


















June 2022 Governance and Finance Committee Meeting

Schedule	Wednesday, June 1, 2022 9:00 AM — 10:00 AM CDT
Venue	Maxine A. Smith University Center - Fountain View Boardroom (352)
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
3. Approval of Meeting Minutes from December 8, 2021 For Approval - Presented by Doug Edwards	3
 Governance Finance Dec 2021 Minutes - Final.docx	4
4. 112th General Assembly Recap Presentation - Presented by Katie VanLandingham	9
 Agenda Item - 112th General Assembly Recap.docx	10
 112th General Assembly Recap.pptx	11
5. FY2022-23 Proposed Budget , FY2021-22 Estimated Budget Recommendations, Compensation Strategy, and FY2023-24 Capital Budget For Approval - Presented by Raajkumar Kurapati	18
 Agenda Item - FY23 Budget, Comp Plan, Estimated Budget & FY22-23 Capital Budgets.docx	19
 FY2023 Budgets & Comp Plan.pptx	21
 June 2022 BOT - Operating Budget Supplemental.pdf	62
6. Leftwich Project and Park Avenue Campus Student Housing For Approval - Presented by Raajkumar Kurapati	73

 Agenda Item -Leftwich Tennis Center.docx	74
 Agenda Item- Student Housing Park Avenue.docx	75
 Leftwich Tennis Center and Park Ave. Student Housing.pptx	77
<hr/>	
7. FY23 Tuition Recommendation	80
For Approval - Presented by Raajkumar Kurapati	
 Re_Agenda Item_ FY23 Tuition Recommendation.docx	81
 Tuition Slides - FY23 Tuition Recommendation.pptx	82
<hr/>	
8. Dining Contractual Increases	92
Presentation - Presented by Raajkumar Kurapati	
 Agenda Item -Dining Contractual Increases.docx	93
 Dining contractual increases.pptx	94
<hr/>	
9. Drop for Nonpayment and Herff Funds Update	97
Presentation	
 Agenda Item -HEERF and DNP Update.docx	98
 HEERF and DNP Update.pptx	99
<hr/>	
10. Course Material Affordability Update	103
Presentation - Presented by Raajkumar Kurapati	
 Agenda Item -Course Materials Affordability.docx	104
 course material affordability update.pptx	105
<hr/>	
11. Additional Business	108
Presented by Doug Edwards	
<hr/>	
12. Adjournment	109
Presented by Doug Edwards	
<hr/>	

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 8, 2021

For Approval

Presented by Doug Edwards

**University of Memphis Board of Trustees
Governance and Finance Committee Meeting
December 8, 2021**

The Governance and Finance Committee of the University of Memphis Board of Trustees met on Wednesday, December 8, 2021, in-person at the Madison Academic Magnet High School on the Lambuth Campus in Jackson, TN.

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

Chairman 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 via Zoom and confirmed he was alone and could hear)
Trustee Brad Martin (attended virtually via Zoom and confirmed he was alone and could hear)
Trustee Cato Johnson (attended virtually via Zoom and confirmed he was alone and could hear)
Trustee Celeste Riley
Trustee David Kemme
Trustee David North (attended virtually via Zoom and confirmed he was alone and could hear)
Chairman Douglas Edwards
Trustee Susan Springfield (attended virtually via Zoom and confirmed he was alone and could hear)

Secretary Murry acknowledged one additional trustee who was in attendance: Trustee Carol Roberts (attended virtually via Zoom and confirmed he was alone and could hear).

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 Minutes: August 25, 2021

Chairman Edwards requested a motion for the approval of the August 25, 2021, 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 was approved.

III. Agenda Item 1: FY2022 Revised Operating Budget

Chairman Edwards recognized Executive Vice President & Chief Financial Officer (EVP-CFO), Raaj Kurapati. EVP-CFO Kurapati provided an overview of the revised budget for FY22. He summarized the three-cycle budget exercise as the preliminary budget before the beginning of the year; the revised budget to reflect changes throughout the course of the fall semester and state funding adjustments; and concluding with a final budget that closes out the year.

EVP-CFO Kurapati noted the FY22 proposed budget as \$571 million and a revised budget of \$616 million reflecting an increase in revenues related to tuition increases and federal funds from the American Recovery Plan (ARP), Higher Education Emergency Relief Fund (HEERF), and other related funding. As EVP-CFO Kurapati confirmed an enrollment decline in undergraduate, domestic-resident student population and starting the year with a potential tuition & fee gap of \$7 million, he advised the University should end the year even or with a slight increase due to successfully implemented strategies related to out of state and international recruitment efforts. Overall total revenue is expected to increase by \$45 million, largest revenue experience in the history of the University, and speaks to the successful navigation through the pandemic. He discussed the projected revised expenditure budget also increased approximately \$70 million from \$571 million to \$642 million with a majority of the increase being driven by anticipated expenditures against federal support under HEERF and ARP.

EVP-CFO Kurapati also mentioned a change in transfers based on the carryforward process. Trustee Kemme requested an explanation of the process and clarification on budget changes related to the proposed budget presented at the June 2021 meeting. EVP-CFO Kurapati provided an overview of the carryforward process and responded regarding the proposed budget; additional discussion ensued.

Trustee Kemme inquired about capital expenditures and also about the effect of inflation on capital expenditures, specifically buildings and salaries. EVP-CFO Kurapati explained that capital expenditures are not a part of the operating budget but are typically included in the overall financial presentation as they are effectively on the balance sheet until capitalized. He acknowledged the immediate and ongoing impact of inflation and the increase in capital costs with existing projects and outgoing bids. EVP-CFO Kurapati also offered to provide a separate capital component presentation in the future.

Chairman Edwards and Dr. Rudd led a discussion on the disparities in state funding relative to the University of Tennessee system and the need to address those disparities; additional discussion ensued.

Chairman Edwards called for a motion of approval on the revised budget. The motion was made by Trustee Graf and properly seconded. A roll call vote was taken by Secretary Murry and the motion was approved.

IV. Agenda Item 2: Federal Funding – Report on HEERF & Drop for Non-Payment

Chairman Edwards acknowledged EVP-CFO Kurapati to provide an update on federal funding. EVP-CFO Kurapati detailed the uses of \$94 million in HEERF federal funds to support students and the university. He explained \$40 million was allocated for student aid and dispersed to students in the form of grants and refunds and \$55 million for institutional aid. He further explained a majority of the funds allocated for institutional aid was utilized to offset lost revenues related to ensuring student retention and engagement as well as assisting students with eliminating outstanding balances that were impediments to their continued enrollment at the University.

Dr. Rudd emphasized allocating the funds to retain students despite significant financial challenges made a huge difference at the University. Vice President of Academic Affairs, Dr. Karen Weddle-West, offered her gratitude to Dr. Rudd, EVP-CFO Kurapati, Dr. Nenon and others, for adjustments and investments in students. She acknowledged many University accomplishments (high graduation rates, matriculation, etc.) were achieved based on the investment and noted students have expressed their gratitude.

Trustee Roberts inquired about the status and plans of available HEERF funds. EVP-CFO Kurapati noted \$10.5 million of the student aid portion was dispersed to 17,726 students. He advised the additional \$14 million, available as institutional aid, may potentially be used to address unpaid student balances that are not eligible for grants from the student aid portion. By the next Governance and Finance meeting, he expects a significant decline in those amounts and will provide regular updates on the University's plans for the funds.

EVP-CFO Kurapati highlighted changes made to the Drop for Non-Payment (DNP) process complimented the efforts of supporting students through federal aid. He also commended students for their financial responsibility. He noted that students also voluntarily used upwards of \$2.5 million dispersed to them for use at their discretion, to apply to their Spring balances. EVP-CFO Kurapati further noted utilizing the traditional DNP process for the fall 2021 semester would have resulted in the loss of 2,469 students with a total revenue loss of approximately \$15 million. Through the new DNP process and intentional, non-traditional efforts to contact students, only 190 of 2,469 students were dropped. The basis of the drop was lack of any engagement by those students. There was additional discussion of the positive impact supporting students had on bad debt discharge for the University.

Dr. Rudd discussed the historical approach and challenges related to implementing the new DNP process. He thanked EVP-CFO Kurapati, Dr. Nenon, Dr. Weddle-West, and others for their work. He advised data reflects this as the best approach for students and financially for the institution. He also advised the implementation of the process resulted in a new flexible approach that is more reasonable and consistent with the mission of the University.

V. Agenda Item 3: Strategic Student Employment Initiatives

EVP-CFO Kurapati presented on the strategic student employment initiatives based on Trustee Roberts' request of the University's approach to student employment and exploring opportunities of increasing and standardizing student wages amid student concerns.

EVP-CFO Kurapati provided an overview of the two major student employment opportunities and discussed efforts to standardize how student workers are managed on campus. He mentioned the launching of the student employment portal and the immediate goal to adjust the student employee wage from \$7.25 per hr. to a standard \$9 per hr. minimum starting wage by spring 22 and up to \$10 per hr. by fall 22. The goal is to continue to raise the rate while ensuring no significant negative impact on the University's finances. Trustee Roberts thanked EVP-CFO Kurapati and mentioned her personal interactions with students to understand their

reasons for working on campus for substandard wages. She noted students prefer to work on campus as it helps support their academics due to the proximity of campus, classes, and classmates.

EVP-CFO Kurapati referenced the University of Memphis Research Foundation Ventures (Ventures), created six years ago by Dr. Rudd and Dr. Dhaliwal, which has been instrumental in employing students on campus and offers a minimum starting wage of \$15 per hr. - \$25 per hr. with limited benefits. He noted employment opportunities are possible due to contracts with private companies willing to support students. Thus far, Ventures has employed 545 students, 226 of which are currently employed. EVP-CFO Kurapati noted this unique entity, for which the University should be proud, has been instrumental in providing high-earning positions for students throughout Memphis and surrounding communities. Discussion ensued regarding the opportunities provided by Ventures.

VI. Agenda Item 4: Reimbursement for President Rudd

Chairman Edwards introduced EVP-CFO Kurapati to address the reimbursement for President Rudd as a follow-up to reimbursements previously granted for other members of President's Council.

EVP-CFO Kurapati advised in FY21 when faced with a significant budget deficit, Dr. Rudd and President's Council members agreed to donate a portion of their salaries (prorated for 9 months) to the University of Memphis Foundation. As President's Council members donated 10% of their salaries Dr. Rudd donated 20% of his salary. At his direction, the President's Council members were reimbursed. EVP-CFO Kurapati recommended a 10% (\$39,000) reimbursement to Dr. Rudd for his donation.

Chairman Edwards acknowledged a motion from Trustee Martin which was properly seconded. A roll call vote was taken by Secretary Murry and the motion was approved.

VII. Agenda Item 5: Transparency of UofM Foundations

Chairman Edwards led the final item for discussion regarding the transparency of the three University foundations: Research Foundation (UMRF), Auxiliary Services Foundation (ASF), and the larger University of Memphis Foundation (UMF), based on a request from Trustee Kemme.

After providing a brief overview of the foundations, Chairman Edwards acknowledged his request to Secretary Murry to research how foundations are functionally organized at other universities and best practices (i.e., reporting, open meetings) related to transparency for implementation at the University. Chairman Edwards requested periodic reports to the Board from each foundation chairman regarding the activities of each foundation and proposed the formation of an ad hoc committee comprised of Trustees to work with Secretary Murry to understand best practices and report the recommendations to the Board at the March 2022 meeting.

As Chairman Edwards called for a discussion, Dr. Rudd acknowledged this as an excellent idea and noted the limited staffing for the foundations. He also mentioned, while the Board of Trustees has been in place for five years, the foundations have operated autonomously.

EVP-CFO Kurapati advised the recent direct reporting change of the Associate Vice President for UMF & ASF to him and mentioned the current desk audit related to the foundation infrastructures. He anticipates the final report, expected mid-December, will identify staffing needs, organizational gaps, and assist in transparency efforts. He noted future recommendations from the ad hoc committee will create an opportunity for discussion on foundation operations and the level of support the foundation provides to the University.

Trustee Kemme commented on receiving inquiries from faculty and community members regarding the lack of public access specifically related to the UMF because of philanthropic donations received.

As additional conversation ensued, Advancement Vice President Joanna Curtis addressed Trustee Kemme's comment regarding transparency concerns from donors. She noted that during this time of year, status reports are sent to donors offering transparency at the foundation and individual fund level. Donors who have established endowments, scholarships, or professorships, receive an annual report reflecting both the economic and direct impact made at the University. She stressed the importance of transparency with donors.

Dr. Rudd concluded the discussion by suggesting an immediate integration of the reports into the board meetings, beginning with the March 2022 meeting and working towards the transition of electronic access to make information more publicly available, with the understanding it will take time to get the work hours to complete this process. He offered to work on the timeline with EVP-CFO Kurapati. Trustee Kemme offered his appreciation and agreed with this execution.

Chairman Edwards thanked everyone for the discussion and noted the ad hoc committee will report back to the Board in the March meeting.

VIII. Additional business

No additional business. Next meeting March 2.

IX. Adjournment

Chairman Edwards adjourned the meeting.

4. 112th General Assembly Recap

Presentation

Presented by Katie VanLandingham

The University of Memphis Board of Trustees

Presentation
For Information

Date: June 1, 2022

Committee: Governance and Finance Committee

Presentation: 112th General Assembly Session Recap

Presented by: Katie VanLandingham, Chief Government Relations and Policy Officer

Background:

This presentation is an overview of the 112th General Assembly highlighting legislation and fiscal impacts to the university. Discussed are bills that passed and failed in relation to higher education, a review of the Governor's budget and fiscal impacts, and looking to the future landscape of the 113th General Assembly.

112th General Assembly Recap

Governance and Finance Committee

Katie VanLandingham
Chief Government Relations & Policy Officer

June 1, 2022

Maxine A. Smith University Center



- \$90 million added to the base funding formula
- HOPE scholarship increases
 - From \$3,500 to \$4,500 for first and second-year students annually.
 - From \$4,500 to third and fourth-year students to \$5700 annually.
- 4% salary increase for state employees
- The capital outlay and building renovation projects which were ranked and forwarded through the Tennessee Higher Education Commission's (THEC) vetting process for the Governor's consideration were fully funded.
 - \$25 million for Mynders Hall, including a \$5M match expectation
 - \$30 million for Fogelman College of Business & Economics, including a \$5M match expectation
- Regular capital maintenance totaled \$14 million
- Governor Lee proposed \$50 million to fund an endowment to support the University of Memphis. Carnegie 1 designation which will be endowed and matched.

- **SB2017/HB2088 - Campus School**

- Changes previous language in the law regarding colleges and universities operating a pre-k through 12 school. It changes from affiliating with the school board in the city or county it is located to “a county or city board of education.”
 - Public Chapter 760

- **SB1815/HB1863 - ACT**

- This bill intended to require all four-year public institutions to require students to submit a nationally recognized college admission test before the student was admitted or enrolled in the university.

- **SB2889/HB2864 - Board Meetings**

- Defines the requirements of public governing body regarding electronic meetings. It outlines that the public must have access to a building to hear the electronic meeting or be provided with audio or live streaming options for the meeting. There must be communication alerting an electronic meeting and the recording of the meeting must be posted no later than 3 business days after the meeting and must retain the meeting recording for at least 3 years after the meeting.
 - Public Chapter 856

- **SB2486/HB2249 – Military Affiliated In-State Tuition**

- Authorizes institutions of higher education to consider veterans or military-affiliated individuals as a Tennessee resident who is not required to pay out-of-state tuition. Defines “military-affiliated” as active-duty military personnel, reservists, members of the national guard, and reserve officer training corps program cadets.
 - Public Chapter 794

- **SB2290/HB2670 - Divisive Concepts**

- Prohibits public institutions from requiring a person to adopt a specific ideology or political viewpoint for tenure, employment, or graduation. The bill as amended defines divisive concepts outlines a structure for reporting, and creates a biennial campus survey that will be reported to respective education committees of the House and Senate. The law also clarifies that training on topics associated with what the legislation is terming divisive issues cannot be mandatory nor subject to extra compensation, unless required by federal or accreditation mandates. *The law recognizes academic freedom and does not impact the classroom or professors course materials.*
 - Public Chapter 818

- **SB2392/Hb2249 – Name, Image, Likeness**

- Revises present law provisions in governing college athlete's name, image, or likeness. The law now allows group licensing in the state of Tennessee. Although the law permits greater institutional involvement, the law clarifies that institutions cannot coerce, compel, or interfere with a student-athlete's decision related to NIL activities. The law also clarifies that parents and other family members are not required to register as an athlete's agent to assist their family member.

- Public Chapter 845

- **SB2419/HB2169 – State Building Commission Major Maintenance \$250,000**

- Increases the monetary threshold for purposes of defining "major maintenance" with respect to the repair or renovation of state buildings and structures to \$250,000.

- Public Chapter 712

- **SB0532/HB650 – State Building Commission Process**

- THEC shall comply with the policies of the state building commission concerning capital projects affecting public institutions of higher education in this state.

- Public Chapter 967

- **SB2153/HB2316 - Transgender Sports**

- Prohibits males from partaking in intercollegiate or intramural athletic teams or sports in higher education that are designated for females. The legislation as passed does not include a private cause of action of a student who is denied an athletic opportunity or suffers harm resulting from an institution of higher education allowing males to participate in female athletic teams or sports in violation of this bill.
 - Public Chapter 1005

- **SB2163/HB2343 – Educator Prep Programs**

- This legislation is centered around preparing future teachers and updates reporting requirements of educator preparation testing at the state level. The state board will now include the first-time pass rates of teacher candidates in the state board's annual teacher preparation report cards. The intent is to ensure instruction in teacher preparation is aligned with foundational literacy skills.
 - Public Chapter 974

- Tenure
- Admissions
- Tuition Waivers
- Campus Carry
- Tech 901 & WGU
- Sports Betting Revenue – PreK & K-12
- Affirmative Action
- Civics Legislation
- Educator Prep Programs
- Workforce Development

5. FY2022-23 Proposed Budget , FY2021-22 Estimated Budget Recommendations, Compensation Strategy, and FY2023-24 Capital Budget

For Approval

Presented by Raajkumar Kurapati

The University of Memphis Board of Trustees

Recommendation

For Approval

Date: June 1, 2022

Committee: Governance and Finance Committee

Presentation: FY2022-23 Proposed Budget
FY2021-22 Estimated Budget
Compensation Strategy
FY2023-24 Capital Budget Request

Presented by: Raaj Kurapati, Executive Vice President and Chief 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 FY2022-23 Proposed budget and FY2021-22 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 FY2023 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.

Capital Budget -Per Tennessee Higher Education Commission (THEC) Policy F4.0 Capital Projects: As the coordinating body for higher education in Tennessee, THEC engages with institutions and governing boards on capital investment through its role to develop and approve recommendations for capital outlay and maintenance funding. THEC identifies capital investment needs and determines priorities for those investments for consideration by the Governor and the General Assembly as part of the annual

appropriations act. Categories of projects submitted to THEC in the annual Capital Budget Request are as follows:

Capital Outlay: In accordance with funding request guidelines annually disseminated by THEC staff, the Commission receives a prioritized list of capital outlay projects from each governing board for evaluation and scoring into a single prioritized list for the state. These projects either provide new space or major renovations (or a combination of both), and respond to: state goals for education, strategic plans, space guidelines, facility assessments, program plans, business plans, and/or external funding. LGI's may propose only one Capital Outlay project.

Capital Maintenance: THEC shall receive a prioritized list of capital maintenance projects from each governing board. THEC staff makes project recommendations to the Commission's Board in accordance with a capital maintenance formula. The formula may include, but not be limited to, the age, gross Education & General (E&G) square footage, usage, and conditions of institutions facilities. Individual projects should reduce deferred maintenance and protect the assets of the state.

Disclosed Projects: The reporting of disclosed capital projects to THEC should be performed at least quarterly and shall include all projects to be initiated in the following quarter that will have total expenditures on capital improvements exceeding \$100,000 or maintenance below \$500,000. Projects over \$500,000 or from Bonds must be disclosed in the annual state budget. Disclosed projects are those funded by campus funds, bonds, gifts or other non-appropriated sources

The **Capital Outlay** budget request for 2023/24 is due to THEC on August 26, 2022 and the **Maintenance, Disclosure and Demolition** budget request for 2023/2024 is due to THEC on June 17, 2022.

Committee Recommendation:

The Governance and Finance Committee met June 1, 2022, and recommended approval of the FY2021-22 Estimated Budget and the FY2022-23 Proposed Budget and assumptions as well as the Capital Budget and FY23 Compensation Plan as presented in the meeting materials.

Final Operating Budget for Fiscal Year 2022 Proposed Operating Budget for Fiscal Year 2023 FY2023 Capital Budget

Governance and Finance Committee

Raaj Kurapati
Executive Vice President & Chief Financial Officer

June 1, 2022

Maxine A. Smith University Center



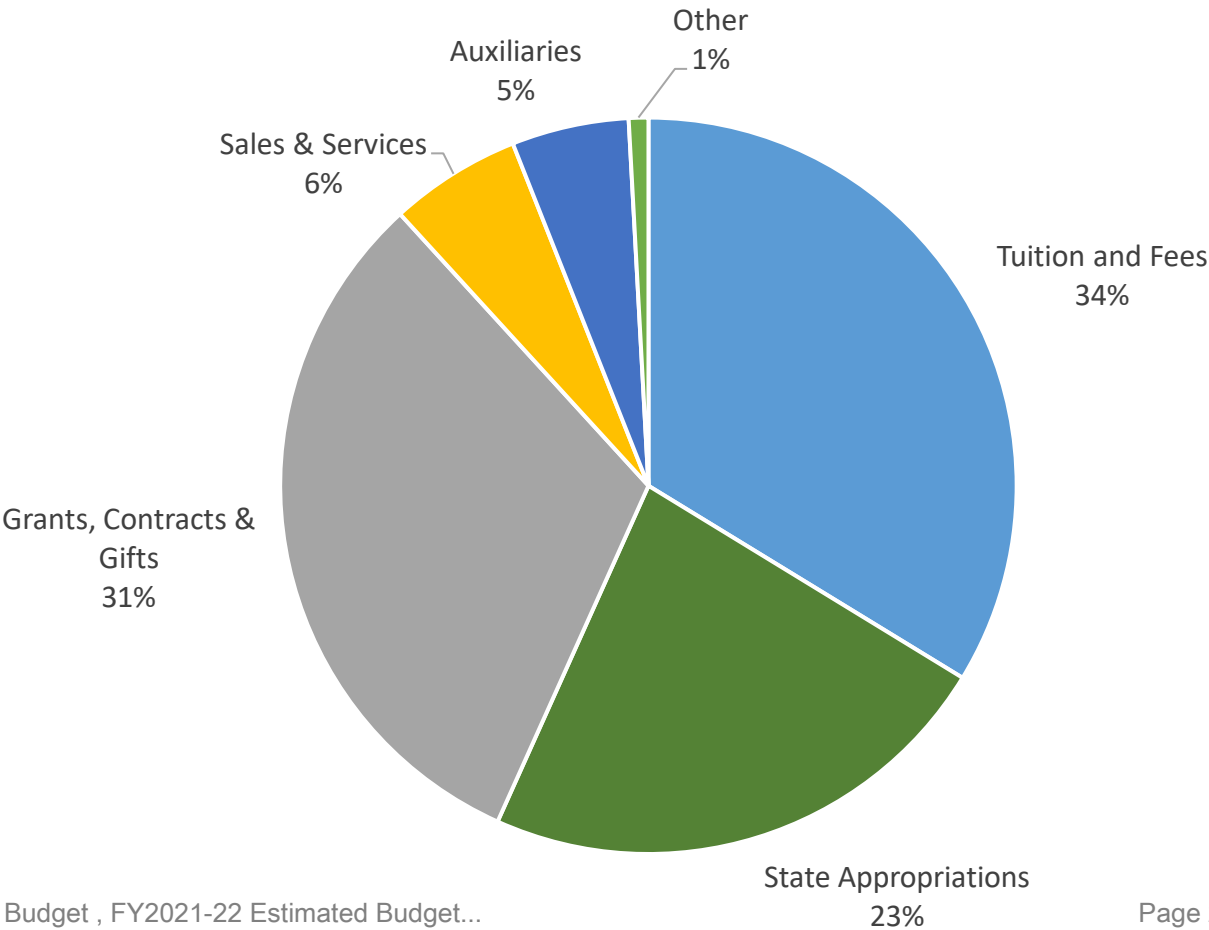
JUNE 2022

- Budget Overview
- FY23 Proposed Budget
- FY22 Estimated (Final) Budget
- FY23 Compensation Strategy
- FY23-24 Capital Budget Request

FY22 Revenue Budget (includes Unrestricted & Restricted)

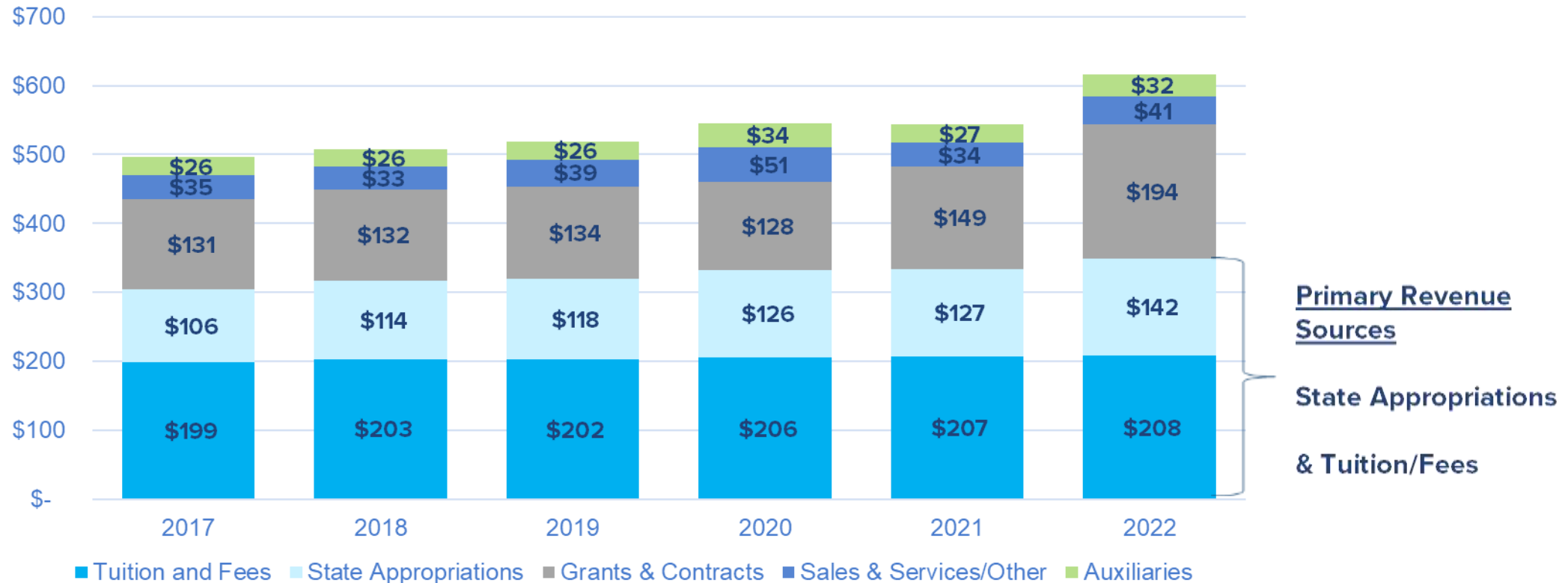
University of Memphis FY21-22 Revised Budget	
Tuition and Fees	\$207.8 M
State Appropriations	141.6 M
Grants, Contracts & Gifts	194.0 M
Sales & Services	35.6 M
Auxiliaries	31.7 M
Other	5.3 M
Total Revenue	\$616.0 M

FY2022 Unrestricted and Restricted Revenues

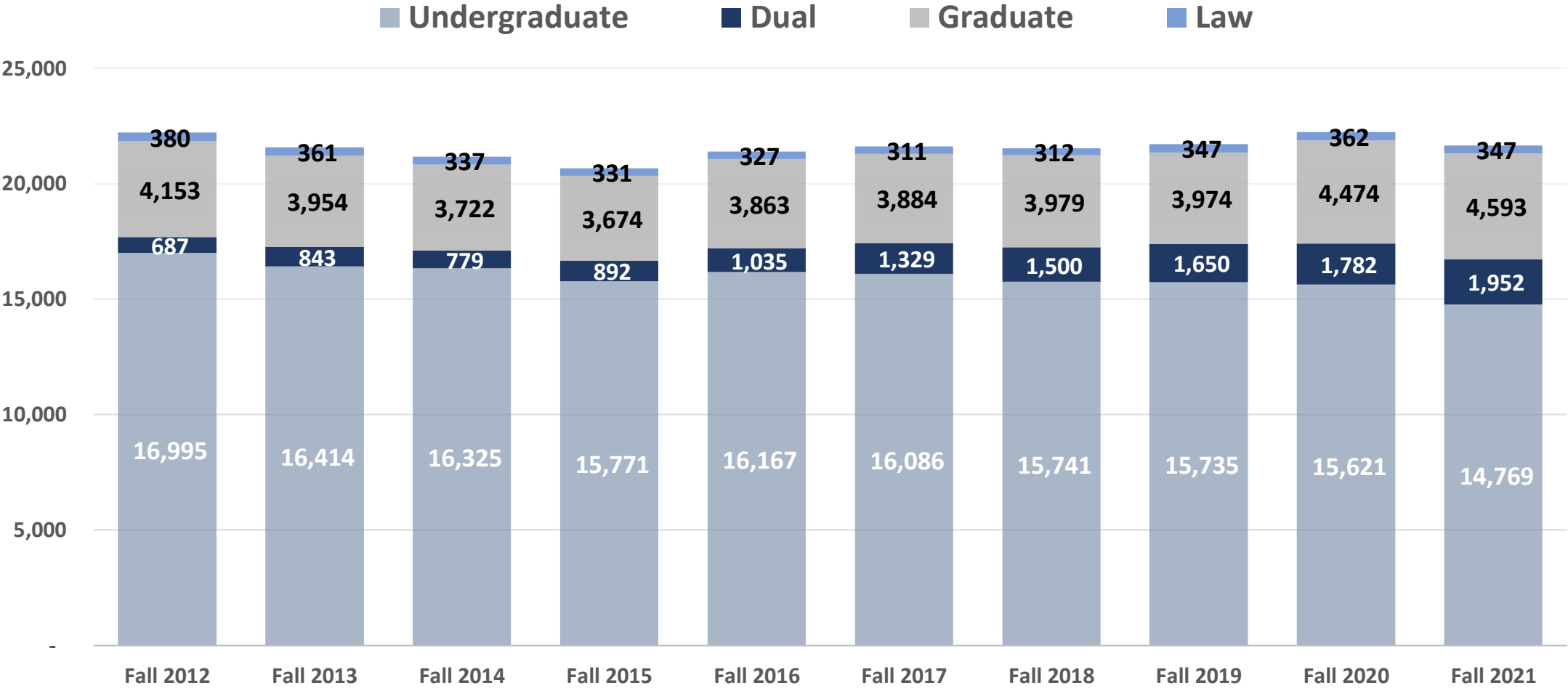


University Budget Growth

Total University Revenue by Type (In Millions)

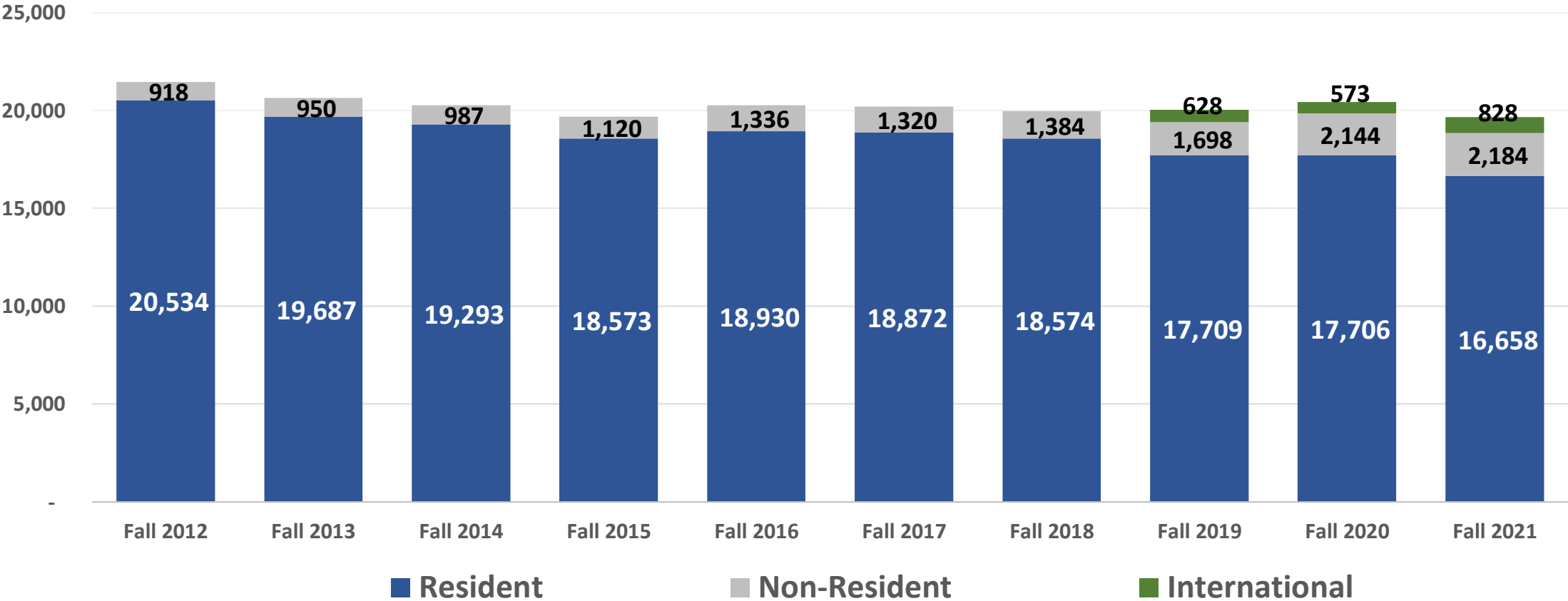


Enrollment by Class



Enrollment by Residency

HEADCOUNT TREND BY RESIDENCY
EXCLUDES DUAL ENROLLMENT



FY22 Enrollment Impact on Tuition

- In State Undergraduate enrollment has dropped
- International and OOS enrollments has helped keep revenues even

AY2020-21 and AY 2021-22 Tuition & Mandatory Fee Revenues by Residency Category					
Tuition & Mandatory Fees				FY22 Tuition	Enrollment
	AY2020-21	AY2021-22	Change	Increase	Impact
Undergraduate					
In State	\$ 109,162,000	\$ 103,009,000	\$ (6,153,000)	\$ 1,170,000	\$ (7,323,000)
Out-of-State	12,718,000	14,940,000	2,222,000	352,000	1,870,000
International	2,586,000	3,363,000	777,000	96,000	681,000
Global/RODP	8,248,000	9,273,000	1,025,000	171,000	854,000
Graduate					
In State	20,048,000	17,937,000	(2,111,000)	234,000	(2,345,000)
Out-of-State	7,132,000	6,293,000	(839,000)	165,000	(1,004,000)
International	6,307,000	12,449,000	6,142,000	293,000	5,849,000
Global/RODP	4,388,000	5,945,000	1,557,000	66,000	1,491,000
Law					
In State	5,051,000	4,848,000	(203,000)	84,000	(287,000)
Out-of-State	1,683,000	1,720,000	37,000		37,000
International	34,000	-	(34,000)		(34,000)
Total	\$ 177,357,000	\$ 179,777,000	\$ 2,420,000	\$ 2,631,000	\$ (211,000)
5. FY2022-23 Proposed Budget , FY2021-22 Estimated Budget, Final Phase to eliminate online fees					(1,300,000)
FY22 Net Tuition Impact					(1,511,000)

Revenue Budget Components

- State Appropriations
- Tuition Revenues
 - Enrollment changes
 - Tuition Rate (THEC FY23 Binding Range 0% - 3%)
 - For FY23, the Governor is requesting 0% tuition increases due to significant State Appropriation investment

FY23 State Appropriations

FY23 Governor's Budget Capital Projects – One Time State Appropriations	
State Appropriation – Operating Increase	\$9,676,800
Salary Increase Pool ¹	5,684,700
Health Insurance & Retirement Increases	1,189,100
Outcomes Formula Adjustment	794,600
Net Recurring State Appropriations ²	\$17,345,200

FY23 Mandated Expenses	
Salary Increase Cost	\$8,983,000
Health Insurance & Retirement Increases	1,189,100
State Insurance Premiums ³	700,000
Total Mandated Expenses	\$10,872,100

FY23 Governor's Budget Capital Maintenance – One Time State Appropriations	
HVAC Component Replacements (Multiple Academic Buildings)	\$4,293,000
Campus-Wide Multiple Buildings Repairs	4,000,000
Campus-Wide Multiple Buildings Roof Replacements	3,000,000
Wilder Tower Repairs	2,674,000
Net Capital Maintenance State Appropriations	\$10,889,000

FY23 Governor's Budget Capital Projects – One Time State Appropriations	
College of Business & Economics Renovation	\$25,000,000
Mynders Hall Renovation	20,000,000
Net Capital Projects State Appropriations	\$45,000,000

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

² Governor's Budget for Higher Education comes with the expectation that there will not be any increases in Tuition and Mandatory Fees

³ Annual insurance premium increases have outweighed State adjustments to the tune of \$700K

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 Yr	THEC Binding Range	UofM Tuition Increase
FY23*	0%	0%
FY22	0% -2%	1.79%
FY21	0% -2%	0.0%
FY20	0% -2.5%	1.79%
FY19	0% -3%	0.0%
FY18	0% -4%	2.6%
FY17	0% -3%	2.3%
FY16	0% -4%	3.7%
FY15	2%-4%	0.0%
FY14	0% -6%	6.0%

***The Governor is requesting 0% tuition increases due to significant State Appropriation Investment. UofM has the lowest statewide average tuition increase of 1.5% over the last 8 years**

FY23 Proposed Budget

The FY23 Proposed budget was developed with the following assumptions:

- State Appropriation changes from the Governor's Budget (\$17.3M)
- 0% tuition increase
- Budgeted for flat enrollment based on Fall 2021 enrollment levels
- 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 FY22 & FY23 Proposed Revenue & Expenditure Budget

	Proposed FY 2022	Proposed FY 2023	Variance	
<u>Revenues</u>				
Educational & General				
Tuition and Fees	\$ 208,408,400	\$ 207,275,900	\$ (1,132,500)	-0.5%
State Appropriations	133,213,400	150,869,200	17,655,800	13.3%
Unrestricted Grants, Contracts, & Gifts	27,920,200	29,662,400	1,742,200	6.2%
Sales and Services	35,052,600	34,930,100	(122,500)	-0.3%
Other	3,284,000	3,284,000	-	0.0%
Total Educational & General	407,878,600	426,021,600	18,143,000	4.4%
Auxiliary	33,273,200	33,063,100	\$ (210,100)	-0.6%
Restricted	130,135,100	140,601,700	10,466,600	8.0%
Total Revenues	\$ 571,286,900	\$ 599,686,400	\$ 28,399,500	5.0%

Governance and Finance Committee Meeting

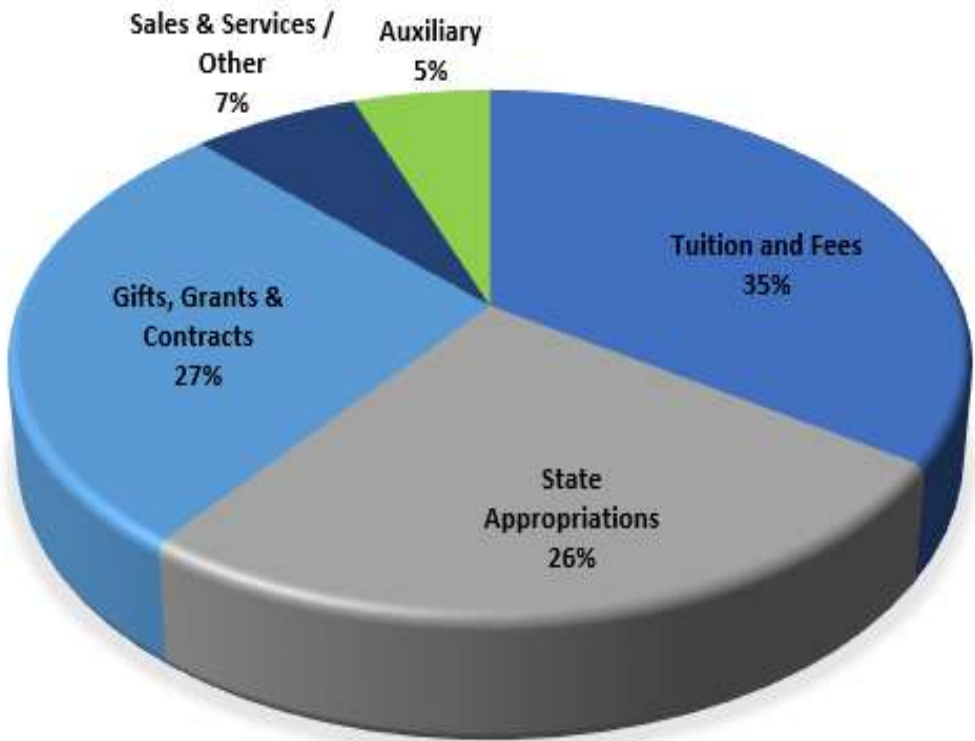
5. FY2022-23 Proposed Budget - FY2021-22 Estimated Budget

Page 33

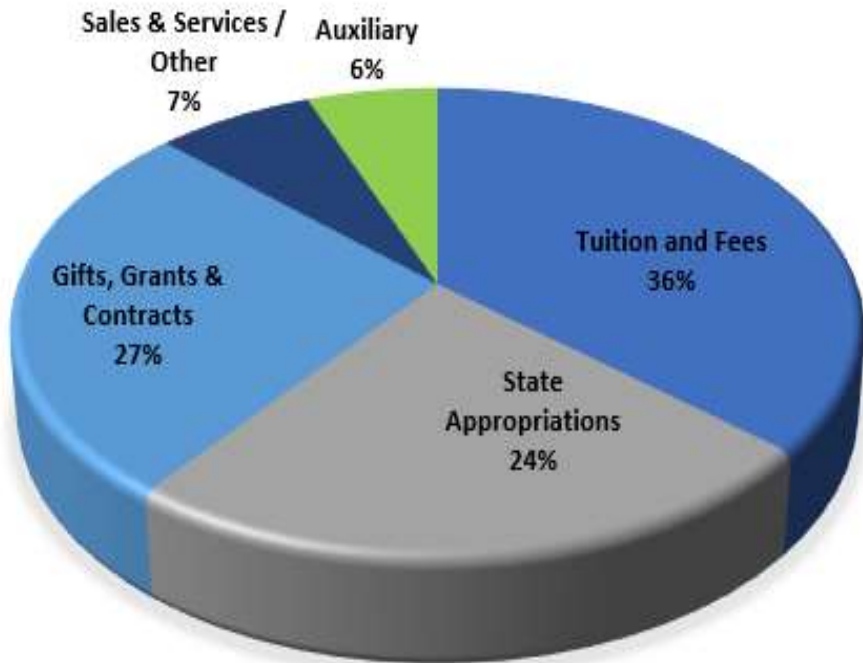
Revenue Comparison

FY23 Proposed to FY22 Proposed Budget

**FY 2023 PROPOSED UNRESTRICTED AND RESTRICTED
REVENUE TOTAL \$599.7M**



**FY 2022 PROPOSED UNRESTRICTED AND
RESTRICTED REVENUE TOTAL \$571.2 M**



Proposed (Recurring) Budget Comparison

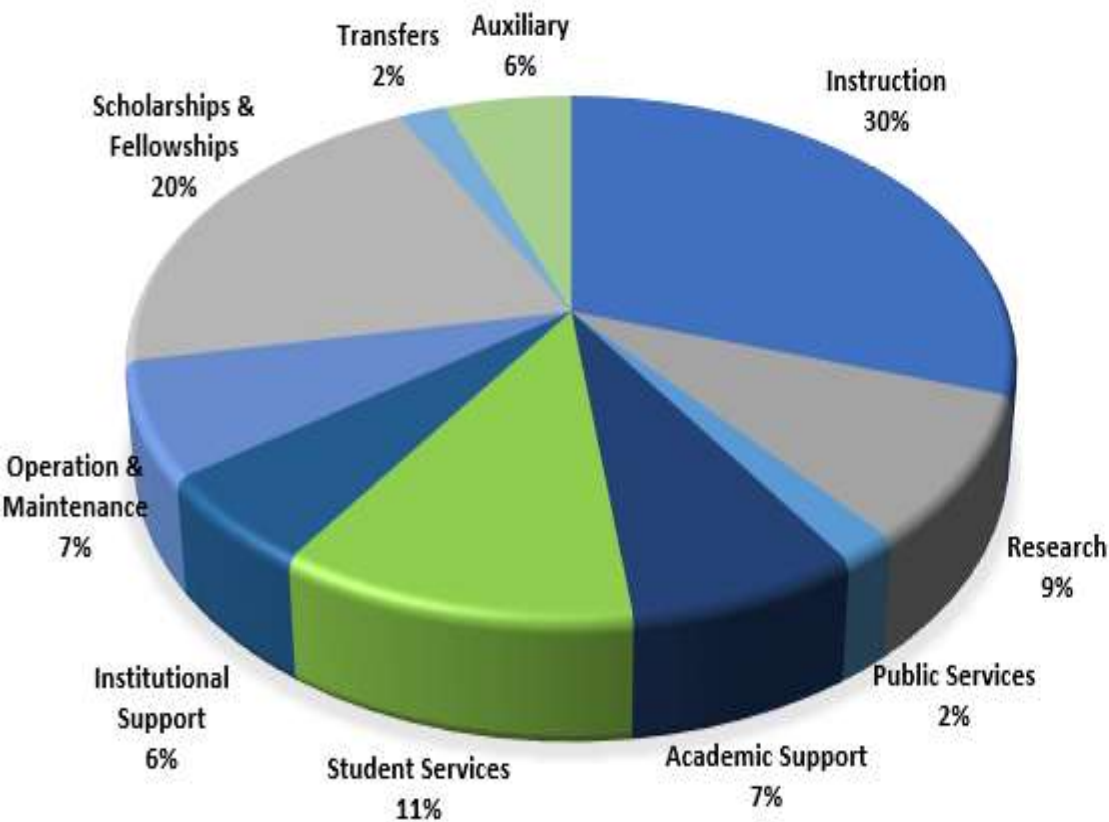
University of Memphis FY22 & FY23 Proposed Revenue & Expenditure Budget

	Proposed FY 2022	Proposed FY 2023	Variance	
<u>Expenditures</u>				
Educational & General				
Instruction	\$ 172,234,600	\$ 178,373,200	\$ 6,138,600	3.6%
Research	22,062,000	24,118,600	2,056,600	9.3%
Public Services	4,669,400	4,668,500	(900)	0.0%
Academic Support	37,473,600	41,195,600	3,722,000	9.9%
Student Services	55,438,000	57,095,100	1,657,100	3.0%
Institutional Support	31,536,500	33,295,800	1,759,300	5.6%
Operation & Maintenance	39,677,400	42,208,000	2,530,600	6.4%
Scholarships & Fellowships	30,288,600	32,964,200	2,675,600	8.8%
Transfers	14,498,500	12,102,600	(2,395,900)	-16.5%
Total Educational & General	407,878,600	426,021,600	18,143,000	4.4%
Auxiliary	33,273,200	33,063,100	\$ (210,100)	-0.6%
Restricted	130,135,100	140,601,700	10,466,600	8.0%
Total Expenditures and Transfers	\$ 571,286,900	\$ 599,686,400	\$ 28,399,500	5.0%

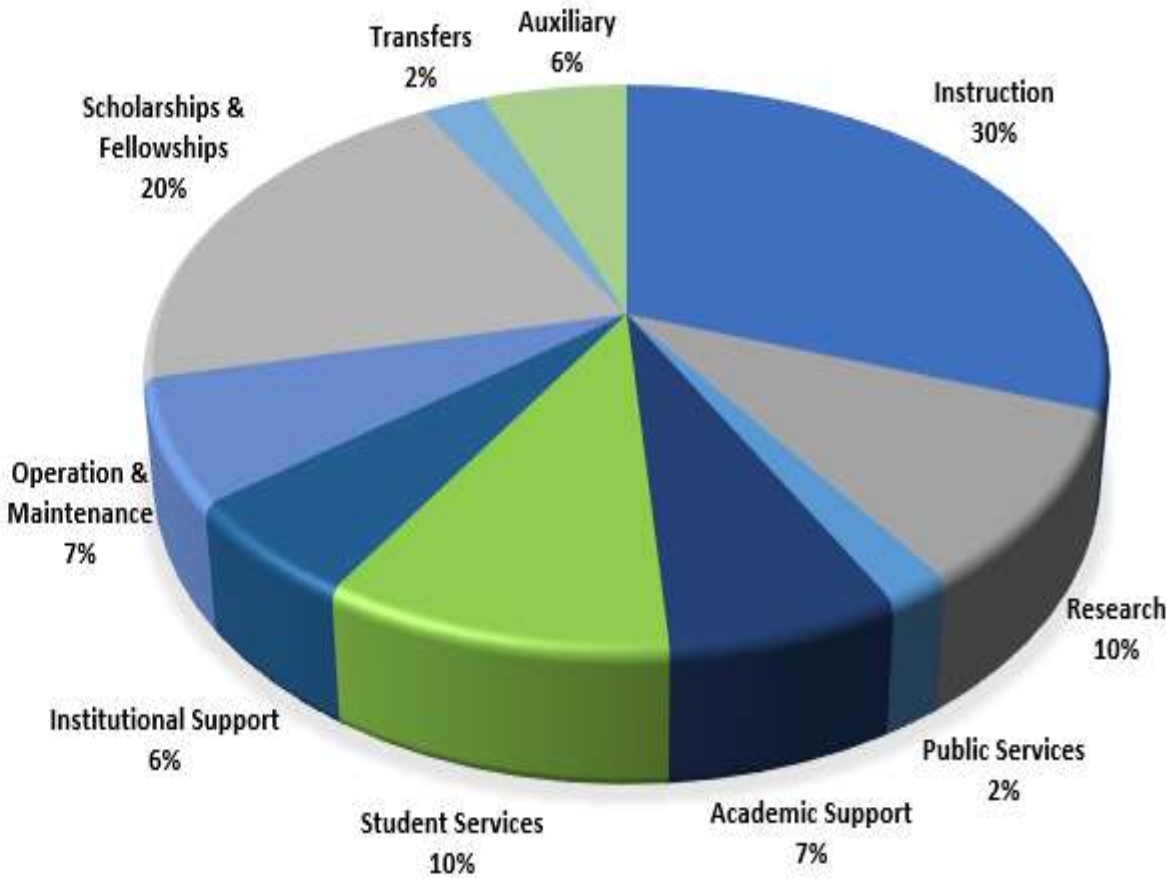
Expenditure Comparison

FY23 Proposed to FY22 Proposed Budget

FY 2023 PROPOSED UNRESTRICTED AND
RESTRICTED EXPENSES TOTAL \$599.7 M



FY 2022 PROPOSED UNRESTRICTED AND RESTRICTED
EXPENSES TOTAL \$571.2 M



*Student Services change due to the new Recreation Facility Operations

FY22 Estimated Budget

Revised to Estimated Budget Comparison

University of Memphis Revised FY22 & Estimated FY22 Revenue & Expenditure Budget

	Revised FY 2022	Estimated FY 2022	Variance	
<u>Revenues</u>				
Educational & General				
Tuition and Fees	\$ 207,763,700	210,133,200	\$ 2,369,500	1.1%
State Appropriations	138,524,000	138,524,000	-	0.0%
Unrestricted Grants, Contracts, & Gifts	30,296,700	32,785,300	2,488,600	8.2%
Sales and Services	35,566,300	35,874,500	308,200	0.9%
Other	3,284,000	2,087,000	(1,197,000)	-36.4%
Total Educational & General	415,434,700	419,404,000	3,969,300	1.0%
Auxiliary	31,731,300	31,165,200	(566,100)	-1.8%
Restricted	168,838,300	155,266,200	(13,572,100)	-8.0%
Total Revenues	\$ 616,004,300	\$ 605,835,400	\$ (10,168,900)	-1.7%

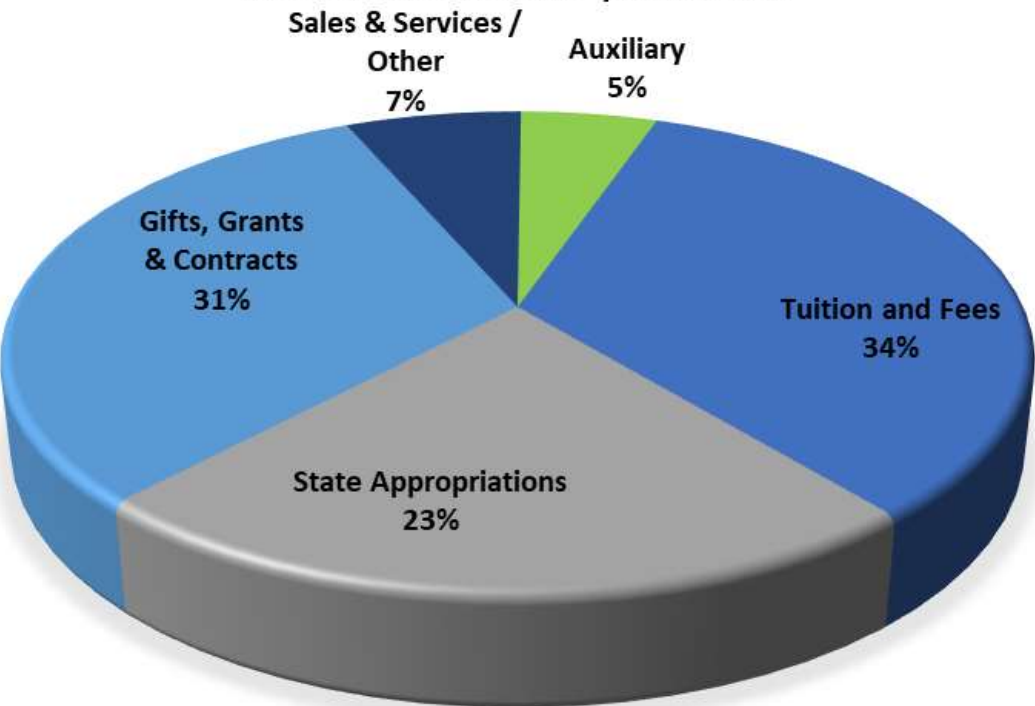
5. FY2022-23 Proposed Budget, FY2021-22 Estimated Budget

Page 68

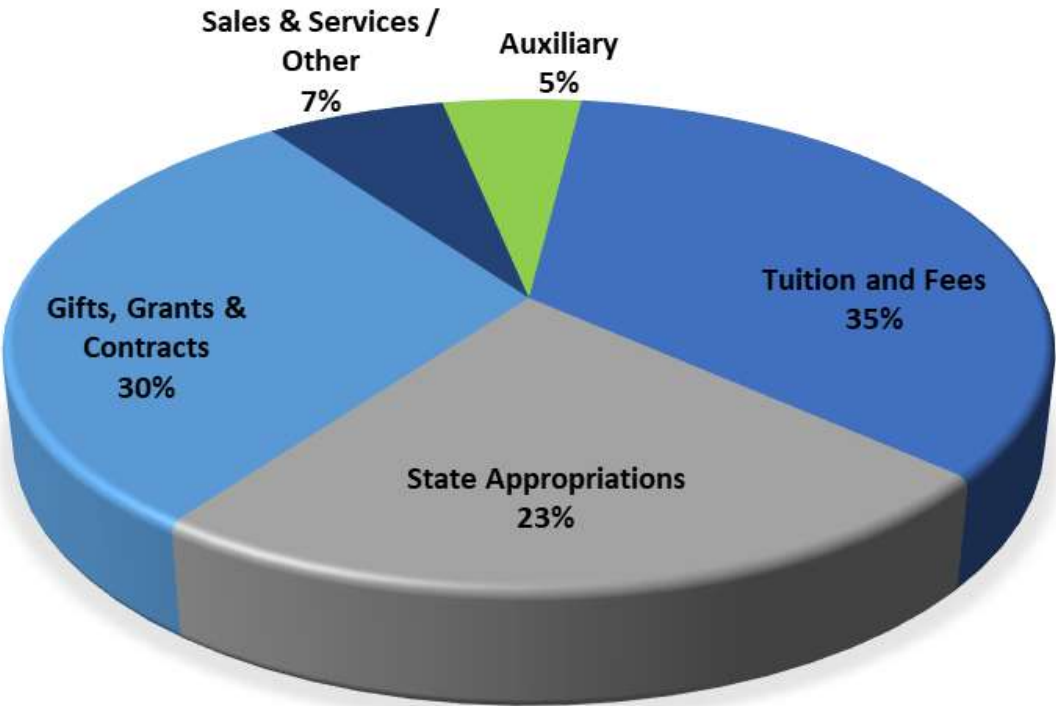
Revenue Comparison

FY22 Revised Budget to FY22 Estimated

**FY 2022 REVISED UNRESTRICTED AND RESTRICTED
REVENUE TOTAL \$616.0 M**



**FY 2022 ESTIMATED UNRESTRICTED AND RESTRICTED
REVENUE TOTAL \$605.8 M**



Revised to Estimated Budget Comparison

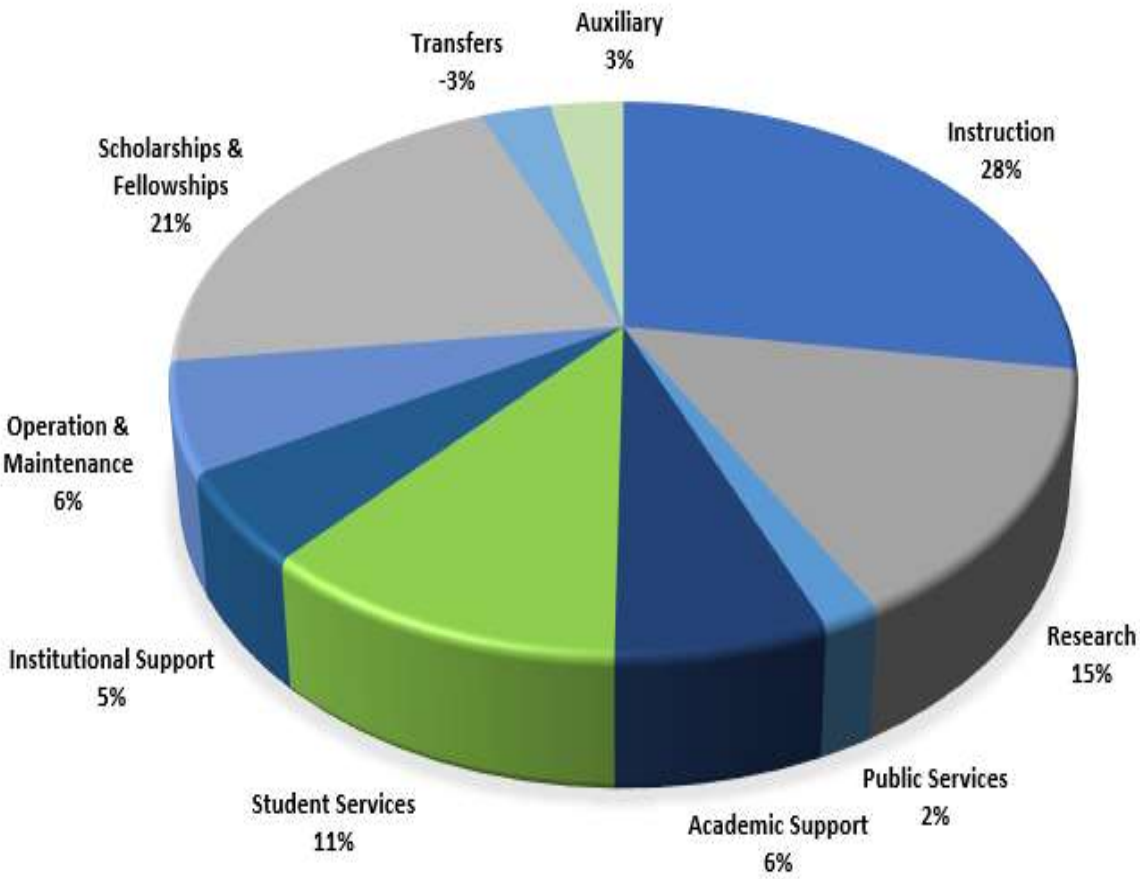
University of Memphis Revised FY22 & Estimated FY22 Revenue & Expenditure Budget

	Revised FY 2022	Estimated FY 2022	Variance	
<u>Expenditures*</u>				
Educational & General				
Instruction	\$ 181,612,400	\$ 175,333,300	\$ (6,279,100)	-3.5%
Research	48,457,000	53,759,300	5,302,300	10.9%
Public Services	6,159,600	6,226,300	66,700	1.1%
Academic Support	41,371,500	40,555,500	(816,000)	-2.0%
Student Services	74,246,800	74,682,600	435,800	0.6%
Institutional Support	34,710,000	34,763,700	53,700	0.2%
Operation & Maintenance	41,835,800	40,851,100	(984,700)	-2.4%
Scholarships & Fellowships	33,095,200	32,944,600	(150,600)	-0.5%
Transfers	(20,192,700)	(21,535,500)	(1,342,800)	6.6%
Total Educational & General	441,295,600	437,580,900	(3,714,700)	-0.8%
Auxiliary	31,794,400	34,610,300	\$ 2,815,900	8.9%
Restricted	168,838,300	155,266,200	(13,572,100)	-8.0%
Total Expenditures and Transfers	\$ 641,928,300	\$ 627,457,400	\$ (14,470,900)	-2.3%

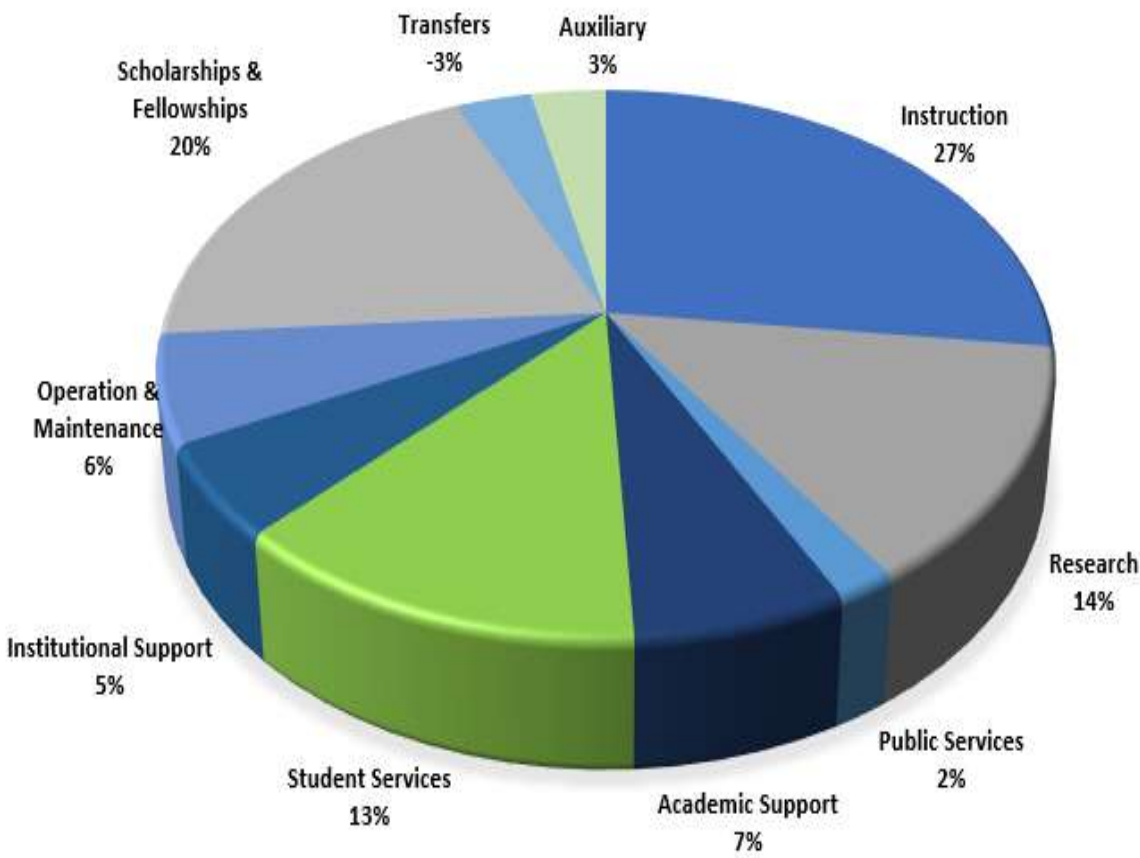
Expenditure Comparison

FY22 Revised Budget to FY22 Estimated

FY 2022 REVISED UNRESTRICTED AND RESTRICTED EXPENSES TOTAL
\$631.1 M



FY 2022 ESTIMATED UNRESTRICTED AND RESTRICTED EXPENSES
TOTAL \$614.2 M

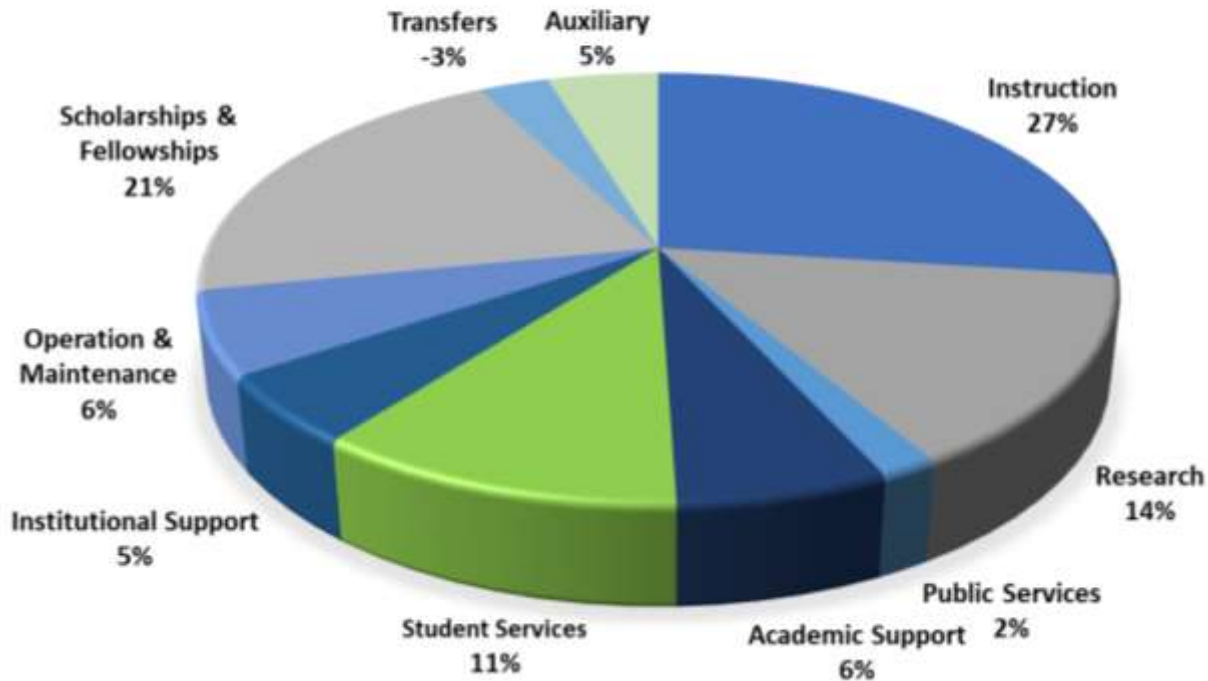


*Student Services change due to Final Transfer for LD T Smith Severance

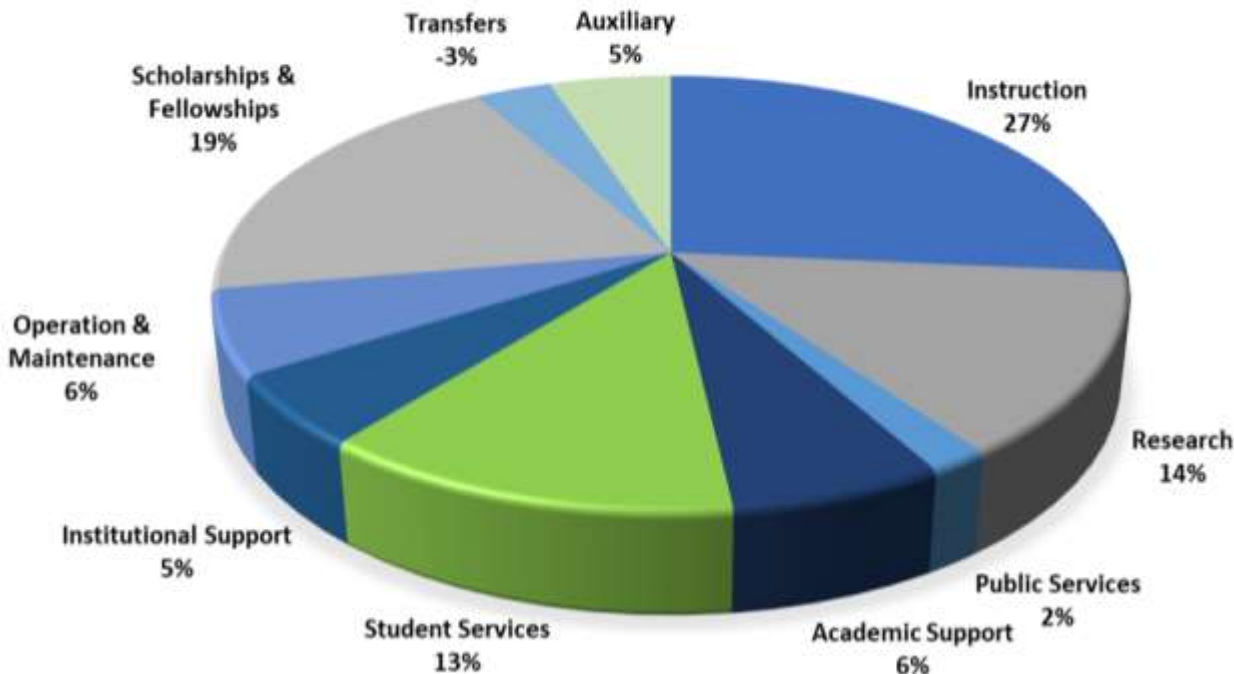
Expenditure Comparison

FY22 Revised Budget to FY22 Estimated

FY 2022 REVISED UNRESTRICTED AND RESTRICTED EXPENSES TOTAL
\$641.9 M



FY 2022 ESTIMATED UNRESTRICTED AND RESTRICTED EXPENSES TOTAL
\$627.5 M



*Student Services change due to Final Transfer for LD T Smith Severance

FY2023

Compensation Strategy

- Four percent (4%) salary pool was approved by the Legislature and partially funded by State Appropriations
- Effective July 1, 2022
- For Higher Education, the salary pool is to be distributed at the discretion of each institution

Salary Pool Recommendation

Governor's Budget

Cost of 4% Salary Pool *	State Funding	Additional funding needed	
\$8,983,000	\$5,694,700	\$3,285,600	

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, State Appropriations)

University's Recommendation

Cost of 3% Salary Pool *	State Funding	Additional funding needed	
\$7,000,000	\$5,694,700	\$1,305,300	

An additional one-time Supplemental payment will be considered in late Fall after enrollment is known. Further the set aside pool will also cover faculty promotions, part-time faculty raises, and limited funding for addressing equity and compression.

Salary Pool will be used for :

- 3% ATB Salary Increases for Faculty and Staff
- Meet our faculty promotions outlay
- 3% ATB increase for part-time faculty
- Set aside some funds to address equity & compression
- Additional one-time Supplemental Pay to be considered after Fall Enrollment

Capital Budget Request FY2023-2024

Tony Poteet
Chief University Planning Officer

- Capital Outlay
- Capital Maintenance
- Disclosures

Due to THEC August 26, 2022

- Outlay projects are scored based on relation to state goals, Drive to 55, campus strategic and master plan, space needs, and external funding (10% minimum match new / 4% renovation).
- Capital Maintenance is distributed by a formula - 12.3% to UofM based on the amount and age of space
- Disclosure is required for any project over \$100,000.

Project

Capital Outlay

College of Business and Economics Renovation

Mynders Hall Renovation

Capital Maintenance

HVAC Component Replacements Multiple Buildings

Multiple Buildings Repairs

Multiple Buildings Roof Replacements

Wilder Tower Repairs

State Funding

\$ 25,000,000

\$ 20,000,000

\$ 4,293,000

\$ 4,000,000

\$ 3,000,000

\$ 2,674,000

\$58,967,000

Capital Outlay Projects (New Facilities or Major Renovations)

Capital Outlay

Capital Outlay – Five Year Plan	Total Cost	Match	Funding year
1. Research Modernization Renovate research lab space in existing buildings	\$ 39,000,000	\$ 1,560,000	2023/2024
2. Interdisciplinary Science Research New laboratory intensive facility on main campus	\$ 68,416,000	\$ 6,841,000	2024/2025
3. Research Park New research facilities west of main campus	\$ 54,000,000	\$ 5,400,000	2025/2026
4. Academic Building Replacement (Mitchell / Clement) New building on main campus	\$ 83,000,000	\$ 8,300,000	2026/2027
5. Research Renovation / Physical Plant Relocation Relocate PPlant to new location, utilize current facility for research.	\$ 28,000,000	\$ 2,800,000	2027/2028

Capital Outlay

Research Modernization

This project will modernize 89,000 square feet of space to support research in the sciences, including Chemistry, Life Sciences, Psychology, Physics, Engineering and Computer Science. The improved labs and support space will promote excellence in research, post-baccalaureate training, and undergraduate education. A vivarium will be created to meet accreditation standards.

\$ 37,440,000 state funds

\$ 1,560,000 match funds



Capital Maintenance

(Deficiency Corrections to Buildings and Site)

Projects	Cost
1. Elevators and Fire Alarms Upgrade elevators and Fire alarms to meet current code requirements. Buildings include McWherter, TCA, CFA, Ball, Chemistry, Mitchell, Lipman, Campus School.	\$ 3,000,000
2. Dunn / Field House HVAC The Fieldhouse and Dunn Hall HVAC systems are obsolete. The buildings need new air handlers, VAV units, controls, valves, pumps, fresh air systems, piping replaced, and air distribution devices replaced. The existing systems leak are inefficient and ineffective.	\$ 6,000,000
3. Exterior Building Repairs and Reroofing Campus buildings need waterproof exteriors and Life Sciences, and Dunn Hall are in need of substantial brick repairs. Windows need replacing in Old Brister (historic), Manning Hall, and the main campus boiler house has some brick repair and precast panel reinforcement needed.	\$ 4,000,000
4. Admin/ Scates / Hayden Boilers These three buildings are currently fed from the central steam plant which is being decommissioned as underground lines have deteriorated. Individual boilers will be installed, and hot water piping reworked to allow each building to be controlled independently with greater efficiency.	\$ 4,000,000

Projects	Cost
5. Lambuth Various Maintenance Replace roof on Recreation Center, provide fresh air to Varnell Jones, replace elevator in Library, and replace HVAC units at the library.	\$ 2,500,000
6. Electrical Service Replacement Replace feeder system to the underground for North area of campus and east area of Park Campus, change to MLGW services at Millington.	\$ 3,000,000
7. Park Campus Water / Sewer lines The park campus water and sewer lines were installed in 1942 as part of the original army base and are undersized, broken down, and valves are stuck. These lines provide all the domestic and fire water for the expanding modern campus and need to be replaced.	\$ 4,000,000
Total	\$26,500,000

Disclosure Projects (Campus Funded or Bond Funds)

- Park Avenue Student Housing \$42,000,000 TSSBA (If necessary)
- Simmons Bank Liberty Stadium Improvements \$200,000,000 (Financing plan in development)

Capital Outlay

1. Research Modernization	<u>Total Cost</u>	
	\$39,000,000	(\$ 1,560,000 match)

Capital Maintenance (\$26,500,000 million priority items)

1. Elevators and Fire Alarms	\$ 3,000,000
2. Dunn / Field House HVAC	\$ 6,000,000
3. Exterior Building Repairs and Reroofing	\$ 4,000,000
4. Admin/ Scates / Hayden Boilers	\$ 4,000,000
5. Lambuth Various Maintenance	\$ 2,500,000
6. Electrical Service Replacement	\$ 3,000,000
7. Park Campus Water / Sewer lines	\$ 4,000,000

- **FY22 Final Estimated Budget**
- **FY23 Proposed Operating Budget**
 - **Includes FY23 Compensation Plan**
- **FY23-24 Capital Budget**

Questions

FY2022-23 Proposed Budget and FY2021-22 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 FY23 Proposed Budget was prepared with the following assumptions:

- State Appropriations as recommended in the Governor's Budget passed in May
- Flat enrollment based on FY2022 enrollment levels
- FY23 salary pool & benefit increases distributed by function and classification in the general orgs for distribution once approved

The University of Memphis FY2023 proposed budget revenues total \$599.7M. This total reflects revenue increases of \$28.4M from the FY2022 proposed budget approved June 2021.

FY2023 v FY22 Proposed Budget Total Revenues by Fund Type (\$ Millions)				
			Variance	
Fund Type	2022	2023	\$	%
Educational & General (E&G)	\$ 407.9	\$ 426.0	\$ 18.1	4.4%
Auxiliary Units	33.3	33.1	(0.2)	-0.6%
Total Unrestricted	\$ 441.2	\$ 459.1	\$ 17.9	4.1%
Restricted (Gifts, Grants, and Contracts)	130.1	140.6	10.5	8.0%
Total Unrestricted and Restricted	\$ 571.3	\$ 599.7	\$ 28.4	5.0%

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 FY22 Proposed Budget to FY23 Proposed Budget is a result of:

\$17.7M Proposed FY23 State appropriation increase

\$1.7M Increases 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 decrease of \$210k in the auxiliary revenue budget reflects Food Vending Pepsi Cola amended adjustment (10-year contract ending, RFP to be announced).

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 \$10.5M and is related to anticipated increases in federal stimulus funds and other 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 FY2022 estimated operating budget reflects changes that have occurred since the revised budget was finalized in fall 2021. Estimated total revenues are \$605.8M, a 1.7% decrease over the revised budget.

FY22 Revised v Estimated Budget Total Revenues by Fund Type (\$ Millions)				
Fund Type	Revised	Estimated	Variance	
			\$	%
Educational & General (E&G)	\$ 415.5	\$ 419.4	\$ 4.0	1.0%
Auxiliary Units	31.7	31.2	(0.5)	-1.8%
Total Unrestricted	\$ 447.2	\$ 450.6	\$ 3.4	0.8%
Restricted (Gifts, Grants, and Contracts)	168.8	155.2	(13.6)	-8.0%
Total Unrestricted and Restricted	\$ 616.0	\$ 605.8	\$ (10.2)	-1.7%

Educational and General (E&G) revenue increases of \$4.0M are primarily a result of enrollment changes, increased enrollment in our Commercial Aviation program, UofM Foundation support provided to campus departments for operational support, and adjustments to Campus and Middle School contracts with Shelby County Schools.

Auxiliary revenues decreased by \$0.5M as a result of declines in Parking revenues. Restricted revenues were adjusted to reflect actual awards and anticipated federal stimulus funds.

Proposed 2022-23 Operating Budget

University of Memphis
FY22 & FY23 Proposed Revenue & Expenditure Budget

	Proposed FY 2022	Proposed FY 2023	Variance	
Revenues				
Educational & General				
Tuition and Fees	\$ 208,408,400	\$ 207,275,900	\$ (1,132,500)	-0.5%
State Appropriations	133,213,400	150,869,200	17,655,800	13.3%
Unrestricted Grants, Contracts, & Gifts	27,920,200	29,662,400	1,742,200	6.2%
Sales and Services	35,052,600	34,930,100	(122,500)	-0.3%
Other	3,284,000	3,284,000	-	0.0%
Total Educational & General	407,878,600	426,021,600	18,143,000	4.4%
Auxiliary	33,273,200	33,063,100	\$ (210,100)	-0.6%
Restricted	130,135,100	140,601,700	10,466,600	8.0%
Total Revenues	\$ 571,286,900	\$ 599,686,400	\$ 28,399,500	5.0%
Expenditures				
Educational & General				
Instruction	\$ 172,234,600	\$ 178,373,200	\$ 6,138,600	3.6%
Research	22,062,000	24,118,600	2,056,600	9.3%
Public Services	4,669,400	4,668,500	(900)	0.0%
Academic Support	37,473,600	41,195,600	3,722,000	9.9%
Student Services	55,438,000	57,095,100	1,657,100	3.0%
Institutional Support	31,536,500	33,295,800	1,759,300	5.6%
Operation & Maintenance	39,677,400	42,208,000	2,530,600	6.4%
Scholarships & Fellowships	30,288,600	32,964,200	2,675,600	8.8%
Transfers	14,498,500	12,102,600	(2,395,900)	-16.5%
Total Educational & General	407,878,600	426,021,600	18,143,000	4.4%
Auxiliary	33,273,200	33,063,100	\$ (210,100)	-0.6%
Restricted	130,135,100	140,601,700	10,466,600	8.0%
Total Expenditures and Transfers	\$ 571,286,900	\$ 599,686,400	\$ 28,399,500	5.0%

The FY23 Proposed Budget is balanced and within available resources.

University of Memphis

Variance Recap of FY22 & FY23 Proposed Revenue & Expenditure Budget

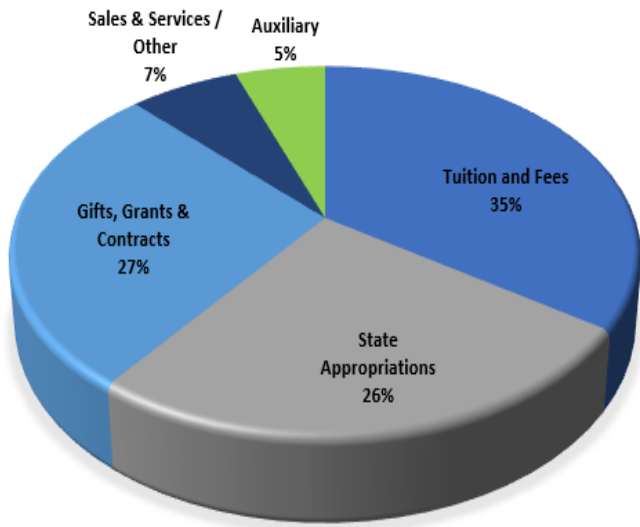
Revenue Change from FY22 Proposed to FY23 Proposed Budget

Tuition and Fees	\$ (1,132,500)	Primarily the elimination of online fees and declines in University Service fee revenues
State Appropriations	17,655,800	New State appropriations allocations to include Outcomes funding, Salary pool and increases for Health Insurance and Risk Mgmt property insurance
Unrestricted Gifts & Grants/Contracts	1,742,200	Increase due primarily to the Campus School's Shelby County School agreements for University Elementary School, Middle School, and Year 1 of the High School, as well as increased Indirect Cost recovery revenues
Sales and Services	(122,500)	Adjustments for various service agreement revenues
Other	-	No change
Auxiliary	(210,100)	Adjustments for various Auxiliary contracts
Restricted Grants and Contracts	10,466,600	Increase is primarily HEERF funds to be used in FY23 instead of FY22
Total Revenue Change	\$ 28,399,500	

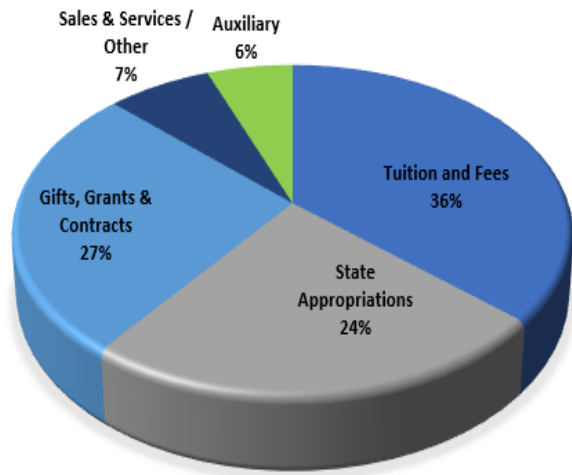
Expenditure Change from FY22 Proposed to FY23 Proposed Budget

Instruction	\$ 6,138,600	Primarily distribution of the planned FY23 Salary Pool, associated benefit increases, and FY22 SRI Budget allocations
Research	2,056,600	Primarily distribution of the planned FY23 Salary Pool, associated benefit increases, FY22 SRI Budget allocations and increase IDCR operating funds
Public Service	(900)	Net of distribution for the planned FY23 Salary Pool, associated benefit increases, and the reduction in operations for Bureau Business Economic Research (BBER)
Academic Support	3,722,000	Primarily distribution of the planned FY23 Salary Pool, associated benefit increases, and FY22 SRI Budget allocations, UM3D Reorganization To Library; increases to SCS agreement Elementary and Middle School operations and Year 1 of High School
Student Services	1,657,100	Primarily distribution of the planned FY23 Salary Pool, associated benefit increases, and FY22 SRI Budget allocations
Institutional Support	1,759,300	Primarily distribution of the planned FY23 Salary Pool, associated benefit increases, and FY22 SRI Budget allocations
Operation & Maintenance	2,530,600	Net of distribution of the FY23 Salary Pool & benefit increases; New Recreation Center operational costs; FY23 budget allocations for utilities and maintenance cost increases and Risk Mgmt Property Insurance
Scholarships and Fellowships	2,675,600	OOS scholarship 5%, Employee scholarship 1.75% increases; Budget Plan Scholarship
Transfers	(2,395,900)	Decrease in transfers due to University Service Fee Formula Distribution changes to include new Campus Recreation Facility and Renewal & Replacement alignment for University Campus Schools
Auxiliary	(210,100)	Reductions in operations for various Auxiliary contracts revenue adjustments
Restricted Grants and Contracts	10,466,600	Increase is primarily HEERF funds to be used in FY23 instead of FY22 due to Federal extension of time
Total Expenditure Change	\$ 28,399,500	

**FY 2023 PROPOSED UNRESTRICTED AND
RESTRICTED REVENUE TOTAL \$599.7M**

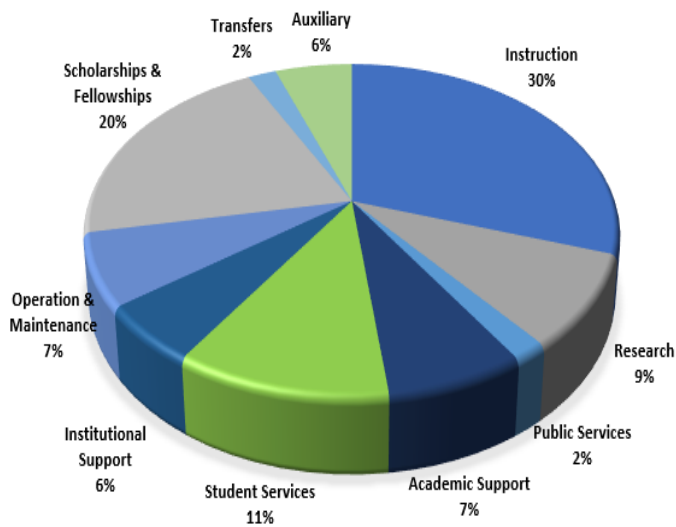


**FY 2022 PROPOSED UNRESTRICTED AND
RESTRICTED REVENUE TOTAL \$571.2 M**

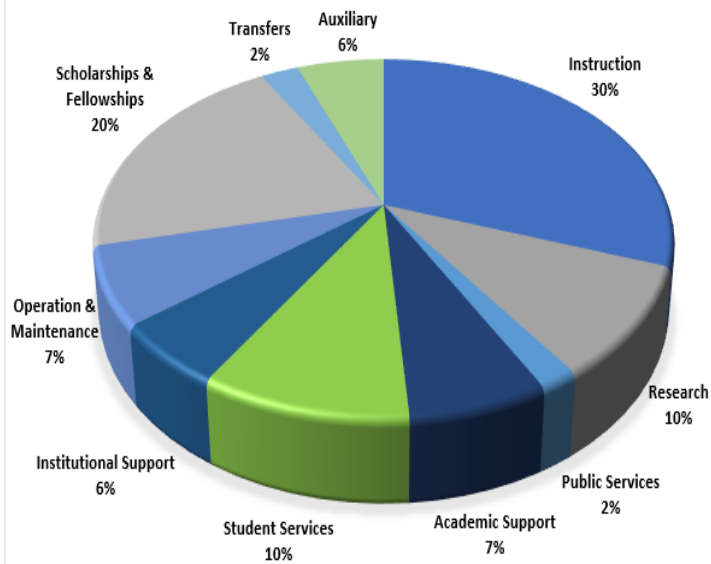


Expenditures are budgeted across the eight functional areas shown in the two charts below. Spending by function continues to remain consistent from prior year.

**FY 2023 PROPOSED UNRESTRICTED AND
RESTRICTED EXPENSES TOTAL \$599.7 M**



**FY 2022 PROPOSED UNRESTRICTED AND RESTRICTED
EXPENSES TOTAL \$571.2 M**



* Athletics is included in Student Services function

Estimated (Final) 2021-22 Operating Budget

University of Memphis
Revised FY22 & Estimated FY22 Revenue & Expenditure Budget

	Revised FY 2022	Estimated FY 2022	Variance	
<u>Revenues</u>				
Educational & General				
Tuition and Fees	\$ 207,763,700	210,133,200	\$ 2,369,500	1.1%
State Appropriations	138,524,000	138,524,000	-	0.0%
Unrestricted Grants, Contracts, & Gifts	30,296,700	32,785,300	2,488,600	8.2%
Sales and Services	35,566,300	35,874,500	308,200	0.9%
Other	3,284,000	2,087,000	(1,197,000)	-36.4%
Total Educational & General	415,434,700	419,404,000	3,969,300	1.0%
Auxiliary	31,731,300	31,165,200	(566,100)	-1.8%
Restricted	168,838,300	155,266,200	(13,572,100)	-8.0%
Total Revenues	\$ 616,004,300	\$ 605,835,400	\$ (10,168,900)	-1.7%
<u>Expenditures*</u>				
Educational & General				
Instruction	\$ 181,612,400	\$ 175,333,300	\$ (6,279,100)	-3.5%
Research	48,457,000	53,759,300	5,302,300	10.9%
Public Services	6,159,600	6,226,300	66,700	1.1%
Academic Support	41,371,500	40,555,500	(816,000)	-2.0%
Student Services	74,246,800	74,682,600	435,800	0.6%
Institutional Support	34,710,000	34,763,700	53,700	0.2%
Operation & Maintenance	41,835,800	40,851,100	(984,700)	-2.4%
Scholarships & Fellowships	33,095,200	32,944,600	(150,600)	-0.5%
Transfers	(20,192,700)	(21,535,500)	(1,342,800)	6.6%
Total Educational & General	441,295,600	437,580,900	(3,714,700)	-0.8%
Auxiliary	31,794,400	34,610,300	\$ 2,815,900	8.9%
Restricted	168,838,300	155,266,200	(13,572,100)	-8.0%
Total Expenditures and Transfers	\$ 641,928,300	\$ 627,457,400	\$ (14,470,900)	-2.3%

*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 **FY22 Revised** & **FY22 Estimated** Revenue & Expenditure Budget

Revenue Change from FY22 Revised to FY22 Estimated Budget (see Revenue recap for detail)

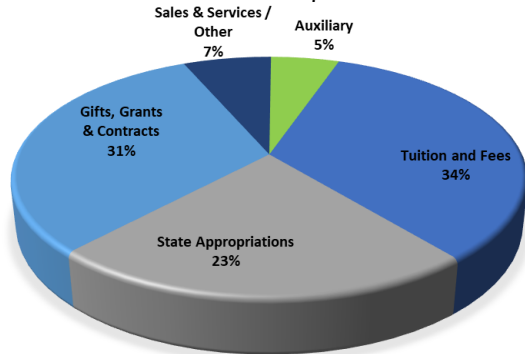
Tuition and Fees	\$ 2,369,500	Tuition and Fee adjustments for Spring enrollment changes as well as changes in Tiger LIFE Spring enrollment, commercial aviation program and increases in student participation in installment payment plans
State Appropriations	-	No Change
Unrestricted Gifts & Grants/Contracts	2,488,600	Increase due primarily to the Campus School's Shelby County School agreements for University Elementary School, Middle School, and Year 1 of the High School, as well as increases Indirect Cost recovery (IDCR) revenues
Sales and Services	308,200	Primarily due to increases in internship programs
Other	(1,197,000)	Decrease in Investment revenues due to market rates
Auxiliary	(566,100)	Revenue declines are primarily Parking, due to declines in parking decals, parking fines and declines in priority parking and garage sales
Restricted Grants and Contracts	(13,572,100)	Primarily HEERF funds to be used in FY23 instead of FY22 due to extension of time to spend funds
Total Revenue Change	\$ (10,168,900)	

Expenditure Change from FY22 Revised to FY22 Estimated Budget

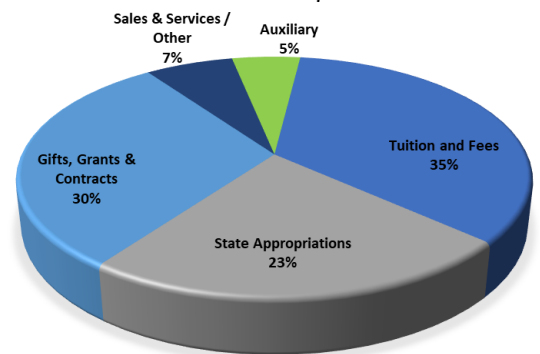
Instruction	\$ (6,279,100)	Net of Budget allocations distributed after October Budget; Salary lapse, Faculty salary splits to grants & research, UM Foundation support for departmental operations & benefit reallocations based on staffing levels
Research	5,302,300	Faculty salary splits from instruction, 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	66,700	Net of budget allocations processed after October budget, decrease in Conference & Institute activities, and benefit reallocations based on staffing levels
Academic Support	(816,000)	Decrease is primarily salary lapse due to an increase in vacant positions as well as Campus School R&R transfers to plant funds
Student Services	435,800	Budget allocations processed after the October budget, UM Foundation support for departmental operations and benefit reallocations based on staffing levels
Institutional Support	53,700	Net of budget allocations processed after October budget, salary lapse and benefit reallocations based on staffing levels
Operation & Maintenance	(984,700)	Transfer Utility Savings to Plant funds for Performance Contract Debt and Utility Fluctuation contingency, transferred funds to various plant fund projects
Scholarships and Fellowships	(150,600)	Adjusted budgets to FY22 projected award levels.
Transfers	(1,342,800)	Loan repayment for middle school renovations and unexpended Plant projects
Auxiliary	2,815,900	Elementary and Middle School Loan Repayments; Copier Vending support Tiger Copy and Graphics; Rental Property increase offset with Parking decrease
Restricted Grants and Contracts	(13,572,100)	Adjusted expenses based on year to date actuals. Decrease is a primarily a reflection of anticipated stimulus funds being used in FY23 instead of FY22
Total Expenditure Change	(14,470,900.00)	

The FY22 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.

**FY 2022 REVISED UNRESTRICTED AND RESTRICTED
REVENUE TOTAL \$616.0 M**

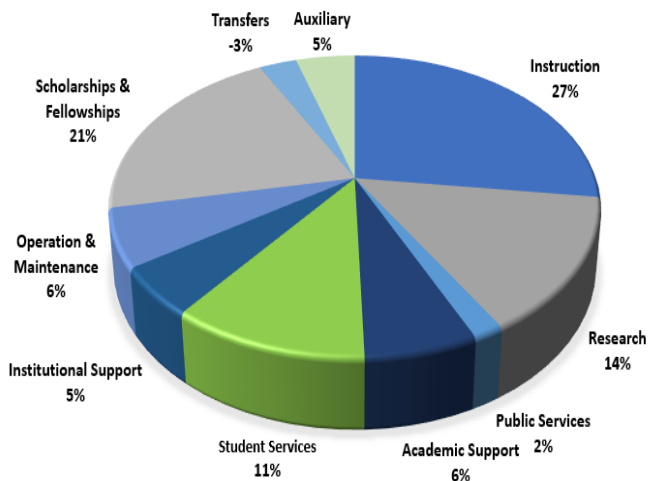


**FY 2022 ESTIMATED UNRESTRICTED AND RESTRICTED
REVENUE TOTAL \$605.8 M**

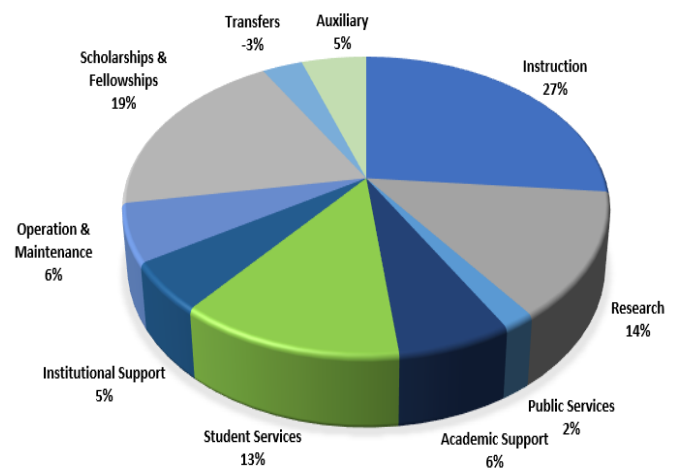


In the Estimated budget, spending by function remains consistent with slight increases in Student Services and Academic Support.

**FY 2022 REVISED UNRESTRICTED AND RESTRICTED EXPENSES TOTAL
\$641.9 M**



**FY 2022 ESTIMATED UNRESTRICTED AND RESTRICTED EXPENSES TOTAL
\$627.5 M**



* Athletics is included in Student Services function.

6. Leftwich Project and Park Avenue Campus Student Housing

For Approval

Presented by Raajkumar Kurapati

The University of Memphis Board of Trustees

Recommendation

For Approval

Date: June 1, 2022

Committee: Governance and Finance

Presentation: Leftwich Tennis Center

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

Background:

The City of Memphis is the owner of the Leftwich Tennis Center and is currently reconstructing the facility for continued use. The Facility is located at 4145 Southern Avenue, Memphis, Tennessee 38117 in T Links Audubon Park. The new building will include space for the university's men's and women's intercollegiate athletics home tennis activities for practice and tournaments as well as instruction and recreation. Approximately 6,574 square feet is dedicated for operations area for the University.

The University will have the use of the eight (8) indoor tennis courts and nine (9) outdoor tennis courts, concourses, restrooms, locker rooms, training rooms, office space and other public areas of the Premises that are made available for use by the City and the general public for Tennis Competitions.

The University shall pay the sum of \$ 5,000,000 as prepaid rent for 25 years which is to be used for design and construction of the Leased Premises. The University shall pay an annual rental fee in the amount of two hundred thousand dollars (\$200,000) per annum (or \$5,000,000 total over the Term) ("Base Rent") for the exclusive use of areas controlled by University Tiger Tennis, indoor courts, and for the South Court use. The Base Rent shall not be subject to any increases. Annual operating costs will be negotiated with the City if necessary.

University shall provide to City an annual master schedule ("Master Schedule") for use of the facility for training, practice, education, and competition that will be conducted at the Leftwich. SBC approval is required for this lease.

Additionally, a commitment for a \$2,500,000 funding back-stop maybe negotiated to allow for the project to continue to completion should fund raised dollars take additional time to be realized. This may be committed through one of the University foundations.

Committee Recommendation:

The Governance and Finance Committee met June 1, 2022, and recommended approval of the Leftwich Tennis Center lease to proceed as outlined.

The University of Memphis Board of Trustees

Recommendation

For Approval

Date: June 1, 2022

Committee: Governance and Finance

Presentation: Park Avenue Campus Student Housing

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

Background:

The University of Memphis will seek proposals from qualified financiers and developers to fund, plan, design, construct, operate and maintain a student housing development on property owned by the University on the Park Avenue Campus.

The University will issue a Request for Proposals (“RFP”) to define the University’s leasing requirements, provide detailed proposal requirements; outline the University’s process for evaluating proposals for Proposer selection to then enter into a land lease agreement for the project.

The Development will serve as an enhancement to the existing University of Memphis Park Avenue Campus and the University intends on a schedule that allows construction to commence in 2023 with occupancy of the Development in 2025. To satisfy the housing needs on campus, the development is planned north of the athletic area and will consist of mid-rise buildings in accordance with the approved University Master Plan.

The apartment housing type will add to the diversity of offerings on campus and is a unit-type that is in demand. With increased enrollment in graduate and international students the proposed housing will supplement the current limited apartment inventory. This housing will be available for athletes, nursing students, and all other University students at market rates. The location is quiet, safe and on the shuttle route to main campus and the Development should convey through its design a strong “sense of place” such as a safe, vibrant, walkable environment for learning, living, and studying while ensuring quality and functionality at a price matching student need.

The Development will be fenced with gated vehicle access and the architectural style of the facilities shall be harmonious to other newer facilities on the Park Avenue Campus. Materials throughout the Development shall be attractive, long lasting, low maintenance and with sustainable design meeting requirements of the state high performance building requirements.

The land lease is expected to be in effect for between 30 and 45 years and the development will revert to the University at the end of the term. The lease will allow for buyout potential by the University and the development will be branded and operated as a university residence hall.

An affiliation agreement will provide the arrangement for directing University students to the facility after any current residence halls that have outstanding debt are filled. The cash flow structure will involve a Trustee that will hold revenue in escrow for payment of operations, debt service, debt service reserve, operating expense reserve, asset management fee, University services fees (if necessary), performance incentives and remaining cash flow to the University for the use of the land.

The construction will be completed in accordance with approved plans, and a maintenance plan and annual project budgeting will be completed in conjunction with the University. All insurance and default requirements of the State of Tennessee will be met. The project will be approved by the State Building Commission and the State School Bond authority.

The project program includes 128 four bedroom / 4 bath units, and one 2 bedroom / 2 bath unit for the Resident Coordinator. Resident Advisors will live in the units also. Ten thousand square feet will be constructed for leasing and administration, social center, computer room / study center, maintenance storage and a small grab and go concessions operation.

The project will also be disclosed with the State as a potential TSSBA funded as an alternative to a Public Private Partnership, which will be actively pursued, should the P3 approach not materialize.

Committee Recommendation:

The Governance and Finance Committee met June 1, 2022, and recommended approval of the Park Avenue Campus Student Housing project to proceed as outlined.

Projects for Approval: Leftwich Tennis Center and Park Avenue Student Housing

Governance and Finance Committee

Raaj Kurapati

Executive Vice President and Chief Financial
Officer



June 1, 2022

June 2022 Governance and Finance Committee Meeting

6. Leftwich Project and Park Avenue Campus Student Housing

JUNE 2022

Page 77 of 109

Maxine A. Smith University Center

Leftwich Tennis Center

Spring 2023



- New indoor and outdoor tennis courts for athletics and recreation in partnership with the city.
- \$5 Million prepayment for 25-year lease arrangement.
- Potential for a back-stop of \$2.5M to ensure timely completion of the facility.

Park Avenue Campus Student Housing



Development Plan for Future Housing



- Land lease of approximately 4.58 acres
- Financing, design, construction, and operations by a private entity i.e. a Public-Private-Partnership
- Disclosed both as a P3 or alternatively as a TSSBA funded project with the SBC
- 514 beds, 129 units, 10,000 square feet of support space
- Commence in 2023 with occupancy in 2025

7. FY23 Tuition Recommendation

For Approval

Presented by Raajkumar Kurapati

The University of Memphis Board of Trustees

Recommendation

For Approval

Date: June 1, 2022

Committee: Governance and Finance Committee

Recommendation: FY23 Tuition Recommendation

Presented by: Raaj Kurapati, Executive Vice President/Chief 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 2022-23, THEC approved both of these ranges at 0.0% – 0.0% at its May 19, 2022, Commission meeting.

In our continued effort toward access and affordability initiatives, we are proposing a 0% in-state tuition increase for Undergraduate, Graduate and Law and a nominal 1-2.16% increase to the Nonresident and International overall tuition. There is no proposed mandatory fee increase at this time.

Committee Recommendation:

For FY23, the Governance and Finance Committee recommends approval of a nominal 1-2.16% increase in the Non-resident and International tuition as presented in the meeting materials.

FY23 Tuition Recommendation

Governance & Finance Committee

Raaj Kurapati

Executive Vice President & Chief Financial Officer

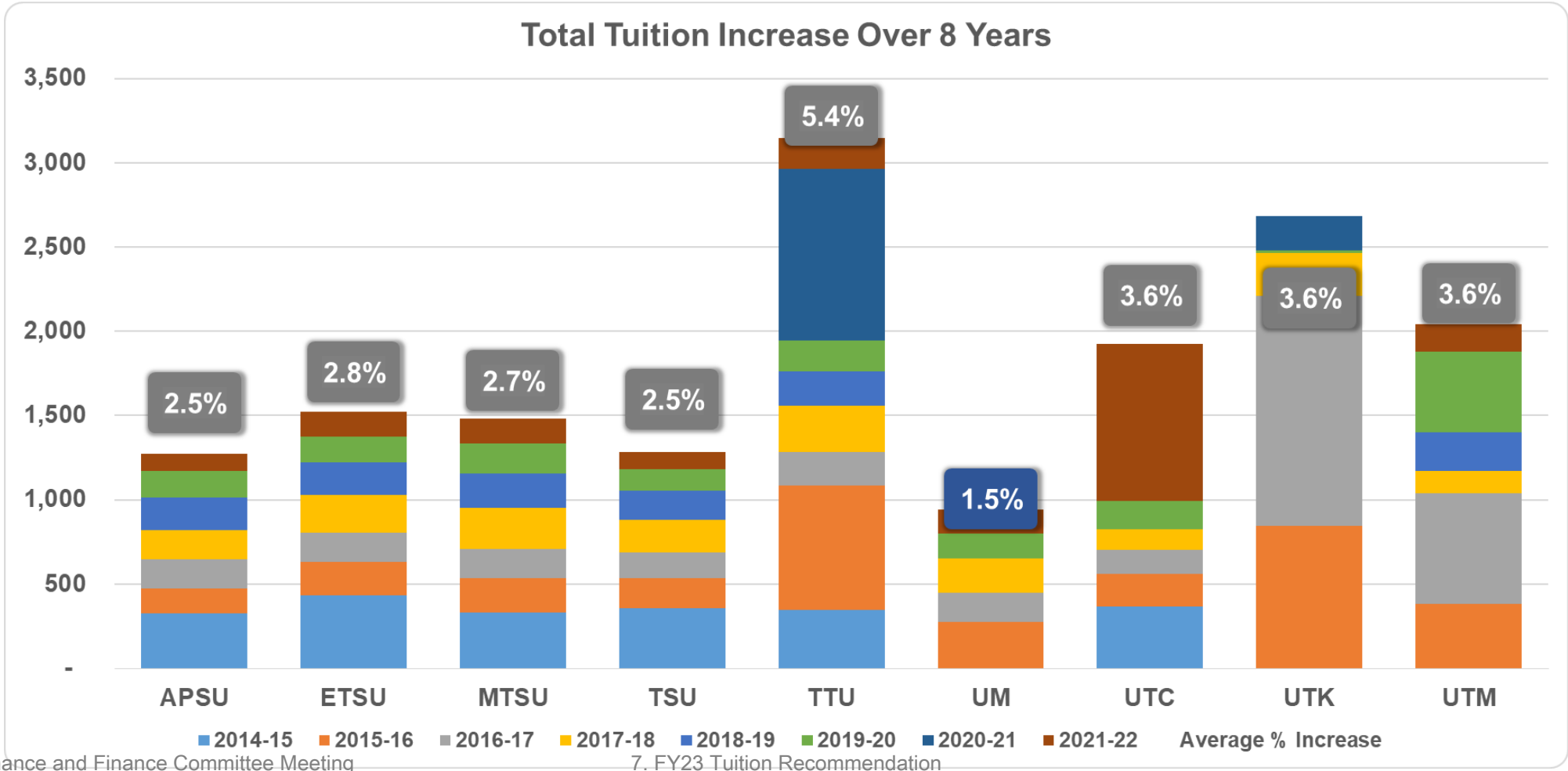
June 1, 2022

Maxine A. Smith University Center

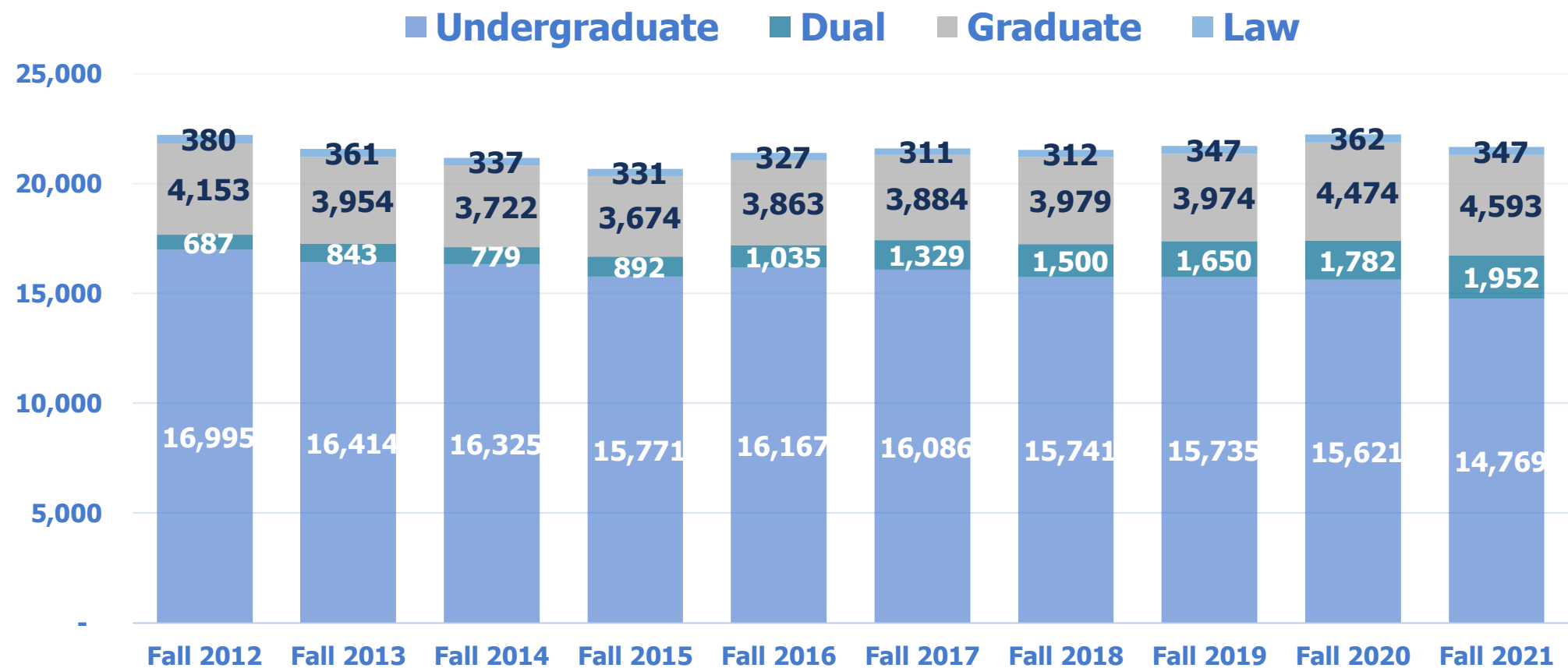


JUNE 2022

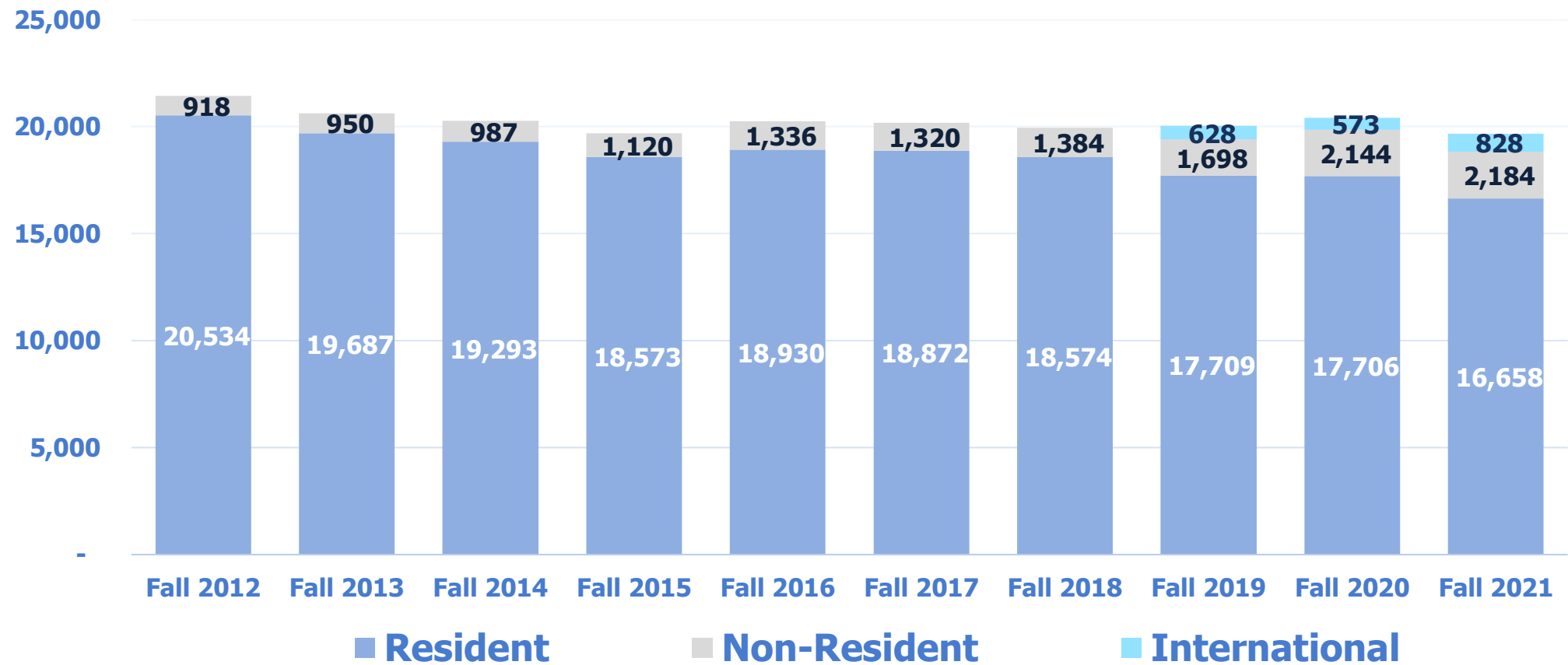
Lowest statewide average tuition increase of 1.5% over the last 8 years



Enrollment by Class



HEADCOUNT TREND BY RESIDENCY
EXCLUDES DUAL ENROLLMENT



- Under the FOCUS Act, the Tennessee Higher Education Commission (THEC) 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.
 - In line with the binding range set by the THEC on May 19, 2022 and the expectation set by the Governor regarding in-state tuition and fees, the University of Memphis is not recommending any tuition and fee increase for in-state tuition or mandatory fees
- We are however proposing a slight tuition increase on the Non-resident & International premiums, which are not included in the THEC Binding Ranges.
 - The increase in only the premium portion translates into a 1-2.16% increase in tuition and mandatory fees for Non-resident and International students.

- The University is recommending a nominal increase in the OOS and International premium tuition rates.
- There is no proposed mandatory fee increase.
- The proposed increase translates into a 1-2.16% increase in the total tuition and mandatory fees for non-resident and international students.

Proposed Tuition Rate Increases

Proposed Tuition Rates	Instate Tuition Increase	OOS Premium Increase	Int'l Premium Increase	Mandatory Fees	Annual Increase	
					OOS	Int'l
Undergraduate Tuition	-	4.76% \$8/CH	4.76% \$16/CH	-	1.40% \$240	2.16% \$480
Graduate Tuition	No proposed increase	4.95% \$10/CH	5.21% \$21/CH	No proposed increase	1.24% \$200	1.59% \$320
Law Tuition	-	5.05% \$11/CH	5.09% \$20/CH	-	1.00% \$242	1.57% \$440

Note:

Undergraduate based on 15 CH/semester

Graduate based on 10 CH/semester

Law based on 11 CH/semester

UM Global rates will not increase as they are assessed tuition at an In State rate

2022-23 Tuition & Fee Increase Proposal

Tuition Change and Projected Revenues

Residency	Student Level	2021-22 Tuition & Fees	Proposed 2022-23 Tuition & Fees	Change		New Revenue
In State	No proposed increase					
Out-of-State	Undergraduate	\$17,184	\$17,424	\$240	1.40%	\$128,200
	Graduate	\$16,160	\$16,360	\$200	1.24%	\$90,300
	Law	\$24,134	\$24,376	\$242	1.00%	\$18,800
International	Undergraduate	\$22,224	\$22,704	\$480	2.16%	\$51,700
	Graduate	\$20,180	\$20,500	\$320	1.59%	\$276,500
	Law	\$27,984	\$28,424	\$440	1.57%	\$0
Total Projected Revenue Growth						\$565,500

Note:

Undergraduate based on 15 CH/semester

Graduate based on 10 CH/semester

Law based on 11 CH/semester

- As noted in the earlier slide, the net tuition and fees revenue as a result of the proposed increases is projected to be \$566K
- The tuition increase has a corresponding increase to certain out-of-state scholarships of about \$259K
- The result is a net impact of \$307K
- This increase will be used to fund support and infrastructure for Non-Resident students

Questions?

8. Dining Contractual Increases

Presentation

Presented by Raajkumar Kurapati

The University of Memphis Board of Trustees

Presentation
For Discussion

Date: June 1, 2022

Committee: Governance and Finance Committee

Presentation: Dining Contractual Increases

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

Background:

This presentation discusses the necessary, contractual increases to our dining programs and the advantages associated with the increases.

Dining Contractual Increases

Governance and Finance Committee

Raaj Kurapati
Executive Vice President Business & Finance
and Chief Financial Officer

June 1, 2022
Maxine A. Smith University Center



JUNE 2022

- Meal Plan Increases
 - Contractual increase based upon
 - ECI: Employment Cost Index (current +9.3%)
 - CPI: Consumer Price Index for Food Away from Home (current +6.4%)
 - 60% labor, 40% food cost = +8.14%
 - Increase per meal plan of between +\$49/semester and +\$163/semester
- Tiger Eat\$ increase
 - Contractual increase of \$25 for years 2, 6, 10 and 14 of the current contract
 - Academic Year 2022-2023 from \$300/semester to \$325/semester (no increase since it's inception in 2009)

UofM Dining Contractual Increases

Student Notification: Presentation to SGA and to various Hall Councils in Spring 2022 with subsequent student leader group meetings scheduled during Summer 2022.

Advantages:

More flexibility in meal plan offerings (more flex options and bonus flex at no additional cost to students)

Allows for opening of three venues that were closed during the pandemic

Increased number of kiosks for ordering to mitigate lines and wait times

Allows for further exploration of innovations



9. Drop for Nonpayment and Herff Funds Update Presentation

The University of Memphis Board of Trustees

Presentation
For Discussion

Date: June 1, 2022

Committee: Governance and Finance Committee

Presentation: Report on HEERF and Drop for Non-Payment

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

Background:

Lingering effects of COVID 19 is expected into FY 23. Strategic, student centric application of Higher Education Emergency Relief Fund (HEERF) grants was key to successfully navigating through the pandemic. Similarly, the changes made to our Drop for Non-Payment (DNP) process was a critical part of stabilizing the challenges we face with enrollment. The report aims to summarize the use of HEERF grants and the results of the changes to DNP process.

Report on HEERF and Drop for Non-payment

Governance and Finance Committee

Raaj Kurapati

Executive Vice President & Chief Financial Officer

June 1, 2022

Maxine A. Smith University Center



JUNE 2022

Summary of HEERF Funding

(Application of HEERF)



THE UNIVERSITY OF
MEMPHIS®

Board of
Trustees

HEERFs	Student Aid Portion		Institutional Aid Portion	
CARES ACT (HEERF I)	\$7,787,700	Emergency grants to 12,283 students	\$8,572,076	Refunds to students - \$7.36m; Student wages - \$435k; Retention Scholarships - \$370k; IT and Physical plant expenses - \$400k
CRRSA ACT (HEERF II)	\$7,816,050	Emergency grants to 13,629 students	\$20,721,087	Refunds to students - \$6.37m; Emergency Student grants - \$835k; Athletic and Auxiliary Revenue loss recovery - \$9.24m; Campus Safety Expenses - \$605k; Indirect Cost recovery - \$3.13m; Student debt discharge - \$542k
ARP ACT (HEERF III)	\$17,996,125	Emergency grants to students: Summer 2021 - 4,434 Fall 2021 – 17,726 Spring 2021 – 17,780	\$13,229,288	Athletic and Auxiliary Revenue loss recovery - \$8.65m; Campus safety expenses & Financial aid outreach - \$111k; Student Debt discharge -\$4.46m
Total Spending	\$33,599,875		\$42,522,451	
Available for use	\$6,354,750		\$12,303,797	
Total Amount Authorized	\$39,954,625	9. Drop for Nonpayment and Herff Funds Update	\$54,826,248	

Comparative Timeline of Drop for Non-payment

Description	Spring 2022			Fall 2021			Spring 2021			Fall 2020		
	Date	No of Students	Revenue Exposure (\$)	Date	No of Students	Revenue Exposure (\$)	Date	No of Students	Revenue Exposure (\$)	Date	No of Students	Revenue Exposure (\$)
Status on Soft Drop Date	10-Jan-22	4,695	26,050,569	16-Aug-21	4,871	28,155,104	11-Jan-21	1,980	10,164,430	10-Aug-20	3,350	18,611,974
Prior year status on soft drop	11-Jan-21	1,980	10,164,430	10-Aug-20	3,350	18,611,974	13-Jan-20	1,455	7,469,316	20-Aug-19	1,444	7,086,678
Status on the First day of class for the term	18-Jan-22	2,415	14,747,381	23-Aug-21	2,469	14,910,756	18-Jan-21	1,242	6,183,667	17-Aug-20	2,059	11,149,590
Status on Census Date	31-Jan-22	1,197	7,774,041	05-Sep-21	1,189	7,527,367	31-Jan-21	344	2,798,438	30-Aug-20	1,143	6,117,884
Dropped on or before Census	21-Jan-22	243	1,178,967	05-Sep-21	190	819,080	31-Jan-21	88	363,605	30-Aug-20	331	1,604,960
Saved population remaining unpaid at term end	09-May-22	493	1,823,273	06-Dec-21	456	1,865,252	17-May-21	104	359,525	07-Dec-20	196	725,526
Total Population of unpaid receivables at term end	09-May-22	1,351	3,418,921	06-Dec-21	1,331	4,535,786	17-May-21	729	1,725,893	07-Dec-20	959	2,286,605
Current Unpaid Student receivables	09-May-22	1,351	3,418,921	09-May-22	328	754,184	09-May-22	48	106,963	09-May-22	116	292,006
% of Census Receivables uncollected	43.98%			10.02%			3.82%			4.77%		

HEERF funds used to discharge unpaid debt of students with completed credit hours (CH) in Fall 2020, Spring 2021 and Fall 2021

- By Liz Clark, Vice President, Policy and Research, NACUBO
- Registration holds and Transcript Withholding –
 - Policy makers are getting involved. Administration *may* create Rules
 - Student advocacy groups see holds as impeding student success and as a failure to adhere to Institutional mission
 - Holds are not released even if Loans are written off
- NACUBO looks at trends in accounts receivable and collections
 - 2021 Student Financial Services Benchmarking Study
 - Community colleges, representing economically challenged populations have more accounts receivable
- Response from AACRAO and NACUBO
 - <https://www.nacubo.org/Press-Releases/2022/2022-Joint-Statement-from-AACRAO-and-NACUBO-on-the-Use-of-Holds>
 - Prescribes institutional practice and policy guidelines for student success and administrative holds
 - Recommends a soft handed approach; holds to serve as a yield sign, as opposed to a stop sign

10. Course Material Affordability Update

Presentation

Presented by Raajkumar Kurapati

The University of Memphis Board of Trustees

Presentation
For Discussion

Date: June 1, 2022

Committee: Governance and Finance Committee

Presentation: Course Materials Affordability Update

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

Background:

This presentation provides an update to the offerings proposed around course material affordability and access by both bookstore partners being considered in our current RFP process.

Course Materials Affordability Update

Governance and Finance

Raaj Kurapati

Executive Vice President and Chief Financial
Officer

June 1, 2022

Maxine A. Smith University Center



JUNE 2022

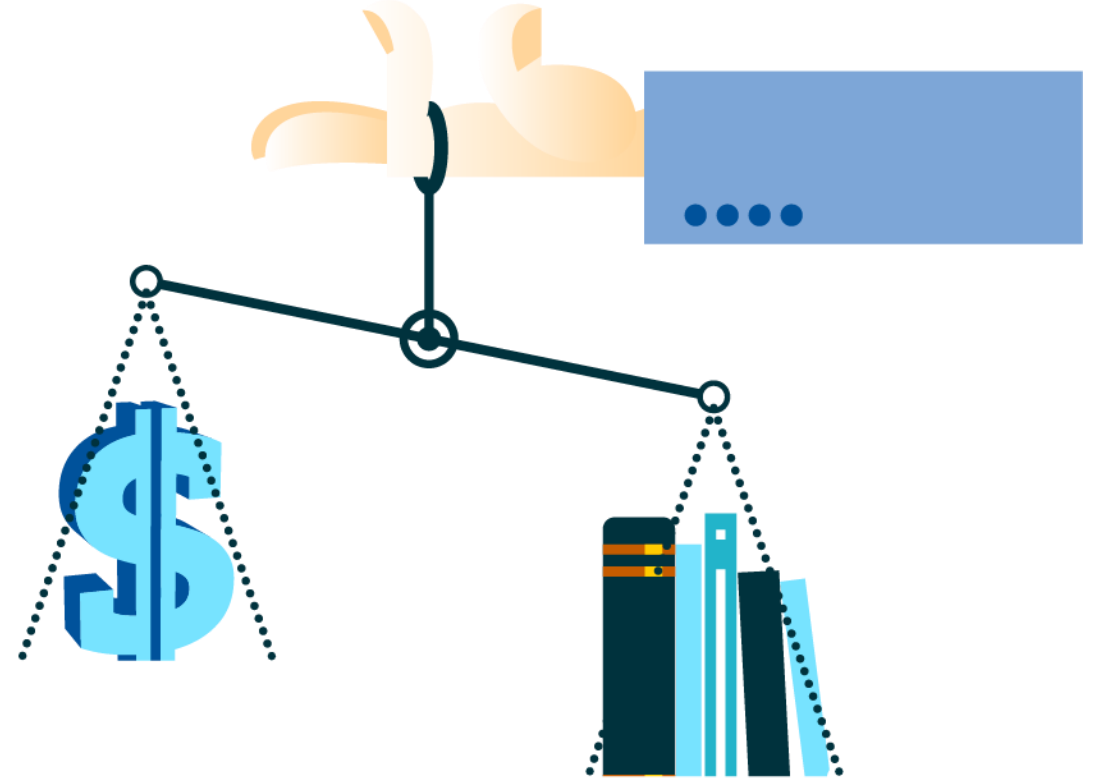
Affordability Challenge



THE UNIVERSITY OF
MEMPHIS®

Board of
Trustees

- In the past decade, the average cost of textbooks has gone up **4X faster** than the rate of inflation.
- Average college students spend **more than \$1,200** on textbooks and supplies a year.
- Nearly **1 in 5 students** have opted not to get at least 1 required course material because of cost.
- **2 out of 5 students** who did not get at least 1 course material reported receiving a lower than expected grade in the course.
- Nearly **3/4 of students** agree that having their own course materials helps them earn better grades.



Student has access to all course materials on or before the first day of class for a cost of \$24/ credit hour

Student Benefits

- **Between 45% and 70% in average savings** to students
- **Removes uncertainty and stress** of acquiring course materials at the best price
- **Levels playing field** to ensure all students have the correct materials on or before the first day of class
- **Positive impact on student success, retention and graduation**

Faculty Benefits

- Faculty have the **academic freedom to choose the materials** that best meet the goals of course curriculum
- Everyone is also guaranteed to be using the **same edition of the materials**
- Pre-work can be **more easily assigned** to hit the ground running on the first day of classes.

INCREASES BOTH ACCESS AND AFFORDABILITY

11. Additional Business

Presented by Doug Edwards

12. Adjournment

Presented by Doug Edwards