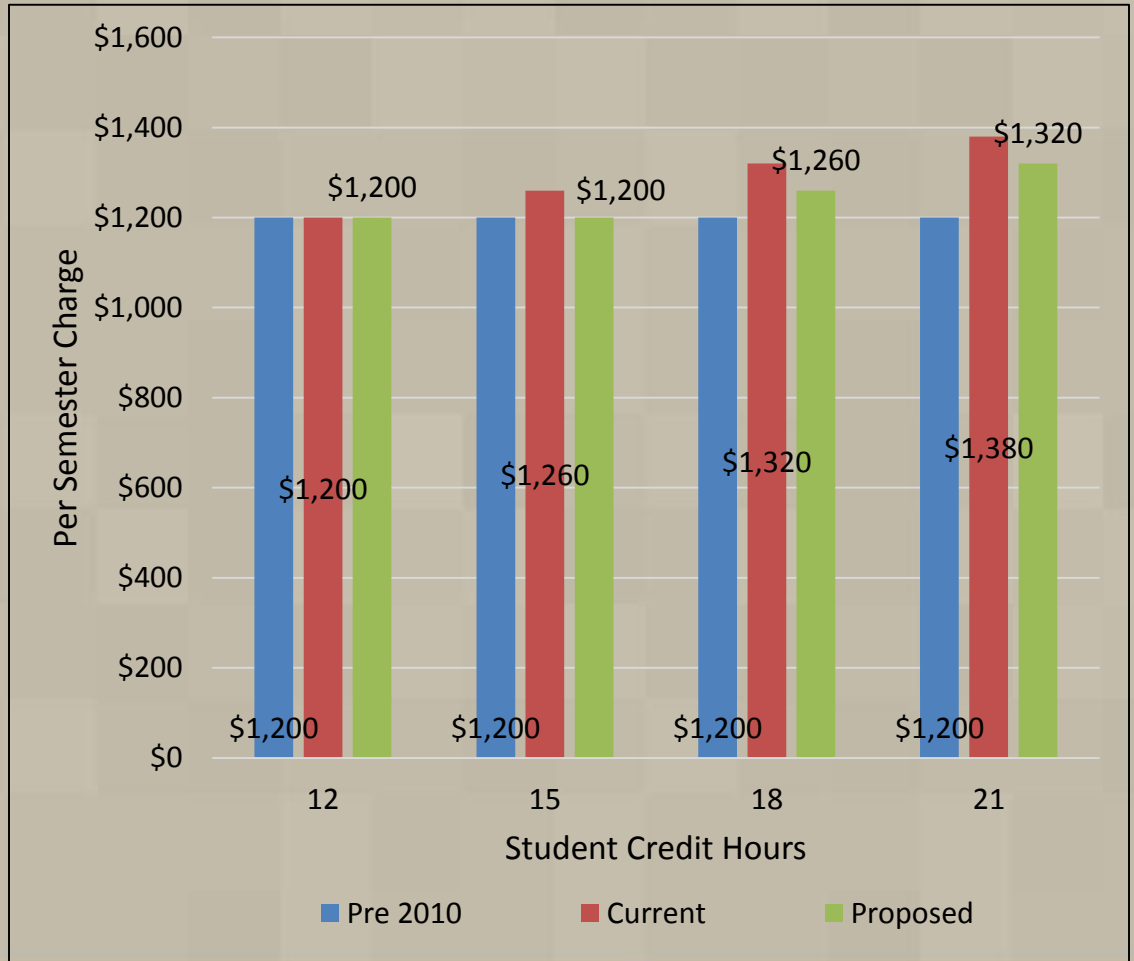
# Proposal

- Change pricing structure to eliminate the maintenance fee charge for hours 13, 14, & 15
- Do so in a manner that is revenue neutral for institutions



# Comparative Illustration Past, Current, & Proposed

Hours	Pre 2010	Current	Proposed
1	\$ 100	\$ 100	\$ 100
2	\$ 100	\$ 100	\$ 100
3	\$ 100	\$ 100	\$ 100
4	\$ 100	\$ 100	\$ 100
5	\$ 100	\$ 100	\$ 100
6	\$ 100	\$ 100	\$ 100
7	\$ 100	\$ 100	\$ 100
8	\$ 100	\$ 100	\$ 100
9	\$ 100	\$ 100	\$ 100
10	\$ 100	\$ 100	\$ 100
11	\$ 100	\$ 100	\$ 100
12	\$ 100	\$ 100	\$ 100
13	\$ -	\$ 20	\$ -
14	\$ -	\$ 20	\$ -
15	\$ -	\$ 20	\$ -
16	\$ -	\$ 20	\$ 20
17	\$ -	\$ 20	\$ 20
18	\$ -	\$ 20	\$ 20
19	\$ -	\$ 20	\$ 20
20	\$ -	\$ 20	\$ 20
21	\$ -	\$ 20	\$ 20



\$100 rate used for  
illustration purposes only



# Student Impact - University

Hours	Current Method		Proposed Method		Proposed Over (Under) Current	
	Per Hour Charge	Cumulative Charge	Per Hour Charge	Cumulative Charge	Per Hour Charge	Cumulative Charge
1	\$ 257	\$ 257	\$ 264	\$ 264	\$ 7	\$ 7
2	\$ 257	\$ 514	\$ 264	\$ 528	\$ 7	\$ 14
3	\$ 257	\$ 771	\$ 264	\$ 792	\$ 7	\$ 21
4	\$ 257	\$ 1,028	\$ 264	\$ 1,056	\$ 7	\$ 28
5	\$ 257	\$ 1,285	\$ 264	\$ 1,320	\$ 7	\$ 35
6	\$ 257	\$ 1,542	\$ 264	\$ 1,584	\$ 7	\$ 42
7	\$ 257	\$ 1,799	\$ 264	\$ 1,848	\$ 7	\$ 49
8	\$ 257	\$ 2,056	\$ 264	\$ 2,112	\$ 7	\$ 56
9	\$ 257	\$ 2,313	\$ 264	\$ 2,376	\$ 7	\$ 63
10	\$ 257	\$ 2,570	\$ 264	\$ 2,640	\$ 7	\$ 70
11	\$ 257	\$ 2,827	\$ 264	\$ 2,904	\$ 7	\$ 77
12	\$ 257	\$ <b>3,084</b>	\$ 264	\$ 3,168	\$ 7	\$ 84
13	\$ 51	\$ 3,135	\$ -	\$ 3,168	\$ <b>(51)</b>	\$ 33
14	\$ 51	\$ 3,186	\$ -	\$ 3,168	\$ <b>(51)</b>	\$ <b>(18)</b>
<b>15</b>	\$ 51	\$ <b>3,237</b>	\$ -	\$ <b>3,168</b>	\$ <b>(51)</b>	\$ <b>(69)</b>
16	\$ 51	\$ 3,288	\$ 53	\$ 3,221	\$ 2	\$ <b>(67)</b>
17	\$ 51	\$ 3,339	\$ 53	\$ 3,274	\$ 2	\$ <b>(65)</b>
18	\$ 51	\$ 3,390	\$ 53	\$ 3,327	\$ 2	\$ <b>(63)</b>



# Student Impact - Community College Example

Hours	Current Method		Proposed Method		Proposed Over (Under)	
	Per Hour Charge	Cumulative Charge	Per Hour Charge	Cumulative Charge	Per Hour Charge	Cumulative Charge
1	\$ 147	\$ 147	\$ 149	\$ 149	\$ 2	\$ 2
2	\$ 147	\$ 294	\$ 149	\$ 298	\$ 2	\$ 4
3	\$ 147	\$ 441	\$ 149	\$ 447	\$ 2	\$ 6
4	\$ 147	\$ 588	\$ 149	\$ 596	\$ 2	\$ 8
5	\$ 147	\$ 735	\$ 149	\$ 745	\$ 2	\$ 10
6	\$ 147	\$ 882	\$ 149	\$ 894	\$ 2	\$ 12
7	\$ 147	\$ 1,029	\$ 149	\$ 1,043	\$ 2	\$ 14
8	\$ 147	\$ 1,176	\$ 149	\$ 1,192	\$ 2	\$ 16
9	\$ 147	\$ 1,323	\$ 149	\$ 1,341	\$ 2	\$ 18
10	\$ 147	\$ 1,470	\$ 149	\$ 1,490	\$ 2	\$ 20
11	\$ 147	\$ 1,617	\$ 149	\$ 1,639	\$ 2	\$ 22
12	\$ 147	<b>\$ 1,764</b>	\$ 149	\$ 1,788	\$ 2	\$ 24
13	\$ 29	\$ 1,793	\$ -	\$ 1,788	<b>\$ (29)</b>	<b>\$ (5)</b>
14	\$ 29	\$ 1,822	\$ -	\$ 1,788	<b>\$ (29)</b>	<b>\$ (34)</b>
<b>15</b>	\$ 29	<b>\$ 1,851</b>	\$ -	<b>\$ 1,788</b>	<b>\$ (29)</b>	<b>\$ (63)</b>
16	\$ 29	\$ 1,880	\$ 30	\$ 1,818	\$ 1	<b>\$ (62)</b>
17	\$ 29	\$ 1,909	\$ 30	\$ 1,848	\$ 1	<b>\$ (61)</b>
18	\$ 29	\$ 1,938	\$ 30	\$ 1,878	\$ 1	<b>\$ (60)</b>



# Institutional Impact

Revenue Impact of Not Charging for Hours 13, 14, & 15		
Institution	Amount	Percentage
APSU	\$ (1,057,500)	-1.9%
ETSU	\$ (2,173,500)	-2.1%
MTSU	\$ (3,328,900)	-2.2%
TSU	\$ (1,756,500)	-2.3%
TTU	\$ (2,240,300)	-2.6%
UoM	\$ (2,240,300)	-1.9%
CC's	\$ (2,407,200)	-1.1%



# Caveat

- Confirming with institutions estimated financial impact of proposal
- Confirming whether proposal can be implemented thru ERP system without substantial operational impact
  - On fee assessment process, and
  - On refund activities



# Salary Pool



# State Salary Policy

SB 1399 / HB 1374: Section 49, Item 4. Higher Education Employees – Salary Pool.

(a) From the appropriations made in Section 1, Title III-10, Items 3 and 4, it is the legislative intent to provide a pool of funds for higher education employee salary increases effective July 1, 2015.

## Salary Pools Funded by State

- K-12 Teachers: 4.0%
- State Employees: 2.0%
- Higher Education Employees: 1.5%





# Recent TBR System Wide Salary Policy

Fiscal Year Ending June 30	State Funded	TBR Funded	Total
2011	0.0%	0.0%	0.0%
2012*	1.1%	1.9%	3.0%
2013*	2.5%	0.0%	2.5%
2014*	1.5%	0.0%	1.5%
2015*	0.0%	0.0%	0.0%

\* Institutions were permitted to use local funds (if available) to provide supplemental salary adjustments.



# Peer Faculty Salary Comparison: FY2013-14

	Average Faculty Salary		Percent of Peer Average
	Tennessee	Peer	
APSU	\$ 61,910	\$ 65,162	95%
ETSU	\$ 60,121	\$ 71,017	85%
MTSU	\$ 63,252	\$ 76,178	83%
TSU	\$ 64,051	\$ 69,638	92%
TTU	\$ 67,958	\$ 69,393	98%
UoM	\$ 74,778	\$ 83,772	89%
TBR Avg	\$ 65,345	\$ 72,527	90%
UTC	\$ 66,942	\$ 67,974	98%
UTK	\$ 89,271	\$ 93,635	95%
UTM	\$ 61,727	\$ 63,996	96%
UT Avg	\$ 72,647	\$ 75,202	97%
Univ. Avg.	\$ 67,779	\$ 73,418	92%
Com. Colleges	\$ 49,551	\$ 52,541	94%

Colleges of Applied Technology		
State	Avg. Salary	TN as % Other State
Tennessee	\$ 36,999	
Alabama	\$ 56,999	65%
Georgia	\$ 40,246	92%
Kentucky	\$ 41,068	90%
Louisiana	\$ 37,202	99%
Oklahoma	\$ 45,960	81%

Source: THEC Fiscal Affairs analysis of SREB data.

Note: Peer institutions used in this analysis are comparable SREB public institutions selected by THEC in conjunction with UT and TBR.



# Institutional Impact

Institution	Fee Increase to Fund Institutional Portion of 1.5% Salary Pool	Fee Increase to Fund Additional 0.5% Salary Pool	Total Fee Increase
APSU	0.8%	0.6%	1.4%
ETSU	0.8%	0.7%	1.5%
MTSU	0.8%	0.6%	1.4%
TSU	0.7%	0.5%	1.2%
TTU	0.7%	0.6%	1.3%
UoM	1.0%	0.8%	1.8%
CCs	0.7%	0.7%	1.4%
TCATs	0.6%	1.0%	1.6%



# Institutional Requests



# Austin Peay State University Institutional Requests

Purpose	Percent	Amount
Faculty Promotions	0.4%	\$ 239,000
Technology Enhancements	0.5%	250,000
Library Funding	0.1%	30,000
Software Maintenance Agreements	0.2%	85,000
Total	1.1%	\$ 604,000



# East Tennessee State University Institutional Requests

Purpose	Percent	Amount
Salary Equity	1.5%	\$ 1,300,000
Program Improvement/Expansion	1.3%	1,180,000
Academic and Student Support Services	0.2%	200,000
Total	<u>3.0%</u>	<u>\$ 2,680,000</u>



# Middle Tennessee State University Institutional Requests

Purpose	Percent	Amount
Faculty Promotions	0.3%	\$ 370,000
Software Maintenance Agreements	0.3%	380,000
Utilities Increases	0.4%	600,000
O&M Cost Increases	0.8%	1,100,000
Quest for Student Success Initiatives	0.4%	600,000
Scholarships	0.4%	500,000
Technology Enhancements	0.7%	1,000,000
Student Call Center	0.1%	100,000
Total	<u>3.3%</u>	<u>\$ 4,650,000</u>



# Tennessee State University Institutional Requests

<u>Purpose</u>	<u>Percent</u>	<u>Amount</u>
Employ additional faculty	1.6%	\$ 1,100,000





# Tennessee Tech University Institutional Requests

<u>Purpose</u>	<u>Percent</u>	<u>Amount</u>
SACSCOC Quality Enhancement Plan	0.6%	500,000
Technology	0.6%	500,000
Investment in Instruction/Academic	1.3%	1,000,000
Compliance with Federal Regulations	0.2%	136,300
Budget Analyst	0.1%	61,000
Facility Enhancement	0.3%	253,240
Campus Police	0.1%	83,000
Marketing and Fundraising	0.4%	314,250
Salary Increases	0.3%	200,000
Total	<u>3.9%</u>	<u>3,047,790</u>



# University of Memphis Institutional Requests

Purpose	Percent	Amount
Community Health Building Operating Costs	0.9%	1,200,000
Faculty Tenure Track Promotions	0.2%	250,000
Safety Initiatives	0.1%	150,000
Technology Infrastructure	0.8%	1,000,000
Student Success Initiatives	0.3%	400,000
Total	2.3%	3,000,000



# Community Colleges Institutional Requests

Purpose	Percent	Amount
Faculty Positions for Co-requisite Model	0.7%	\$ 1,596,100
Salary Increases	0.6%	1,298,700
Other Student Initiatives	0.4%	908,500
Expand Tutoring, Advising, Coaching	0.3%	666,500
Guided Pathway to Success Initiative	0.2%	350,000
General Inflation	0.1%	180,000
Other Initiatives	0.1%	118,000
Total	2.2%	\$ 5,117,800



# Office of Community Colleges Institutional Request

Purpose	Percent	Amount
TBR Staff Position	0.0%	\$ 52,000
Travel Costs	0.0%	17,000
Innovation Fund:		
Office Technology	0.0%	50,000
Shared Service Planning & Implementation	0.1%	100,000
Campus Innovation	0.2%	350,000
Total	0.3%	\$ 569,000



# Colleges of Applied Technology Institutional Requests (revised)

Purpose	Percent	Amount
Promise & Reconnect Program Expansions (22)		
Industry Driven Program Expansion (10)		
New Facilities or Locations (6)		
Other Needs (6)		
General Operating Funds (5)		
Equipment (3)		
Total	<u>19.2%</u>	<u>\$ 5,324,500</u>

( ): denotes number of TCATs stating a need in this area



# TCAT Business Model (new)

- Students fund approximately 30% of costs
  - Remainder provided by State thru funding formula
- TN Promise & TN Reconnect assist students in paying their share of cost
  - No new state operating funds provided to TCATs to fund remainder of potential cost of Promise or Reconnect enrollments

	Average Revenue Per Student	Promise - Reconnect Revenue Per Student
Student	\$ 2,747	\$ 2,747
State	\$ 5,060	\$ -
Total	\$ 7,807	\$ 2,747



# Review Of Indicated Student Revenue Increases



# APSU

## Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
2.0% Salary Pool	1.4%	\$ 778,000
Fixed Costs Increases	0.9%	476,100
Institutional Requests	0.0%	-
Subtotal	<u>2.3%</u>	<u>\$ 1,254,100</u>
Replace Revenue from 13, 14, 15 Hours	<u>1.9%</u>	<u>-</u>
Grand Total	<u><u>4.2%</u></u>	<u><u>\$ 1,254,100</u></u>
Outcome Funding Only		\$ 2,029,000





# ETSU

## Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
2.0% Salary Pool	1.5%	\$ 1,276,200
Fixed Costs Increases	1.0%	836,500
Institutional Requests	1.0%	836,500
Subtotal	<u>3.5%</u>	<u>\$ 2,949,200</u>
Replace Revenue from 13, 14, 15 Hr	<u>2.1%</u>	-
Grand Total	<u><u>5.6%</u></u>	<u><u>\$ 2,949,200</u></u>
Outcome Funding Only		\$ 1,852,600



# MTSU

## Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
2.0% Salary Pool	1.4%	\$ 1,980,600
Fixed Costs Increases	1.0%	1,353,700
Institutional Requests	1.0%	1,353,700
Subtotal	<u>3.4%</u>	<u>\$ 4,688,000</u>
Replace Revenue from 13, 14, 15 Hr	<u>2.2%</u>	<u>-</u>
Grand Total	<u><u>5.6%</u></u>	<u><u>\$ 4,688,000</u></u>
Outcome Funding Only		\$ 1,247,300



# TSU

## Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
2.0% Salary Pool	1.2%	\$ 848,700
Fixed Costs Increases	0.9%	585,000
Institutional Requests	0.9%	585,000
Subtotal	<u>3.0%</u>	<u>\$ 2,018,700</u>
Replace Revenue from 13, 14, 15 Hr	<u>2.3%</u>	<u>-</u>
Grand Total	<u>5.3%</u>	<u>\$ 2,018,700</u>
Outcome Funding Only		\$ 24,400



# TTU

## Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
2.0% Salary Pool	1.3%	\$ 1,003,200
Fixed Costs Increases	1.0%	767,400
Institutional Requests	1.5%	1,178,100
Subtotal	<u>3.8%</u>	<u>\$ 2,948,700</u>
Replace Revenue from 13, 14, 15 Hr	<u>2.6%</u>	<u>-</u>
Grand Total	<u><u>6.4%</u></u>	<u><u>\$ 2,948,700</u></u>
Outcome Funding Only		\$ 6,400



# UoM

## Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
2.0% Salary Pool	1.8%	\$ 2,376,400
Fixed Costs Increases	1.5%	1,994,900
Institutional Requests	0.7%	947,300
Subtotal	<u>4.0%</u>	<u>\$ 5,318,600</u>
Replace Revenue from 13, 14, 15 Hr	1.9%	-
Grand Total	<u>5.9%</u>	<u>\$ 5,318,600</u>
Outcome Funding Only		\$ 3,719,200



# Community Colleges

## Indicated Student Revenue Increase

	<u>Percent</u>	<u>Amount</u>
2.0% Salary Pool	1.4%	\$ 3,206,700
Fixed Costs Increases	0.9%	2,068,600
Institutional Requests	1.0%	2,298,400
Subtotal	<u>3.3%</u>	<u>\$ 7,573,700</u>
Office of Community Colleges	0.3%	600,000
Replace Revenue from 13, 14, 15 Hr	1.1%	-
Grand Total	<u>4.7%</u>	<u>\$ 8,173,700</u>
Outcome Funding Only		\$ 6,885,100



# Colleges of Applied Technology Indicated Student Revenue Increase (revised)

	<u>Percent</u>	<u>Amount</u>
2.0% Salary Pool	1.6%	\$ 432,600
Fixed Costs Increases	1.2%	324,400
Institutional Requests	1.2%	330,200
Grand Total	<u>4.0%</u>	<u>\$ 1,087,200</u>
Outcome Funding Only		\$ 210,700



# Summary of Indicated Student Revenue Increases (revised)

Institution	2.0% Salary Pool	Fixed Cost Increases	Institutional Requests	Subtotal - Institutional	Eliminate Charge for 13-15 Hours (a)	Other
APSU	1.4%	0.9%	0.0%	<b>2.3%</b>	1.9%	0.0%
ETSU	1.5%	1.0%	1.0%	<b>3.5%</b>	2.1%	0.0%
MTSU	1.4%	1.0%	1.0%	<b>3.4%</b>	2.2%	0.0%
TSU	1.2%	0.9%	0.9%	<b>3.0%</b>	2.3%	0.0%
TTU	1.3%	1.0%	1.5%	<b>3.8%</b>	2.6%	0.0%
UoM	1.8%	1.5%	0.7%	<b>4.0%</b>	1.9%	0.0%
CCs	1.4%	0.9%	1.0%	<b>3.3%</b>	1.1%	0.3%
TCATs	1.6%	1.2%	1.2%	<b>4.0%</b>	0.0%	0.0%
Amount	\$ 11,902,400	\$ 8,406,700	\$ 7,529,200	\$ 27,838,300	\$ -	\$ 600,000

(a) Revenue neutral for the institution.





# Review Of Incidental Fee Items



# NeSCC iPad Fee Proposal

- Desire to provide fall 2015 full time freshmen students an iPad mini
  - Why desirable
  - Intended result/benefit to students
- NeSCC proposed a fee of \$90 per semester to fund lease of an iPad for each student
- NeSCC Foundation recently agreed to fund first year cost of program in lieu of student fee
  - No action required at this time
- Staff will continue to explore with NeSCC leadership alternative approaches to addressing this need



# ETSU Mandatory Fee Request

- Proposal: fee increase to support additional student activity programming and renovation to Culp Student Center
- March 24, 2015: SGA Resolution Approved, 23-0-1
  - Requesting Board approve fee to support both renovation of Culp Center and enhancement to student activity funding



# Chronology

- **December 17, 2012:** Culp Renovation Meeting, Student Affairs Conference Room
- **January 10, 2013:** Participation in a webinar on Renovating Student Unions, Forum
- **January 18, 2013:** Culp Renovation Meeting, East Tennessee Room
- SGA hosted Student Focus Groups on Culp Renovation
  - **November 20, 2013,** Meeting Room 3
  - **November 22, 2013,** Meeting Room 3
- **November 14-November 24, 2013:** SGA sponsored Culp Renovation Survey
- **Spring 2014 to Fall 2014 (ongoing):** SGA Discussion on results of Culp Renovation Survey
- **December 18, 2014:** SGA Executive Branch requested meeting to discuss Culp Renovation, Student Affairs
- **January 14, 2015:** Culp Renovation Meeting, Student Affairs Conference Room
- **January 15, 2015:** SGA Executive Meeting with President Noland to discuss SGA plans to move forward with Culp proposal
- **January 21, 2015:** Culp Renovation Meeting, Student Affairs Conference Room
- **January 30, 2015:** Culp Renovation Meeting, Student Affairs Conference Room
- **February 02, 2015:** Culp Renovation Meeting, Student Affairs Conference Room
- **February 10, 2015:** SGA Meeting with Food Service, Food Service Office
- **February 13, 2015:** Culp Renovation Meeting, Meeting Room 1
- **March 6, 2015:** Culp Renovation Meeting, Facilities Conference Room
- **March 13, 2015:** Culp Renovation Meeting, Forum
- **March 17, 2015:** e-mail from SGA President to Student Body informing of them of Student Forums to present renovation plans; Culp Legislation presented to SGA Senate
- **March 18, 2015:** Student Open Forum on Renovations, 9:00 a.m. and 7:00 p.m., East Tennessee Room
- **March 22, 2015:** Article in *East Tennessean* regarding the Student Forums held
- **March 24, 2015:** SGA Meeting, considered the Culp Renovation legislation; Approved 23-0-1



# ETSU

## Culp University Center

- Completed in 1976 @ 272,500 gross square feet
  - Student & Administrative space
    - 35% of space allocated to student uses
  - 2008: \$6.5m renovation focused on lighting, HVAC, floor coverings, sound systems
  - Other Capital: replacement of roof & upgrade of electrical systems



# ETSU

## Culp University Center

- Renovations Proposed (\$40.5 million)
  - Renovate 91,000 GSF of existing student space
  - Construct 46,000 GSF of new student space
- Nature of Renovations
  - Food service option additions
  - Student media areas
  - Student lounge space
  - Student organization resource center
  - Gaming/recreation area
  - Outdoor seating areas
  - Circulation improvements
- At completion, 60% of space will be allocated to student uses



# ETSU Culp Center Mandatory Fee Request

- Implementation of Requested Fee Increase
  - Fall 2015: Freshman & Sophomores
  - Fall 2016: Freshman, Sophomores, & Juniors
  - Fall 2017: All Students

	Current Annual Fee	Increase	Proposed Fee	Revenue Generated
Student Activity Fee	\$ 236	\$ 50	\$ 286	\$ 249,000
Debt Service Fee	\$ 230	\$ 240	\$ 470	\$ 1,195,000
Proposed Adjustment	\$ 466	\$ 290	\$ 756	\$ 1,444,000





# ETSU Global Sports Leadership Program

- Entrepreneurial interdisciplinary doctoral program in Global Sport Leadership
  - Department of Intercollegiate Athletics and School of Graduate Studies
  - Housed in the ETSU School of Graduate Studies
- Program designed to be self-supporting:
  - Executive type program, online delivery
  - Maintenance fee, tuition revenue, corporate sponsors, and Center revenue-generating activities will cover all expenditures
  - No risk or cost to the university or state.
- Target Market: current sport/business professionals





# ETSU Global Sports Leadership Program

- Propose to create the following specific maintenance and tuition fees for this program

Hourly Maintenance Fee (a)	\$575
Hourly Non-Resident Tuition	\$55
Hourly Non-Resident Maintenance & Tuition	\$630
Length of the Degree Program	2½ years
Total Program Cost	
Resident Student	\$39,100
Non-Resident Student	\$42,840
(a) Maintenance fee does not change for duration of cohort program (2½ year program)	



# Next Steps

- Determine feasibility of eliminating charge for hours 13, 14, & 15
- Research questions raised during meeting
- Conversations with Committee members
- Review initial indications, refine as appropriate, and develop recommendations for consideration by the Committee on May 27<sup>th</sup>



# Review Of Huron Report



# End of Materials

