








June 2023 Governance and Finance Committee Meeting

Schedule	Wednesday, June 14, 2023 9:55 AM — 10:25 AM CDT
Venue	Maxine A. Smith University Center - Bluff Room (304)
Organizer	Sparkle Burns

Agenda

1. Call to Order and Opening Remarks Presented by Doug Edwards	1
2. Roll Call and Declaration of Quorum Presented by Melanie Murry	2
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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 from December 9, 2022

For Approval

Presented by Doug Edwards

**University of Memphis Board of Trustees
Governance and Finance Committee Meeting
December 9, 2022**

The Governance and Finance Committee of the University of Memphis Board of Trustees met at 8:48 a.m. CDT on Friday, December 9, 2022, in-person at the Scheidt Family Performing Arts Center and virtually using the Zoom video conferencing system.

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

Chairman Doug Edwards presided over the meeting.

University Counsel and Board Secretary Melanie Murry called the roll and confirmed the following Governance and Finance Committee members were present (and alone if remote):

Trustee Alan Graf (attended virtually; at 9:40 a.m. confirmed he was alone and could hear)
Trustee Cato Johnson
Trustee Marissa Clark
Trustee David Kemme
Trustee David North
Chairman Doug Edwards
Trustee Susan Springfield

Secretary Murry acknowledged two additional trustees who were in attendance: Trustee Carol Roberts and Trustee David McKinney

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.

II. Approval of Meeting Minutes for September 7, 2022

Chairman Edwards requested a motion for the approval of the September 7, 2022, Governance and Finance Committee minutes. The motion was made by Trustee Johnson and properly seconded. No discussion. A roll call vote was taken, and the motion carried.

III. Agenda Item 4: Housing Rate Adjustment

Chairman Edwards recognized Executive Vice President and Chief Operating & Financial Officer (EVP-COO/CFO), Raaj Kurapati, who presented a request to the board to adjust housing rates. EVP-COO/CFO Kurapati began with an overview of the benefits of on-campus housing and addressed actions taken over the previous five years related to finances and housing occupancy. He shared the 3.5% proposed rate increase would keep the University competitive with peers, allow an opportunity to maintain reserves while also providing resources for product support and student services. He reminded the Board there had been

no rate increase since Fall 2017 and mentioned the proposed increase would result in \$530,000 in net revenue.

Trustee North inquired about the percentage of students residing in on-campus housing. EVP-COO/CFO Kurapati responded roughly 15% of undergraduates live on campus. Trustee North implored the board and committee to think objectively for the strategic plan and asked President Hardgrave & EVP-COO/CFO Kurapati to determine the targeted goal for the future. Additional discussion ensued.

Chairman Edwards noted statistically those who live on campus are more likely to graduate.

Trustee Johnson asked if EVP-COO/CFO Kurapati is confident that the University is utilizing best practices to take the University to the next level as it relates to housing. EVP-COO/CFO Kurapati responded that as facilities are aging, Park Avenue campus is critical to the immediate and growing needs and it is also important to reinvest in properties currently offered.

Trustee McKinney requested the committee to review the impact of the 2017 rate increase. EVP-COO/CFO Kurapati said he would obtain that information.

Trustee Springfield commented that off-campus housing can be considered competition yet is equally needed and asked for a follow-up on how the university thinks about this. With President Hardgrave's approval, EVP COO/CFO Kurapati stated he will provide a more comprehensive look at the housing stock as well as what is complemented in off-campus housing.

Trustee Kemme mentioned the increase was modest and he would entertain a greater increase in order to generate funds to build high quality on-campus housing. He asked about housing for the growing international student population. EVP-COO/CFO Kurapati stated of the 200 beds leased in off-campus housing, 90% are occupied by international students.

Chairman Edwards called for a motion to approve the 3.5% increase in the student housing rate for Fall 2023. The motion was made by Trustee Johnson and seconded by Trustee North. A roll call vote was taken by Secretary Murry and the motion carried.

IV. Agenda Item 5: Bookstore – Tigers SmartStart Update

Chairman Edwards acknowledged EVP-COO/CFO Kurapati to provide an update on the Tigers SmartStart program. EVP-COO/CFO Kurapati reminded the Board of Barnes & Noble (B&N) selection as the new partner, shared progress of the transition from Follett to Barnes and Noble and commended colleagues across campus who assisted in the implementation of the program for Spring 2023.

EVP-COO/CFO Kurapati noted the Tigers Smart Start opt-in program was recently made available to students and 500 opt-in confirmations were received within 24 hrs. Students have the option to opt out of the program. EVP-COO/CFO Kurapati also noted the book adoption platform had the highest rate (94%) of book adoptions of any year which is important for the success of the program.

Trustee Springfield asked for the reason(s) why some faculty may not have adopted the material. Interim Provost, Dr. Abby Parrill-Baker answered that new sections were still being added by professors, which results in an expected lag.

Trustee Kemme added that from a faculty perspective, Tigers SmartStart is a clear, easy adoption program.

Chairman Edwards inquired if there was anything B&N cannot do in terms of course material. Interim Provost Parrill-Baker answered that they are discovering things they can work on. Both Interim Provost Parrill-Baker and EVP COO/CFO Kurapati stated B&N is a great partner.

Trustee Kemme posed the question of store location as it is not exposed to the public. EVP-COO/CFO Kurapati stated that while not ideally located, there is a need to provide information to the community as well as offer merchandise to attract people to campus.

EVP-COO/CFO Kurapati addressed textbook scholarships opportunities to encourage enrollment.

Trustee Clark asked if they've accounted for the many online options students can use for textbooks, i.e., Amazon, ThriftBooks etc. EVP-COO/CFO Kurapati reported a lot of sites break copyright laws, so this program legally balances low costs.

Acknowledgements were given by Trustee North to faculty and to EVP-COO/CFO Kurapati and his team.

Vice President, Student Academic Success, Dr. Karen Weddle-West, reported the highest rate of freshmen registrations is tied to the 75 textbook scholarships initiative.

V. Agenda Item 6: Revised Annual Budget

Chairman Edwards yielded to EVP-COO/CFO Kurapati to present the revised budget. EVP-COO/CFO Kurapati provided a brief overview of the budget process and mentioned the revised budget summarizes the adjustments which reflect the enrollment experience and adjusts for any changes in state support which were unaccounted in the original budget.

EVP-COO/CFO Kurapati addressed enrollment challenges and provided an overview of enrollment by class, noting a steady decline in undergraduate, resident enrollment; an increase in dual enrollment; and growth in both out of state and international enrollment, specifically at the graduate level. He mentioned graduate enrollments have been critical in compensating for the decrease in undergraduate resident enrollment. He emphasized the revised budget reflects adjustments to categorize tuition and fees to where they are generated in the appropriate residency categories and reflects shifts in such to accurately reflect contraction and growth. The actual adjustments for growth are one-time adjustments related to out of state/international enrollment. Base budget adjustments will not occur until we are able to sustain the level of enrollment growth seen over the last couple of years.

Trustee Roberts asked if diversity is the silver lining. President Bill Hardgrave recognized that a lack of geographical diversity is a potential threat and strategic planning will take a deep dive in enrollment.

Chairman Edwards acknowledged the loss of 5,000 Tennessee-resident students is disappointing and while the growth of international students is great, it is not sustainable. He would like to focus on recruiting students in the state of Tennessee.

Trustee Johnson mentioned HBCUs are doing a tremendous job of recruiting students at this time and should not be underestimated.

EVP-COO/CFO Kurapati shared the revised revenues total were from \$599.7 million to \$680.1 million. The revised budget includes the \$50 million one-time state appropriation. Chairman Edwards gave recognition to University Advancement for their philanthropy efforts.

EVP-COO/CFO Kurapati provided an overview of the various revenue and expenditure adjustments and projected \$680 million in revenue, \$710 million in proposed expenditures, and \$42M in carryforward funds. He reminded the board of the compensation adjustment for faculty and staff. In addition to the 3% base increase, a 0.5% onetime lump-sum was provided in November and a 0.5% across-the-board increase to be implemented in January 2023. In closing, EVP-CFO Kurapati advised the FY23 Revised Budget is within available resources and complies with applicable policies and guidelines.

Trustee Kemme inquired about the public service line item. EVP-COO/CFO Kurapati offered to get him the actual breakdown and explained it refers to anything that does not fall under direct instruction, research or administration classification.

Trustee McKinney noted the most important asset of the university is its students.

Chairman Edwards called for a motion of the revised budget. The motion was made by Trustee Johnson and seconded by Trustee Springfield. Secretary Murry interjected to ask Trustee Graf, who participated virtually, if he was alone and could hear. Trustee Graf confirmed he was alone and could hear. A roll call vote was taken by Secretary Murry and the motion carries.

VI. Agenda Item 7: Foundation Update

Chairman Edwards acknowledged EVP-COO/CFO Kurapati to provide an update on the University's foundations. EVP-COO/CFO Kurapati explained the foundations' function is to receive & invest money, primarily through endowments that support faculty positions and scholarships. He also provided an overview of the budget approved for scholarships. For FY24 the spend rate applied to the endowment was 4% and mentioned underwater funds which has a lower spend rate per applicable policy. The prior year scholarship budget was \$4.2 M and budget for next year is \$4.6 million based on better market performance from last year. Approved for this fiscal year during June 2022, the Foundation provided \$2.4M to

the university for general operations. He confirmed there would be an update to the Board during the next budget cycle.

EVP-COO/CFO Kurapati shared all the foundations and the Herff Trust are audited annually and provided an update of the current status of each. Once the financial statements have been certified by the auditors, they are submitted to Vicki Deaton, Chief Audit Executive, Internal Audit, who presents to the Board as part of the Audit Committee.

EVP-COO/CFO Kurapati also gave an update on the \$50M R1 endowment, affirming installments from the state have been received on a monthly basis for the past four months; funds are being held in a cash pool until an accounting structure is determined by the state and with Dr. Hardgrave's approval. Additional information regarding the management of endowment funds was provided. EVP-COO/CFO Kurapati will continue to provide foundation updates as appropriate.

Trustee Kemme inquired about the bookkeeping of the \$50 million match from the state and the managers of those funds. EVP-COO/CFO Kurapati replied that the current thinking, subject to consultation with State Audit, is that state money will be held in the university's books and any match donations will be held in a separate foundation account at the UofM Foundation. An IPS will be developed to manage the \$100M (combined total endowment) which will apply to the State funds and fund-raised portions. He also confirmed the same managers will be used for efficiency in fees and an annual report of activities and performance will be provided in the future.

Chairman Edwards asked what constitutes "underwater" funds by 10%. EVP-COO/CFO Kurapati said a three-year rolling average determines what is considered "underwater" and that three years' worth of funding is set aside in an expendable pool.

VII. Agenda Item 8: Additional Business

Chairman Edwards asked for additional business and Trustee North addressed the committee, asking the President & Chair to consider a formal succession planning process for the board. Secondly, he acknowledged Trustee Roberts, Chairman Edwards, and other members for their effort in helping secure & orient President Hardgrave. Lastly, Trustee North offered a motion to extend the term of Chairman Edwards for one more term, allowing for good continuity of the continued orientation of President Hardgrave and execution of the strategic plan. Secretary Murry recommended the committee raise the motion in the full board meeting for voting.

Chairman Edwards encouraged all trustees, members of the committee, community, and state make known to the Governor the governance desires at the University. He stated he is willing to continue serving as Chairman as the strategic plan is being formed.

Trustee North withdrew the motion and declared he would bring it up at the full board meeting.

Trustee Kemme made the comment that no other university has a similar board and offered excitement for the strategic plan.

Trustee McKinney asked to leverage resources, talents, and skills to best serve the University as the trustees. He also shared the importance to reduce any friction and maintain continuity moving forward with the strategic plan and the trustee's fiduciary responsibility to provide transparency. He added diversity is of utmost importance as succession in leadership of the board evolves.

President Hardgrave fully endorsed the opportunity to continue working with Chairman Edwards.

There was no additional committee business.

VIII. Adjournment

Chairman Edwards called for a motion to adjourn. The motion was made by Trustee North and seconded by Trustee Springfield. A voice vote was taken and the motion carries. The meeting was adjourned at 10:06 a.m.

4. FY2023-24 Proposed Budget, FY2022-23 Estimated Budget Recommendations, and FY24 Compensation Strategy

For Approval

Presented by Raajkumar Kurapati

The University of Memphis Board of Trustees

Recommendation

For Approval

Date: June 14, 2023

Committee: Governance and Finance Committee

Item: FY2023-24 Proposed Budget
FY2022-23 Estimated Budget
FY24 Compensation Strategy

Presented by: Raaj Kurapati, Executive Vice President/Chief Operating Officer and Financial Officer

Background:

Budget Control Policy (UM 1768) recognizes budgeting as the process whereby the plans of an institution are translated into an itemized, authorized, and systematic plan of operation, expressed in dollars, for a given period. This policy also recognizes that a budget is a plan and circumstances may necessitate revisions or changes from time to time. In view of this, we will submit budgets for approval three times each fiscal year. At this time, both the FY2023-24 Proposed budget and FY2022-23 Estimated budget are presented for consideration.

The **Proposed Budget** is prepared in the spring for implementation each fiscal year on July 1. This budget is based on the level of state funds recommended in the Governor's proposed budget as well as early estimates of factors such as enrollment projections, proposed tuition increases and research activities. The **Proposed Budget** is submitted to the Board for approval prior to the start of the subsequent fiscal year which includes the FY2024 Compensation Plans.

The final budget submitted for each fiscal year is the **Estimated Budget**. This budget includes carryforward balances from prior years that represent available resources at the departmental level. Although these funds are available, we do not anticipate that all resources will be spent in the current fiscal year. The **Estimated Budget** also includes final adjustments to the current year budget and is the budget against which final year-end actual amounts are compared. It is prepared, submitted, and considered by the Board at the same time as the **Proposed Budget** for the upcoming fiscal year.

Committee Recommendation:

The Governance and Finance Committee met June 14, 2023, and recommended approval of the FY2022-23 Estimated Budget and the FY2023-24 Proposed Budget and assumptions as presented in the meeting materials.

Final Operating Budget for Fiscal Year 2023 Proposed Operating Budget for Fiscal Year 2024

Governance and Finance Committee

Raaj Kurapati
Executive Vice President & COO/CFO

June 14, 2023

Maxine A. Smith University Center

June 2023 Governance and Finance Committee Meeting

4. FY2023-24 Proposed Budget, FY2022-23 Estimated Budget ...



JUNE 2023

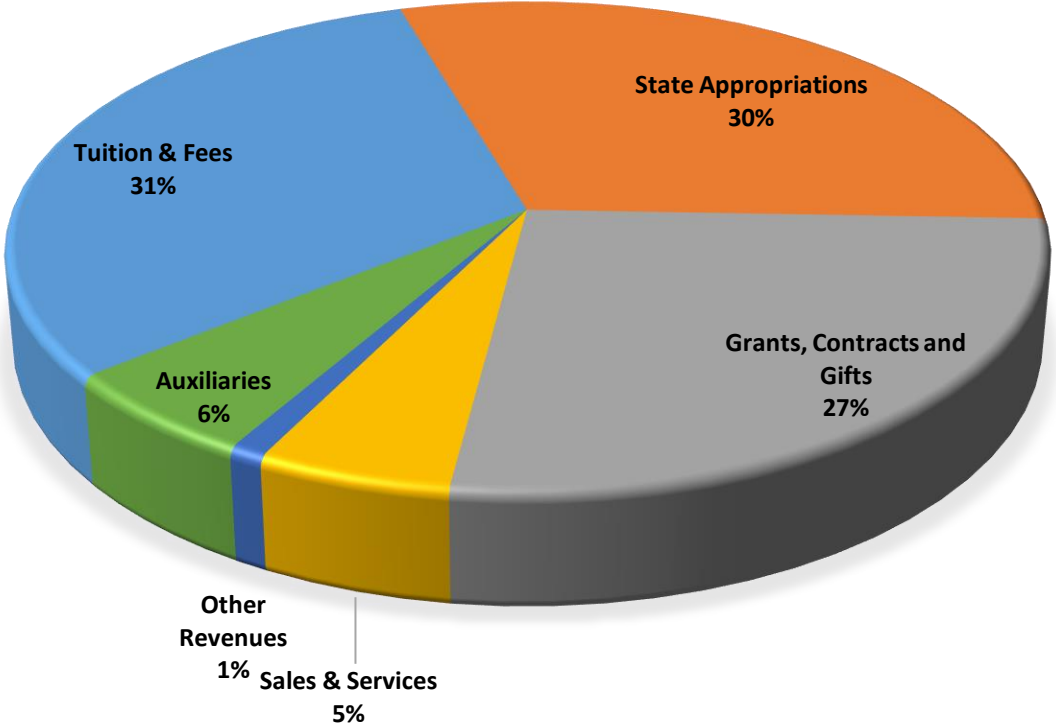
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- Budget Overview
- FY24 Proposed Budget
- FY23 Estimated (Final) Budget
- FY24 Compensation Strategy

FY23 Revenue Budget (includes Unrestricted & Restricted)

University of Memphis FY22-23 Revised Budget	
Tuition and Fees	\$214.0 M
State Appropriations	206.3 M
Grants, Contracts & Gifts	181.4 M
Sales & Services	36.6 M
Auxiliaries	39.7 M
Other	6.6 M
Total Revenue	\$684.6 M

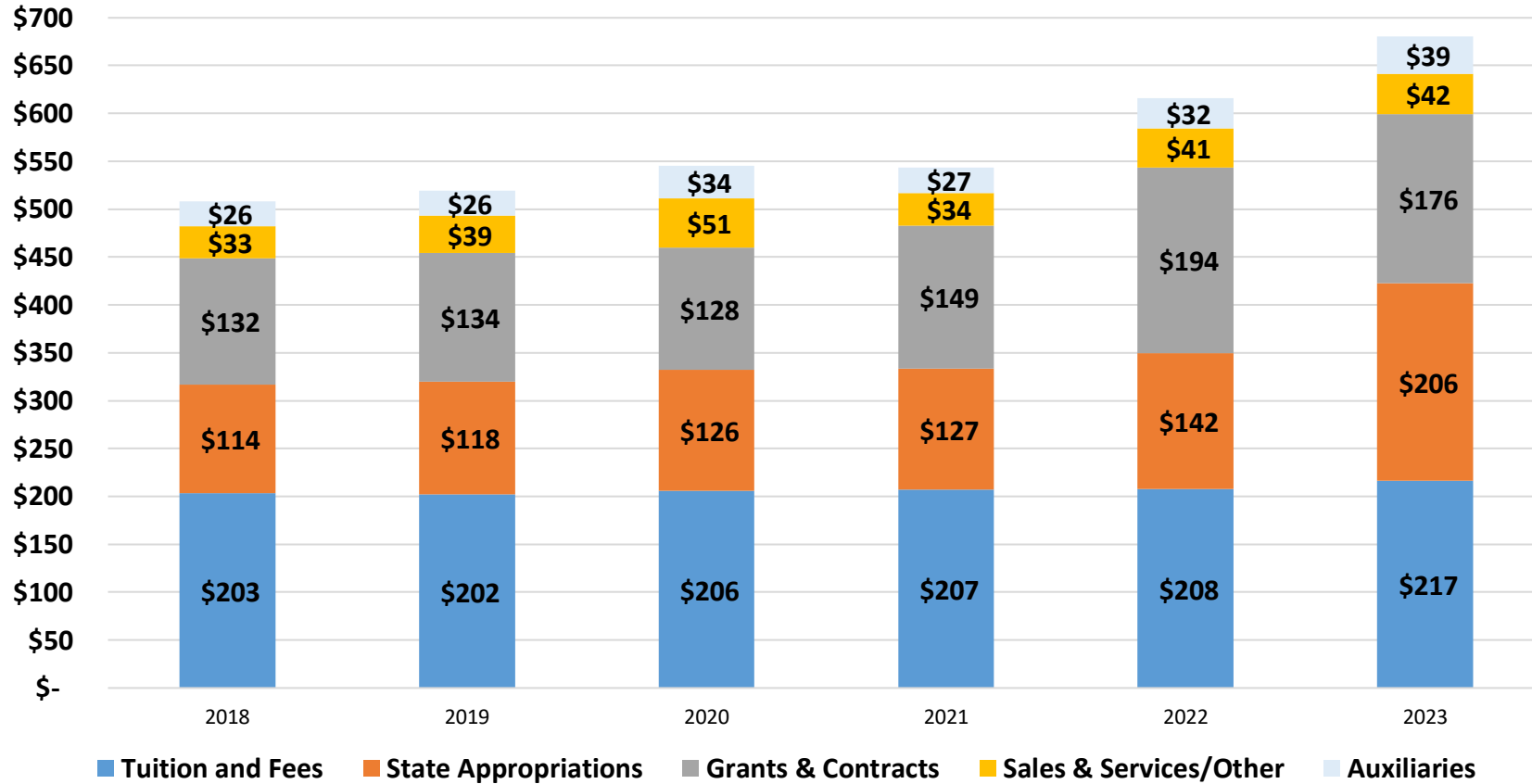
FY2023 *Revised* Unrestricted and Restricted Revenues
Total \$684.6M



University Budget Growth



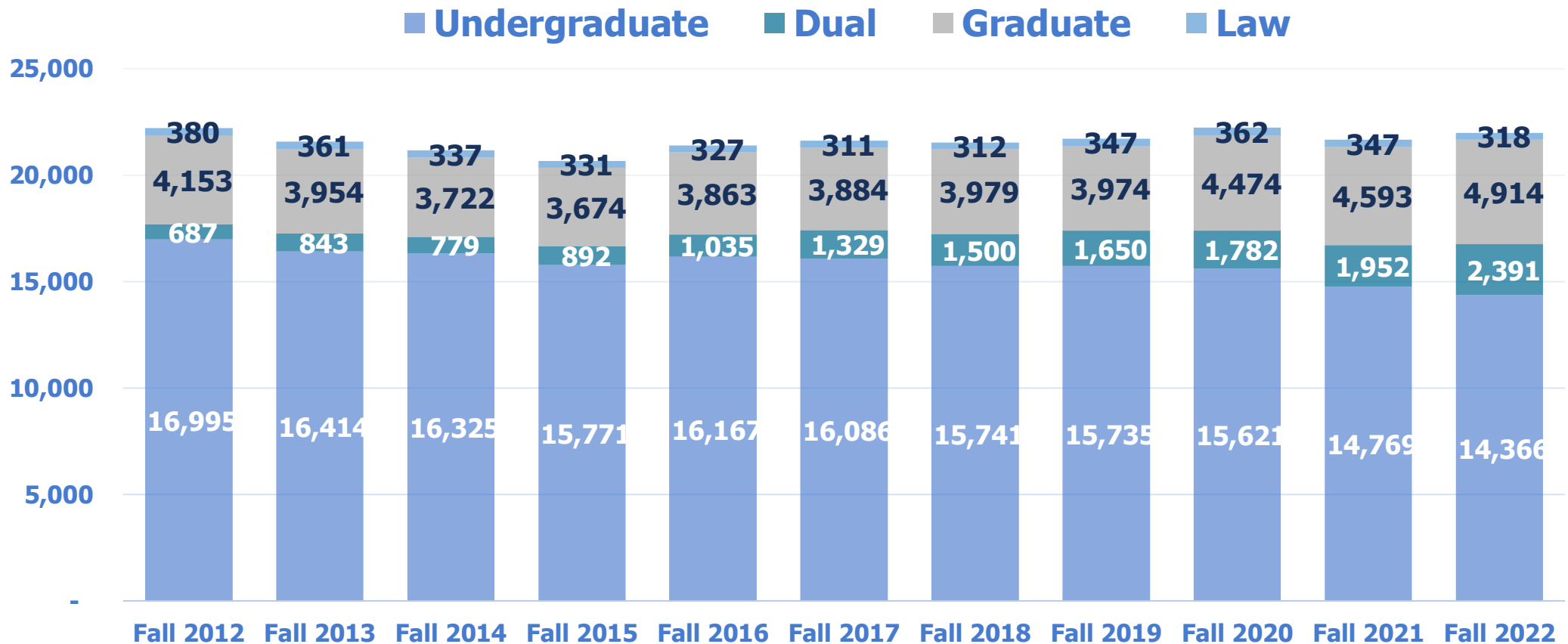
Total University Revenue by Type (in Millions)



Primary Revenue Sources

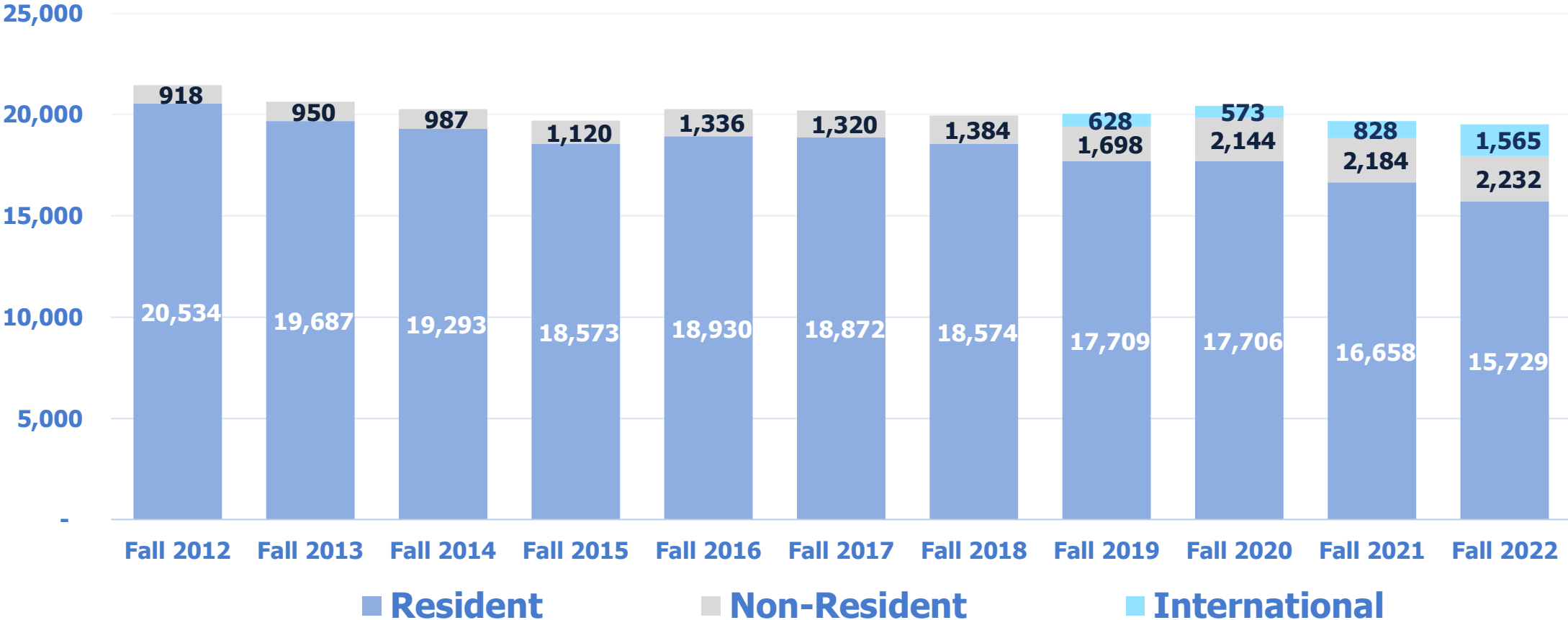
State Appropriations & Tuition/Fees

Enrollment by Class



Enrollment by Residency

HEADCOUNT TREND BY RESIDENCY EXCLUDES DUAL ENROLLMENT



FY23 Enrollment Impact on Tuition

The University of Memphis Academic Year Tuition & USF by Student Residency							
	AY 2019-20	AY 2020-21	AY 2021-22	AY 2022-23	4 Yr. \$ Change	FY22 & FY23 Tuition Increases	Enrollment Impact
In State	\$ 123,253,000	\$ 119,145,000	\$ 112,464,000	\$ 106,841,000	\$ (16,412,000)	\$ 1,165,000	\$ (17,577,000)
Out-of-State	10,870,000	12,269,000	14,389,000	14,571,000	3,701,000	325,000	3,376,000
International	2,754,000	2,457,000	3,220,000	3,466,000	712,000	102,000	610,000
Global	4,571,000	5,726,000	6,550,000	9,072,000	4,501,000	79,000	4,422,000
Undergraduate Total	141,448,000	139,597,000	136,623,000	133,950,000	(7,498,000)	1,671,000	(9,169,000)
In State	20,371,000	21,094,000	18,998,000	16,063,000	(4,308,000)	287,000	(4,595,000)
Out-of-State	6,986,000	7,395,000	6,478,000	6,336,000	(650,000)	248,000	(898,000)
International	6,882,000	6,358,000	12,703,000	24,521,000	17,639,000	512,000	17,127,000
Global	1,418,000	4,293,000	5,938,000	5,943,000	4,525,000	66,000	4,459,000
Graduate Total	35,657,000	39,140,000	44,117,000	52,863,000	17,206,000	1,113,000	16,093,000
In State	5,469,000	5,413,000	5,140,000	4,771,000	(698,000)	80,000	(778,000)
Out-of-State	1,870,000	1,724,000	1,837,000	1,641,000	(229,000)	41,000	(270,000)
International	31,000	28,000	-	-	(31,000)	-	(31,000)
Law Total	7,370,000	7,165,000	6,977,000	6,412,000	(958,000)	121,000	(1,079,000)
University Total	\$ 184,475,000	\$ 185,902,000	\$ 187,717,000	\$ 193,225,000	\$ 8,750,000	\$ 2,905,000	\$ 5,845,000

Revenue Budget Components

- State Appropriations
- Tuition Revenues
 - Enrollment changes
 - Tuition Rate (THEC FY24 Binding Range 0% - 3%)

Last two Tuition increases reinvested in Tuition & Fee restructures (no net new revenue)

FY24 State Appropriations

FY24 Governor’s Budget Recurring State Appropriations	
State Appropriation – Operating Increase	\$4,979,800
Salary Increase Pool ¹	7,450,000
Health Insurance & Retirement Increases	710,700
Outcomes Formula Adjustment	1,323,100
Net Recurring State Appropriations	\$14,463,600

FY24 Mandated Expenses	
Salary Increase Cost	\$11,600,000
Health Insurance & Retirement Increases	710,700
Total Mandated Expenses	\$12,310,700

FY24 Governor’s Budget Capital Maintenance – One Time State Appropriations	
Elevator and Fire Alarms (Multiple Buildings)	\$5,340,000
Net Capital Maintenance State Appropriations	\$5,340,000

FY24 Governor’s Budget Capital Projects – One Time State Appropriations	
Safety and Security Enhancements	\$5,488,000
Net Capital Projects State Appropriations	\$5,488,000

¹ Salary pool funding represents the State portion of the Salary increase cost or roughly 60% of the cost; the University also has about 40% to fund as well

THEC Binding Tuition Ranges

- The Focus Act (TCA 49.7.1601) requires Tennessee Higher Education Commission (THEC) make student fee and state appropriation recommendations concurrently.
- Numerous factors impact the tuition recommendation, including student affordability and financial aid, institutional revenues and cost inflation factors.
- Efforts to mitigate the financial effect on students: UofM has implemented multiple tuition & fee structure changes to keep the overall cost of education as low as possible for our Tennessee resident students while remaining competitive with our national peers
- UofM has funded tuition & fee restructures with FY22 and FY20 Tuition increases, no new revenues to allocate

Fiscal Year	THEC Binding Range	UofM Increase
FY24	0.0% - 3.0%	2.86%
FY23	0%	-
FY22	0.0% - 2.0%	1.75%
FY21	0.0% - 2.0%	-
FY20	0.0% - 2.5%	1.79%
FY19	0.0% - 3.0%	-
FY18	0.0% - 4.0%	2.60%
FY17	0.0% - 3.0%	2.30%
FY16	0.0% - 4.0%	3.70%
FY15	2.0% - 4.0%	-
FY14	0.0% - 6.0%	6.00%

FY24 Proposed Budget

The FY24 Proposed budget was developed with the following assumptions:

- State Appropriation changes from the Governor's Budget (\$14.5M)
- 0% tuition increase
- Budgeted for flat enrollment based on Fall 2022 enrollment levels
- 3% Salary pool & benefit increases
 - Distributed by function and salary classification in the general orgs
 - Salary Pool to be updated and distributed Campus wide once approved

Proposed (Recurring) Budget Comparison

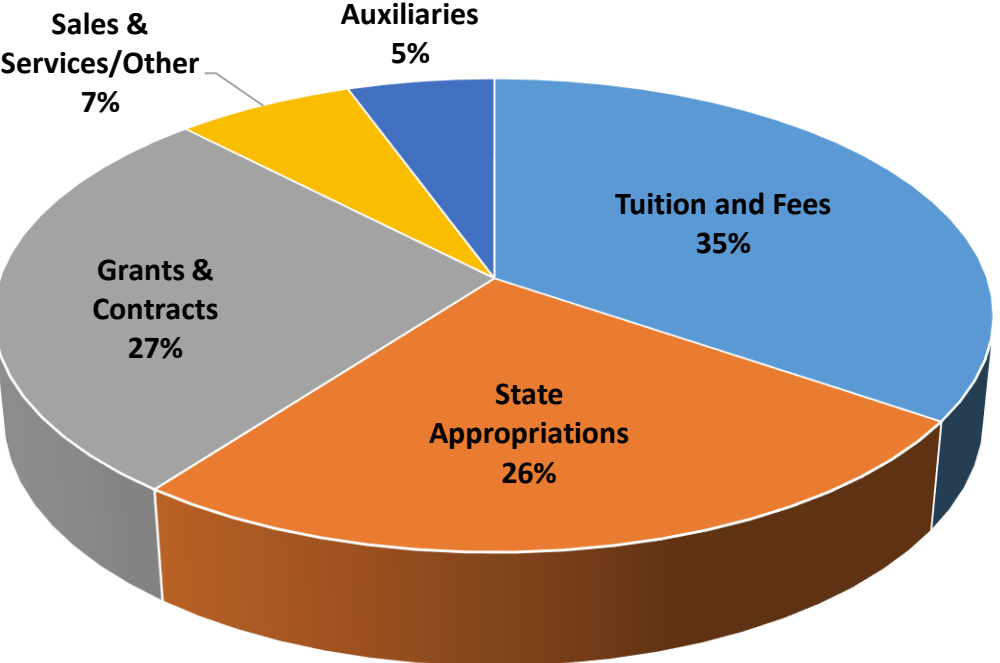
University of Memphis FY23 & FY24 Proposed Revenue & Expenditure Budget

	Proposed FY 2023	Proposed FY 2024	Variance	
Revenues				
Educational & General				
Tuition and Fees	\$ 207,275,900	\$ 209,503,500	\$ 2,227,600	1.1%
State Appropriations	150,869,200	171,065,600	20,196,400	13.4%
Unrestricted Grants, Contracts, & Gifts	29,662,400	31,669,300	2,006,900	6.8%
Sales and Services	34,930,100	34,315,800	(614,300)	-1.8%
Other	3,284,000	3,284,000	-	0.0%
Total Educational & General	426,021,600	449,838,200	23,816,600	5.6%
Auxiliary	33,063,100	37,002,600	\$ 3,939,500	11.9%
Restricted	140,601,700	154,594,100	13,992,400	10.0%
Total Revenues	\$ 599,686,400	\$ 641,434,900	\$ 41,748,500	7.0%

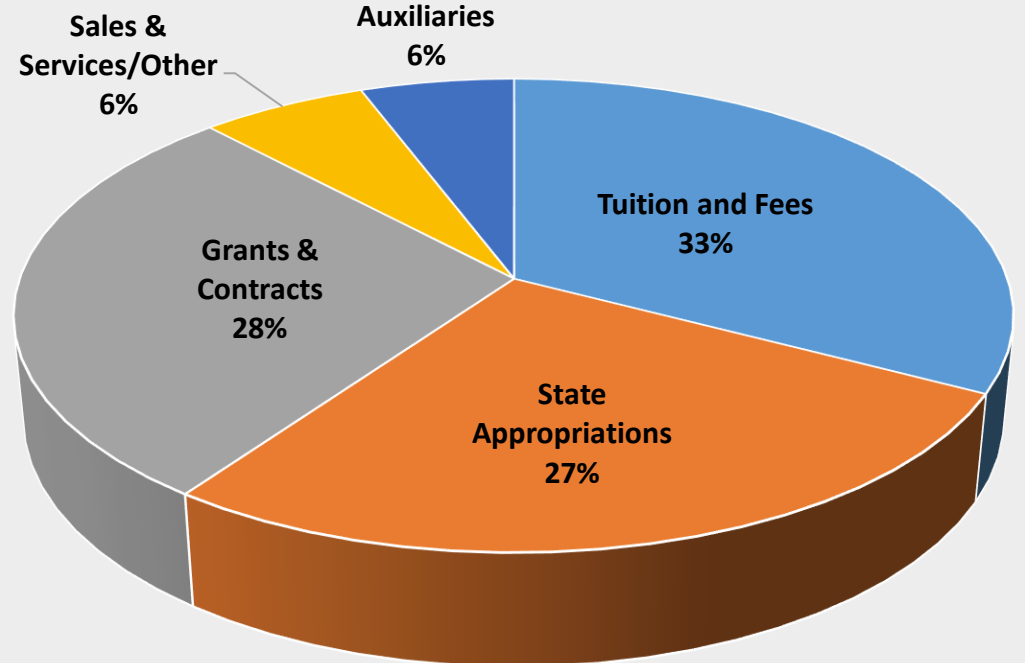
Revenue Comparison

FY24 Proposed to FY23 Proposed Budget

FY2023 Proposed Unrestricted and Restricted Revenue Total
\$599.7M



FY2024 Proposed Unrestricted and Restricted Revenue Total
\$641.4M



Proposed (Recurring) Budget Comparison

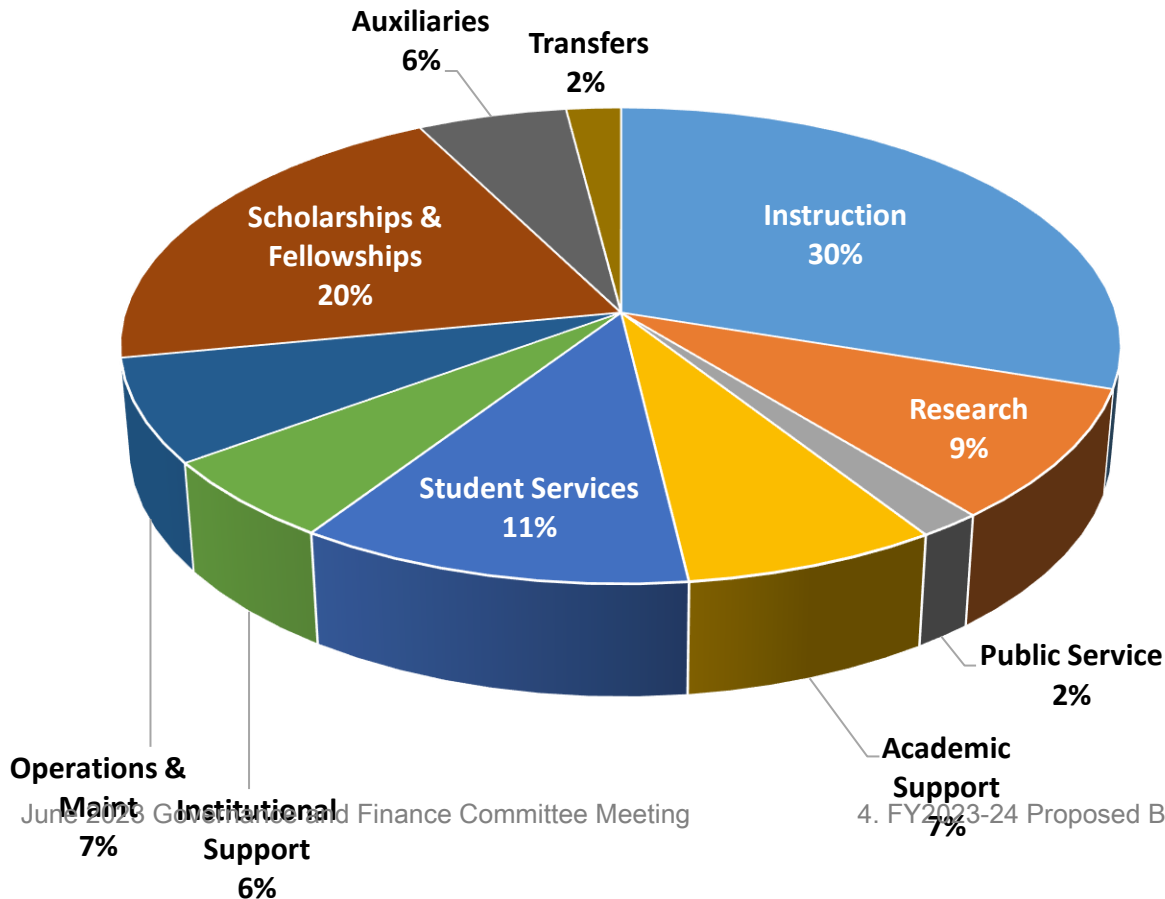


University of Memphis FY23 & FY24 Proposed Revenue & Expenditure Budget

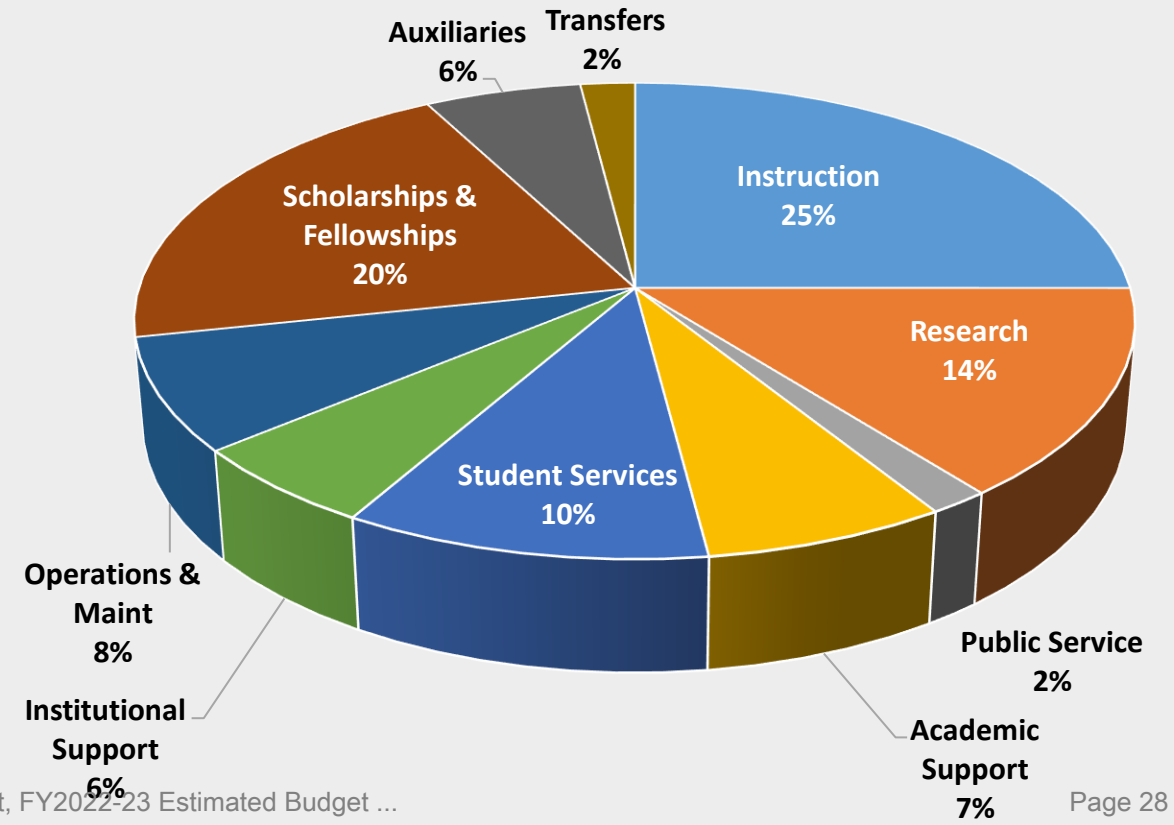
	Proposed FY 2023	Proposed FY 2024	Variance	
Expenditures				
Educational & General				
Instruction	\$ 178,373,200	\$ 157,954,600	\$ (20,418,600)	-11.4%
Research	24,118,600	52,371,700	28,253,100	117.1%
Public Services	4,668,500	4,691,300	22,800	0.5%
Academic Support	41,195,600	43,850,100	2,654,500	6.4%
Student Services	57,095,100	58,663,800	1,568,700	2.7%
Institutional Support	33,295,800	35,580,500	2,284,700	6.9%
Operation & Maintenance	42,208,000	48,969,900	6,761,900	16.0%
Scholarships & Fellowships	32,964,200	34,845,900	1,881,700	5.7%
Transfers	12,102,600	12,910,400	807,800	6.7%
Total Educational & General	426,021,600	449,838,200	23,816,600	5.6%
Auxiliary	33,063,100	37,002,600	\$ 3,939,500	11.9%
Restricted	140,601,700	154,594,100	13,992,400	10.0%
Total Expenditures and Transfers	\$ 599,686,400	\$ 641,434,900	\$ 41,748,500	7.0%

Expenditure Comparison FY24 Proposed to FY23 Proposed Budget

**FY2023 Proposed Unrestricted and Restricted Expenses Total
\$599.7M**



**FY2024 Proposed Unrestricted and Restricted Expense Total
\$641.4M**



FY23 Estimated Budget

Revised to Estimated Budget Comparison

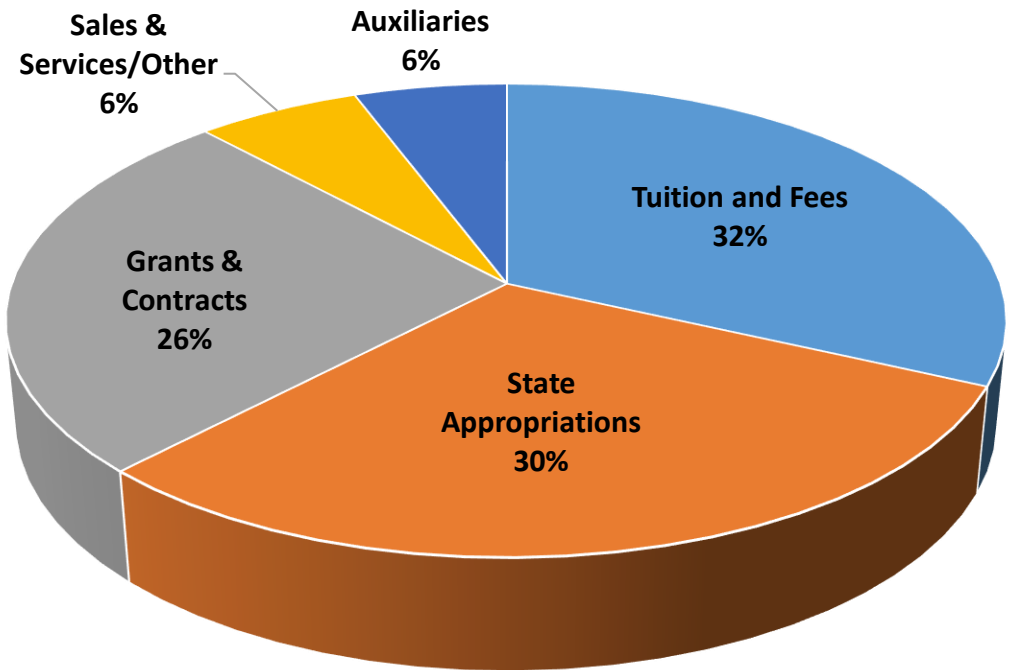
University of Memphis Revised FY23 & Estimated FY23 Revenue & Expenditure Budget

	Revised FY 2023	Estimated FY 2023	Variance	
Revenues				
Educational & General				
Tuition and Fees	\$ 216,540,500	\$ 214,017,300	\$ (2,523,200)	-1.2%
State Appropriations	203,069,300	203,069,300	-	0.0%
Unrestricted Grants, Contracts, & Gifts	32,474,900	33,676,000	1,201,100	3.7%
Sales and Services	36,308,300	36,566,900	258,600	0.7%
Other	3,284,000	4,128,000	844,000	25.7%
Total Educational & General	491,677,000	491,457,500	(219,500)	0.0%
Auxiliary	38,952,500	39,663,500	711,000	1.8%
Restricted	149,437,000	153,437,000	4,000,000	2.7%
Total Revenues	\$ 680,066,500	\$ 684,558,000	\$ 4,491,500	0.7%

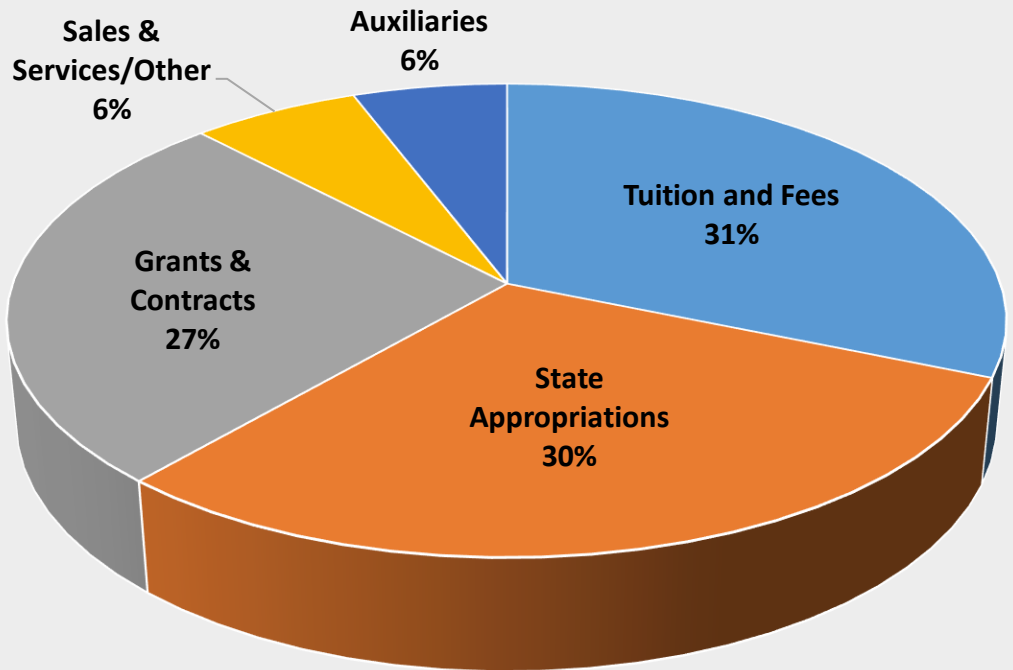
Revenue Comparison

FY23 Revised Budget to FY23 Estimated

FY2023 Revised Unrestricted and Restricted Revenue Total
\$680.1M



FY2023 Estimated Unrestricted and Restricted Revenue Total
\$684.6M



Revised to Estimated Budget Comparison

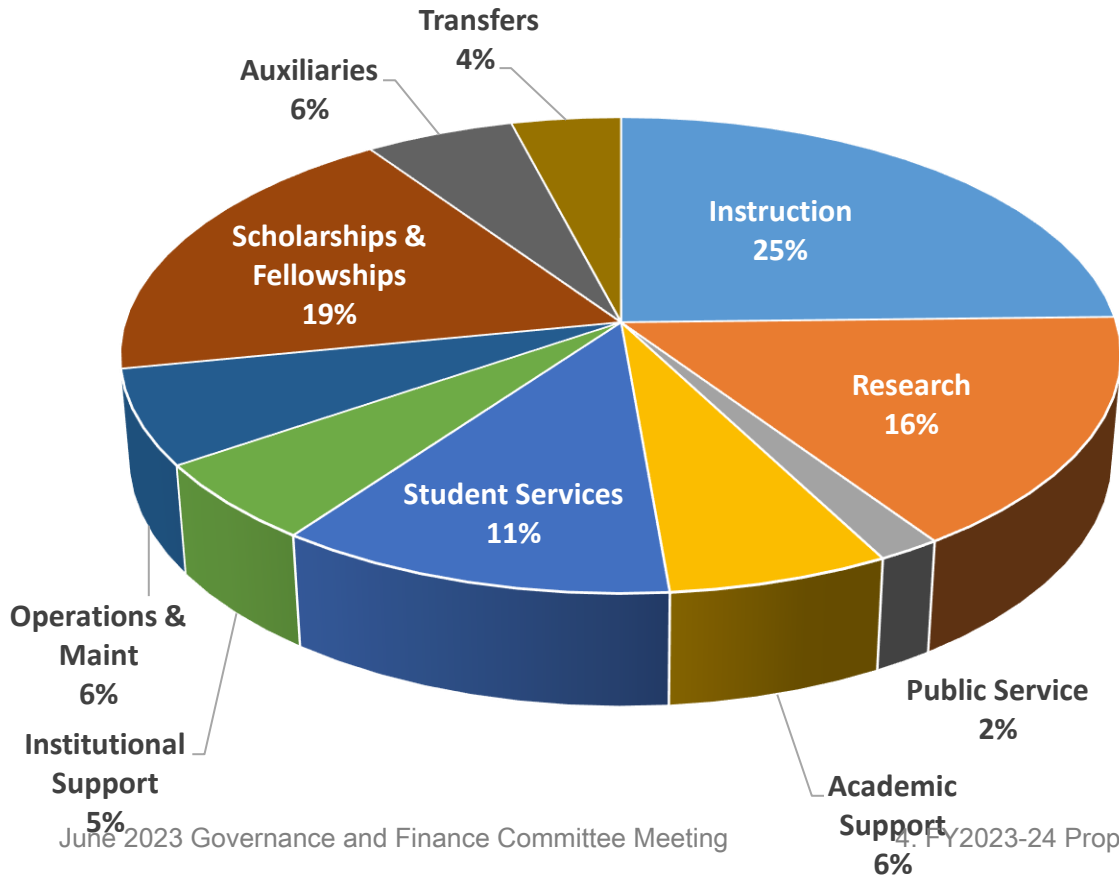
University of Memphis Revised FY23 & Estimated FY23 Revenue & Expenditure Budget

	Revised FY 2023	Estimated FY 2023	Variance	
<u>Expenditures</u>				
Educational & General				
Instruction	\$ 172,624,000	\$ 157,131,200	\$ (15,492,800)	-9.0%
Research	75,477,100	82,110,900	6,633,800	8.8%
Public Services	6,717,200	7,170,700	453,500	6.8%
Academic Support	44,234,000	45,375,700	1,141,700	2.6%
Student Services	73,395,400	78,059,000	4,663,600	6.4%
Institutional Support	38,145,400	38,262,800	117,400	0.3%
Operation & Maintenance	45,522,500	45,291,000	(231,500)	-0.5%
Scholarships & Fellowships	36,942,800	35,356,500	(1,586,300)	-4.3%
Transfers	28,694,700	30,680,700	1,986,000	6.9%
Total Educational & General	521,753,100	519,438,500	(2,314,600)	-0.4%
Auxiliary	38,952,500	40,423,000	\$ 1,470,500	3.8%
Restricted	149,437,000	153,437,000	4,000,000	2.7%
Total Expenditures and Transfers	\$ 710,142,600	\$ 713,298,500	\$ 3,155,900	0.4%

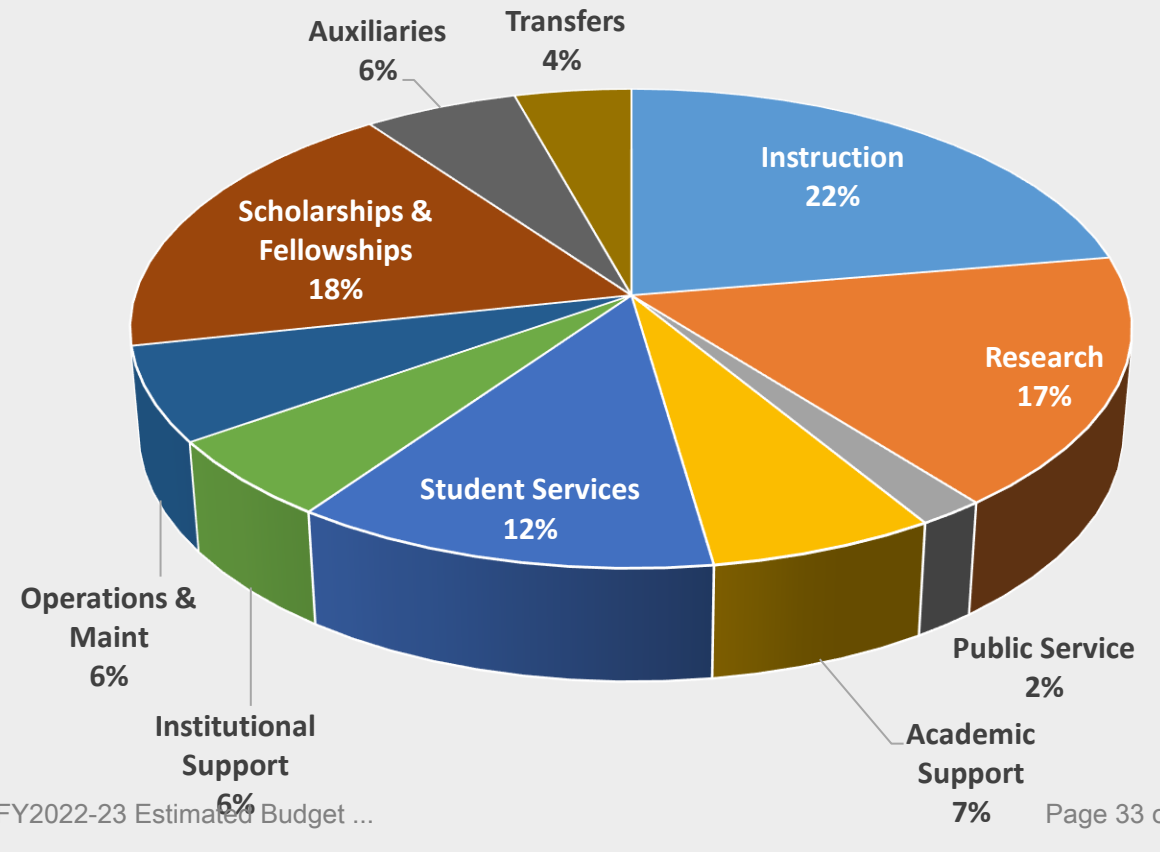
Expenditure Comparison

FY23 Revised Budget to FY23 Estimated

FY2023 Revised Unrestricted and Restricted Expenses Total
\$710.1M



FY2023 Estimated Unrestricted and Restricted Expense Total
\$713.3M



FY 2024

Compensation Strategy

- Five percent (5%) salary pool was approved by the Legislature and partially funded by State Appropriations
- Effective July 1, 2023
- For Higher Education, the salary pool is to be distributed at the discretion of each institution

Salary Pool Recommendation

Governor's Budget

Cost of 5% Salary Pool *	State Funding	Additional funding needed
\$11,600,000	\$7,450,000	\$4,150,000

* Traditionally, the State funds approximately 60% of the funding required for a salary increase. The remaining 40% needs to be funded through other University resources (i.e., Tuition Increase, Reallocation of Recurring Budget, or State Appropriations)

University's Recommendation

Cost of 3% Salary Pool ~	State Funding	Additional funding needed
\$7,634,000	\$7,450,000	\$184,000

~ 3% Salary pool total includes Faculty Promotions funded centrally

Salary Pool will be used for :

- Salary Increases for Faculty and Staff
- Meet our faculty promotion outlay
- 3% ATB increase for part-time faculty

- **FY23 Final Estimated Budget**
- **FY24 Proposed Operating Budget**

Questions

FY2023-24 Proposed Budget and FY2022-23 Estimated Budget

Executive Summary

The **Proposed Budget** is prepared in the spring for implementation each fiscal year on July 1. This budget is based on the level of state funds recommended in the Governor’s proposed budget, as well as early estimates of factors such as enrollment projections, proposed tuition increases and research activities. This budget is considered the University’s base (recurring) budget and is a balanced budget (revenues = expenditures). The **Proposed Budget** is submitted to the Board for approval prior to the start of the subsequent fiscal year.

The FY24 Proposed Budget was prepared with the following assumptions:

- State Appropriations as recommended in the Governor’s Budget passed in May.
- Flat enrollment based on FY2023 enrollment levels.
- FY24 salary pool & benefit increases distributed by function and classification in the general orgs for distribution once approved.

The University of Memphis FY2024 proposed budget revenues total \$641.4M. This total reflects revenue increases of \$41.7M from the FY2023 proposed budget approved June 2022.

FY2024 v FY2023 Proposed Budget Total Revenues by Fund Type (\$ Millions)				
			Variance	
Fund Type	2023	2024	\$	%
Educational & General (E&G)	\$ 426.0	\$ 449.8	\$ 23.8	5.6%
Auxiliary Units	33.1	37.0	3.9	11.8%
Total Unrestricted	\$ 459.1	\$ 486.8	\$ 27.7	6.0%
Restricted (Gifts, Grants, and Contracts)	140.6	154.6	14.0	10.0%
Total Unrestricted and Restricted	\$ 599.7	\$ 599.7	\$ 41.7	7.0%

Unrestricted E&G Revenues

Unrestricted Education and General funds (E&G) support the core operations of the university: instruction, research, public service, academic support, student services, institutional support, facilities operations, maintenance, scholarships, and fellowships. These operations are funded primarily through tuition, student fees, state appropriations, and other sources including gifts, grants/contracts, sales and services, and other miscellaneous revenues.

The E&G revenue increases From FY23 Proposed Budget to FY24 Proposed Budget is a result of:

- \$20.2M Proposed FY24 State appropriation increase which includes \$5.4M Safety & Security funding
- \$2.2M Tuition and Fees increase due to summer tuition adjustments and Lambuth enrollment increases
- \$2.0M Increase in Private Gifts & Campus Schools contract adjustments

Auxiliaries & Restricted

Auxiliaries are self-supporting enterprises, which furnish services to students, faculty, and staff, such as housing, bookstore, parking, and food services. The increase of \$3.9M in the auxiliary revenue budget reflects the new Bookstore contract with Barnes and Noble, including the Tiger Smart Start book program.

Restricted funds must be used in accordance with purposes established by an external party, primarily grants, contracts, gift funds and endowments. The restricted budget increased by \$14.0M and is related to anticipated increases in various grant activities.

Estimated (Final) Budget

The final budget submitted for each fiscal year is the **Estimated Budget**. This budget includes carryforward balances from prior years that represents available resources at the departmental level. Although these funds are available, we do not anticipate that all resources will be spent in the current fiscal year. The Estimated budget also includes final adjustments to the current year budget and is the budget against which final year-end actual amounts are compared. It is prepared, submitted, and considered by the Board at the same time as the **Proposed Budget** for the upcoming fiscal year.

The FY2023 estimated operating budget reflects changes that have occurred since the revised budget was finalized in fall 2022. Estimated total revenues are \$684.6M, a 0.7% increase over the revised budget.

FY2023 Revised v Estimated Budget Total Revenues by Fund Type (\$ Millions)				
Fund Type	Revised	Estimated	Variance	
			\$	%
Educational & General (E&G)	\$ 491.7	\$ 491.5	\$ (0.2)	0.0%
Auxiliary Units	39.0	39.7	0.7	1.8%
Total Unrestricted	\$ 530.7	\$ 531.2	\$ 0.5	0.1%
Restricted (Gifts, Grants, and Contracts)	149.4	153.4	4.0	2.7%
Total Unrestricted and Restricted	\$ 680.1	\$ 684.6	\$ 4.5	0.7%

Educational and General (E&G) revenue decreases of \$0.2M which is primarily a result of Spring enrollment changes and adjustments for Campus and Middle School.

Auxiliary revenues increased by \$0.7M as a result of new bookstore contract with Barnes and Noble and declines in Parking and Food Services.

Restricted revenues were adjusted to reflect FY23 actuals awards.

Proposed 2023-24 Operating Budget

University of Memphis
FY23 & FY24 Proposed Revenue & Expenditure Budget

	Proposed FY 2023	Proposed FY 2024	Variance	
<u>Revenues</u>				
Educational & General				
Tuition and Fees	\$ 207,275,900	\$ 209,503,500	\$ 2,227,600	1.1%
State Appropriations	150,869,200	171,065,600	20,196,400	13.4%
Unrestricted Grants, Contracts, & Gifts	29,662,400	31,669,300	2,006,900	6.8%
Sales and Services	34,930,100	34,315,800	(614,300)	-1.8%
Other	3,284,000	3,284,000	-	0.0%
Total Educational & General	426,021,600	449,838,200	23,816,600	5.6%
Auxiliary				
Restricted	33,063,100	37,002,600	\$ 3,939,500	11.9%
	140,601,700	154,594,100	13,992,400	10.0%
Total Revenues	\$ 599,686,400	\$ 641,434,900	\$ 41,748,500	7.0%
<u>Expenditures</u>				
Educational & General				
Instruction	\$ 178,373,200	\$ 157,954,600	\$ (20,418,600)	-11.4%
Research	24,118,600	52,371,700	28,253,100	117.1%
Public Services	4,668,500	4,691,300	22,800	0.5%
Academic Support	41,195,600	43,850,100	2,654,500	6.4%
Student Services	57,095,100	58,663,800	1,568,700	2.7%
Institutional Support	33,295,800	35,580,500	2,284,700	6.9%
Operation & Maintenance	42,208,000	48,969,900	6,761,900	16.0%
Scholarships & Fellowships	32,964,200	34,845,900	1,881,700	5.7%
Transfers	12,102,600	12,910,400	807,800	6.7%
Total Educational & General	426,021,600	449,838,200	23,816,600	5.6%
Auxiliary				
Restricted	33,063,100	37,002,600	\$ 3,939,500	11.9%
	140,601,700	154,594,100	13,992,400	10.0%
Total Expenditures and Transfers	\$ 599,686,400	\$ 641,434,900	\$ 41,748,500	7.0%

The FY24 Proposed Budget is balanced and within available resources.

University of Memphis
Variance Recap of FY23 & FY24 Proposed Revenue & Expenditure Budget

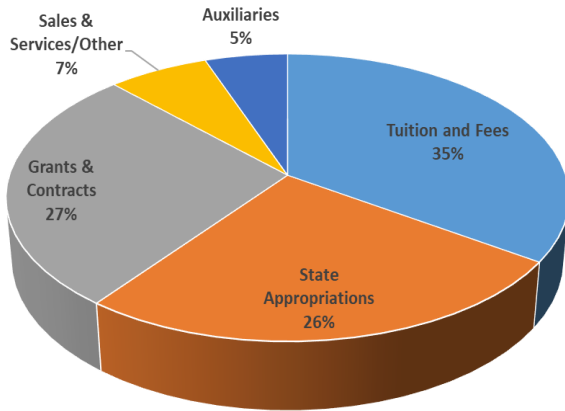
Revenue Change from FY23 Proposed to FY24 Proposed Budget

Tuition and Fees	\$ 2,227,600	Primarily the adjustment of summer tuition and Lambuth enrollment increases
State Appropriations	20,196,400	New State appropriations allocations to include Outcomes funding, Salary pool, Health Insurance increases and Safety & Security Enhancement funds
Unrestricted Gifts & Grants/Contracts	2,006,900	Increase due primarily to the Campus School's Shelby County School agreements for University Elementary School, Middle School, and establishing Year 2 of the High School
Sales and Services	(614,300)	Adjustments for various service agreement revenues
Other	-	No change
Auxiliary	3,939,500	Increase due primarily to the Tiger SmartStart Book program and new Barnes & Noble Contract
Restricted Grants and Contracts	13,992,400	Adjusted revenues to reflect anticipated increase in grant/restricted activities as well as increases in HOPE and Pell Grant awards
Total Revenue Change	\$ 41,748,500	

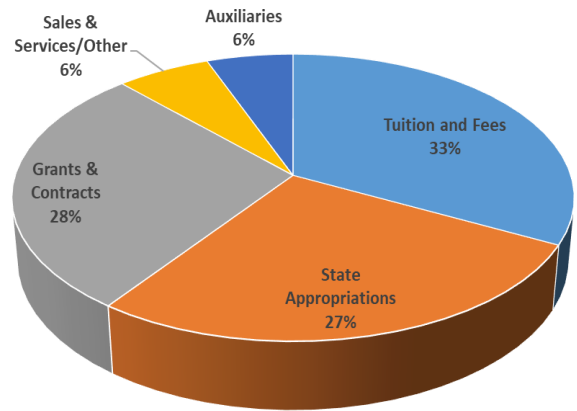
Expenditure Change from FY23 Proposed to FY24 Proposed Budget

Instruction	\$ (20,418,600)	Decrease is primarily due to new Research Effort process which reclassified Faculty salaries from Instruction to Research based on their effort, also includes distribution of the planned FY24 Salary Pool, and associated benefit increases
Research	28,253,100	Increase primarily due to new Faculty Research Effort process, also includes distribution of the planned FY24 Salary Pool, and associated benefit increases
Public Service	22,800	Net of distribution for the planned FY24 Salary Pool, associated benefit increases, and the reduction in operations for Conference Events
Academic Support	2,654,500	Increase is due to the planned FY24 Salary Pool, associated benefit increases, and FY23 SRI Budget allocations; increases to SCS agreement Elementary and Middle School operations and Year 2 of High School
Student Services	1,568,700	Primarily distribution of the planned FY24 Salary Pool, associated benefit increases, and FY23 SRI Budget allocations
Institutional Support	2,284,700	Primarily distribution of the planned FY24 Salary Pool, associated benefit increases, and FY23 SRI Budget allocations
Operation & Maintenance	6,761,900	Increase is primarily due to the FY24 \$5.5m Safety and Security state support, and distribution of the FY24 Salary Pool & benefit increases; FY23 budget allocations for utilities, maintenance cost increases and Property Insurance increase
Scholarships and Fellowships	1,881,700	Adjusted budget to anticipated scholarship levels for FY24
Transfers	807,800	Renewal & Replacement alignment for University Campus Schools; Athletics FedEx Park and Soccer Lights
Auxiliary	3,939,500	Adjustments for various Auxiliary units, including new Barnes & Noble contract for bookstore and Tiger SmartStart Book program
Restricted Grants and Contracts	13,992,400	Adjusted revenues to reflect anticipated increase in grant/restricted activities as well as increases in HOPE and Pell Grant awards
Total Expenditure Change	\$ 41,748,500	

FY2023 Proposed Unrestricted and Restricted Revenue Total \$599.7M

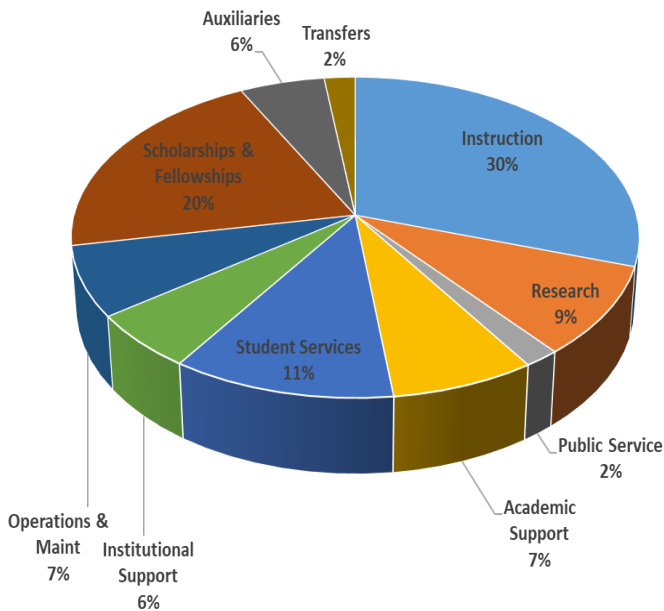


FY2024 Proposed Unrestricted and Restricted Revenue Total \$641.4M

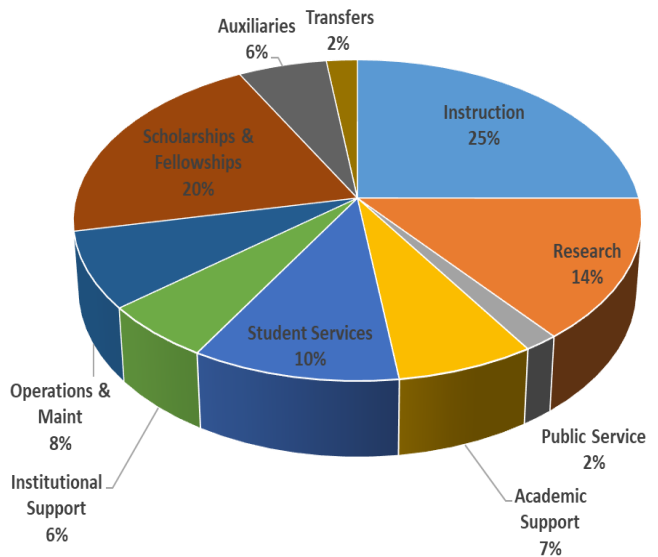


Expenditures are budgeted across the nine functional areas shown in the two charts below. Spending by function continues to remain consistent from prior year, except for the decrease in Instruction which is primarily due to new Research Effort process which reclassified Faculty salaries from Instruction to Research based on their effort.

FY2023 Proposed Unrestricted and Restricted Expenses Total \$599.7M



FY2024 Proposed Unrestricted and Restricted Expense Total \$641.4M



* Athletics is included in Student Services function

Estimated (Final)

2022-23

Operating Budget

University of Memphis
Revised FY23 & Estimated FY23 Revenue & Expenditure Budget

	Revised FY 2023	Estimated FY 2023	Variance	
Revenues				
Educational & General				
Tuition and Fees	\$ 216,540,500	\$ 214,017,300	\$ (2,523,200)	-1.2%
State Appropriations	203,069,300	203,069,300	-	0.0%
Unrestricted Grants, Contracts, & Gifts	32,474,900	33,676,000	1,201,100	3.7%
Sales and Services	36,308,300	36,566,900	258,600	0.7%
Other	3,284,000	4,128,000	844,000	25.7%
Total Educational & General	491,677,000	491,457,500	(219,500)	0.0%
Auxiliary	38,952,500	39,663,500	711,000	1.8%
Restricted	149,437,000	153,437,000	4,000,000	2.7%
Total Revenues	\$ 680,066,500	\$ 684,558,000	\$ 4,491,500	0.7%
Expenditures*				
Educational & General				
Instruction	\$ 172,624,000	\$ 157,131,200	\$ (15,492,800)	-9.0%
Research	75,477,100	82,110,900	6,633,800	8.8%
Public Services	6,717,200	7,170,700	453,500	6.8%
Academic Support	44,234,000	45,375,700	1,141,700	2.6%
Student Services	73,395,400	78,059,000	4,663,600	6.4%
Institutional Support	38,145,400	38,262,800	117,400	0.3%
Operation & Maintenance	45,522,500	45,291,000	(231,500)	-0.5%
Scholarships & Fellowships	36,942,800	35,356,500	(1,586,300)	-4.3%
Transfers	28,694,700	30,680,700	1,986,000	6.9%
Total Educational & General	521,753,100	519,438,500	(2,314,600)	-0.4%
Auxiliary	38,952,500	40,423,000	\$ 1,470,500	3.8%
Restricted	149,437,000	153,437,000	4,000,000	2.7%
Total Expenditures and Transfers	\$ 710,142,600	\$ 713,298,500	\$ 3,155,900	0.4%

*The Revised Expenditure Budget includes all unrestricted resources available including current year revenues as well as one-time activities and resources available from prior year operations.

University of Memphis
Variance Recap of FY23 Revised & FY23 Estimated Revenue & Expenditure Budget

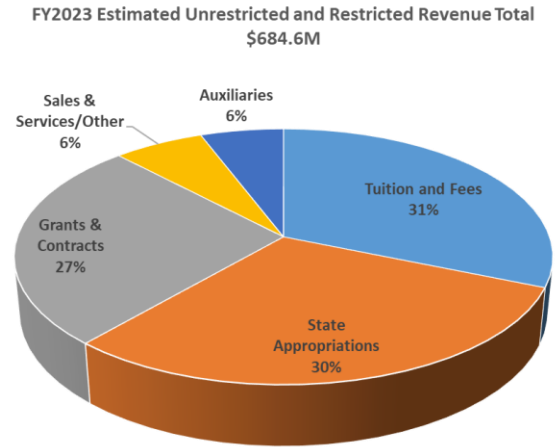
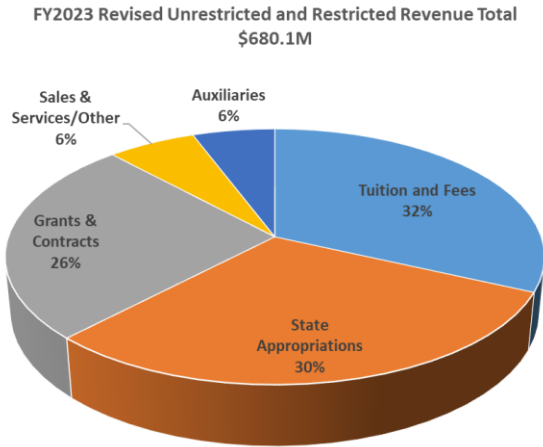
Revenue Change from FY23 Revised to FY23 Estimated Budget (see Revenue recap for detail)

Tuition and Fees	\$ (2,523,200)	Tuition and Fee adjustments for Spring enrollment as well as changes in commercial aviation program
State Appropriations	-	No Change
Unrestricted Gifts & Grants/Contracts	1,201,100	Increase due primarily to the increase in Indirect Cost Recovery (IDCR) revenues and enrollment adjustments for Campus Schools
Sales and Services	258,600	Primarily due to increases in internship programs
Other	844,000	Increase in Investment revenues due to market rates
Auxiliary	711,000	Revenue is net of increases due to new bookstore contract with Barnes and Noble and declines in Parking and Food Services
Restricted Grants and Contracts	4,000,000	Adjusted revenues to reflect YTD actuals in grant/restricted activities as well as increases in HOPE and Pell Grant awards
Total Revenue Change	\$ 4,491,500	

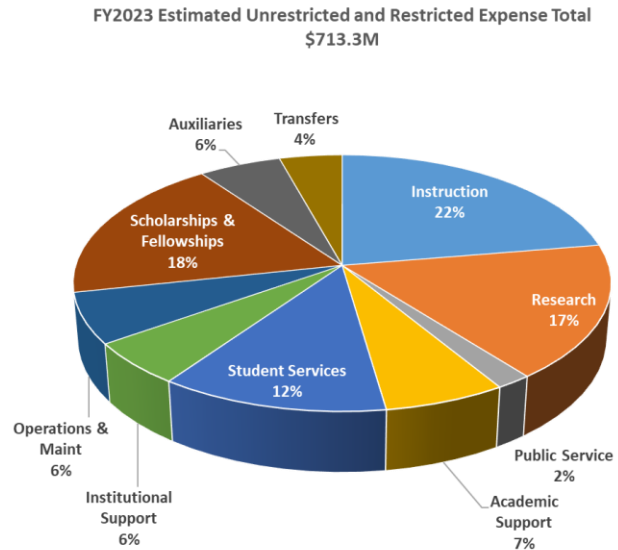
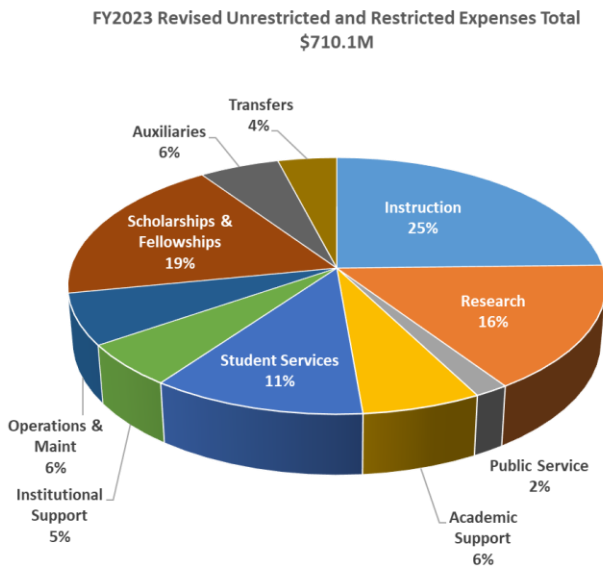
Expenditure Change from FY23 Revised to FY23 Estimated Budget

Instruction	\$ (15,492,800)	Net of budget allocations distributed after October Budget; Faculty Research Effort Change adjustments; Salary lapse, Faculty salary splits to grants & research, UM Foundation support for departmental operations & benefit reallocations based on staffing levels
Research	6,633,800	Faculty Research Effort Change adjustments; Faculty salary splits from instruction, one-time cost shares / startup funds, allocated funds for Carnegie R1 initiatives, UM Foundation support for departmental operations and benefit reallocations based on staffing levels
Public Service	453,500	Net of budget allocations processed after October budget, decrease in Testing Services and FIT activities, and benefit reallocations based on staffing levels
Academic Support	1,141,700	Increase in budget allocations for GA expenditures, computer allocations and benefit reallocation based on staffing levels
Student Services	4,663,600	Budget allocations processed after the October budget, UM Foundation support for departmental operations and benefit reallocations based on staffing levels, and increase in Athletics expenditures
Institutional Support	117,400	Net of budget allocations processed after October budget, salary lapse and benefit reallocations based on staffing levels
Operation & Maintenance	(231,500)	Transfer Utility Savings to Plant funds for Performance Contract Debt and Utility Fluctuation contingency, transferred funds to various plant fund projects
Scholarships and Fellowships	(1,586,300)	Adjusted budgets to FY23 projected award levels.
Transfers	1,986,000	Increase in Unexpended Plant projects and R&R ITS Capital Planning
Auxiliary	1,470,500	New Bookstore Contract, adjustment of meal plans, housing, and parking to reflect actuals
Restricted Grants and Contracts	4,000,000	Adjusted expenses to reflect YTD actuals in grant/restricted activities as well as increases in HOPE and Pell Grant awards
Total Expenditure Change	3,155,900	

The FY23 Estimated budgets are within available resources and comply with all applicable policies and guidelines. This budget includes all funds available including current year revenues as well as one-time activities and resources available from prior year operations. Although these funds are available, we do not anticipate that all resources will be spent in the current fiscal year.



In the Estimated budget, spending by function remains consistent with slight increases in Student Services and Institutional Support.



* Athletics is included in Student Services function.

5. FY24 Tuition Recommendation

For Approval

Presented by Raajkumar Kurapati

The University of Memphis Board of Trustees

Recommendation

For Approval

Date: June 14, 2023

Committee: Governance and Finance Committee

Item: FY24 Tuition Recommendation

Presented by: Raaj Kurapati, Executive Vice President / Chief Operating and Financial Officer

Background:

Under the FOCUS Act, the Tennessee Higher Education Commission (THEC) now sets a binding range each year in which institutions can increase undergraduate in-state tuition, as well as a binding range for the combined undergraduate in-state tuition plus mandatory fees. For 2023-24, THEC approved both of these ranges in-state UG students at 0.0% – 3.0% at its May 11, 2023, Commission meeting.

Proposed Tuition & Mandatory Fee Increase	Annual Amount		
	In-State	OOS	Int'l
Undergraduate	2.86%	3.44%	3.83%
	\$288	\$600	\$870
Graduate	2.82%	3.42%	3.79%
	\$340	\$560	\$780
Law	2.39%	2.98%	3.25%
	\$462	\$726	\$924

Committee Recommendation:

For FY24, the Governance and Finance Committee recommends approval for the proposed tuition and mandatory fee increases as presented in the meeting materials.

FY24 Tuition Recommendation

Governance & Finance Committee

Raaj Kurapati
Executive Vice President & COO/CFO

June 14, 2023
Maxine A. Smith University Center



JUNE 2023

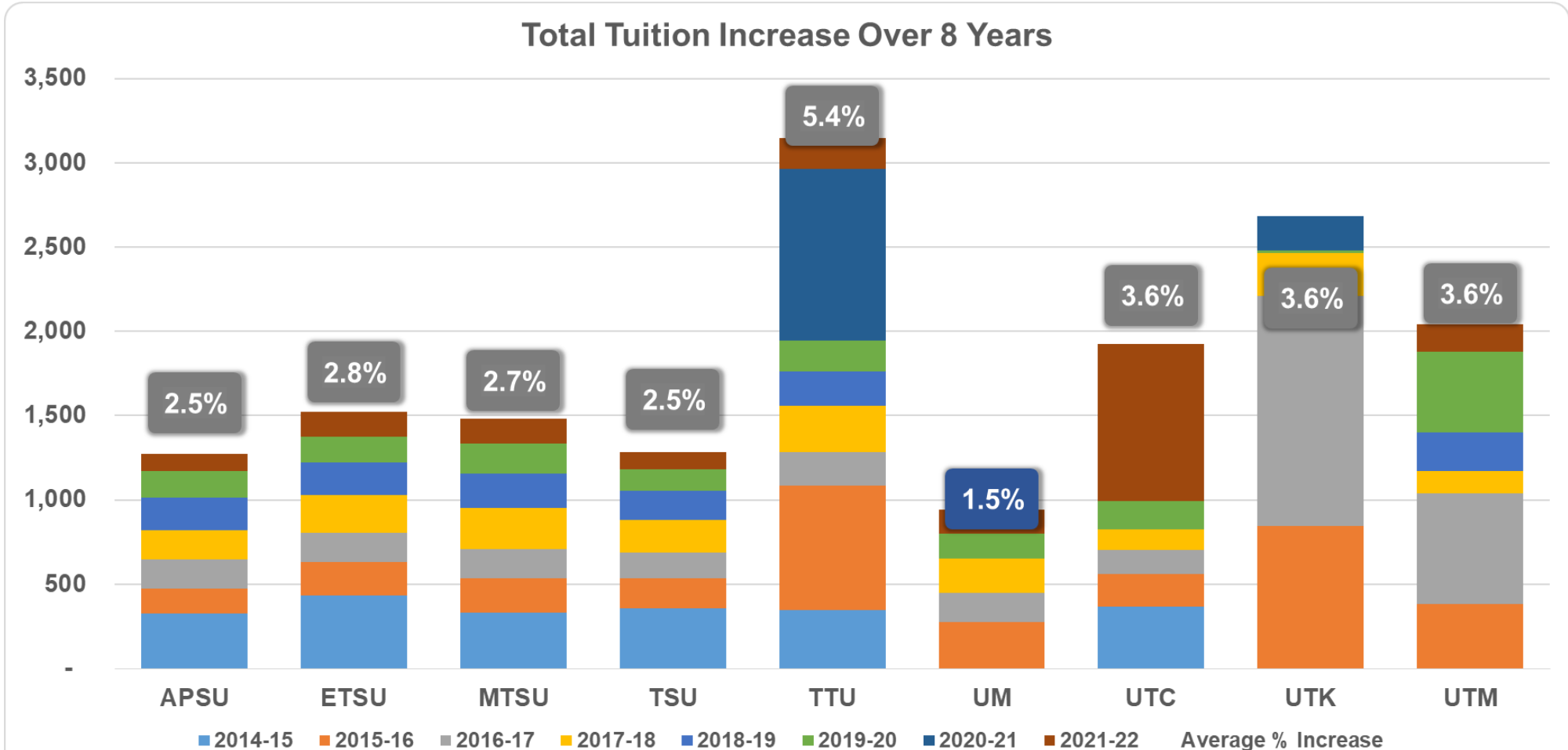
- Under the FOCUS Act, the Tennessee Higher Education Commission (THEC) now sets a binding range in which institutions can increase undergraduate in-state tuition, as well as a binding range for the combined undergraduate in-state tuition plus mandatory fees.
- Tennessee Higher Education Commission (THEC) sets binding in-state tuition and mandatory fee increase ranges.
 - At the May 11, 2023, spring meeting a range of 0% to 3% was approved for fiscal year 2023-24

THEC Binding Tuition Ranges

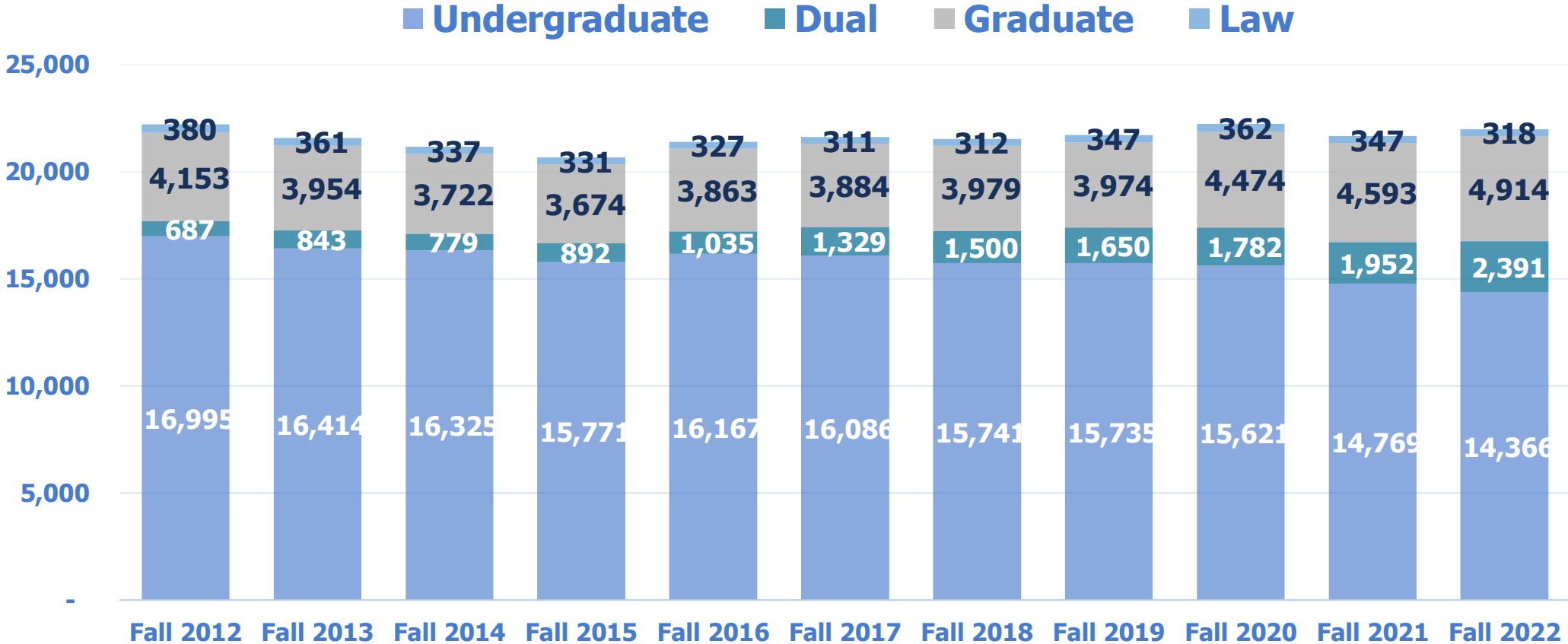
- The Focus Act (TCA 49.7.1601) requires Tennessee Higher Education Commission (THEC) make student fee and state appropriation recommendations concurrently.
- Numerous factors impact the tuition recommendation, including student affordability and financial aid, institutional revenues and cost inflation factors.
- Efforts to mitigate the financial effect on students: UofM has implemented multiple tuition & fee structure changes to keep the overall cost of education as low as possible for our Tennessee resident students while remaining competitive with our national peers
- Tuition and Fee increases in FY22 and FY20 of 1.75% and 1.79%, respectively did not result in any net new revenue. The funds generated from such were used to offset revenue losses from tuition & fee restructures, specifically the elimination of online course fees.

Fiscal Year	THEC Binding Range	UofM Increase
FY24	0.0% - 3.0%	2.86%
FY23	0%	-
FY22	0.0% - 2.0%	1.75%
FY21	0.0% - 2.0%	-
FY20	0.0% - 2.5%	1.79%
FY19	0.0% - 3.0%	-
FY18	0.0% - 4.0%	2.60%
FY17	0.0% - 3.0%	2.30%
FY16	0.0% - 4.0%	3.70%
FY15	2.0% - 4.0%	-
FY14	0.0% - 6.0%	6.00%

Lowest statewide average tuition increase of 1.5% over the last 8 years

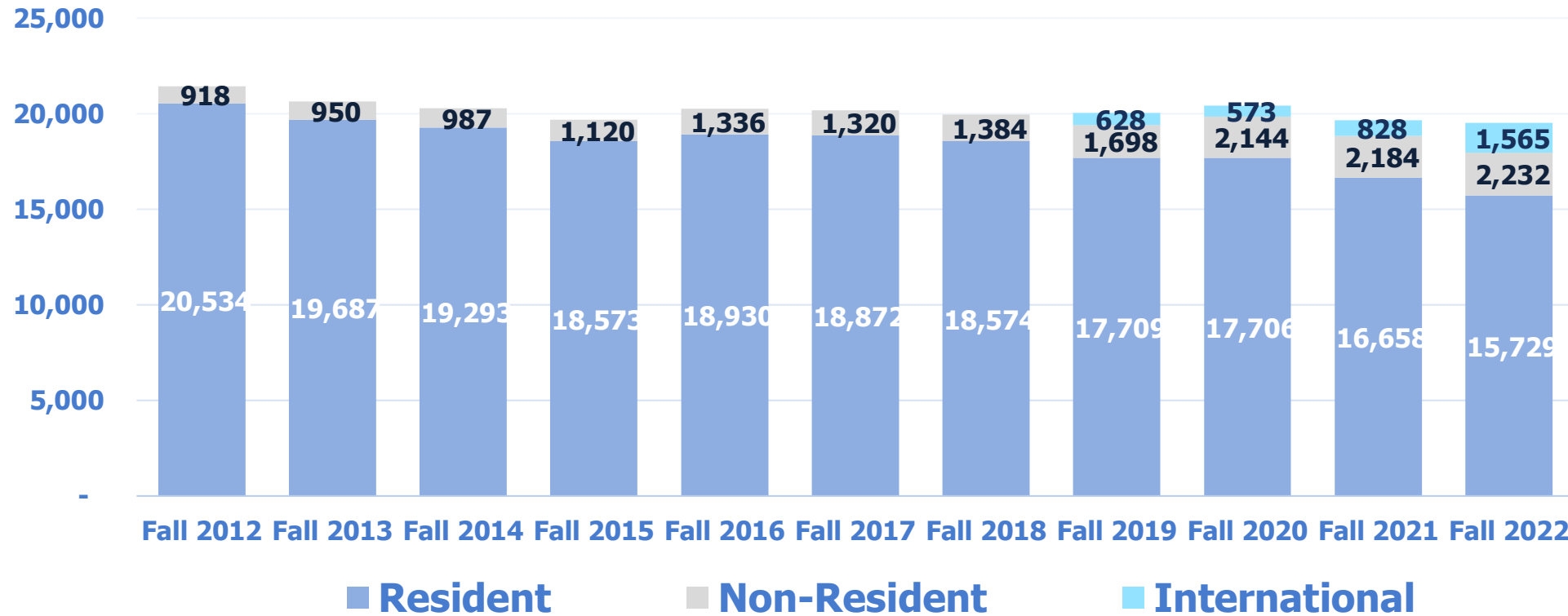


Enrollment by Class



Enrollment by Residency

HEADCOUNT TREND BY RESIDENCY EXCLUDES DUAL ENROLLMENT



We are proposing:

- 2.86% in combined Tuition and Mandatory Fee increase for Undergraduate Students
- 5% tuition increase on the Non-resident & International premiums which are not included in the THEC Binding Ranges

Proposed Tuition Rate Increases

Proposed Tuition & Mandatory Fee increase	Annual Increase		
	Instate	OOS	Int'l
Undergraduate Tuition	2.86% \$288	3.44% \$600	3.83% \$870
Graduate Tuition	2.81% \$340	3.42% \$560	3.79% \$780
Law Tuition	2.39% \$462	2.98% \$726	3.25% \$924

Note:
 Undergraduate based on 15 CH/semester
 Graduate based on 10 CH/semester
 Law based on 11 CH/semester

UMGlobal rate increases are consistent with above amounts.

For UMGlobal Undergraduate Out-of-State (OOS) & Int'l students, the annual increase amounts will differ slightly as they have no cap on Tuition & Fees

- The increase in tuition and fees revenue as a result of the proposed increases is projected to be \$4.8M (\$2.9M from tuition and \$1.9M from mandatory fees).
- The tuition increase has a corresponding expense increase to out-of-state scholarships of about \$291K
- The result is a net revenue impact of \$4.5M
- Mandatory fees support areas which are reliant on fee revenues to continue providing excellent service to students in a time of rising costs. Drop in enrollment has impacted revenues generated
- The proposed tuition & fee increase will also help fund inflationary cost increases impacting operations, scholarships, various new academic programs, and student success initiatives.

Questions?

June 14, 2023, BOT Public Notice Feedback
Proposal to Increase Undergraduate In-State Tuition & Fees
Feedback as of 06/05/23

Summary of Responses – 79 total

- 8% Supportive (6)
- 70% Non-supportive (55)
- 20% Questions/Comments/Suggestions (16)
- 2% Neutral (2)

Supportive

1. I know that this won't be a popular decision with students and their families, but this is a necessary step for keeping the university afloat. Buildings are crumbling, faculty/staff are leaving, and we are not competitive in recruiting graduate students because of lack of health care and low stipends. Thank you for taking this step.
2. I think this is fine and completely understandable given the circumstances with the economy and other factors.
3. While I hate any tuition increase, this one seems as minimal as possible, yet will still generate some much needed funds for the University.
4. Tuition raises seem necessary if the university wants to become competitive. Other institutions have successfully implemented high tuition with need/merit-based financial aid.
5. This is needed to help UoM in its operation and the amount is would not seem to impact SP Goal 1: Access.
6. As a faculty member, I am glad that tuition increases will come below the rate of inflation. I am glad that the Trustees and the President's Office have managed to keep tuition increases at zero through the pandemic and within a manageable range previously.

Non-supportive

7. No
8. Don't increase tuition, you need to decrease it.
9. Students are already struggling to pay the tuition we already have. A majority of students are homeless and sleeping with their friends in the dorms. This is ridiculous do better.
10. This change is harming your students. Many don't have parents to help pay for college and could be forced to take out student loans to cover costs. The institute should focus more on allocating their funds better rather than increasing their loyal students' tuition.
11. Tuition in schools has already increased at a bloated rate to feed back into the cycle of the student loan market. Don't be a part of the problem.
12. WOW YALL SUCK
13. Considering education should be free, tuition is already expensive enough. Some students are not afforded the luxuries of trust funds, and having connections with the higher ups, and have to take out loans to pursue an education. My two regular jobs are still not enough to afford tuition. I am

close to receiving my degree as I am a Junior. I ask you consider people like me who have it hard enough, and reconsider.

14. \$144 may not mean much to you guys, but it's a heck of a lot to everyone else. That's nearly 20 hours of minimum wage. That's not providing more opportunities like you claim, it's the opposite. That's making it harder for people to afford higher education. That's making students have to work a second job for less money just to pay for college. And after the way the Tiger SmartStart was handled, I doubt you'll use it for anything but making yourselves more money.
15. No increase. At least it should only be for incoming students and moving forward. Not previously enrolled students.
16. This is very unfortunate for those who barely has tuition as is!! This world is already hard and wicked, education should be free & you all are trying to make it more expensive without giving out more scholarships. More debt for the people, more drop outs, less college motivation. I absolutely do not agree to this decision as it is only beneficial to University of Memphis pockets!
17. With how inflation is currently many college students barely have enough money to live off of to buy food, pay rent, etc. much less pay a higher tuition. Many are working minimum wage jobs and are already taking loans. The assistance available to students is also quite low. There are very few scholarships outside of academic and hope. Those scholarships are increasingly hard to get so this increase in tuition will put lower income students at risk. If more money is needed for research then apply for grants. I think there are other ways to achieve funds rather than increasing tuition when looking at the harm it will do to lower income students and students working on their own with the current state of inflation.
18. I don't think the university needs to increase rates to attend, considering the amount of funds that is already contributed from the campus sports and other programs. I believe that if the university does decide that they must update the in-state tuition, that the roads should be strongly maintained in change, this being one of the biggest issues across the main campus as well as South Campus.
19. I see that one of the benefits is scholarships, but why am I paying for another student to go to college? I can barely afford it myself. I can understand just day-to-day operational costs based on inflation, but to add to scholarships, that is ridiculous.
20. So let me get this straight: the President of UofM just got a pay increase, prices are rising via inflation for students, and now is the time y'all are raising prices for tuition?!? With budget cuts? Cut the administrations pay-rate to make up that cost. Memphis already has major issues that it can't fix. A shooter waltzed through campus earlier this year and there wasn't even a notification to the students until an hour after. UofM seems to think TikTok is more dangerous to students. Memphis is not worth it for students if its not cheap. This dumpster-fire is not worth more than UT-Knoxville.
21. Being a student having to pay out of pocket due to not qualifying for assistance, this is very drastic. I can barely afford it now.
22. You guys make 6 figures, we don't. Some of us pay out of pocket and get no fafsa help. You should be ashamed
23. It is very important that the university not adopt this proposal. Tuition is already expensive enough and further raising tuition and fees will price many people out of attending or cause students to go into more debt than they can handle. In addition, raising tuition discourages the university from spending the money it has toward effectively providing a good education by distracting the university with all sorts of secondary luxuries. The University of Memphis is one of the more affordable universities in the region, and it should seek to stay that way.
24. I do not think the in-state tuition should be increased.

25. To be so money hungry and business smart, this university doesn't offer jack for students. There's always a new scheme or way to finesse us for a few extra dollars yet nothing is improved. I make sure to tell everyone I know how horrible U of M is and how it should never be on the table when considering a university to attend.
26. Do not increase tuition
27. The raise of tuition cost is not fair to the students of the University of Memphis. For the 2022-2023 school year the University of Memphis was able to construct a whole new building and fund many events with that tuition cost. Now that the University is getting an increase of 6.3 million for outcome productivity I don't see why they need to make students pay even more. Not many students who apply for scholarships get them, so just because you make more scholarships doesn't mean it will benefit all students.
28. This is an awful thing to do to students! We do not have any money as it is. We are struggling to pay for the mandatory meal plan which is almost 400.00! The book plan (Tiger SmartStart) is trying to charge me 400.00 for 2 books! The plans you all have are not covered by Fasfa and are extremely pricey and nonnegotiable. The professors are awful, especially in the Biology Department! We have no one to choose from. The professors are known for being awful and failing students! If you bring up the problem of the school being understaffed and the students having to pay for it with low grades, they tell you there is nothing we can do. For all the crime that happens around University of Memphis, you all should be paying us to attend. Our lives are constantly in danger and you all sweep it under the rug. You all do not care about us nor our well being, but the amount of money in our pockets!
29. I am a middle-aged, single woman trying to put myself through college, law school to be exact, and working full time I am only able to do online classes and the as a transfer student, I am not liable for many of the FASFA/ state grants. Increasing the tuition only burdens and discourages persons such as myself who were subjected to a student loan in order to achieve life/ career goals and with the federal government making that a worrisome decision, it is very upsetting that we are now dealing with increased payments to the institution aka the state.
30. NOOOOOOOOOOOOOOOOOOOOOOOOOOO
31. I don't think it will be a good idea to raise instate tuition. We, college students, already struggling to pay what we are receiving. Are y'all going to give us money ??
32. UofM has gotten on just fine the last four years with no increase in tuition and fees, so I don't see the need for this besides greed.
33. Because I do not have confidence that the money will go back to benefitting students, faculty, or campus workers, I do not support this increase. If you are proud of the low-tuition statistic (and you should be!), do not increase the already prohibitive cost of education. So many people are unable to secure an education, which I believe is a basic human right, because they cannot afford it. This will only prohibit even more people from pursuing their education. Perhaps the needed money can come from people who already have too much money (those at the top of university hierarchies) rather than students, who typically have barely enough money to survive or stay in school. Additionally, in an economy that increasingly undervalues education, students certainly should not pay more something that is offering fewer opportunities in today's job market. Thanks for reading my feedback.
34. You need to just stop. You can make all the " Purposes for Which Revenue Derived from the Tuition and Mandatory Fee" excuses you want. At the end of the day you're putting thousands of dollars of debt on to 17-21 year old KIDS. You and I both know undergraduate degrees are a base level requirement for most jobs. Maybe instead of building; a music building, a new gym, a big walkway

(which took way too long to build), another parking garage and athlete only dorms, you could oh I don't know manage your money better so you're not over spending and forcing kids to go further into debt. Your spending is beyond your means and you try to cover it by saying it's "for the kids". You don't even ask student's what they want anyway. Just so incompetent. Stop trying to raise prices and do better.

35. I do believe we should not raise tuition for in-state students. You have built/are building 2 new buildings now. Wait before building more, possibly renovate some dormitories, and save up for your next big purchase like all of us have to do.
36. As an alumni, current student, and graduate assistant, I do not agree with this rise in tuition.
37. Although there has been a 0% tuition increase in 3 of the past 8 years, the notion of increasing tuition is not justified. Many students have low income due to being a full-time student on top of an increasing inflation rate, cost of living, and now increase in tuition. The increase in tuition makes it harder on students to get by, adding on to the additional stress they already have from their practices of gaining knowledge as a student. From 1980, the college tuition inflation rate is up 1,184% and overall inflation is up 228%. The average cost of obtaining a degree has vastly outpaced the average salary of a degree holder. This means that raising tuition cost feeds into the problem, and effectively, degree-required industries decline by no longer requiring them, a trend that only continues when tuition is raised, as we've seen across the board for several decades. Throughout all of civilization, schools have made a better world by educating the masses to contribute effectively to society, so in contrast, schools have a huge responsibility to maintain this pipeline of educated citizens for the betterment of humanity. Colleges have a choice to truly be for the people and set an example and inspire people that there is hope in higher education by prioritizing that responsibility of maintaining the pipeline, but raising tuition cost stifles all of that. There are better ways to profit in order to finance the institution, and maybe it requires some innovating. If that is the case, I hope to be a proud student of the University of Memphis because of their innovative ways to put their large student body first rather than the destructive decision of increasing costs. Respectfully, the future of America.
38. Why would the university increase students fees at a time of high inflation. We are already paying enough for the education and the value, what additional value does this add to our education experience.
39. Please be for real. The only reason why most students chose Memphis was because of the low tuition fees.
40. I have been a student at UofM since 2015. Tuition fees are already very high for in state and bordering residential students. Tuition and fees for in-state students are \$8,208, while tuition and fees for out-of-state students are \$12,048. The University only has a 52% graduation rate and that is low. I OPPOSE the tuition increase proposal!
41. I vehemently oppose the idea of increasing mandatory fees when I do not see the benefit of the mandatory fees I already pay. The fees are markedly higher than any other institution I have attended, which says a lot considering UofM does not boast the benefits of the other institutions with regards to student services and operational functions. As a graduate student, I have previously attended community college and 4 year university. Campus fees for those institutions covered parking, graduation regalia, student back-to-school week festivities (including campus fairs and concerts with acclaimed performers), and the provision of campus security and police services. Operations on campus are totally inadequate. Last semester, parking passes were sent out late or

were not received at all, causing a backlog of students lining up at the Zach Curlin office. SAFETY absolutely needs to be a priority at UofM. There is an attitude of passivity here that "crime in Memphis is inexorable" - this absolutely should not be accepted, and especially not on campus. Campus is one of the most targeted areas for crime in the city and it is shameful. Then the university has the audacity to claim that UofM has one of the safest campuses in TN. What absolutely bogus statistics were manipulated to create that statement? How is increasing mandatory fees going to fix the issue of safety? Students should not have to give you more money when you have a history of mismanaging it. UofM Board of Trustees, step it up.

42. Take it from the Executives. University should be free like any rational country, not a life long debt we may never be able to pay off.
43. I am currently struggling to make tuition payments as is. I do not agree with this approach. The new president is creating ways to fatten his pockets.
44. I am paying my way through college by myself, working a part time job that means I don't have any weekends or free time between work and school and it's already hard enough to pay for tuition as it is. I respectfully dislike this proposal.
45. Do not raise fees.
46. Yes let's go even more greedy with vulnerable people and their money by increasing the burden on your students while allowing faculty to act without any regard for their education and quality of life because embezzlement can give you a pretty car. Enjoy your summer houses you capitalist pigs.
47. Even though there isn't as much of an increase speaking from a low-middle class family, I still feel like what's the point of doing one. Memphis is already a struggling city as a whole what's the purpose of adding on more baggage to the ones who just want their education the most, we have people to prove wrong, careers to meet, help us with something!
48. This is dumb as (*expletive*).
49. To the Memphis Board of Trustees, I ask, at a time where minimum wage is not increasing with cost of living, how can many college students afford to go back to the University of Memphis if tuition increases? The University of Memphis is relatively affordable among universities in Tennessee, but students such as myself are increasingly taking on debt in order to obtain a bachelor's degree. As a student, there is no greater support to a student's future success than financial freedom and equal opportunities to higher education. I humbly urge the University of Memphis Board of Trustees to consider the financial burden this places on students and ask that the Board reject the proposal to increase tuition fees.
50. I go to University of Memphis on the Lambuth campus due to cost, I wholly disagree with this if it will affect the Lambuth campus due to the minimal efforts made to improve our campus. I would discontinue suggesting UofM to new students if prices raise any further.
51. With unemployment at a high, as well as the rising inflation and cost of living, and Tennessee having an incredibly low and unsustainable minimum wage, this proposal is a terrible idea. If you tried even a little bit harder you would be able to find donors to fund whatever "cutting edge research and technology" you have planned to implement. I don't understand why these pushes are being put onto the shoulders of your students. Isn't upwards of \$4000 every semester enough of a financial burden?
52. A few extra dollars of increase significantly impacts undergrads, I had to work minimum \$9 job and put more than 40 hours just to pay my minimum monthly payment for a year. This will not help out

students, increasing the cost instead of making it accessible will exclude some students while trying to achieve an education.

53. As a student who is expected to graduate in the fall of 2023, a tuition increase could really keep students who self-pay from completing their degree. I believe considering how students pay their tuition should be a factor in the increase. Some students rely on different methods to pay tuition. Due to the high debt student loan for individuals the likelihood of students completing higher degrees in college will decrease dramatically. I believe most would consider community college over university.
54. According to the U.S. Department of Education's NCES report for 2023, out of the top 9 public, 4 year degree program universities in TN The University of Memphis has the 2nd largest yearly tuition rate, the highest cost for books and supplies, and the 3rd highest living costs for students. This, in combination with the \$6.3 Million funding increase from the state, the majority female demographic of the student population, the average salary of graduates, and the increase in cost of living for TN residents, should be enough to persuade alternate solutions for budget constraints. A tuition increase could negatively impact the enrollment and retention for the institution, and the financial burden this increase, in an already high cost of tuition, will place on the students and families in the current economy should be thoroughly considered. The increasing U of M global enrollment and subsequent decreasing burden on campus resources should also be taken into account.
55. i dont have enough to afford this
56. No do not increase
57. I'm not in agreement with the fee increase proposal. We are currently in an un-declared recession and inflation costs are becoming unbearable to many. College is already costly which is why a lot of recent graduates are pursuing other economical (immediate entry in the workforce) options so increasing fees is not the solution.
58. Some help to society you all turned out to be
59. Good morning, first and foremost I am thankful for the years that Memphis kept its tuition more affordable than other comparable institutions. However, this aim to raise the tuition poses an arising issue. Personally for me, it could mean whether I get my glaucoma eyedrops or not. I am a first gen not only here at the college but the USA as well. From an early age when discovered that I had glaucoma, I've had to pay out of pocket for numerous months and years to keep my remaining sight, which is only in my left eye. My eye condition has always been a hurdle in my access to education, and with an increased tuition this hurdle will most likely turn into a wall. Also already tapping student loans, I fear for my future. I hope you take my feedback into consideration.
60. As someone who is new to college tuitions and fees, freshman year was a big change and created a big change financially for my family. I believe if there is going to be an increase in tuition and other needs, that more scholarships or funding should be available and easier to attain. I try to keep my GPA around a 3.2-3.7 each year, and I receive 1 or 2 scholarships leaving my balance to be something I can barely afford. As a student who wants and loves to attend the University of Memphis, I hope the tuition does not increase and put an even bigger strain on myself and other families included.
61. Some bull

Neutral

62. While understandable that the current economy may require an increase in tuition and fees, it is worrisome to see a tuition and fees increase on the heels of lower enrollment. I would hope that the additional and continued services be laid out more explicitly to students to help them understand the need for the tuition increase.
63. If it is truly something that the school needs to do in order to not be in financial ruins, then I support it. But please do not make any tuition increase decisions that can within reason be avoided. College is already expensive enough! Even ten dollars is too much of an increase in some cases. So, all I ask is to truly consider if the increase is absolutely necessary.

Questions/Comments/Suggestions

64. An increase of undergrad tuition is only acceptable on the terms that revenue resulting is spent on undergrad educational expenses and not athletics, marketing, wages, or any other areas not directly impacting education received. Clarity on the areas these funds were spent should be shared with the undergrad students paying the price.
65. Increasing faculty and staff salaries should be a priority with additional tuition revenue to meet the Governor's proposed 5% salary pool.
66. Will this affect students under the guaranteed tuition contract?
67. With this 2.86% increase, I would be interested in knowing what the plan is to increase the graduation rates of U of M which currently sit at 33.4% for 4 years, 45.0% for 5 years, and 48.2% for 6 years. If you are going to insist on passing on the cost to the student, there should be some sort of effort seen by the students to show that their investment is worth the risk. This is one of the biggest purchases of their lifetime. What will be done to help the students succeed? This is not just about the students, but the community as a whole. How can the city of Memphis expect to grow when the university is not fully investing in one of the best resources it has available - the young minds that have the drive and ability to do it?
68. What specifically will the money be used for?
69. how much more money do you want?
70. Eliminate D.E.I. and you wouldn't have to raise it.
71. This is just wrong and unfair. Are you going to provide more scholarships ?
72. I would like to know how the mandatory fees are allocated. Of those allocations, what justifies the \$60 mandatory fee increase?
73. Will there be data provided detailing specific uses of the monies the university expects to gain through this increase in tuition and fees? Percentages and/or totals allocated to salaries in general along with the specific increases in the salaries of the top earners working for the university? Specific numbers spent on accessibility and its implementation; any construction, locations, etc.? Will you be providing the monies needed to keep up with software licensing increases or what new software or budgeting being used towards infrastructure -- maintenance, upgrades, etc.? Is there any concern that increases to tuition and fees will result in a net loss of new enrollments, resulting in short-term gains and overall degradation of the university's income and ability to compete in the near future? If those concerns are not present, what information does the board possess to create that certainty?

74. I support this tuition increase, however the funds that we receive should be used to fund the full 5% faculty salary increase as other institutions across the state are doing in response to the governor's recommendation. Being an R1 institution should allow the faculty to have a salary that is comparable to its peer institution's faculty salaries.
75. FUNDING FOR SALARIES?? Wow.
76. why are you punishing students FrOM tennessee first? maybe increase OUT of state tuition first!
77. This university is becoming very profit based.
78. As a student, I find the notion of a "mandatory fee" odd in general and would prefer for that funding to be lumped in with tuition. That way, students looking at tuition prices will have a more accurate understanding of the cost of attendance. Therefore, I do not support the increase of the mandatory fee but am unopposed to the increase in tuition, provided that the proceeds are spent transparently and that everything feasible has been done to reduce the need for a tuition increase.
79. Education should be free

6. President's Review and Evaluation

For Review

Presented by Raajkumar Kurapati

7. Additional Business

Presented by Doug Edwards

8. Adjournment

Presented by Doug Edwards