# August 2021 Governance and Finance Committee Meeting

## Schedule

**Wednesday, August 25, 2021 9:45 AM — 10:45 AM CDT**

## Venue

Senate Chamber (UC 261) and Zoom Video Conference

## Organizer

Sparkle Burns

## Agenda

1. **Call to Order and Opening Remarks**
   - Presented by Doug Edwards

2. **Roll Call and Declaration of Quorum**
   - Presented by Melanie Murry

3. **Approval of Meeting Minutes for June 2, 2021**
   - For Approval - Presented by Doug Edwards
   - [GFC Minutes June 2, 2021 - Final.docx](#)

4. **Campaign for Support**
   - Presentation - Presented by Joanna Curtis
   - [Agenda Item - Case for Support - Campaign for Support.docx](#)
   - [Campaign Support - Driven Case for Support August 2021.pptx](#)

5. **Fiscal Year 2021 Performance Report**
   - Presentation - Presented by Raajkumar Kurapati
   - [Agenda Item - FY21 Performance Report.docx](#)
   - [FY21 Performance Update.pptx](#)

6. **Additional Business**
   - Presented by Doug Edwards

7. **Adjournment**
   - Presented by Doug Edwards
1. Call to Order and Opening Remarks
Presented by Doug Edwards
2. Roll Call and Declaration of Quorum
Presented by Melanie Murry
3. Approval of Meeting Minutes for June 2, 2021

For Approval
Presented by Doug Edwards
Minutes

The Governance and Finance Committee of the University of Memphis Board of Trustees met at 11:43 a.m. CDT, on Wednesday, June 2, 2021, in-person and virtually using the video conferencing system Zoom.

I. Call to Order/Roll Call/Declaration of Quorum/Introduction/Committee Leadership

Trustee Johnson called the meeting to order.

University Counsel and Board Secretary Melanie Murry called the roll and instructed the trustees that attended virtually to verify they were alone and could hear her. The following Governance and Finance Committee members were present:

Trustee Graf (attended virtually via Zoom and verified he was alone and could hear her.)
Trustee Fong (attended virtually via Zoom and verified she was alone and could hear her.)
Trustee Johnson
Trustee Kemme
Trustee Martin (attended virtually via Zoom and verified he was alone and could hear her.)
Trustee Springfield

Secretary Murry acknowledged additional trustees who were in attendance:

Trustee Roberts
Chairman Edwards
Secretary Murry announced the presence of a quorum. Members of the University of Memphis Board Trustees, faculty and administrative staff were present during the meeting.

Trustee Johnson made a motion for committee leadership recommending board Chairman Edwards to be chair the Governance and Finance Committee. It was moved by Trustee Graf and properly seconded. A roll call vote was taken and unanimously approved. The meeting was turned over to Chairman Edwards.

II. Approval of Minutes – March 9, 2021

Chairman Edwards requested a motion for the approval of the March 9, 2021, Governance and Finance Committee minutes. The motion was made by Trustee Graf and properly seconded. A roll call vote was taken, and the motion was approved.

III. Public Records Rule

Chairman Edwards recognized University Counsel and Board Secretary, Melanie Murry to discuss the public records rule. University Counsel and Board Secretary Murry advised pursuant to Tennessee Code Annotated 10-7-503, as a State agency, the University is required to promulgate rules and was required to draft a policy to comply with State law. The University’s rule was modeled after the State’s Open Records Public Records policy and feedback was received from various State officials, agencies, and Governmental Operations. Additionally, a copy was provided to the Student Government Association and presented in a public hearing on April 23, 2021, with no objections.

Chairman Edwards proposed the motion. It was properly seconded by Trustee Graf. A roll call vote was taken, and the motion was approved.

IV. FY2021-22 Proposed Budget, FY2020-21 Estimated Budget Recommendation and FY2022-23 Capital Budget
Chairman Edwards recognized Raaj Kurapati, Executive Vice President and Chief Financial Officer (EVP-CFO). EVP-CFO Kurapati highlighted the remarkable revenue progression over the past 6 years. He advised the primary sources of revenue have remained constant and the University has relied on revenue received from tuition and fees and state support. EVP-CFO Kurapati emphasized as a state subsidized institution, the University has been diligent about holding tuition and fee costs down, in keeping with our mission.

During the review of the estimated FY21 budget, EVP-CFO Kurapati informed in spite of a $55M budget gap due to the pandemic, the University will end the year with a positive balance, thanks to many dedicated faculty, staff and students. He mentioned the implementation of appropriate actions to ensure students continued to succeed during a very challenging time. He added most of the federal funding (over 80% of every dollar distributed to date) received was allocated to students in the form of direct refunds, direct grants, fee refunds and other support. Additional funds were used for facilities and technology upgrades.

For the overview of expenditures and revenue, EVP-CFO Kurapati estimated ending the year on a balanced budget. The estimated budget for the auxiliary enterprise is lower than initially anticipated due to lingering impacts from the pandemic.

EVP-CFO Kurapati provided an overview of the FY22 proposed budget which assumes a return to regular operations next year based on several assumptions: state appropriations recommend by the Governor; proposed 1.75% tuition increase which will be offset by the elimination of the $50 online fee; flat enrollment levels based on contraction with high school graduation rates nationally (while we continue efforts to attract more students from Tennessee, nationally & globally); a 3.4% salary pool and associated benefit increase; and reduction of auxiliary debt services budgets due to adjusted bond refund savings.

EVP-CFO Kurapati discussed the Governor’s proposed 4% salary pool and associated benefits increase and emphasized the 4% salary pool (60%) does not cover the full amount needed to implement the salary pool; the University must cover the difference.

He also discussed working with the state to refinance auxiliary debt which translates to $18 million of savings over the course of the term.
Other components of the Governor’s budget include a one-time allocation of $5M for Carnegie 1 research support and a one-time appropriation of $17M for capital maintenance issues. EVP-CFO Kurapati also cited an expected significant increase of federal support from the American Rescue Plan which will be reflected in the revised budget at the December Governance and Finance Committee meeting.

EVP-CFO Kurapati mentioned the impressive budget progression during Dr. Rudd’s tenure of almost $100M over time and the strategic investments in the support of our students.

Trustee Springfield inquired about patterns related to emerging from COVID and students staying home or online. EVP-CFO Kurapati advised he expects to see a hybrid approach and mentioned most students prefer the traditional experience. He also mentioned the increase in housing applications. President Rudd mentioned the anticipation of the 2.5-3% contraction in graduating seniors from high school over the next 5 years and the number of residential students available will be shrinking and the market more competitive.

Chairman Edwards expressed vulnerability relative to housing and other auxiliary services. EVP-CFO Kurapati advised the University is prepared to take necessary actions to meet targeted projections from frozen positions and the annual savings of $1M of debt services over time coupled with expenditure actions.

Chairman Edwards mentioned meeting the goal of increasing the custodial staff wages to $15 and inquired about total increase for all faculty and staff. Dr. Rudd emphasized the need to make investments in infrastructure – people, faculty and safety. Discussion ensued regarding enrollment growth.

EVP-CFO Kurapati discussed the major impacts on Athletics operations over the past year. He discussed the different sources of revenue, the reliance on resources from Tiger Scholarship, ticket sales and low contributions in comparison to American Athletic Conference peers and provided prospective on athletics’ future direction. EVP-CFO Kurapati shared that to balance the budget related to the significant ticket sales decline, a loan was received from the Auxiliary Services Foundation to cover the $11.4 M deficit projected. The loan will be repaid by Athletics over the next 5-7 years. There is also an expected annual subsidy of about $13.5M to sustain the budget, not grow, and return to a normalized
operational budget. Athletic Director Laird Veatch advised this will allow Athletics to invest in the infrastructure and return to needed staffing levels. As staff was reduced to 113 in the last year, there is a plan in place to return to 130 FTE. He mentioned all peers, except for one, employs about 160 FTE, which speaks to the efficiency of the University staff. President Rudd acknowledged the significant strides to expand the University’s footprint as a national university and a part of the brand equity can be, partially, attributed to the success of Athletics.

Trustee Kemme inquired about the University’s relationship with the Liberty Bowl and FedEx Forum. EVP-CFO Kurapati responded the University is constantly and actively reviewing those partnerships and looking for opportunities for better deals. AD Veatch added that the contracts are scheduled for renegotiation and will be entering into discussions this summer.

Chairman Edwards advised the committee that AD Veatch will return in September with an introduction of the new women’s basketball coach, an update on Athletics, fundraising and the conference.

EVP-CFO Kurapati provided an update on the previous capital budget presentation and advised THEC, and the State requested a focus on renovation projects with no new capital outlay/new buildings. Based on consultation from faculty and staff, the request was revised to renovate various academic buildings on the campus – Mynders Hall, Clinical Park Campus, etc.

EVP-CFO Kurapati shared a recap of the compensation strategy and advised the effective date of July 1, 2021. He highlighted the Governor’s budget, the $8.4M salary pool, the anticipated $5.4M in state funding, and the $3M deficit to implement the increases. He shared the University’s recommendation of a 3.4% ($7.2M) salary pool and the plan to supplement with $1.8M in institutional funds to implement a robust salary compensation adjustment for FY22 that also balances/addresses institutional priorities.

EVP-CFO Kurapati cited President Rudd’s commitment many years ago to improve the lowest paid employees to $15 per hour, which is part of the compensation plan for the upcoming year. He further shared the other components, comprised of a 2% ATB salary increase for faculty and staff with an additional $600 flat amount added to the 2% ATB base adjustment, $250k in faculty promotions; and an ATB increase for part-time faculty. He advised most employees making $65k
or less and will receive about a 3% ATB increase based on the tiered plan. Overall, employees will receive an average 2.5-2.6% ATB increase.

Chairman Edwards requested a motion for approval for the operating budget and capital budget. The motion was made by Trustee Cato Johnson and properly seconded. A roll call vote was taken, and the motion was approved.

VI. FY22 Tuition Recommendation

Chairman Edwards recognized EVP-CFO Kurapati to discuss the FY22 tuition proposal. In an effort to mitigate the financial impact on students and the cost of tuition, EVP-CFO Kurapati provided an overview of the changes implemented in the past several years to include: the guaranteed tuition plan for eight consecutive terms, tuition cap for TN residents, establishment of uniform tuition rates for online and traditional classes, eliminating the online fee over the course of 3 years (FY22 is the final year of the phase-out), and adjusting out-of-state and international rates. He also mentioned efforts to restructure the drop for non-payment process, and combining our housing, dining, and tuition into one payment plan, which saw a significant increase in the use of our payment plans. Further, he reminded the committee that UofM has had the lowest average tuition increase in the State for the past 7 years at 1.5%.

EVP-CFO Kurapati introduced the proposal of a 1.75% tuition increase for FY22. He noted the increase will not generate new revenue due to the elimination of the online fee which would also take effect in FY22. The elimination of the online fee will result in revenue loss, which will be managed by maintaining enrollment and drawing from strategic reserves to compensate for the difference. The proposed 1.75% increase translates to $144 annually for in-state undergraduate students. EVP-CFO concluded by stating the elimination of the online fee is the correct action to normalize the tuition and fee tables and it compliments other actions to keep overall tuition low.

The motion to approve the tuition increase was moved by Trustee Johnson and properly seconded.

Chairman Edwards advised the increase is within the THEC range and justifies the fact that the University is losing $700k in net revenue by eliminating the online
fees; more students are utilizing online instruction with a 73% increase in online usage during the COVID-19 pandemic and that change will continue. President Rudd noted that the University provided $18M in free credit hours due to the utilization of the tuition cap and the guaranteed tuition plan. Chairman Edwards mentioned remaining cognizant that more than 50% of our students are Pell eligible and while we prefer not to increase tuition, the University has done a remarkable job over the last 7 years in providing students the resources needed to meet financial tuition obligations. Trustee Martin praised University leadership for their approach on addressing and managing the increase.

A roll call vote was taken, and the motion was properly approved.

VII. Executive Compensation Update

Chairman Edwards recognized EVP-CFO Kurapati who provided an update on the executive compensation. Amid the launch of the nationwide presidential search, EVP-CFO Kurapati mentioned the Board’s request for an update of the President’s compensation study to ensure a current measure of compensation based on the institution’s progression in classification as a tier one institution and active work toward an R1 designation. The previous study was performed by Segal Consulting (formerly Sibson Consulting) in 2019. The results of the updated study revealed an 11% change in overall base salary and an 11% change overall in compensation package among other findings. EVP-CFO yielded to Trustee Martin who agreed the updated version will assist to recruit the next president.

Chairman Edwards advised the results will give us direction going forward as we conduct the search for a new president.

The recommended motion was for the Chairman of the Board to have authority to set the total compensation package for the incoming president based on the information provided by Segal Consulting. The Chairman would have the ability to have conversations with Parker Executive Search regarding the new President’s compensation package and to have those conversations with candidates.

Trustee Johnson made the motion, and it was properly seconded. A roll call vote was taken, and it was properly approved.
VIII. Presidential Review and Evaluation

Chairman Edwards recognized Trustee Martin who provided an overview of the review and evaluation process of President Rudd. Trustee Martin reported the collective view of the Board and noted his performance during the past fiscal year not only met expectations but rated as outstanding performance. He further recommended that President Rudd be paid at the target level per his contract. 

Trustee Edwards recommended a motion. Trustee Martin motioned to compensate President Rudd with his full performance bonus from funds provided through University Key Leadership Salary Supplement Fund, which are private funds. It was properly seconded, and a roll call vote was taken.

IX. Additional Business

No additional business. Next meeting August 25

X. Adjournment

Chairman Edwards adjourned the meeting at 1:00 p.m.
4. Campaign for Support

Presentation

Presented by Joanna Curtis
The University of Memphis Board of Trustees
Presentation
For Information

Date: August 25, 2021
Committee: Governance and Finance Committee
Presentation: Driven: The Campaign for a Bold UofM Future Case for Support
Presented by: Joanna Curtis, Vice President for Advancement

Background:

The Case for Support for the University’s $600 million comprehensive campaign will be a critical resource for staff, volunteers, and donors who are investing in the University’s future.
“Driven: The Campaign for a Bold UofM Future” Case for Support

Governance & Finance Committee

Joanna Curtis, Vice President for Advancement

August 25, 2021
Maxine A. Smith University Center and Zoom Video Conference
We're future-focused on a UofM transformation. For our students and our city.

BUCKLE UP.
Areas of Focus

**Campaign Goals**

**$300 Million Philanthropic Support**
- Driven to Redefine the Student Experience: $125 million

**$300 Million Research Support**
- Driven to Accelerate Innovation and Discovery: $75 million
- Driven to Compete at the National Level: $900 million

A goal of $600 million is ambitious, but this is Tiger Country. It's time to roar.

Our talented and committed faculty will continue to secure new government grants and contracts for research: $300 million.
Redefine the Student Experience

August 2021 Governance and Finance Committee Meeting

4. Campaign for Support

HERE'S THE BOTTOM LINE: Student success is defined by what happens after graduation, and we know what it takes to help every student succeed. The UoM learns, steps up and makes sure all students, no matter their background, culture, income or ability level, know they are essential to the Tiger family. Come graduation day, our students will be ready for the opportunities that come their way because of the power of UoM support.

- More than 70% of our full-time undergraduates have a demonstrated financial need. On average, just 54% of that need is met for students who were enrolled any need-based aid.
- A $700 personal budget shortfall per semester is the average amount forcing students to drop out. Your generosity will fill that gap and increase graduation rates.
- More than 60% of UoM undergraduates work off-campus to put themselves through school compared to just 45% of their peers nationwide.
Student Testimonials

I was in the Imagining London 150 program that first year, and I realized how much I loved being around all these other students who were also interested in business. It was a really incredible experience. I think London is the perfect bridge between the United States and Europe, and the opportunities to travel and network there are incredible. I think that's really something that sets London apart from other programs.

A student from the University of Memphis

My name is Andrea Guzman, and I am a Accounting Major. I am currently in my senior year at the University of Memphis.

Andrea Guzman, Accounting Major

Throughout my four years at Memphis, I have had the opportunity to engage in a variety of activities that have helped me develop as a person. I have been involved in research with some of the best scholars in the field, and I have also had the opportunity to travel to different countries to present my research.

Carrie Austin, MA '21

This year has been a challenging one for all of us, but I have learned so much from the experience. I have been able to grow as a person and as a scholar, and I am grateful for the opportunity to continue my education at the University of Memphis.

Jared Walker, BBA '18

I really enjoyed my time at the University of Memphis. The faculty and staff were all very supportive and encouraging, and I feel like I was able to learn a lot from them. I would definitely recommend the University of Memphis to anyone who is interested in pursuing a career in business.

I am very grateful for my time at the University of Memphis. The faculty and staff were all very supportive and encouraging, and I feel like I was able to learn a lot from them. I would definitely recommend the University of Memphis to anyone who is interested in pursuing a career in business.
Driven to Accelerate Innovation and Discovery

WE ARE MEMPHIS’ UNIVERSITY. Nearly two-thirds of graduates stay in Memphis for more than 10 years after entering the workforce. Today, 70,000 alumni live and work in Memphis and almost 100,000 in Tennessee. Tens of thousands more have taken that Memphis spirit across the country and world.

Outstanding faculty choose the UoM because they want to teach, research and serve in a city where they can make a difference.

Change agents come here to be connected to one another, to keep flourishing, we must connect them to what matters: working with our neighbors to address the challenges our city faces, building a stronger economy and creating a more vibrant and vital community.

Economic Impact
A single UoM graduating class increases incomes in Tennessee by about $190 million.

$37.9M
10-year incremental income in the Memphis area connected to increased graduation rate during the past five years.
Accelerate Research

You have the power to accelerate research further and faster when you make a gift to the UoM.

The research dollars we raise will secure our position as a Carnegie 1 Research (R1) Institution. Being an R1 University means we will be nationally recognized for the world-class research that takes place on our campus and positioned to compete with other top universities to attract investments, top faculty and outstanding students to Memphis.

Our faculty and students are working side-by-side to solve some of the biggest problems facing humanity today. With your support we can ensure that the innovations being developed at the University of Memphis today make it out of the testing phase and become a reality.

Dr. Jennings is among the growing number of junior faculty choosing the UoM because this is a supportive environment where researchers realize their potential as game changers. As part of the Tiger family, she has earned prestigious awards from both the U.S. Department of Defense and the National Science Foundation for work she hopes will lead to materials that can prevent or treat deadly infection in burn wound patients.

“I first heard about the University of Memphis while attending graduate school. At national conferences, UoM’s biomedical engineering department was always well represented with exciting technological advances that caught my eye. As I got closer to making my next move, I was drawn to the UoM by the strong sense of teamwork between faculty members. That supportive network over the years has allowed me to grow my independent research program and has connected me with thought leaders in the field of biomedical research.”

Dr. Amber Jennings
Assistant Professor
Biomedical Engineering
Driven to Compete at the National Level

Our student-athletes are fierce competitors, embodying the Tiger faithful proud, wherever they are in the world. Memphis Athletics is our connection to a community fired up to see our brand compete, because it is the outward embodiment of everything we stand for — our values and our excellence.

We are driven to reinforce and refine Memphis Athletics as an investment in our remarkable student-athletes. They represent us on the national stage, which powerfully and undeniably underpins our overall admissions and recruitment efforts.
With Your Support We Will...

- Increase the number of students who receive scholarships to make college more affordable.
- Support students in gaining access to opportunities needed to succeed.
- Invest in real-world experiences, internships, and career services to prepare students for the careers valued by the labor market.

New facilities and facility improvements:
- Student-Athletes and coaches. These include:
  - Murphy Complex
  - Liberty Bowl Memorial Stadium
  - Koch Asia Tennis Center
  - Pasci King Center
  - Nutrition Center and more.
- Facilities through the Tiger
- Nearly 400 student-athletes
- Programs compete every year.
- TT$ (donations make indices possible). With our
- Student-athletes raise in the classroom.

With your support, we will inspire innovation:
- Create endowed chairs, endowments, and endowed fellowships to attract new faculty
- Support and advance research capacity with
- New technology and equipment, propelling
- Research initiatives forward.
- Focus on new facilities and facility improvements
- to better serve students and
- the community.
- Develop and enhance programs to broaden our
- Understanding of the urban
- Student-athletes and
- Neighborhood Community.

$1.7B TO $2.6B
- Total state income of $1 billion over the next 30 years.
5. Fiscal Year 2021 Performance Report
Presentation
Presented by Raajkumar Kurapati
The University of Memphis Board of Trustees
Presentation
For Discussion

Date: August 25, 2021
Committee: Governance and Finance Committee
Presentation: Fiscal Year (FY) 2021 Financial Performance Report
Presented by: Raaj Kurapati, Executive Vice President and Chief Financial Officer

Background:

Going into FY21, COVID-19 presented significant financial and logistical challenges to the University. The FY21 Operations budget deficit was projected at over $55 million. Through a combination of mitigating actions executed by management that included a hiring freeze (with limited exceptions), targeted cost reductions, a pull back of carryforward balances, a base budget reduction, coupled with the strategic application of Higher Education Emergency Relief Fund (HEERF) grants, we were able to end the year in a strong financial position. This report aims to provide a summary of financial performance and key highlights for FY21, to include updates on capital projects and our campus safety, crisis management, and business continuity efforts.
FY21 Performance Report

Governance and Finance Committee

Raaj Kurapati
Executive Vice President & Chief Financial Officer

August 25, 2021
Maxine A. Smith University Center and Zoom Video Conference
COVID-19 presented significant financial challenges

E&G Operations Projected Budget Gap - $55M

FY21 Projected Overall Budget Shortfall – (Appx. $55M)

Major contributing factors:
1. Refunds of various fees (online, payment plan, late registration, etc.)
2. Support for ongoing scholarships, strategic scholarship programs, retention initiatives aimed at maintaining enrollments
3. Investments in facilities to respond to COVID-19, including investments in technology.
4. Need to increase allowance for bad debts
5. Reduced foundation operational support
6. Loss of revenues, including Athletics
7. Support for capital needs, given the drop in State capital maintenance support, and other strategic investments

Mitigating Actions:
• Instituted a 4% variable (4.5% Admin – 3.5% Academics) pullback of base budget (yield $7M)
• Instituted a 60% pullback in carryforward balances (yield $17M)
• Maximized flexibility by holding certain portions of the CARES Act funding to support student initiatives & applied for and successfully received a State grant ($1.6M) for COVID-19 costs
• Instituted a hiring freeze and put in place a hiring exception process to allow strategic hires
• Instituted a ban on travel, with very limited exceptions
• Realized cost savings through energy management and strategic sourcing
• Adjusted processes to better support students (Drop for Non-Payment Changes)
• Sought and received support from the Auxiliary Services Foundation (ASF) to provide $12M to offset impacts on Athletics through a loan entered into by the ASF
• Strategic use of Federal support from HEERF I & II and HEERF III (American Rescue Plan)
E&G Rev. & Exp. Vs. Budget

E&G Revenues | Actuals and Adjusted Budget

E&G Expenditures | Actuals and Adjusted Budget
2021 Bond Refunding Impact

<table>
<thead>
<tr>
<th>Cumulative Bonding Cost (in thousands)</th>
<th>Before Refund</th>
<th>After Refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Interest Expense</td>
<td>$36,768</td>
<td>$17,771</td>
</tr>
<tr>
<td>Total Debt Services</td>
<td>$81,090</td>
<td>$71,938</td>
</tr>
</tbody>
</table>

- **Principal amount refunding:** $54.2 million
- **Remaining life of bonds range between 8 – 24 years**
- **Total Interest Savings:** $19 million
- **Total Debt Savings:** $9.2 million

August 2021 Governance and Finance Committee Meeting

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<table>
<thead>
<tr>
<th>Category</th>
<th>In Thousands w/o HEERF funding</th>
<th>In Thousands w/ HEERF funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing &amp; Residential</td>
<td>$3,462</td>
<td>$3,011</td>
</tr>
<tr>
<td>Food &amp; Vending Services</td>
<td>$3,843</td>
<td></td>
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<tr>
<td>University Service Court</td>
<td>$134</td>
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<tr>
<td>Parking</td>
<td>$1,789</td>
<td>$2,583</td>
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<tr>
<td>Conference &amp; Event</td>
<td>$150</td>
<td>$432</td>
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<tr>
<td>Copier Vending</td>
<td>$111</td>
<td>($111)</td>
</tr>
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### FY21 Summary of HEERF Funding

**Application of HEERF**

<table>
<thead>
<tr>
<th>HEERFs</th>
<th>Student Aid Portion</th>
<th>Institutional Aid Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARES ACT (HEERF I)</td>
<td>$7,787,700 Emergency grants to 12,283 students</td>
<td>$8,058,119 Refunds to students - $7.36m; Student wages - $435k; Retention Scholarships - $256k</td>
</tr>
<tr>
<td>CRRSA ACT (HEERF II)</td>
<td>$7,801,875 Emergency grants to 13,629 students</td>
<td>$20,544,857* Refunds to students - $6.37m; Emergency Student grants - $835k; Retention Scholarship - $114k; Athletic and Auxiliary Revenue loss recovery - $9.24m; IT and Campus Safety Expenses - $860k; Indirect Cost recovery - $3.13m</td>
</tr>
<tr>
<td>ARP ACT (HEERF III)</td>
<td>$3,196,000 Emergency grants to 4,434 students</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,785,575</strong></td>
<td><strong>$28,602,976</strong></td>
</tr>
</tbody>
</table>
Comparative Financial Statement Summaries
FYE June 30 2021 and 2020

Unaudited FY21 (in thousands)
- Total Assets - $983,282
- Ending Net Position $660,197
- Net Income Before Capital Items
- Capital Appropriations
- Liabilities

Audited FY20 (in thousands)
- Total Assets - 907,661
- Ending Net Position 587,037
- Net Income Before Capital Items
- Capital Appropriations & Gifts
- Liabilities

* Capital gifts from Component Units not finalized
In Thousands

FY17

PFM Realized Gain: $1,478
PFM Interest: $784
LGIP Interest: ($165)
FB Interest: $1,280
First Horizon Interest: $559

Unrealized Gain / (Loss)
FY17: ($841)
FY18: ($968)
FY19: $3,511
FY20: $3,491
FY21: ($3,162)

FY18

PFM Realized Gain: $2,526
PFM Interest: $1,411
LGIP Interest: $1,280
FB Interest: ($240)
First Horizon Interest: $1,280

FY19

PFM Realized Gain: $4,267
PFM Interest: $2,820
LGIP Interest: $1,388
FB Interest: ($240)
First Horizon Interest: $667

FY20

PFM Realized Gain: $5,430
PFM Interest: $4,267
LGIP Interest: $3,371
FB Interest: $812
First Horizon Interest: $482

FY21

PFM Realized Gain: $3,527
PFM Interest: $2,483
LGIP Interest: $845
FB Interest: $812
First Horizon Interest: $482

August 2021 Governance and Finance Committee Meeting
The Fiscal Year 2021 Investment Income Report

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Sources Of Revenue* (in thousands)

*Does not include Capital Gifts and appropriations
Operating Expenses (in thousands)

Unaudited FY21 - $429,879
- Salaries $215,372
- Benefits $72,162
- Other Operating Expenses $81,149
- Scholarships $38,196
- Depreciation $23,000 (est)

Audited FY20 - $460,636
- Salaries $221,299
- Benefits $77,421
- Other Operating Expenses $102,878
- Scholarships $37,443
- Depreciation $21,595
Final BCP Plan Count 143
(Adjusted from 147 due to Consolidation)

Overall Plans Status:
✓ Plans Due for Review 137
✓ Plans Still In-Progress 6

As of July 30, BCP Office is Assisting Departments by Providing Additional Information for Plan Development as a Stimulus to Achieve 100% Completion of Phase I - Target: August 2021

Working with Vendor (Kuali) to Provide/Develop Exercises for Implementation During Fall 2021. Will also continue QA Review Process to ensure BCP Software Benchmarks Have Been Achieved

Next Steps – Develop an Overall Institutional BCP
Follow current federal (CDC), state, and local (Shelby County Health) recommendations.

Continue contact tracing, case management, protocols, and quarantine and isolation practices as needed.

Ensure PPE and sanitizing supplies are available in appropriate quantities for students, faculty, and staff.

The University will promote safety awareness as well as personal and community responsibility.
Comprehensive Security Plan

- Strategic personnel use and department design
- Crime prevent through environmental design (CPTED) of all campus facilities
- Integrated camera system/technology use
- Clery Act Training/Communication
- Access controls
- Community policing initiatives
- University District and Campus Community partnerships
Completed Projects

R. Brad Martin Student Wellness & Fitness Center

Over 70,000 square feet of nutrition, cardio, weights, fitness studios, gym and recreational pool.
Completed Projects

R. Brad Martin Student Wellness & Fitness Center

Over 70,000 square feet of nutrition, cardio, weights, fitness studios, gym and recreational pool.
Completed Projects

Patterson Realignment

80% grant funded reconfiguration for improved safety and access.
Browning Hall Renovation

Updated offices, classrooms, and labs with HVAC, lighting, flooring, elevator, and windows.
Field House Improvements

Improved seating, ADA, lighting, restrooms, and graphics.

August 2021 Governance and Finance Committee Meeting

5. Fiscal Year 2021 Performance Report
Scheidt Family Music Center

90,000 SF with 1,000 seat main hall, 3 major rehearsal spaces, 2 recording studios plus offices and support space.

Spring 2022
Scheidt Family Music Center

90,000 SF with 1,000 seat main hall, 3 major rehearsal spaces, 2 recording studios plus offices and support space.

Spring 2022
Projects Under Construction

Tennis

New indoor and outdoor tennis courts for athletics and recreation in partnership with city.

Fall 2022
Projects Under Construction

Rose Aquatic Center

Fall 2022

New pool, seating, support space, and infrastructure.
Projects Under Construction

Campus Middle School

Fall 2021

Renovation of FEC for University Middle School.
Projects Under Construction

Campus Middle School  
Fall 2021

Renovation of FEC for University Middle School.
Lambuth Sprague Hall Classroom Conversion for Nursing

26,000 SF of offices, classrooms, and labs for Nursing.

Spring 2022
Projects Under Construction

Madison Lambuth High School

Fall 2021
Projects Under Construction

Finch Statue and Plaza

Honoring Larry Finch.
Questions?
6. Additional Business
Presented by Doug Edwards
7. Adjournment

Presented by Doug Edwards