









September 2022 Governance and Finance Committee Meeting

Schedule	Wednesday, September 7, 2022 9:30 AM — 10:30 AM CDT
Venue	Maxine A. Smith University Center - Ballroom (320)
Organizer	Sparkle Burns

Agenda

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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 for June 1, 2022

For Approval

Presented by Doug Edwards

**University of Memphis Board of Trustees
Governance and Finance Committee Meeting
June 1, 2022 | 9:28 a.m.**

The Governance and Finance Committee of the University of Memphis Board of Trustees met at 9:28 a.m. CDT, on Wednesday, June 1, 2022, in-person and virtually using the video conferencing system Zoom.

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

Chairman Douglas 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 Cato Johnson
Trustee Celeste Riley
Trustee David Kemme
Trustee David North
Chairman Douglas Edwards
Trustee Susan Springfield

Secretary Murry acknowledged one additional trustee who was in attendance: Trustee Carol Roberts.

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 - December 8, 2021

Chairman Edwards requested a motion for the approval of the December 8, 2021, Governance and Finance Committee minutes. The motion was made by Trustee Cato Johnson and properly seconded. Chairman Edwards asked if there was any discussion, none was provided. A roll call vote was taken, and the motion was approved.

III. Agenda Item 1: 112th General Assembly Recap

Chairman Edwards recognized Chief Government Relations & Policy Officer (Chief GR&PO), Katie VanLandingham to provide a recap of the 112th General Assembly. Chief GR&PO VanLandingham yielded to Trustee Johnson who provided an overview of the legislative impact on the University. He defined the areas of impact as fiscal, passed legislation, failed legislation, and future landscape. Trustee Johnson discussed the state's healthy fiscal status related to the \$1.8B Rainy Day Fund; the \$52.58B budget passed to which the University benefited, and the \$3B surplus. He thanked the Chairman and President Bill Hardgrave for attending the General Assembly and spending time with Governor Lee. Trustee Johnson

then yielded to Chief GR&PO VanLandingham. She also thanked those who assisted the University in remaining relevant in Nashville during the presidential transition. Chief GR&PO VanLandingham also addressed the State's fiscal impact, the Rainy Day Fund, the State's budgeting process, and pending \$280M in Tennessee tax cuts. She advised a direct impact for the University is the HOPE scholarship program expansion of \$88M, an increase in the current annual scholarship from \$3,500 to \$4,500 for first- and second-year students and \$4,500 to \$5,700 for third- and fourth-year students. Chief GR&PO VanLandingham also mentioned the \$90M added into the base funding formula with the expectation of no increases for in state tuition; \$66.3M reserved for salary increases for higher education, (University only receives 65% to fund the 4% increase); two University projects, Mynders Hall for \$25M (\$5M match expectation) and Fogelman College of Business \$30M (\$5M match expectation); and the proposed \$50M to fund the endowment of Carnegie R1 research, which has a 1:1 match expectation. Chief GR&PO VanLandingham advised the Governor wants to make the University as competitive as possible to peers in surrounding states. Chairman Edwards commented the message to the legislature is the University is the second flagship school in the state and funding should reflect as such. There is a significant gap between the University and UT Knoxville and the goal is to close the gap. Covering legislative points, Chief GR&PO VanLandingham discussed major bills affecting nine (9) areas of the University: Campus School; ACT ; Board meetings ; ROTC ; Divisive Concepts, or Critical Race Theory ; Name Image and Likeness (NIL) ; State Building Commission (SBC) Major Maintenance & Process ; Transgender sports; and Educator Prep Programs. Discussion ensued regarding standardized testing and the practical impact related to the SBC disclosure project list. Chief GR&PO VanLandingham advised the SBC expects greater transparency for the disclosed projects process and how the projects are identified with the state. Chief GR&PO VanLandingham also addressed items that will be covered in the future landscape of the next general assembly. She concluded by recommending the board reflect on the 2016 Focus Act legislation to review successes and consider potential adjustments to better serve the needs of the University.

IV. Agenda Item 2: FY2022-23 Proposed Budget, FY2021-22 Estimated Budget Recommendations, Compensation Strategy, and FY2023-24 Capital Budget

Chairman Edwards recognized Executive Vice President and Chief Financial Officer (EVP-CFO), Raaj Kurapati. EVP-CFO Kurapati provided an overview of the budget and discussed the University's sources of revenue. He advised while there has been a significant impact on resident enrollments for the past several years, with a decline of about one thousand students, the University has maintained overall headcount due to the increase in dual enrollment and offset enrollment declines based on out-of-state and international student enrollment. As resident enrollment is the largest population, EVP-CFO Kurapati mentioned the need to focus efforts on this population and determine how to manage going forward based on the financial impacts. He also highlighted the financial impact of the in-state tuition revenue loss as \$7.3M. He reiterated graduate enrollment for international and out of state students helped revenues remain even, resulting in a net tuition impact loss of \$1.5M for FY22 base tuition and fees.

EVP-CFO Kurapati also provided a brief overview of the Governor's budget for the University highlighting the increase of \$17 million; the gain of \$800k from the funding formula and the significant increases for the capital budget. EVP-CFO Kurapati shared the THEC tuition binding ranges and emphasized the University's continued commitment of access and affordability. He mentioned the two (2) increases in the past five (5) years were to offset adjustments for the online course fee and normalize tuition rates. Trustee Kemme inquired about revenue losses related to not increasing tuition. EVP-CFO Kurapati calculated the amount as \$5M based on an average of 2.5% in tuition and fee increase which would be compounded over time. Conversation ensued regarding potential revenue losses related to no tuition increases and the and the impact of access and affordability. There was also discussion regarding our students' ability to absorb significant tuition increases.

EVP-CFO Kurapati explained the FY23 Proposed Budget was developed with the following assumptions: \$17.3M state appropriation changes from the Governor's budget; 0% tuition increase per the Governor's recommendation; budgeted for flat enrollment based on Fall 2021 enrollment levels and accounting for the \$1.3M base revenue tuition and fee decline; and salary pool & benefit increases. He advised the overall FY23 proposed budget is approximately \$600M and provided an overview of expenditures and revenues.

EVP-CFO Kurapati shared the FY22 Estimated (Final) Budget and discussed the change from the budget presented last calendar year. He mentioned the overall \$10M revenue decline was based on tuition & fees and changes in auxiliaries and other areas, primarily restricted funds related to the distribution/exhaustion of HEERF funds. EVP-CFO Kurapati also mentioned the downward projection for expenditures related to instruction. During the pandemic, all positions were not filled which created salary savings. EVP-CFO Kurapati emphasized the anticipated use of carryforward funds to re-budget for the next fiscal year. Trustee Kemme inquired about carryforwards. EVP-CFO Kurapati advised a portion of carryforward has decreased and funds were used to offset the budget gap. Dr. Nenon included that some carryforward was spent for COVID losses and costs. Trustee Kemme expressed a desire to see positions filled as it generates credit hours and graduates.

EVP-CFO Kurapati discussed Governor Lee's recommendation of a 4% salary increase for state employees effective July 1; however, only 65% (\$5.7M of the roughly \$9M necessary) is actually funded. The salary pool distribution implementation is at the institution's discretion. Due to the \$3.3M funding gap and concern with enrollment, the University's recommendation is a 3% across the board faculty and staff compensation adjustment (\$7M) and use an additional \$1.3M from other base funding sources. If enrollment is healthy, a supplemental payment will be proposed for December. EVP-CFO Kurapati also shared the salary pool will be implemented for faculty promotions outlay (\$300k); 3% across the board increase for part-time faculty; and funds reserved to address equity & compression issues. Trustee Springfield inquired if the 4% recommendation was 3% across the board and 1% towards part-time and equity. EVP-CFO Kurapati clarified the proposal as the entire \$7M spent towards compensation, to which Dr. Kemme replied the 3% was not then strictly across the board. Chairman Edwards reiterated if enrollment trends look different, EVP-CFO Kurapati is proposing a supplemental payment. Dr. Kemme stated he opposed the compensation recommendation. Additional discussion ensued.

The FY23-34 Capital Budget Request was presented by Tony Poteet, Chief University Planning Officer (Chief UPO). Chief UPO Poteet shared the capital budget funding criteria and advised that projects received last year will be taken to the State Building Commission (SBC) in July. He also mentioned the STEM facility will be taken to the SBC to add \$3M in campus funds due to the increase in construction market industry inflation. Chief UPO Poteet discussed the capital outlay 5-year plan and advised it is congruent with the master plan. He explained only one item from the list is allowed for submittal each year and this year the University has chosen the research modernization (4% match) as the number one priority. EVP-CFO Kurapati mentioned the academic building replacement was the top project on our last capital outlay request, but after extensive conversations with President M. David Rudd and Provost Nenon, considering the interests of the Governor and the SBC, as well as the interest of THEC (focus on reallocating funding for maintenance dollars towards space utilization as opposed to expanding physical space on campus), the priority was aligned to focus on research modernization. Dr. Hardgrave commented the space review by EVP-CFO Kurapati revealed less than 3% of space is earmarked for research which does not allow the University any capacity for growth. Current space is nearly 100% committed and many of those spaces are inadequate. The emphasis, in order to retain and build a sustainable R1 model, is to invest in research space. Chief UPO Poteet added the project would modernize approximately \$89k of the \$175k of the University's current research space. He also shared there is a committee working on priorities and needs for the project. Chief UPO Poteet concluded by providing an overview of the capital maintenance projects and the disclosure projects, Park Ave Student Housing and Simmons Bank Liberty Stadium.

Chairman Edwards called for a motion for the FY22 estimated budget, FY23 proposed operating budget, and FY23-24 capital budget. The motion was made by Trustee Springfield and properly seconded. A roll call vote was taken by Secretary Murry and the motion was approved.

V. Agenda Item 3: Leftwich Project and Park Avenue Campus Student Housing

Chairman Edwards acknowledged EVP-CFO Kurapati to present on the Leftwich Project and Park Ave Campus Student Housing. EVP-CFO Kurapati explained per board policy, as advised by Secretary Murry, the Leftwich Tennis Center is a capital lease and so requires approval by the board. He advised the Leftwich partnership with University Athletics and the City of Memphis allows our tennis teams access to practice and compete in a state-of-the-art facility. The University's partnership portion is a \$5M commitment towards the overall \$22-24M project and there is also a request of a potential backstop of \$2.5M to ensure timely completion of the facility. Regarding the \$5M contribution, EVP-CFO Kurapati shared the University's proposed mechanism for payment is a long-term lease arrangement (25 years). He mentioned working through agreements to send to the State, STREAM and other entities for approval. He also mentioned exploring funding options and considering the Auxiliary Service Foundation, which is currently holding funds from the loan received to support Athletics, as a potential source. EVP-CFO Kurapati stated they will continue to work with the city to identify additional funding sources. Chairman Edwards added there were active

efforts to make up for the shortfall through private donations, and the goal is to complete the project.

EVP-CFO Kurapati provided an update on the Park Avenue Student Housing project which was previously brought to the Board but now requires additional approval. He shared the project would allow the University to build 514 beds through a public-private partnership to fulfill an unmet need for out-of-state and international students and athletes. If the public private partnership option does not result in a palatable financial outcome the University will move to TSSBA funded bonds for the project. EVP-CFO Kurapati advised he will present to the SBC in the RFP for approval as soon as it is ready and in the coming months following the selection of a developer will need to return to the State for project approval. Once approved, construction would commence shortly after, and a completion goal by 2025. Trustee Kemme inquired if the new housing was designated for student athletes. EVP-CFO Kurapati advised the housing is available to all students as NCAA rules only allow athletes to occupy 50% of housing facilities.

Chairman Edwards called for a motion to approve the Leftwich Project and Park Ave Student Housing Project. The motion was made by Trustee Johnson and properly seconded. A roll call vote was taken by Secretary Murry and the motion was approved.

VI. Agenda Item 4: FY23 Tuition Recommendation

EVP-CFO Kurapati mentioned the University has maintained the lowest statewide average tuition increase over the past eight (8) years and recalled an opportunity the University utilized to right-size tuition rates to match the brand and adjust to the peer group. EVP-CFO Kurapati announced the proposal of a slight tuition increase of 1.2% for non-resident and international student premium fees, tuition, and mandatory fees. He advised there will not be an increase in resident tuition or mandatory fees.

Chairman Edwards called for a motion of approval for the FY23 tuition recommendation. The motion was made by Trustee Johnson and properly seconded. A roll call vote was taken by Secretary Murry and the motion was approved.

VII. Agenda Item 5: Dining Contractual Increases

EVP-CFO Kurapati informed the Board of required dining contractual increases next year. During the pandemic, the University collaborated with the dining contractor to avoid increasing prices by transferring to a cost reimbursement model. The model allowed the University to maintain on-campus services during the pandemic and not result in a net revenue of consequence to the University. EVP-CFO Kurapati advised the contractual increases are needed as dining has experienced significant increases in cost. The increases do not translate to significant net increases but allows us to provide an extensive set of options for students and allows the University to make investments to maintain brand expectations. EVP-CFO Kurapati mentioned conversations with student groups revealed they do not want increases but recognize the need.

VIII. Agenda Item 6: Drop for Nonpayment and HEERF Funds Update

EVP-CFO Kurapati discussed the use and status of HEERF funding and Drop for Non-Payment policy changes. He advised approximately \$6.3M is currently available of the \$40M HEERF funds received and distributed for student support. There have been focused efforts to time grants to provide the greatest impact and best support students. He advised the remaining funds will be dispersed in the fall. He also mentioned the focus was to support students' while balancing institutional challenges within auxiliary enterprise and other areas with significant revenue loss. He shared in spite of recovering funding needed to offset revenue losses, roughly \$.72 cents of every dollar received from federal funds went to supporting students. This is something for which the University should be proud.

EVP-CFO Kurapati explained the Drop for Non-payment (DNP) process was adjusted to better support students. From a net overall student service standpoint and net budgetary impact, EVP-CFO Kurapati shared this was the right decision at the right time. He mentioned the slight increase in net revenue collected at the end of the year, but the change was not significant enough to completely change the process. As various concerns have been raised, the goal is to refine the approach to manage this process and policy in order to be strategic and thoughtful in balancing the need to ensure certain metrics are not negatively impacted while also supporting students. Trustee Roberts inquired about discharging unpaid student debt. EVP-CFO Kurapati advised the strategy in discharging debt is to ensure students who have a balance prohibiting them from registering are allowed to re-register.

EVP-CFO Kurapati concluded by mentioning his participation on the National Association of Colleges and University Business Officers (NACUBO) panel. During a discussion led by Liz Clark, Vice President Policy and Research for NACUBO, she mentioned the Feds continuing to recognize public higher education's need to be student friendly and more understanding of student challenges regarding withholding transcripts, registrations holds, etc., as we emerge from the pandemic. EVP-CFO Kurapati believes these expectations will drive federal funding. With HERRF funds expiring next semester, the University will need to look at ways to approach and support students per federal expectations.

IX. Agenda Item 7: Course Material Affordability Update

Based on the Board's interest in the University's support of students, EVP-CFO Kurapati provided an update on affordable books and materials. He mentioned the most recent bookstore Request for Proposal (RFP) and the opportunity to negotiate a new bookstore contract. The RFP consideration requested bidders to provide an option related to the University's prospective decision to offer a credit hour structure for students to have affordable books on day one. If the University implements the chosen bidder's proposal, the cost of books will decrease 45-70% (\$400-\$600 depending on enrolled courses) for students who opt into the program. If the Board approves, the University will implement for fall 2023. Trustee North inquired about the faculty's ability to designate the book type and whether it is an opt-in program or built into students' tuition and fees. EVP-CFO Kurapati replied the majority need to be eBooks and that most professors are amenable to supporting students

given the importance to student success. He also advised implementation would start with an opt-out option. Additional discussion ensued.

EVP-CFO Kurapati concluded by introducing Melinda Carlson, Assistant Vice President for Auxiliary Services Operations who worked closely with Dr. Weddle-West and the Textbook Affordability Committee.

X. Additional Business

There was no additional committee business.

XI. Adjournment

Chairman Edwards moved that the meeting be adjourned at 11:11 a.m.

4. Board Self-Assessment

Presentation

Presented by Melanie Murry

The University of Memphis Board of Trustees

Information
For Discussion

Date: September 7, 2022

Committee: Governance and Finance Committee

Presentation: Board of Trustees Self-Assessment

Presented by: Melanie Murry, Secretary of the Board of Trustees and University Legal Counsel

Background:

The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) Standard 4.2.g requires a governing board to define and regularly evaluate its responsibilities and expectations. Consistent with the Board of Trustees' policy related to annual self-assessment, members of the UofM Board of Trustees were administered the self-assessment and the results were calculated in August 2022.

The Board of Trustees is comprised of ten members. Seven of the current board members completed the questionnaire.

Results indicate that the Board of Trustees strongly agree that they understand their responsibilities, role and ethical duties. They also agree (agree or strongly agree) that the structure of the board enables them to work efficiently, that they are effective in their work, and that communication among members is well balanced. Areas where the members diverged in their responses included: whether the board receives sufficient training and whether the board keeps itself informed regarding the university's performance as it relates to the plan and goals of the university.

Written comments are also included in the report.



Board of Trustees

SELF ASSESSMENT RESULTS

The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) Standard 4.2.g requires a governing board to define and regularly evaluate its responsibilities and expectations. Consistent with the Board of Trustee's policy related to annual self-assessment, the UofM Board of Trustees completed the self-assessment questionnaire and the results were calculated in August 2022.

The Board of Trustees is comprised of ten members. Seven of the current board members completed the questionnaire. Their responses are contained in this report.

N – Not Able to Assess
 SA - Strongly Agree
 A - Agree
 D - Disagree
 SD - Strongly Disagree

	N	SA	A	D	SD
1. The board understands its responsibilities, including its fiduciary responsibilities. Comments (optional):		7 100.00%			
2. The Board understands its ethical duties, including conflict of interest issues. Comments (optional):		7 100.00%			
3. The Board receives sufficient training and information related to its responsibilities, including its fiduciary and ethical duties. Comments (optional):	1 14.29%	5 71.43%	1 14.29%		
4. The Board's structure aids the Board in completing its work in a timely and efficient manner. Comments (optional):		6 85.71%	1 14.29%		

	N	SA	A	D	SD
<p>5. The materials provided in the committee and board books are helpful for the study of agenda items prior to board action.</p> <p>Comments (optional):</p> <ul style="list-style-type: none"> • Would be helpful if distributed earlier. 	1 14.29%	5 71.43%	1 14.29%		
<p>6. Board meetings have a good balance of information sharing, discussion and decision-making.</p> <p>Comments (optional):</p> <ul style="list-style-type: none"> • We do an excellent job in this area. 	1 14.29%	4 57.14%	2 28.57%		
<p>7. The Board keeps itself informed of the University of Memphis' performance against predetermined plans and goals.</p> <p>Comments (optional):</p> <ul style="list-style-type: none"> • A dashboard that shows progress against key metrics would be helpful. 		6 85.71%	1 14.29%		
<p>8. The Board ensures the regular review of the University of Memphis' mission statement and strategic plan.</p> <p>Comments (optional):</p>		5 71.43%	2 28.57%		
<p>9. The roles and responsibilities of the Board are clearly defined and separate from those of University of Memphis employees.</p> <p>Comments (optional):</p>		6 85.71%	1 14.29%		
<p>10. The Board's role in setting University of Memphis policies is appropriate.</p> <p>Comments (optional):</p>		6 85.71%	1 14.29%		
<p>11. The Board delegates to the President authority to lead the University of Memphis employees to carry out its mission.</p> <p>Comments (optional):</p>		6 85.71%	1 14.29%		
<p>12. The Board's method for evaluating the President's performance is satisfactory.</p> <p>Comments (optional):</p>	1 14.29%	6 85.71%			

	N	SA	A	D	SD
<p>13. The Board fully discusses and understands the University of Memphis' annual budget prior to approving it.</p> <p>Comments (optional):</p>		6 85.71%	1 14.29%		
<p>14. The Board regularly reviews the fiscal health of the University of Memphis.</p> <p>Comments (optional):</p> <ul style="list-style-type: none"> • Strong involvement in this area. 	1 14.29%	5 71.43%	1 14.29%		
<p>15. The Board reviews and approves academic programs at the University of Memphis.</p> <p>Comments (optional):</p> <ul style="list-style-type: none"> • Another area of great involvement. 		6 85.71%	1 14.29%		
<p>16. The Board provides visionary leadership for the University of Memphis.</p> <p>Comments (optional):</p>		5 71.43%	2 28.57%		
<p>17. Board members demonstrate integrity.</p> <p>Comments (optional):</p>		7 100.00%			
<p>18. The Board is an effective decision-making body.</p> <p>Comments (optional):</p>		7 100.00%			
<p>19. The Board is regularly informed about important trends in the larger environment that might affect the organization.</p> <p>Comments (optional):</p>		5 71.43%	2 28.57%		
<p>20. The Board devotes its attention to the University of Memphis' major issues?</p> <p>Comments:</p>		6 85.71%	1 14.29%		

21. Are there major issues to which the Board should devote more time?

- Under the leadership of our new President we are turning our attention to a new strategic plan.
- More time on macro-issues facing urban universities.
- No, the Board is well engaged on the correct issues.
- Strategic thinking.
- We need a plan for marketing the university to prospective students and other stakeholders.
- Mental Health Awareness should be a greater topic due to the fact that over 70% of students suffer from some kind of mental health issue.

22. What advice would you offer the Board to sustain or improve its relationship with university stakeholders?

- Annual or semi-annual listening session for the board to hear from university stakeholders.
- Continue to meet with the Univ President and stay connected with the members of the faculty and student body represented on the Board.
- Focus on understanding the community.
- Be proactive in communicating our mission, encourage a more cooperative environment and break down silos.
- N/A

23. What advice would you offer the Board to sustain or improve its relationship with community stakeholders?

- Annual or semi-annual listening session for the board to hear from community stakeholders.
- Listen to and respond to concerns and feedback from key community leaders.
- The same as above.
- Better explain our community impact. Sell our role in improving the lives of the people in our community. Talk about our commitment to research.
- N/A

24. What other information would you like to share regarding the Board's performance?

- Consider having a team building session annually to continue to build stronger relationship among board members.
- None to share.
- None
- Our board has been effective since its formation. We will face challenges with changes in leadership and board composition that will require our bboard members to be fully engaged going forward.
- N/A

25. I recommend that the board has the following goals for the coming year.

- Ensure that the new President is supported strongly. Support the Capital Campaign and its strategy. Continue to operate with a strong fiscal policy. Create a student advisory board that periodically updates the Board.
- Student enrollment, retaining key leaders and supporting efforts to move athletics to a major conference.
- Not at this time.
- With our President, develop a strategic plan for the next 5 years. Work on improving our relationship with our political leaders that control our funding. Better understand our competition and aspire to compete at a higher level. Continue to work on improving our athletic programs and position the University to be a relevant institution in conference realignment.
- Strive for more diversity at the UofM (regarding all aspects such as race, religion, sexually etc.) Create a stronger relationship between administration and students.

5. FY22 Preliminary Financial Report

Report

Presented by Raajkumar Kurapati

The University of Memphis Board of Trustees

Information
For Discussion

Date: September 7, 2022

Committee: Governance and Finance Committee

Presentation: FY22 Financial Performance Report

Presented by: Raaj Kurapati, Chief Financial Officer

Background:

The impact of COVID 19 continued into FY22. The University focused its efforts on returning Campus life to 'normal' while following required COVID 19 protocols. Domestic enrollment challenges were managed with concerted efforts to grow international student enrollments. The revised Drop for Non-payment process combined with the strategic application of available of Higher Education Emergency Relief Fund (HEERF) grants to directly benefit students was a key factor in stabilizing enrollments. This report aims to provide a summary of financial performance and key highlights for FY22.

FY22 Financial Performance Report

Governance and Finance Committee

Raaj Kurapati

Executive Vice President & Chief Financial Officer

September 7, 2022

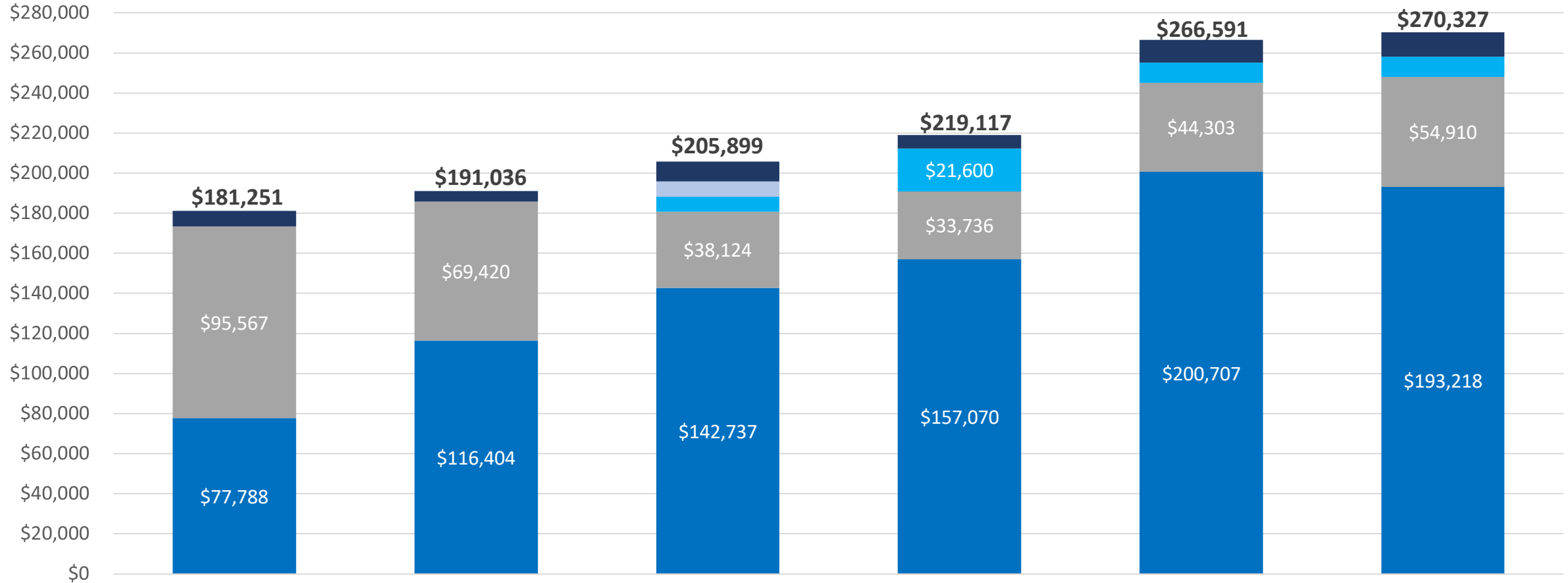
Maxine A. Smith University Center



SEPT. 2022

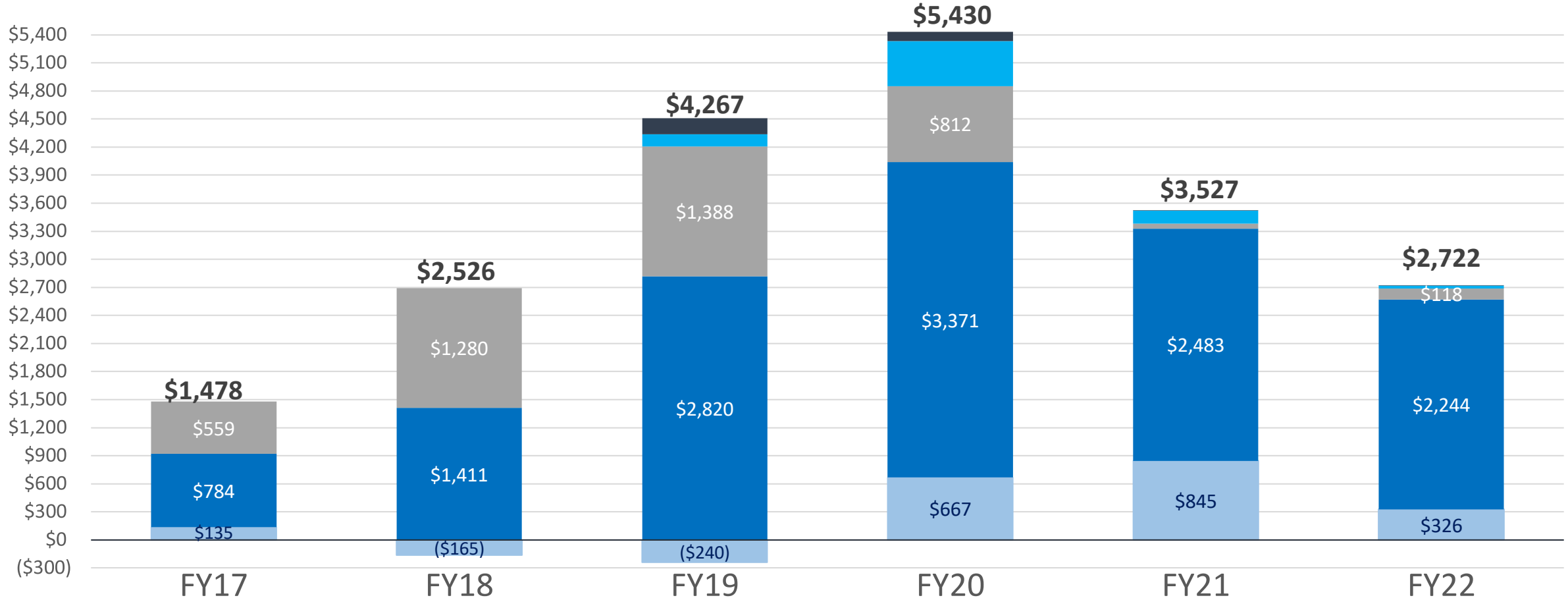
FY22 Total Investments & Cash

In Thousands

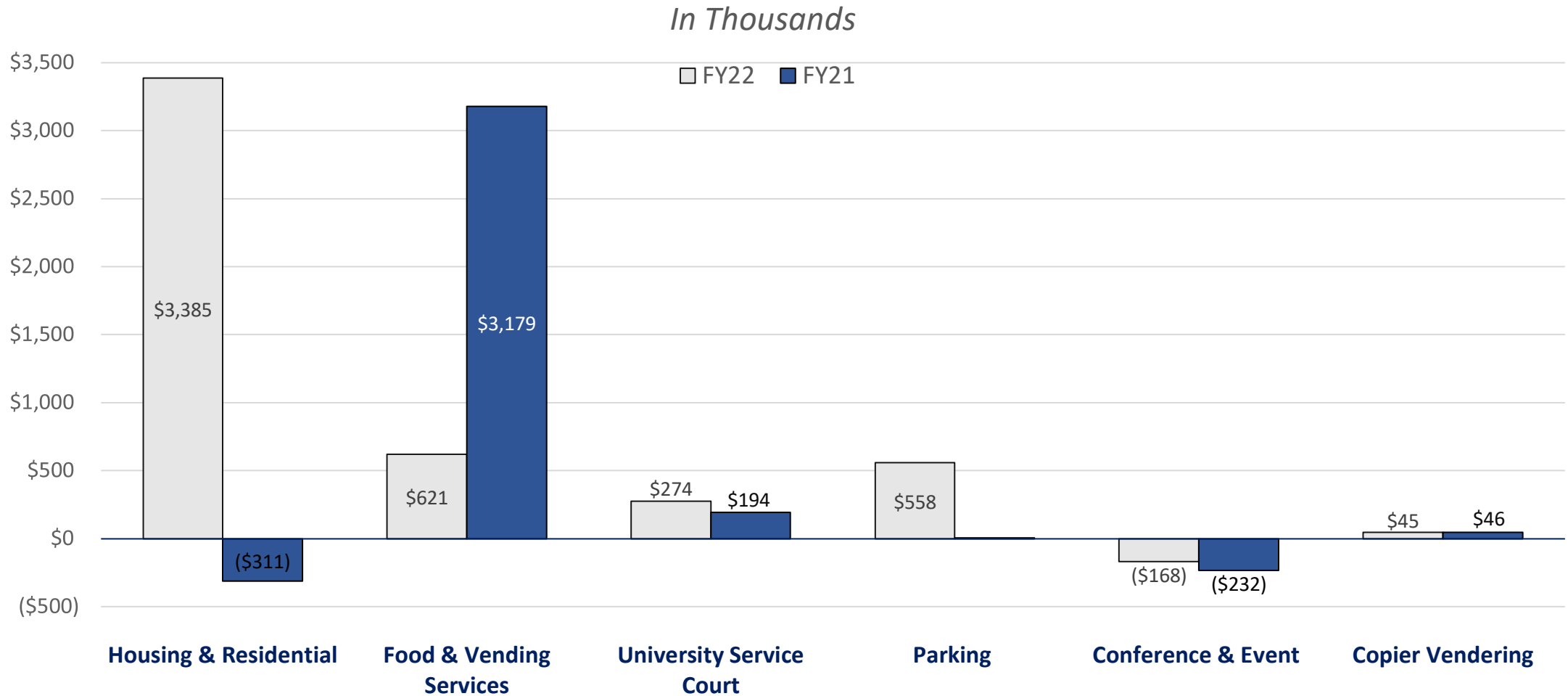


FY22 Investment Income

In Thousands

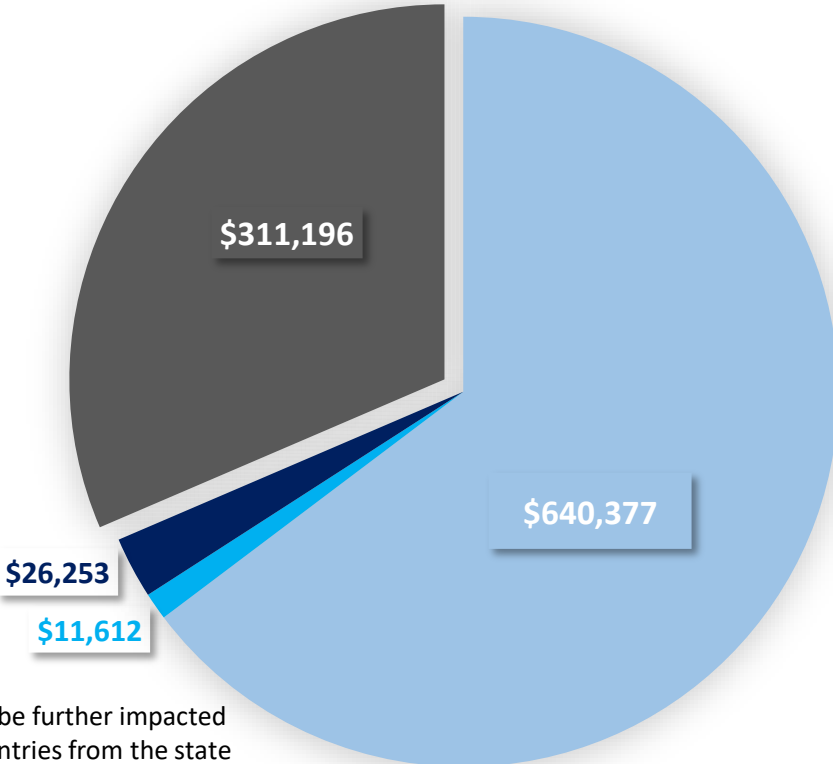


FY22 vs FY21 Auxiliary Services Operating Results



Above results do not include HEERF Revenue loss recovery for Housing (\$523k), Dining (\$1.2m), Parking (\$272k) and Conference Services (\$456k)

Prelim FY22 (in thousands)



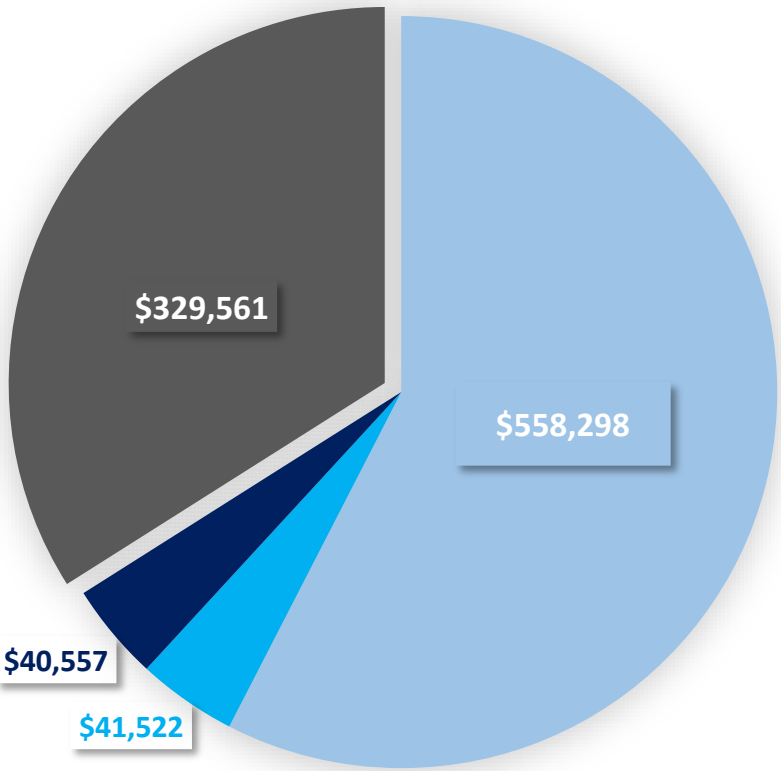
Ending Net Position
678,242

Net income will be further impacted by Retirement entries from the state

Total Assets – 989,438

- Beginning Net Position
- Net Income Before Capital Items
- Capital Appropriations & Gifts
- Liabilities

Audited FY21 (in thousands)



Ending Net Position
\$640,377

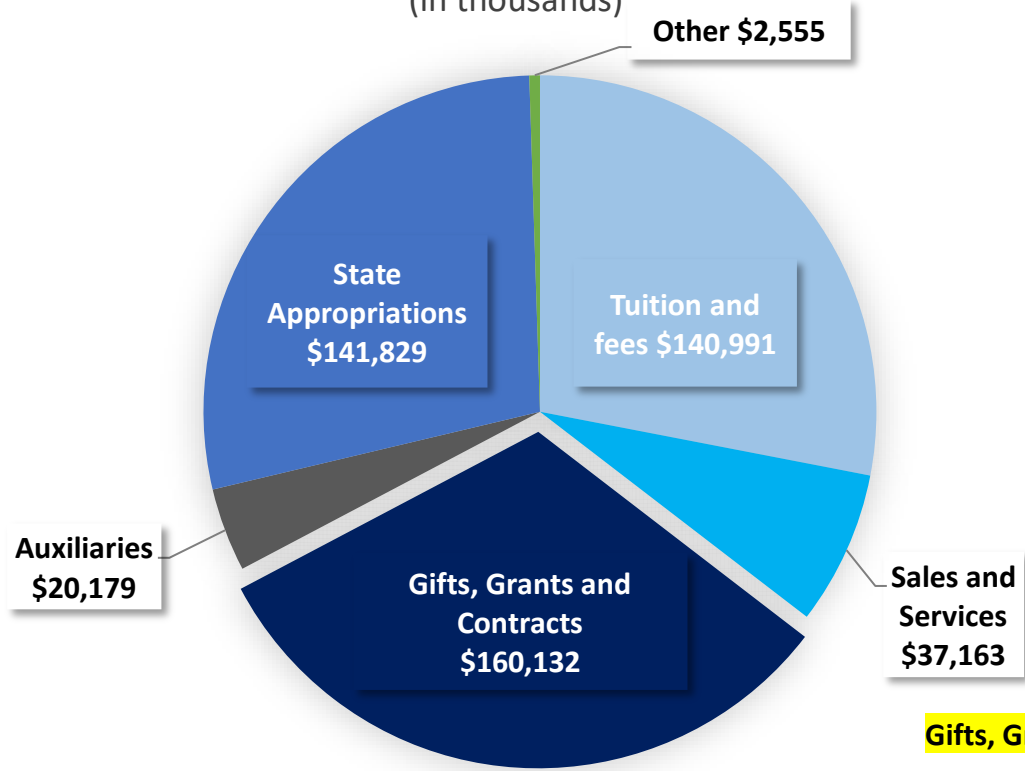
Total Assets - \$969,938

- Beginning Net Position
- Net Income Before Capital Items
- Capital Appropriations & Gifts
- Liabilities

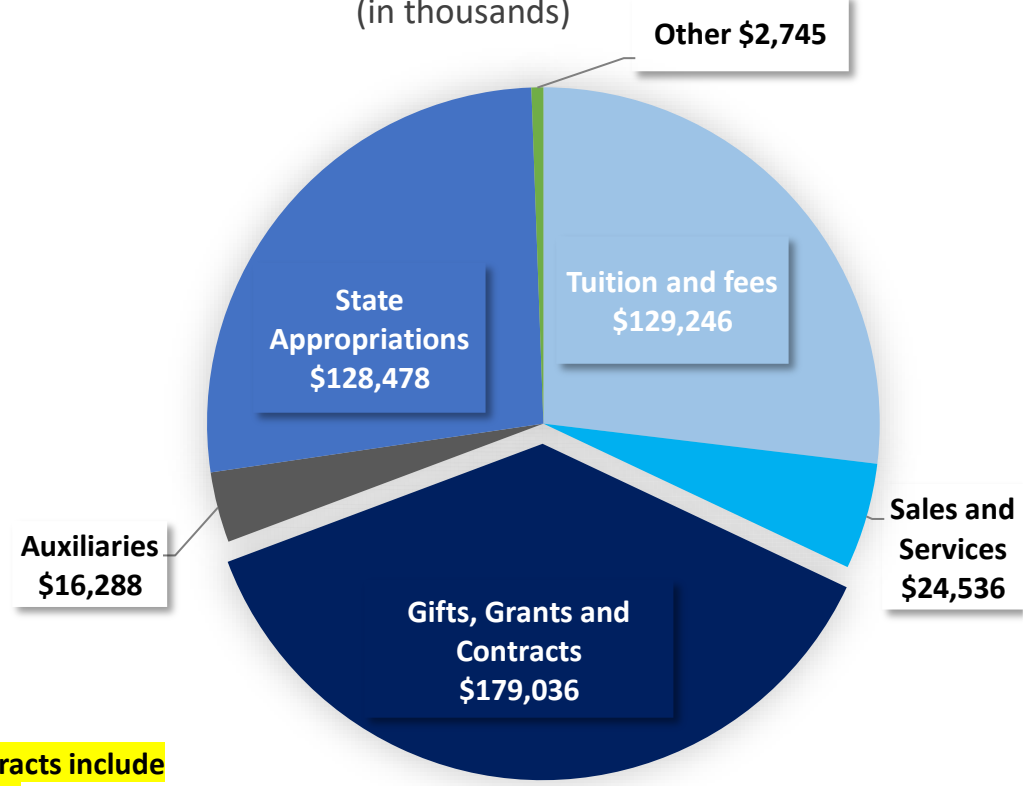
Sources Of Revenue*

*Does not include Capital Gifts and Appropriations

Prelim FY 2022
(in thousands)



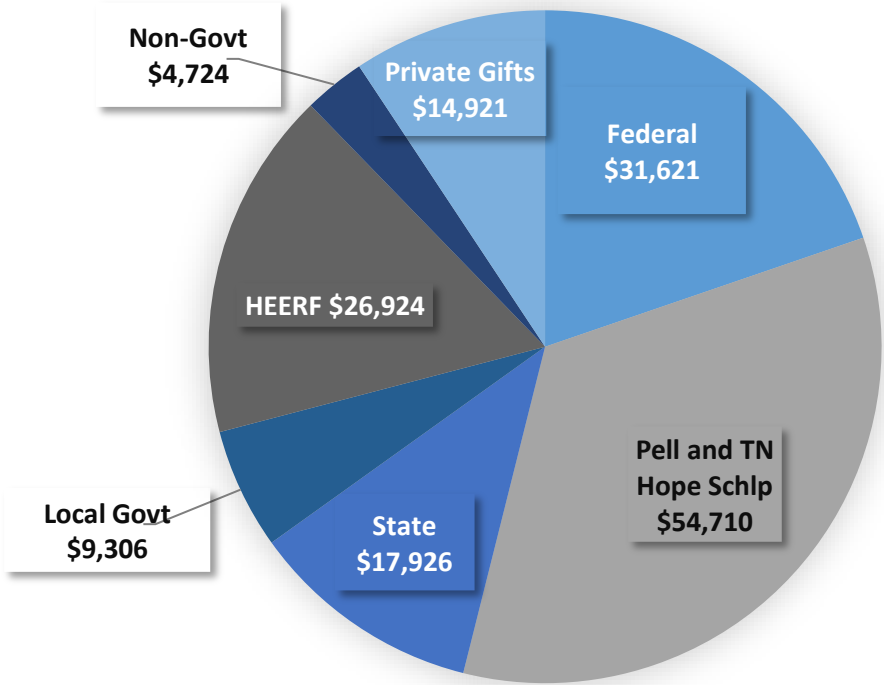
Audited FY 2021
(in thousands)



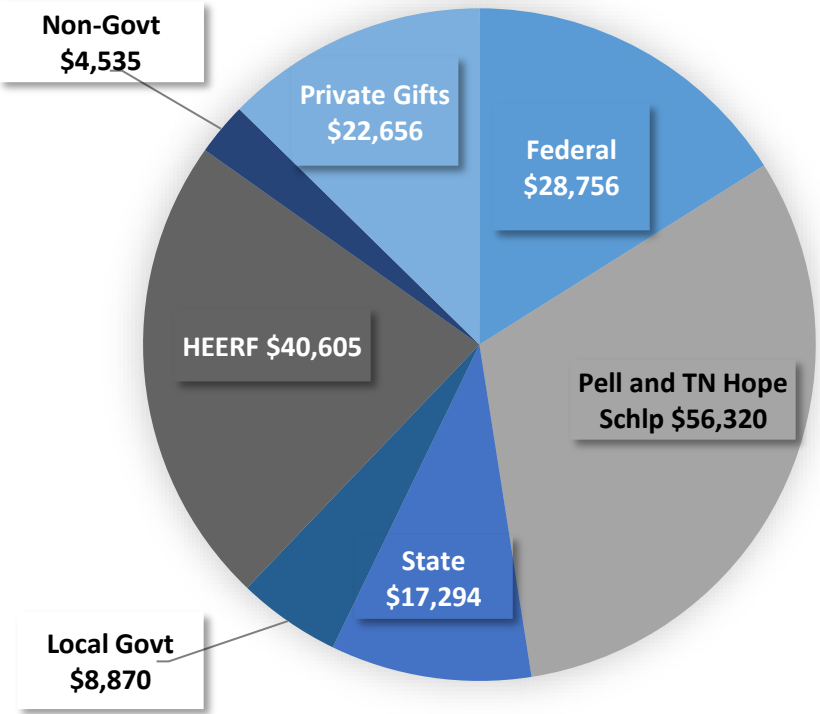
Gifts, Grants and contracts include HEERF funds.

Grants & Contracts

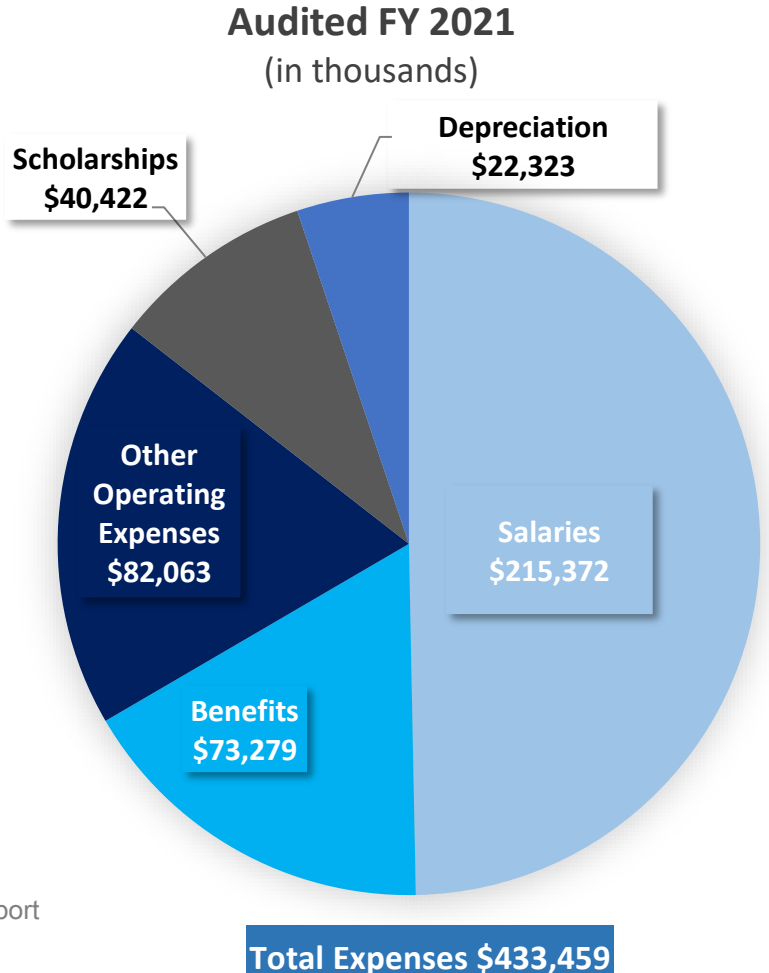
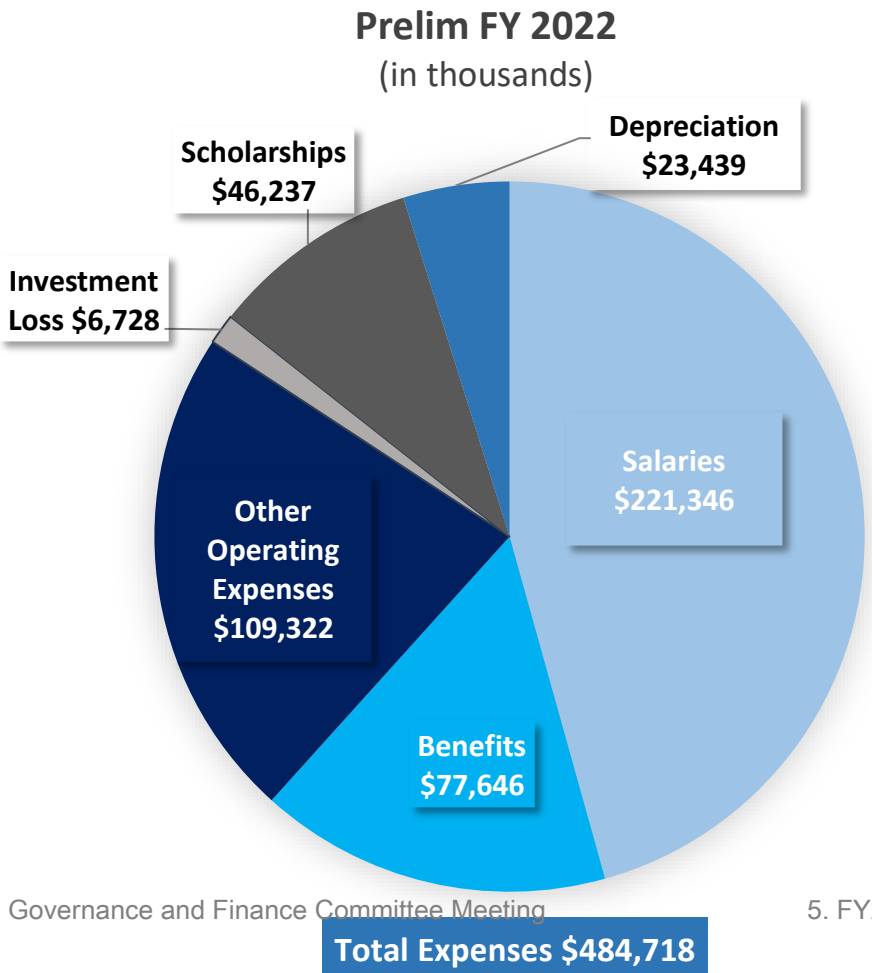
Prelim FY 2022
(in thousands)



Audited FY 2021
(in thousands)



Details Of Expenses



Summary of HEERF Funding

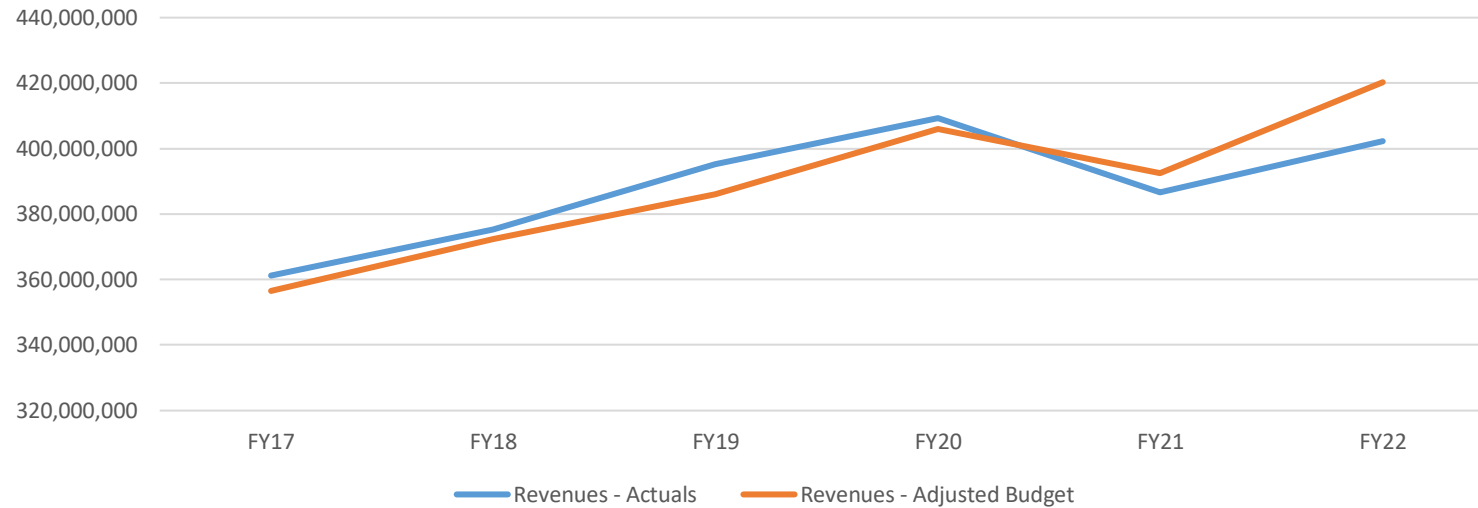
(Application of HEERF)

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)	\$19,514,225	Emergency grants to students: Summer 2021 - 4,434 Fall 2021 - 17,726 Spring 2022 - 17,780 Summer 2022 - 6,574	\$18,768,652	Athletic and Auxiliary Revenue loss recovery - \$11.40m; Campus safety expenses & Financial aid outreach - \$126k; Student Debt discharge - \$6.23m; Indirect Cost recovery - \$1m
Total Spending	\$35,117,975		\$48,061,815	
Available for use	\$4,836,650		\$6,764,433	
Total Amount Authorized	\$39,954,625		\$54,826,248	

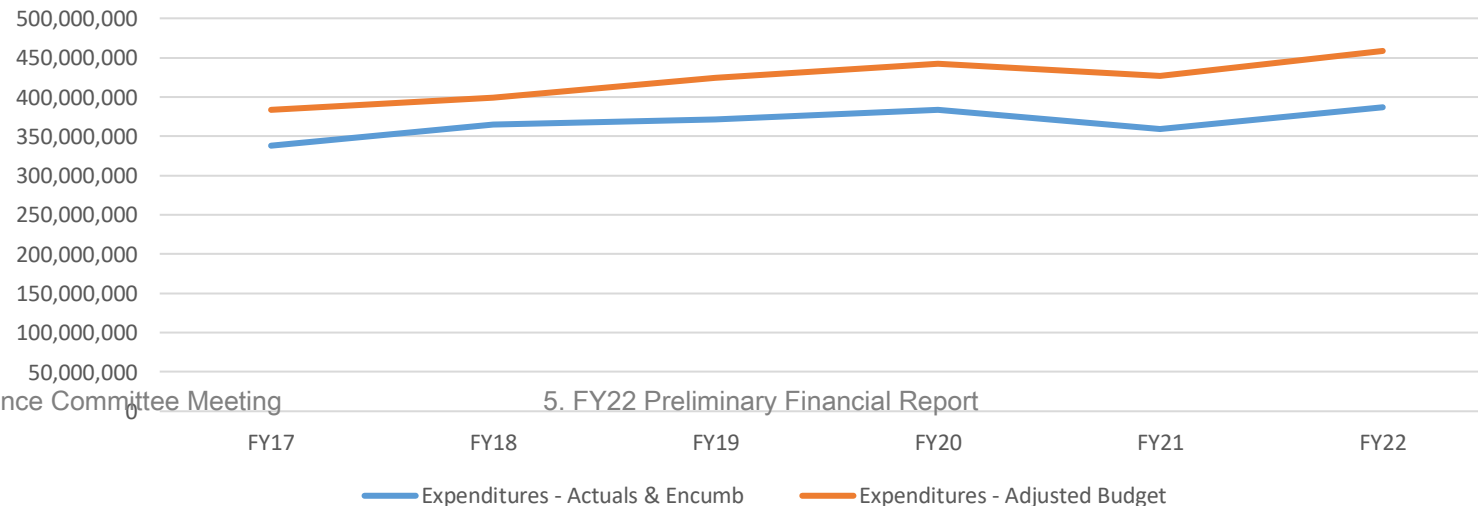
69% of \$83.1m of HEERF funds spent till date applied directly for the benefit of students

E&G Rev. & Exp. Vs. Budget

E&G Revenues | Actuals and Adjusted Budget

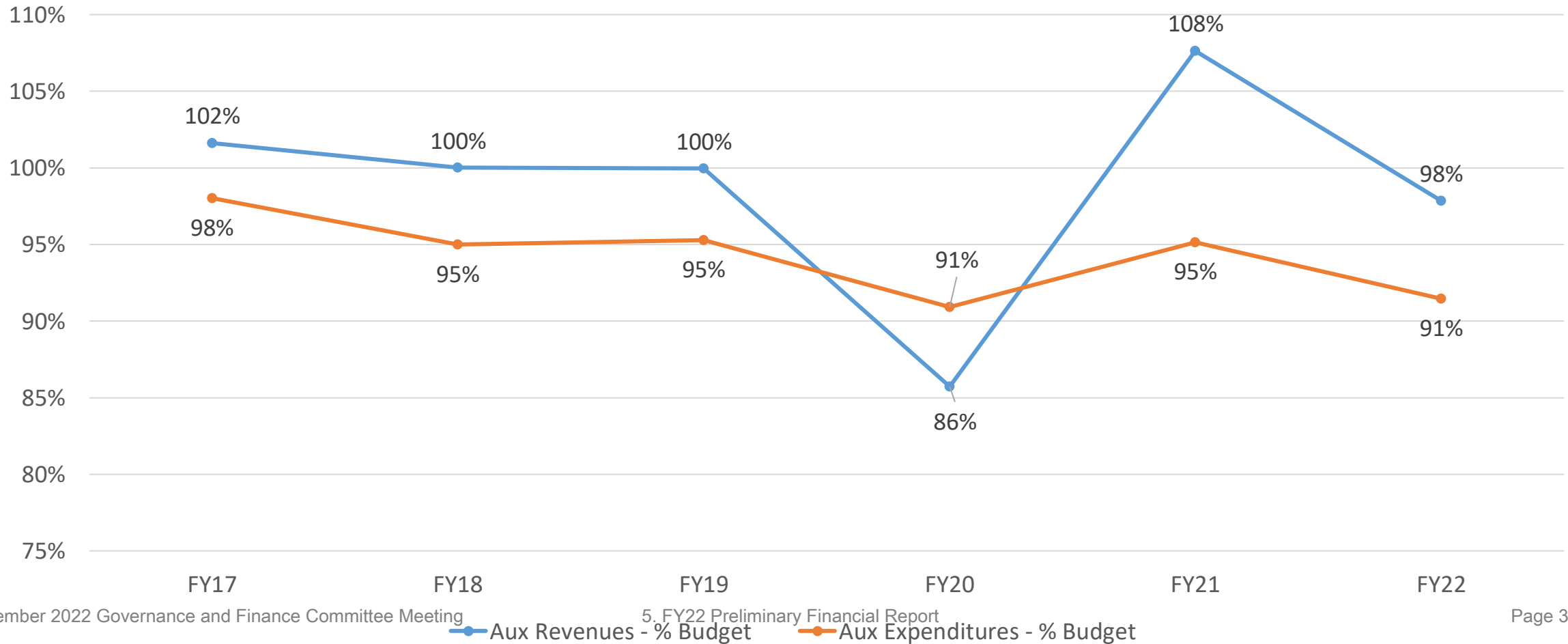


E&G Expenditures | Actuals and Adjusted Budget



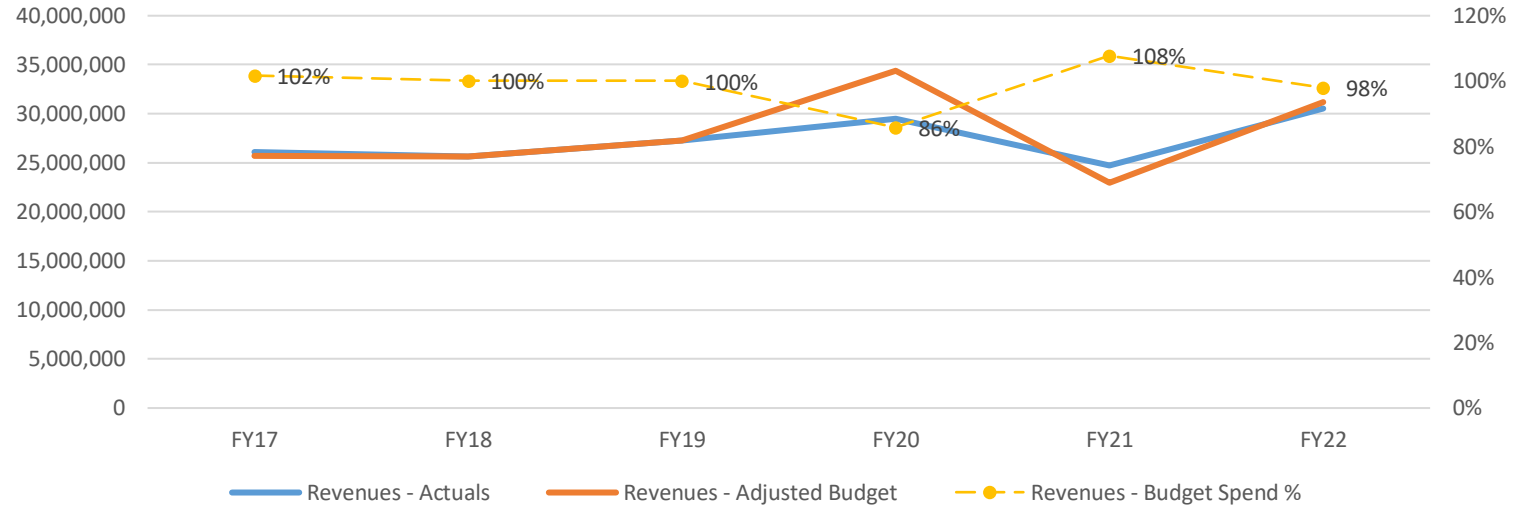
Auxiliary Rev. & Exp. Vs. Budget

Auxiliary Budget Spend % (Actuals/Adj. Budget)
YTD YE

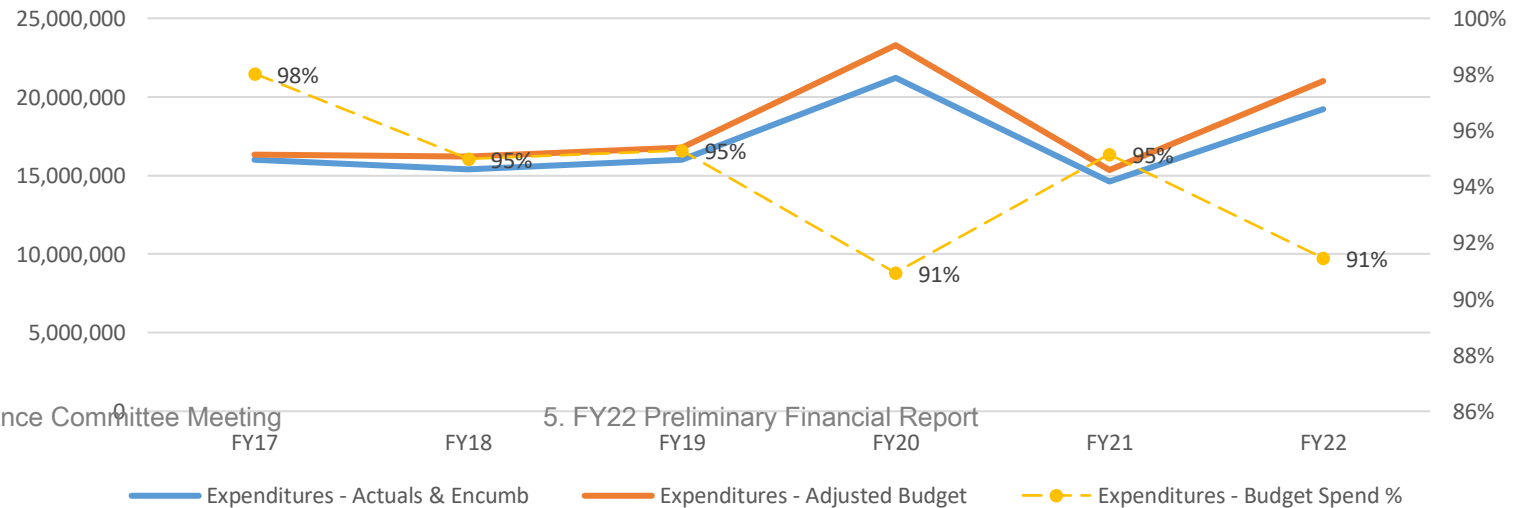


Auxiliary Rev. & Exp. Vs. Budget

Auxiliary Revenues | Actuals and Adjusted Budget



Auxiliary Expenditures | Actuals and Adjusted Budget



Questions?

6. Foundations Website Update

Presentation

Presented by Raajkumar Kurapati

The University of Memphis Board of Trustees

Information
For Discussion

Date: September 7, 2022

Committee: Governance and Finance Committee

Presentation: Foundation Website Update

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

Background:

At the request of the Board of Trustees (BOT), we have been actively working to provide more transparency into the activities of the Universities Foundations. We have engaged with an external firm to develop new websites for the UofM Foundation, the Auxiliary Services Foundation and the Herff Trust. This is an update on efforts made on this front to date and information on next steps.

Foundation Website Update

Governance and Finance Committee

Raaj Kurapati

Executive Vice President and Chief Financial
Officer

September 7, 2022

Maxine A. Smith University Center



SEPT. 2022

Foundation Website Update



WAYS TO GIVE >

 Log In

University of Memphis Foundation

About the Foundation

Forms

Contact

Foundation Staff

Foundation Board of Directors

FAQs

Meeting Documents



Foundation Website – Meeting Minutes



University of Memphis Foundation

[About the Foundation](#)

[Forms](#)

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 [Log In](#)



University of Memphis Foundation Meeting Documents

[FY22 01 Investment Committee Meeting Documents](#)



Board Meeting Documents

[University of Memphis Foundation](#)

[Auxiliary Services Foundation](#)

[HERFF Trust](#)

- UMF Board meets 2x a year (Q2 and Q4)
- UMF Finance Committee meets 2x a year (Q2 and Q4)
- UMF Investment Committee meets 4x a year (quarterly)
- Minutes will be posted upon approval by the Board / Committee, which takes place at the next meeting

Foundation Website – Meeting Minutes



Auxiliary Services Foundation Meeting Documents



- ASF Board meets 4x a year (quarterly)
- Minutes will be posted upon approval by the Board / Committee, which takes place at the next meeting



Board Meeting Documents

- [University of Memphis Foundation](#)
- [Auxiliary Services Foundation](#)
- [HERFF Trust](#)



Foundation Website – Meeting Minutes



University of Memphis Foundation

About the Foundation

Forms

Contact

WAYS TO GIVE >

 Log In



Board Meeting Documents

[University of Memphis Foundation](#)

[Auxiliary Services Foundation](#)

[HERFF Trust](#)



HERFF Trust Meeting Documents

[FY22 Q1 Board Meeting Minutes](#)

- HERFF Trust Board meets 4x a year (quarterly)
- Minutes will be posted upon approval by the Board / Committee, which takes place at the next meeting



September 2022 Governance and Finance Committee Meeting

Website Updates and Next Steps

- 🐾 Continue with project tracking meetings with firm
- 🐾 Begin sourcing content for new website
- 🐾 Schedule headshots for Board Members and staff
- 🐾 Branded Board Handbook and Orientation Materials

7. Affordability of Course Materials

Presented by Raajkumar Kurapati

The University of Memphis Board of Trustees

Information
For Discussion

Date: September 7, 2022

Committee: Governance and Finance Committee

Topic: Improving Access & Affordability for Course Materials

Presented by: Raaj Kurapati, EVP Business & Finance and Chief Financial Officer

Background:

This presentation provides an update on our progress towards providing more affordable course materials for our students in partnership with Barnes and Noble.

FIRST DAY[®] COMPLETE

Governance and Finance Committee

Raaj Kurapati

Executive Vice President & Chief Financial Officer

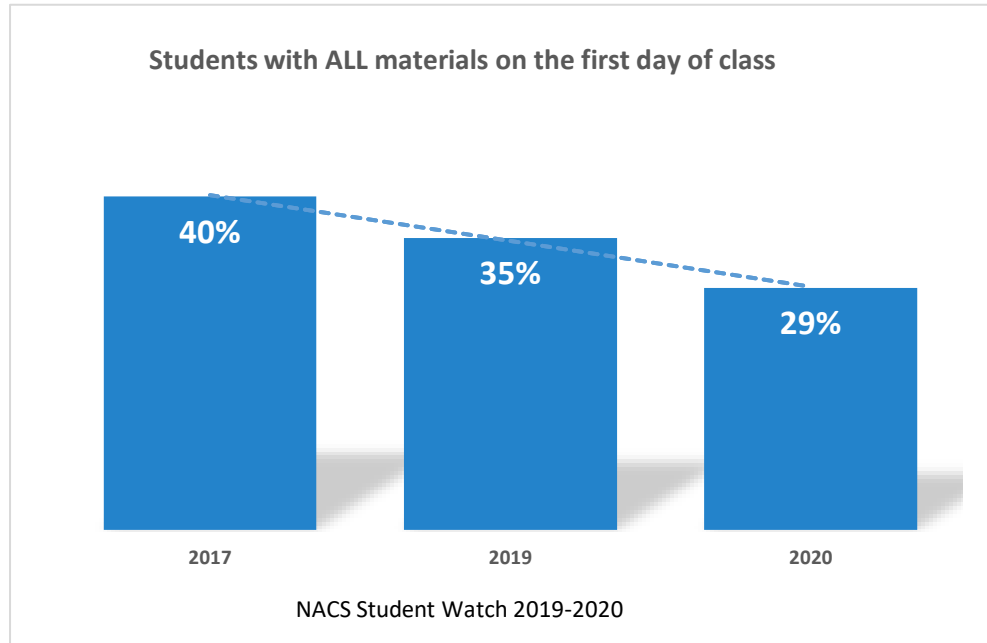
September 7, 2022

Maxine A. Smith University Center



SEPT. 2022

Students are forgoing getting their course materials and it's negatively impacting their success



85 PERCENT of students delay or avoid purchasing course materials and **50 PERCENT** of them said that it has negatively impacted their grades *



“ Cost sometimes gets in the way of me purchasing a textbook. For some textbooks that are multiple hundred of dollars, I thought I could just wing it.

Jonathan D'Ercole, Student
Campbell University



7 IN 10 students say they would have better grades if they had access to required textbooks and course materials before the first day of class

Increased Enrollment at Eastern Kentucky University

In Fall 2021, Eastern Kentucky University saw an enrollment increase of 8% among first-time freshmen – the only public four-year institution in Kentucky that saw a year-over-year increase.

The university considers First Day Complete an important resource for recruitment and retention.

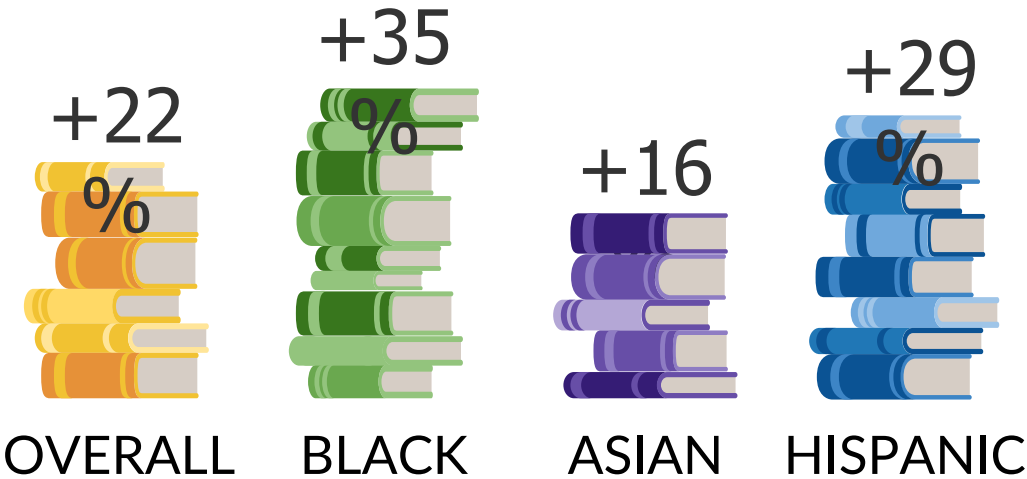
25 PERCENT

Of freshman said that the course material program was a factor in their decision to attend their current school.*

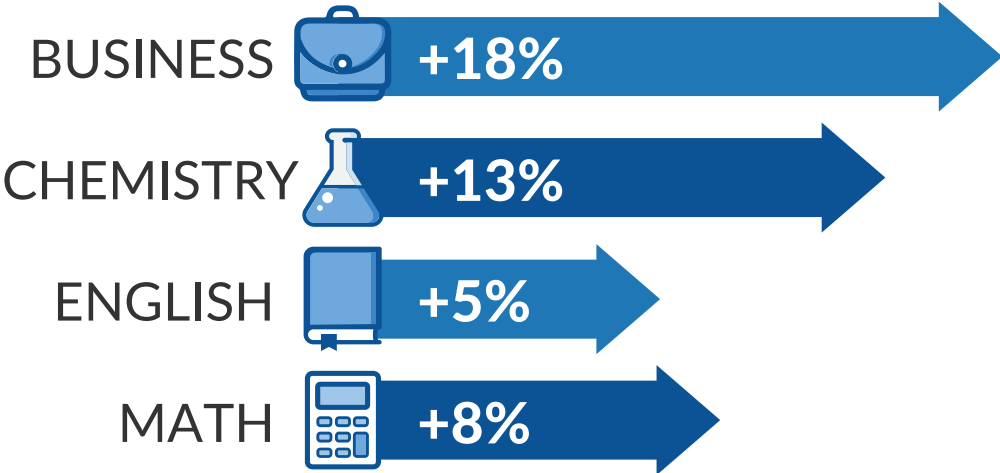
FIRST DAY® COMPLETE CASE STUDY: IMPROVING STUDENT OUTCOMES

An institution that implemented FDC in Fall Term 19 has seen a significant increase in Student Retention and Class Performance

Student Retention Improved Across All Ethnicities*



Students Are Achieving Better Results Across Disciplines**



*Students that re-enrolled for a second consecutive semester and remained students through the end of that second semester. Tracked across Fall 2019-Spring 2020 and Spring 2020-Fall 2020 semesters.

**Percentage of students with a C grade or better. Tracked across Fall 2019-Spring 2020 and Spring 2020-Fall 2020 semesters

IMPROVING EQUITABLE ACCESS, CONVENIENCE & AFFORDABILITY



THE UNIVERSITY OF
MEMPHIS

Board of
Trustees

First Day Complete
Pricing per credit hour

\$24

Full Time Student would now
only spend

\$360

(Based on 15 credit hours)

*U of M currently
recommends allocating

\$800

for books and supplies an
academic term

Socialize the program

Student Body

Faculty Senate

Marketing Campaign

Identify financial support for students with demonstrated need

Need-based scholarships to assist with program participation

Partnerships with Development & Barnes and Noble



“Before the program I decided not to buy the books for a class on some occasions. I definitely feel less stress now having the book at the beginning of the semester.”

Cassandra Hall
Jacksonville University



“This program has given me the opportunity to be able to pick up my books on time and be ready for classes.”

Robert Jordan
Alamo Colleges District

8. General Athletics Update

Presentation

Presented by Laird Veatch

The University of Memphis Board of Trustees

Presentation
For Information

Date: September 7, 2022

Committee: Governance & Finance Committee

Presentation: Athletics Update

Presented by: Laird Veatch, Vice President, and Director of Intercollegiate Athletics

Background:

Annual Athletics update.

Athletics Update

Governance and Finance Committee

Laird Veatch

Vice President & Director of Athletics

September 7, 2022

Maxine A. Smith University Center



SEPT. 2022



We are **#MemphisRising!**



Vision 20/20s:

*“To be a **rising** Athletics Department that **supports and graduates our student-athletes** while delivering **championship-level experiences** resulting in **national prominence.**”*

Model

We model our University mission & values with integrity.

Empower

We empower our student-athletes, coaches & staff to reach their full potential.

Maximize

We maximize our resources & invest wisely in our future.

Pride

We take pride in promoting our University & representing the 901.

Hard Work

We are hard-working, blue-collar, gritty competitors.

Innovate

We are innovative & embrace challenges as opportunities.

Serve

We serve our student-athletes, fans, community & each other.

Recent Accomplishments



WOMEN'S SOCCER
2021 AAC Champions



OVER \$40M IN CAPITAL
CONSTRUCTION SINCE 2020
FB Indoor, Leftwich Tennis Center,
FedExPark Avron Fogelman Field, Elma
Roane Fieldhouse

3.24

GPA
*15 consecutive
terms above 3.0
GPA &
3rd highest GPA in
history*

94%

GSR
*Ranks 1st in AAC
(NCAA Average GSR was 89%)
Football graduation rate
of 90% is 1st in AAC*



**8 - STRAIGHT
BOWL GAMES**

September 2022 Governance and Finance Committee Meeting



**5 CONSECUTIVE 20+ WIN SEASONS
2022 NCAA TOURNAMENT**

8. General Athletics Update

OTHER ACADEMIC ACCOMPLISHMENTS

- *4 teams scored perfect 1000 multi-year APR scores and rank in top 10% nationally*
- *Maxi Galizzi - AAC Scholar-Athlete of the Year for M. Soccer*
- *Elizabeth Moberg - AAC Scholar-Athlete of the Year for W. Soccer*
- *Gracie Morton named AAC Scholar-Athlete of the Year for Softball*
- *Women's Soccer earned AAC Team Academic Excellence Award*
- *Volleyball earned AAC Team Academic Excellence Award*

Page 53 of 65

New Sport Leadership since 2019



RYAN SILVERFIELD

Head Coach
Football

Entering Year 3

2 Bowl Games
12-2 Home Record



KATRINA MERRIWEATHER

Head Coach
Women's Basketball

Entering Year 2

Led team to 16-12 record, first
15+ win season since 2015



KERRICK JACKSON

Head Coach, Baseball

Entering Year 1

Former President of MLB Draft
League, HC at Southern & SEC
Assistant



JENNIFER JORDAN

Head Coach
Women's Golf

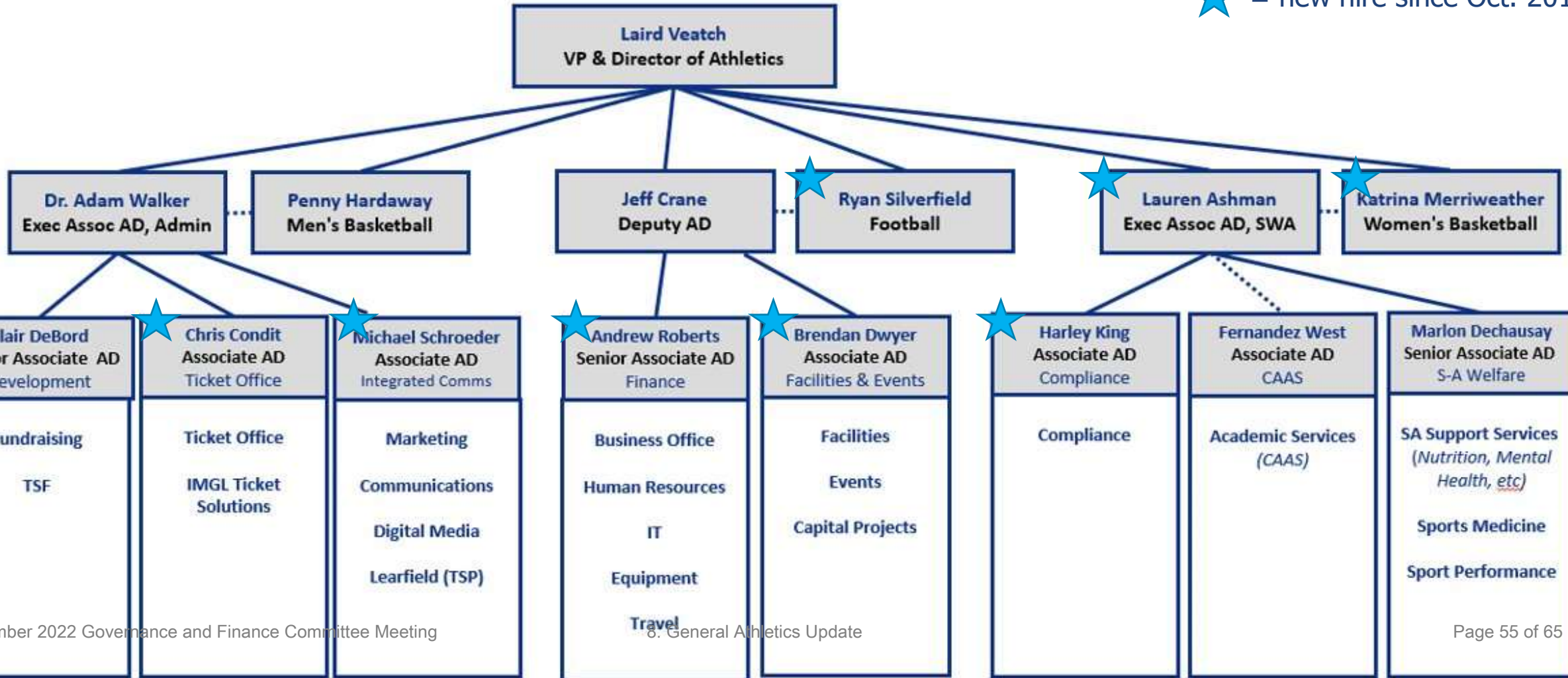
Entering Year 1

Former head assistant

New Athletics Organizational Chart



★ = new hire since Oct. 2019



#MemphisRising Progress Highlights



MODEL – 18 Straight semesters above 3.0 GPA; 94% highest GSR in AAC; fully established UMADE; launched 901 Women's initiative; standardized training programs; compliance staff additions

EMPOWER – established hiring standards; new staff orientations; annual review process including head coaches; multiple staff communications strategies; staff engagement committee & events

MAXIMIZE – record fundraising year; fully established TLC; rebuilt development team; established zero-based transparent budget model; COVID recovery; multiple facility investments

PRIDE – logo update & uniform standards; Liberty Stadium renovation announcement; rebuilding strategic communications team; fan surveys & engagement strategies

HARD WORK – FB 8th straight bowl game; MBB NCAA Tourney; WBB resurgence; WSOC & WTEN AAC Champions; multiple reporting & accountability measures

INNOVATE – established NIL MaximUM infrastructure; ticket office evolution & digital ticketing; new FB & MBB premium hospitality spaces

SERVE – established Student-Athlete Welfare department; student-athlete exit interviews & surveys; multiple community service initiatives; multiple fan experience improvements

What's Next – Our Priorities:



Resource Development:

- Fundraising (TSF/Tickets – TLC – NIL – Facilities) & other revenues growth (TSP, CLC, etc.)
- Expense management (spending diligence, manage inflation impacts, etc.)

Realignment & Transformation Positioning

- Competitive success; academic performance; compliance culture
- Brand management; strategic outreach & communications

Student-Athlete Support & Recruiting:

- UMADE, gender equity investments, mental health support
- NIL support; Alston incentives; dining & nutrition

Personnel Investments:

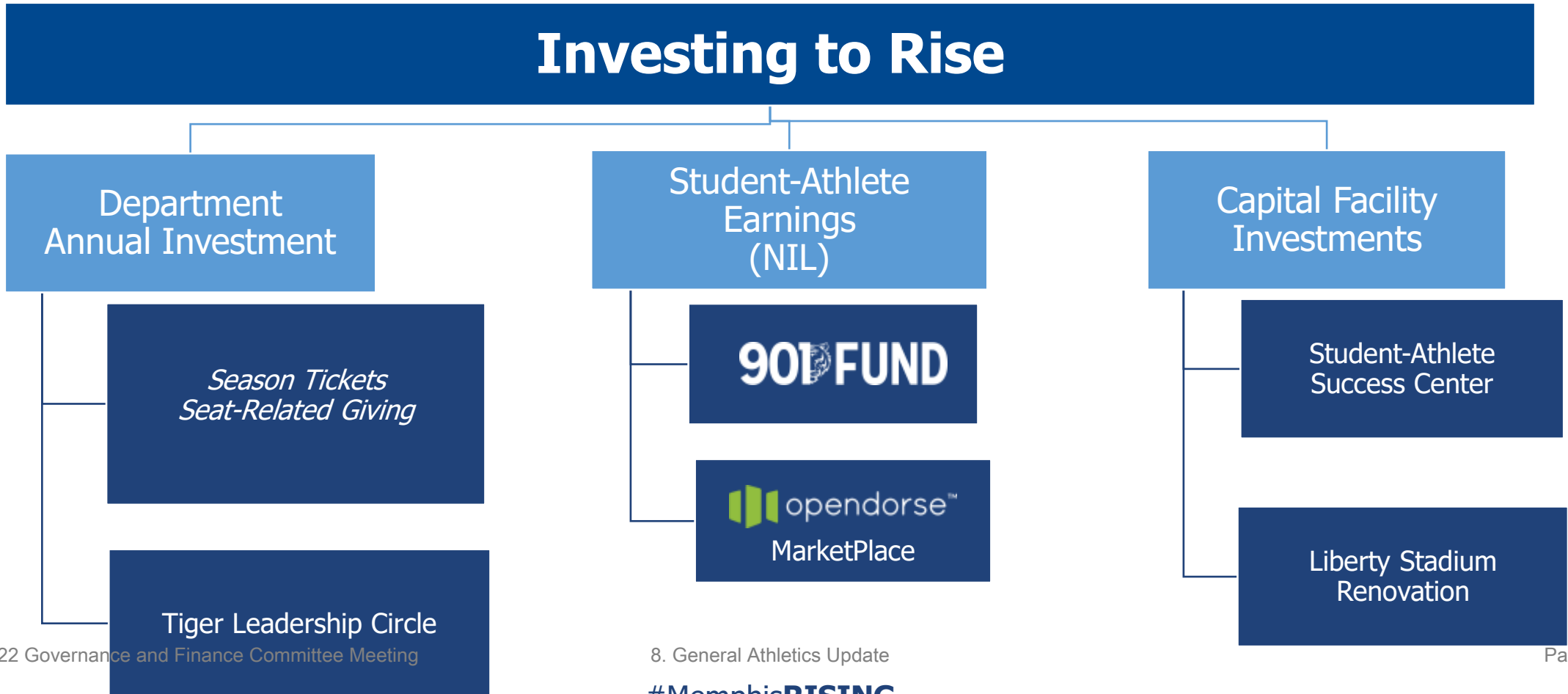
- Culture development; retention & compensation increases
- Continued staff growth; student & part-time support

Infrastructure Investments:

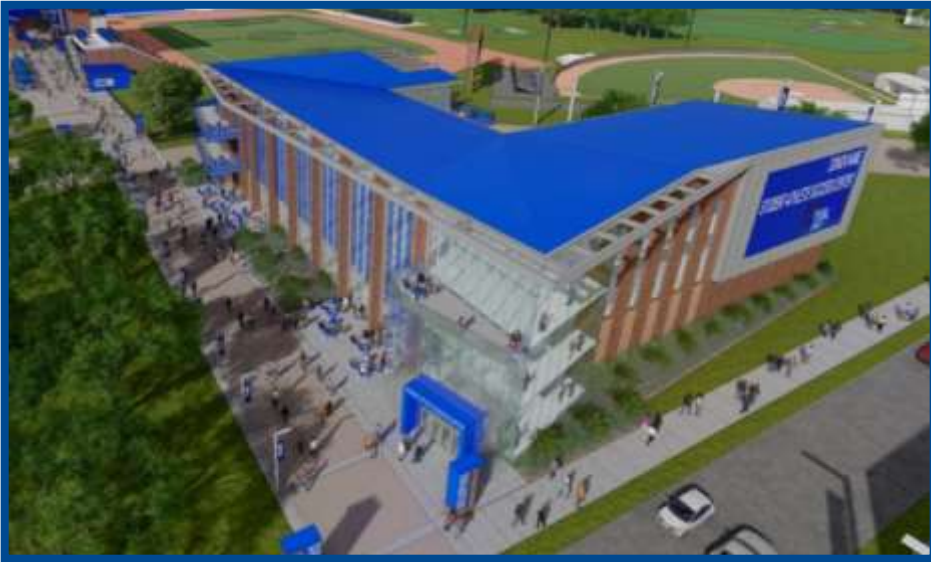
- Tiger Park Housing RFP & Student-Athlete Success Center Project
- **Simmons Bank Liberty Stadium funding & design**



Investing to Rise



Capital Facility Investments



STUDENT-ATHLETE SUCCESS CENTER

Creating a life-changing Olympic-village experience for Tiger student-athletes

(\$9M toward \$25M Goal)



LIBERTY STADIUM RENOVATION

Showing we belong at the highest levels of College Football

(Funding strategies & lead gift conversations ongoing)

Student-Athlete Earnings // NIL 101



WHAT IS NIL?

As of July 1, 2021, all NCAA (including UofM) student-athletes may earn compensation (e.g. cash, check, mobile payment, product, etc.) for use of their own Name, Image, and Likeness (NIL).

NIL DO'S

- Boosters, fans, and brands are permitted to conduct NIL deals with **current** student-athletes - **not to be used as a recruiting inducement**
- There must be a “quid pro quo” for all NIL deals, **meaning work must be performed to earn compensation**
- **University personnel can communicate with you** regarding NIL opportunities for current student-athletes

NIL DON'T'S

- Purchasing tickets and/or contributing to groups designed to support Memphis Athletics **classifies you as a booster**
- As a booster, **you may not conduct NIL deals with prospective student-athletes (PSA)** as a recruiting inducement
- Boosters or collectives **may not use NIL to incentivize student-athletes** to stay in, join, or perform in a program (e.g., “pay for play”)
- **NCAA booster rules still apply**, including:
 - Booster/NIL entity **may not communicate** (e.g., call, text, direct message [DM]) **with a PSA, a PSA's family, or others affiliated** with the PSA for a recruiting purpose
 - Boosters may **not engage in recruiting activities**, including recruiting conversations, on behalf of a school

Student-Athlete Earnings // Ideas

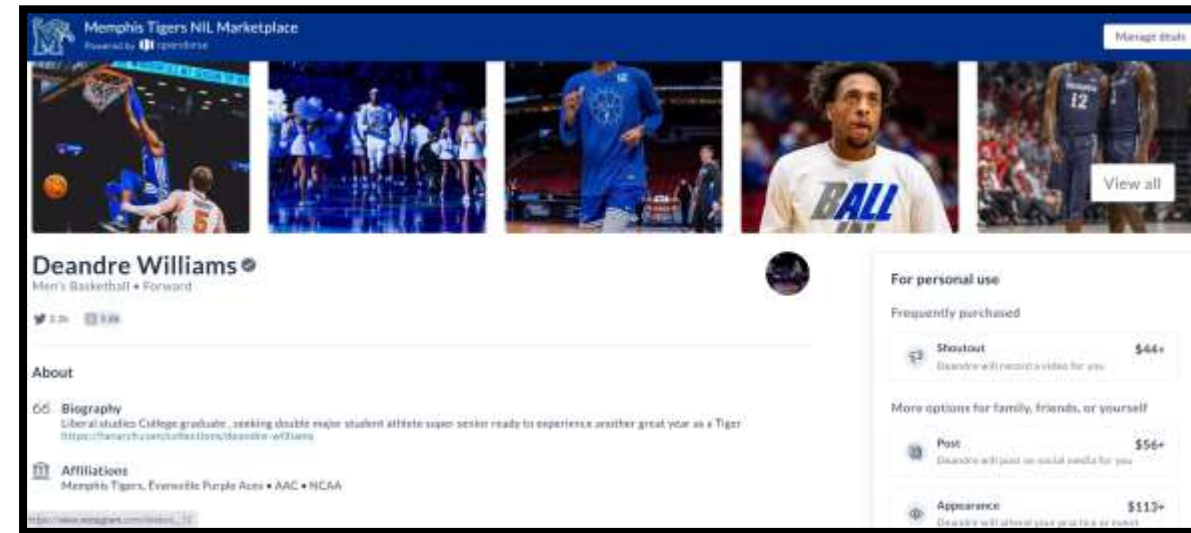


IDEAS FOR INDIVIDUALS

- Have a student-athlete appear at an event or party
- Send a friend a personalized video from their favorite Tiger
- Support a student-athlete's entrepreneurial efforts




IDEAS FOR BUSINESSES

- Compensate a student-athlete for promoting your business online
- Have a student-athlete do a meet and greet at your business



Student-Athlete Earnings // How To



	<p>If you want to support a student-athlete directly and manage the entire transaction yourself, reach out to the student-athlete via DM, phone, etc. to conduct a deal</p> <p>Scan the QR code to access our student-athlete directory</p>
	<p>If you want to support a student-athlete directly and work with our NIL technology partner, Opendorse, to manage the deal, visit GoTigersGo.com/Marketplace</p>
	<p>If you want to support Memphis student-athletes and charitable organizations with ties to the Memphis region without having to actively be involved, contribute to the 901 Fund at 901fund.org</p>

Email questions to NIL@memphis.edu
or contact Bridget Perine at (901) 678-3306



Questions/Comments

9. Additional Business

Presented by Doug Edwards

10. Adjournment

Presented by Doug Edwards