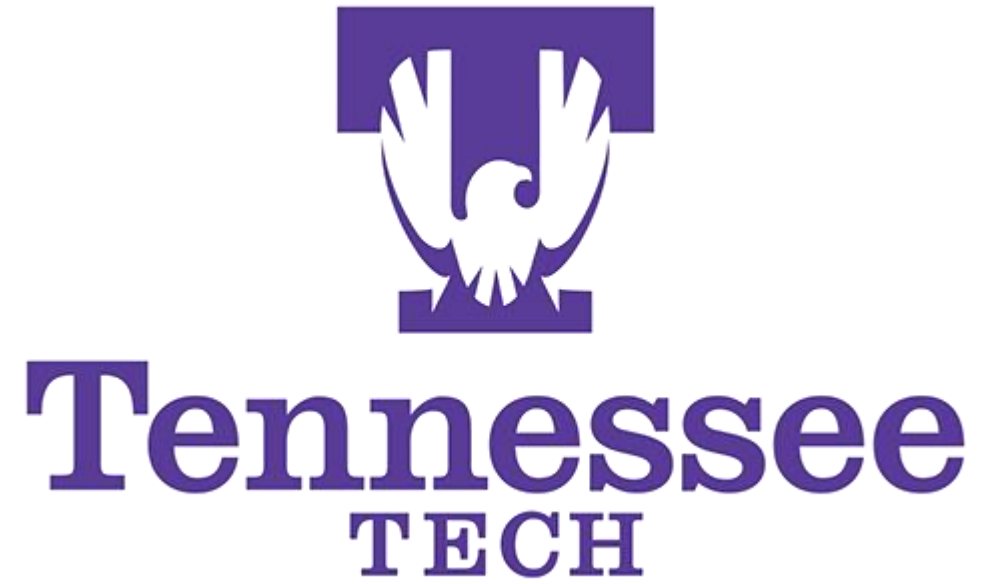




Presentation to Audit & Business Committee
Board of Trustees
September 24, 2026

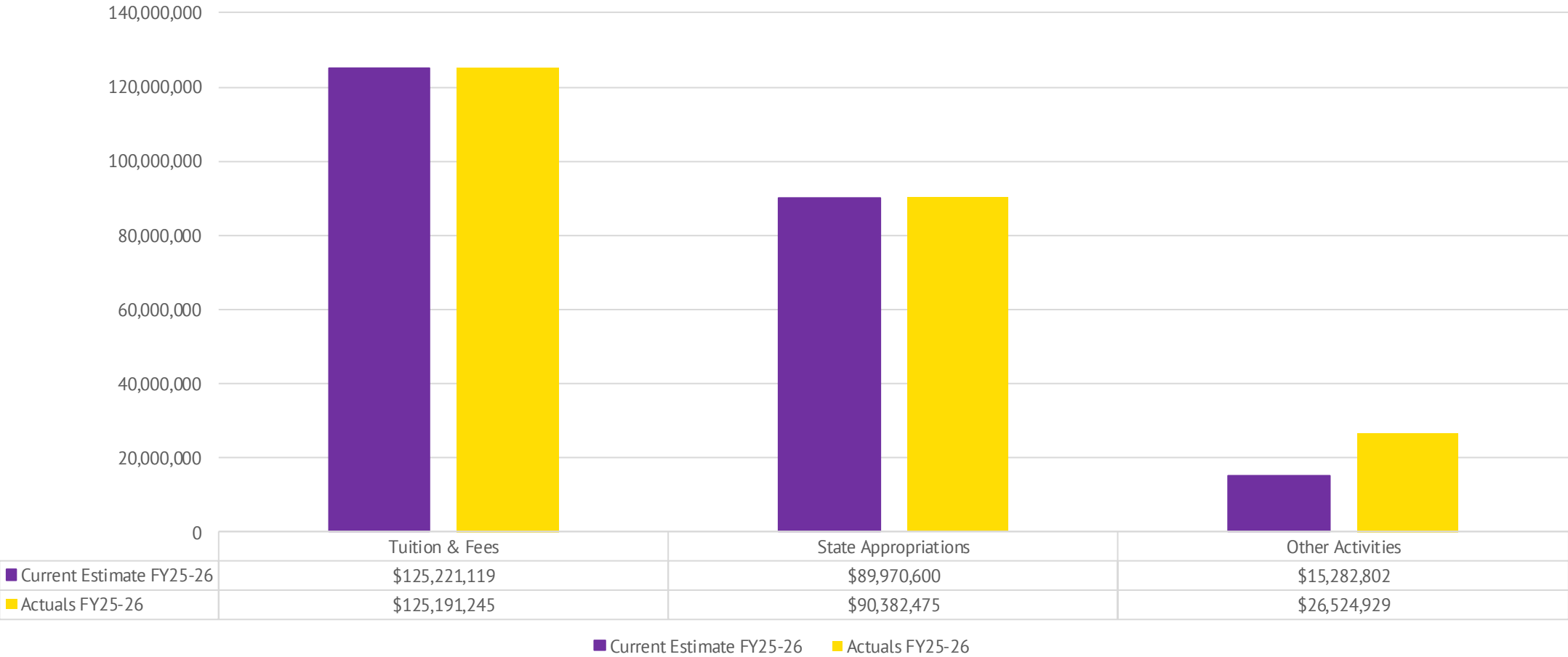




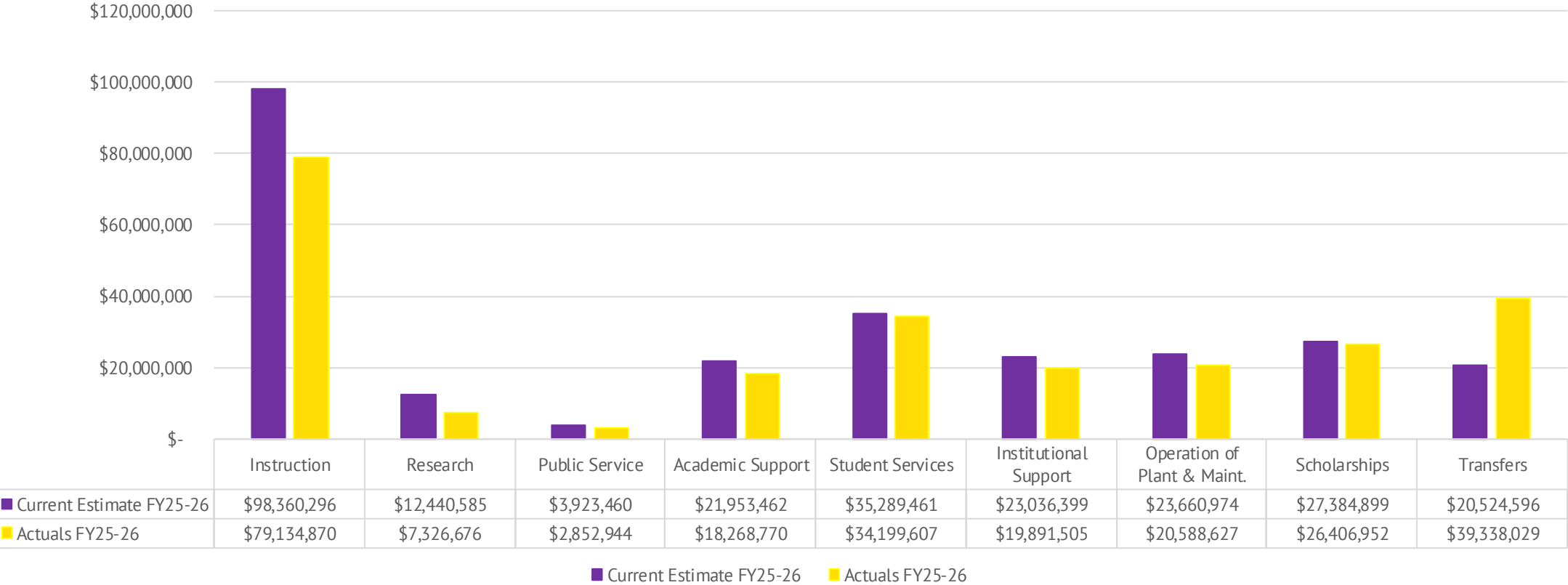
Financial Update



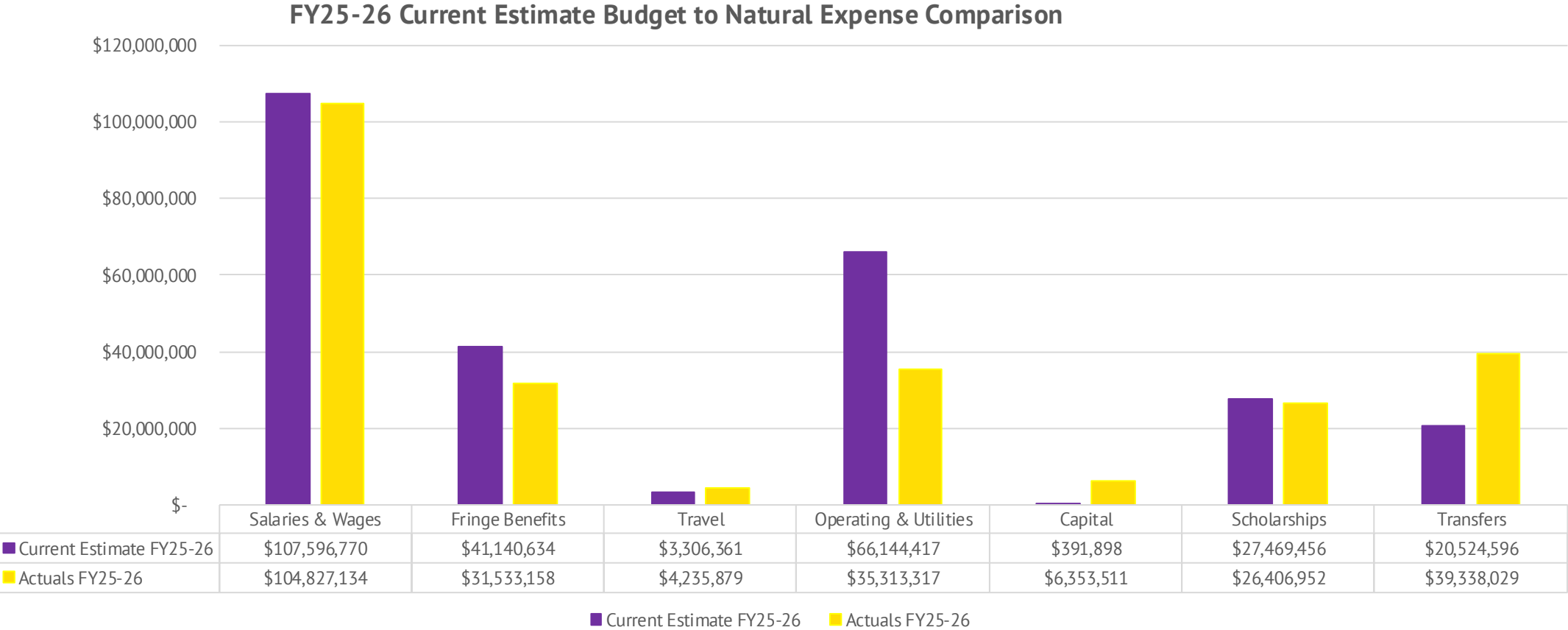
Comparison FY25-26 Current Estimate Budget vs. End-of-Year Actual Revenue Comparison (unaudited)



Comparison FY25-26 Current Estimate Budget vs. End-of-Year Actual Functional Program Expense (unaudited)



Comparison FY25-26 Current Estimate Budget vs. End-of-Year Actual Natural Expense (unaudited)



End-of-Year Fund Balance

June 30, 2026

(Unaudited)

Fund balance June 30, 2026	\$28,690,581
Non-discretionary carryforwards (working capital, encumbrances, designated fees)	\$7,224,120
Automatically approved departmental carryforwards (special state appr, on-line fees, indirect cost, etc.)*	\$11,921,534
One-time costs - Banner Saas	\$3,550,000
2% to 5% budget reserve	\$5,994,927

** Automatically approved carryforward process is not completed, currently looking at \$15,562,710 needed*

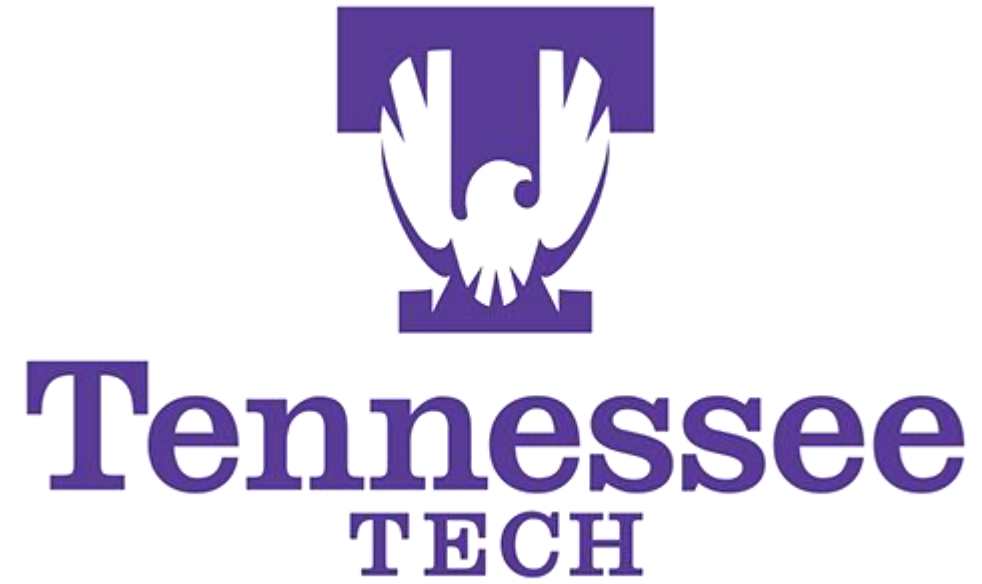


Revised Tuition and Fee Estimates (as of 9/14) vs Proposed Budget FY26-27

Fall 2026 revised revenue estimates (compared to July Proposed Budget)

Estimated Tuition Revenue Adjustments for Revised Budget	\$1,539,686
Regular Academic year	\$914,662
Out-of-State regular academic year	(\$16,015)
DMBA, MACC, MSN	(\$121,252)
Summer School	\$597,242
Out-of-state Summer School	\$36,249
DMBA, MACC, MSN Summer	\$128,800





Out-of-State Tuition

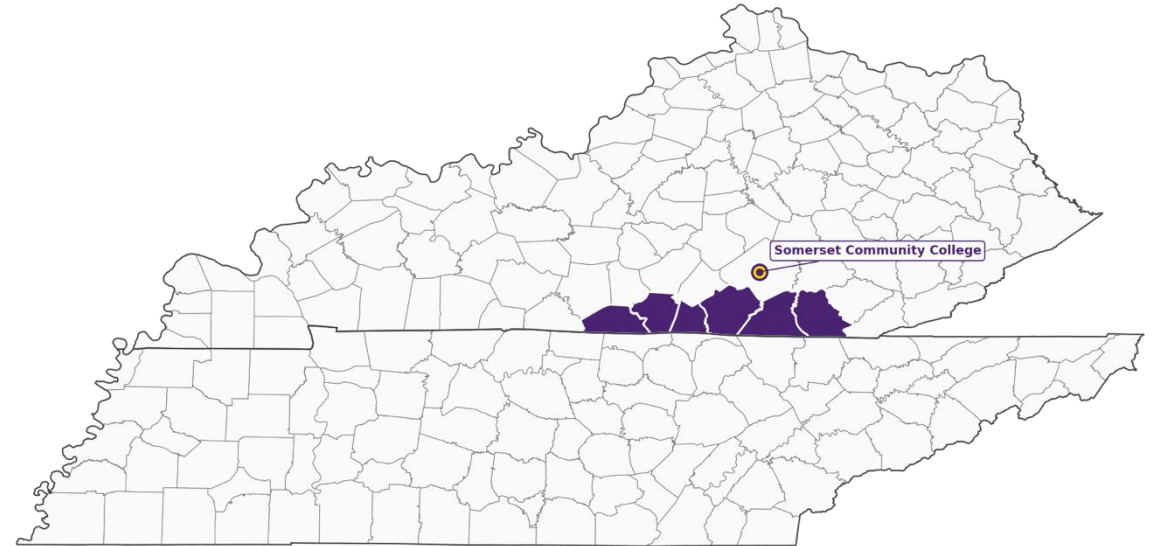


Out-of-State Tuition Proposal

Select areas in Kentucky and Alabama

- **Kentucky**

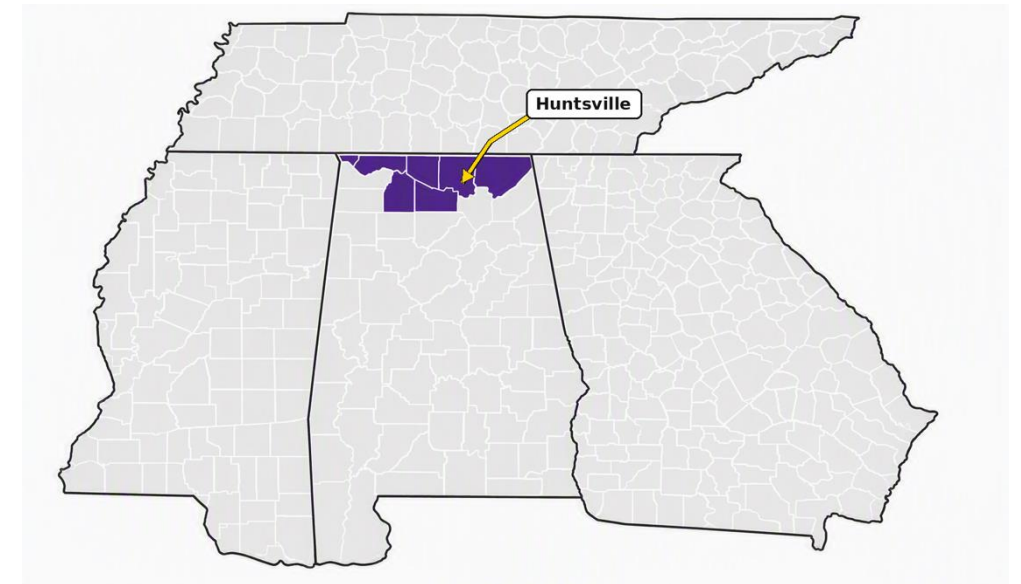
- Several Kentucky counties bordering Tennessee currently qualify for in-state tuition at Tennessee Tech.
- We are recruiting transfer students at Somerset Community College (SCC).
- Some students attending SCC are from eligible border counties; others are not.
- **Proposal**
 - Any student who transfers from Somerset Community College to Tennessee Tech will receive in-state tuition.



Out-of-State Tuition Proposal

Select areas in Kentucky and Alabama

- Alabama
 - Emphasis on Huntsville area
 - Counties in Alabama that would receive in-state tuition based on this proposal:
 - Madison
 - Limestone
 - Lawrence
 - Morgan
 - Lauderdale
 - Jackson



Out-of-State Tuition Proposal

Financial Impact of Proposal

- Current rates for full-time domestic out-of-state students
 - All out-of-state students pay in-state tuition
 - Undergraduate out-of-state students pay additional \$140 per credit hour with a max of \$2,100 per semester (12 credit hours and above)
 - Graduate out-of-state students pay additional \$140 per credit hour with a max of \$1,680 per semester (10 credit hours and above)
- Number of students currently enrolled
 - Kentucky 77
 - Alabama 28
- Estimated revenue from out-of-state \$30,240
- Number of students needed to break even + 10 FTE





Organizational Chart Change





Revised Capital Budget



Revised Capital Maintenance Projects Request FY2027-28

Request for State Funding

Project	Previous Priority	Approved June 25, 2026	Current Priority	Submitted	Project Description
Utility Infrastructure Upgrades Phase 2	1	\$2,500,000	1	\$2,520,000	Rerouting of distribution lines, replacement and repair of utilities campus-wide. This is a multi-phase project.
Craft Center Improvements	2	\$3,130,000	2	\$1,310,000	Replace the cedar siding, windows, doors, and other related components of the exterior building envelope, and all related work. Scope revision includes interior and exterior door hardware. Buildings included in scope of work are the Administration Building, the Cool Wing, Glass & Metals, and the Clay Studio.
Bryan Fine Arts Building Exterior Repairs	3	\$1,770,000	4	\$1,770,000	Clean, tuckpoint, caulk, repair and waterproof brick walls, stone coping, brick patios, windowsills, stone caps, retaining walls, concrete expansion joints, seating areas and all related work. Remove and replace brick and stone as required.
Utility Infrastructure Upgrades Phase 2.2	4	\$4,000,000		REMOVED	Rerouting of distribution lines, replacement and repair of utilities campus-wide. This is a multi-phase project.

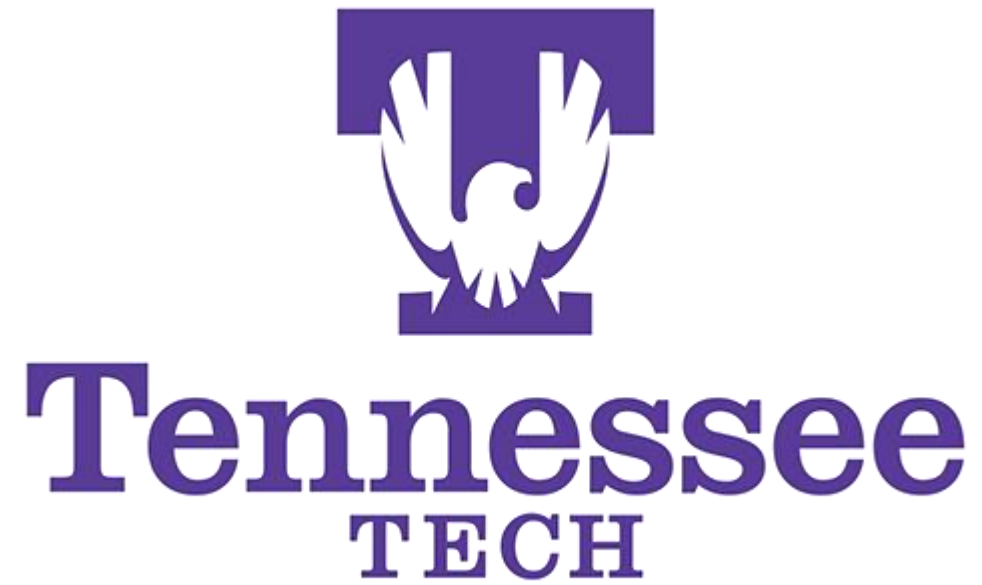


Revised Capital Maintenance Projects Request FY2027-28

Request for State Funding

Project	Previous Priority	Approved June 25, 2026	Current Priority	Submitted	Project Description
Boiler Replacement	5	\$3,500,000	6	\$6,780,000	Replace the boiler at the steam plant and build an addition to the building to accommodate the new boiler.
Electrical Transclosure Replacement	6	\$3,130,000	5	\$1,750,000	Replace electrical transclosures with pad mounted transformers at Johnson, Pennebaker, Prescott, Clement, and Brown Halls, and at East Stadium.
Campus-Wide Building Controls Upgrades PH 3			3	\$1,825,000	Upgrade pneumatic controls to digital controls on several buildings, including replacement of devices and equipment required to complete digital control of the HVAC systems, and all related work.
Memorial Gym Pool Dehumidification			7	\$1,050,000	Install a dehumidification system in the pool area, and all related work.
Military Science Building MPE Systems Replacement			8	\$1,025,000	Replace MPE systems in the building, and all related work.
Total Requested		\$18,030,000		\$18,030,000	





Disclosed Project



Disclosed Projects

Fiscal Year	Project	Project Cost	Project Description
2027	Farm Office Building	\$500,000	Construct an office building at Shipley Farm with offices, meeting room, break room, restrooms and storage, and all related work. Project is gift funded.





Employee Performance Evaluations & Performance-Based Compensation Analysis





Employee Performance Evaluations



Performance Evaluations – 2026

- Transitioned to Talon (Oracle) performance management platform starting in January 2026 for staff positions
 - Performance evaluation parameters did not change
- Transitioned to Watermark system starting in January 2026 for faculty performance evaluations
 - The qualitative language for the faculty ratings was revised to a 5-point rating scale



Staff (Non-Faculty) Performance Evaluation Process

- **Year 11 of the Performance Evaluation Process**
- **Staff evaluation elements**
 - Focus on individual employee performance
 - Ensure employees have a voice in their evaluation
 - Allow for specific goals and achievements to be recognized
 - Stress job-specific performance
 - Include a self-evaluation component
- **Supervisor element**
 - Evaluation component for supervisory responsibilities



Staff (Non-Faculty) Performance Evaluation Components

- **Core Competencies aligned to TTU Strategic Plan objectives (20%)**
 - Academic Excellence, Student Success, Community Engagement, Meaningful Innovation, Supporting Environment, Value Creation
- **Wings Up Way (20%)**
 - People Over Process, Treat Everyone With Kindness, Serve Students First, Go The Extra Mile, Personal Responsibility, Make the Process Easier Not Harder, Find Solutions, Not Excuses
- **Position-Specific Duties (60%)**
 - Evaluate performance based on meeting specific duties and goal accomplishment aligned with position



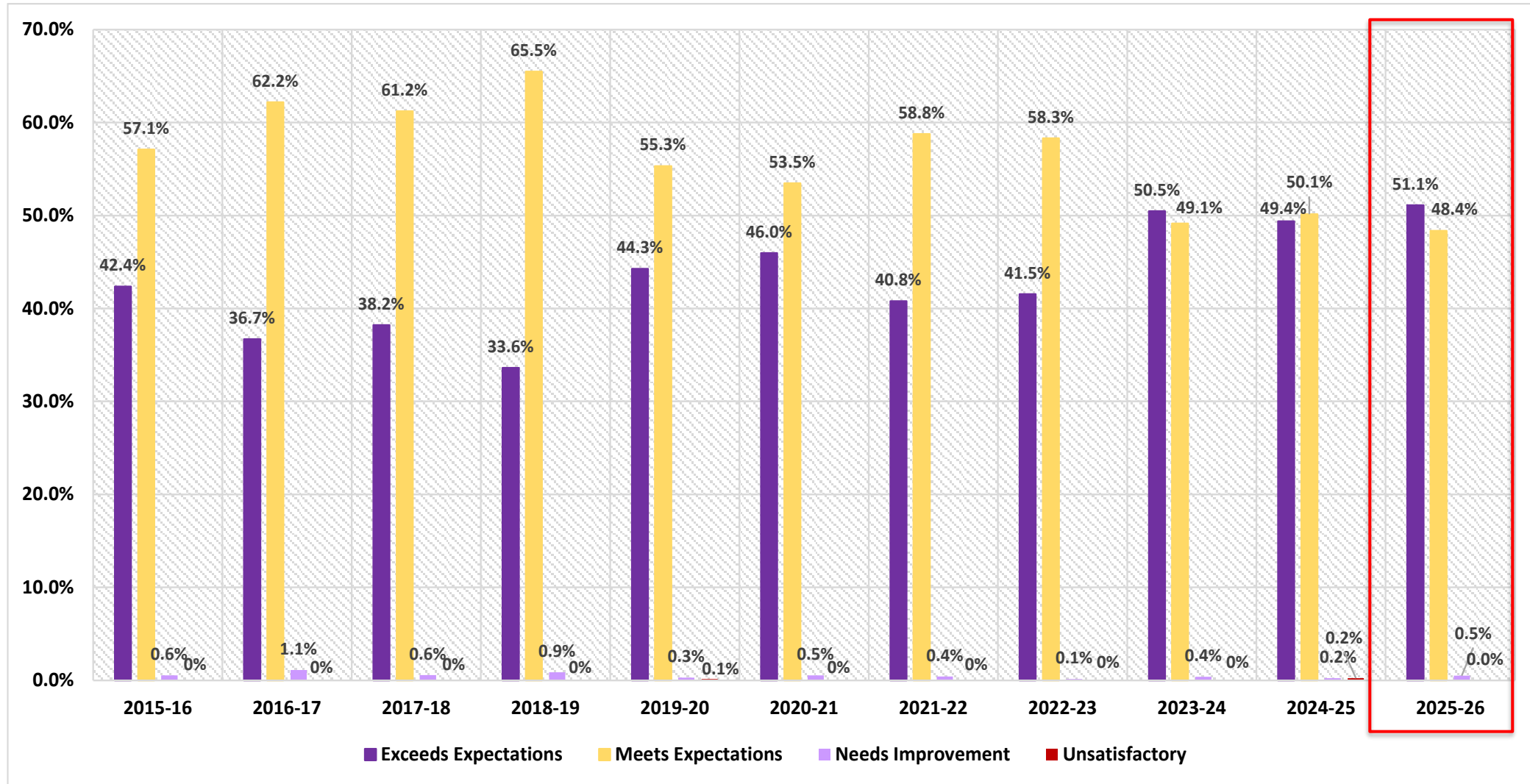
Staff (Non-Faculty) Performance Evaluation Training

- Conducted mandatory training for supervisors with 100% participation (233)
- Provided voluntary staff employee training (131)
- Emphasized the importance of periodic employee and supervisor performance meetings throughout the evaluation period



Staff (Non-Faculty)

% of Employees Rated in Performance Category



Faculty Performance Evaluation Process

- All faculty, both tenured and non-tenured, are evaluated annually by the department chair or school director and the college dean. In addition, tenure-track faculty are evaluated annually by peers on progress towards tenure.
- The annual evaluation of all faculty is based upon the type of faculty appointment relative to rank and assigned responsibilities, which includes evaluation of:
 - Teaching (Instruction, Curriculum Development, Advisement)
 - Research/Scholarship/Creative Activity
 - Service/Outreach
 - Workplace Professional Standards
 - Administration or Other Duties as assigned (only when applicable)



Faculty Performance Evaluation Process

- The faculty evaluation process was transitioned to the Watermark system in 2026.
- The qualitative language for the faculty ratings were changed to the following five (5) performance levels:
 - Exemplary (5 score) from Outstanding
 - Above Expectations (4 score) from High
 - Meets Expectations (3 score) from Good
 - Needs Improvement (2 score) from Acceptable
 - Unacceptable (1 score)

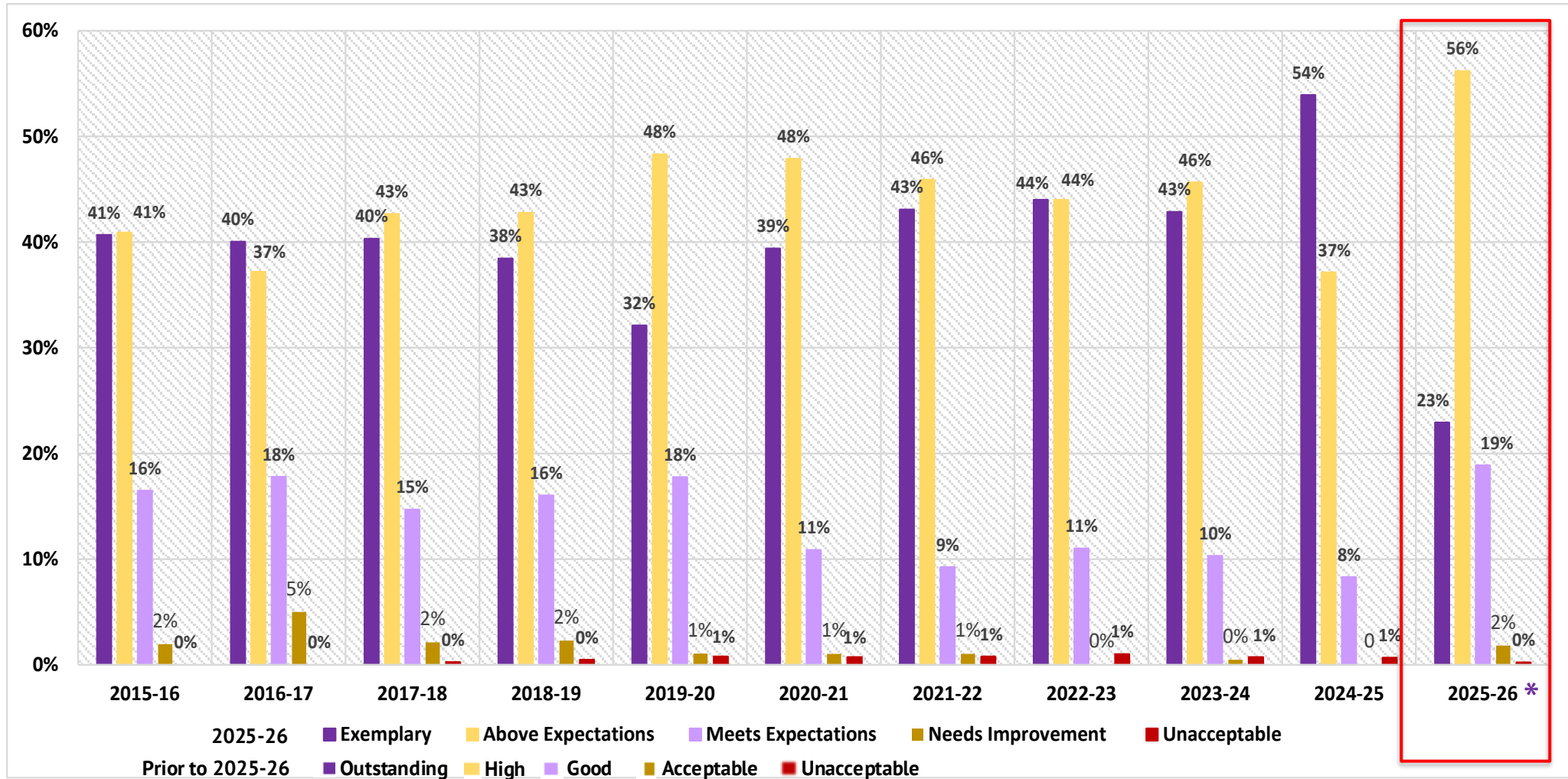
Prior Year Rating Scale

- Outstanding (5)
- High (4)
- Good (3)
- Acceptable (2)
- Unacceptable (1)



Faculty

% of Employees Rated in Performance Category



* The qualitative language for the faculty ratings were changed for 2025-26





Performance-Based Compensation Analysis



Performance-Based Compensation Model

1.5% Salary Pool for FY 26

- 1.5% allocated for merit-based performance

- **Eligibility**

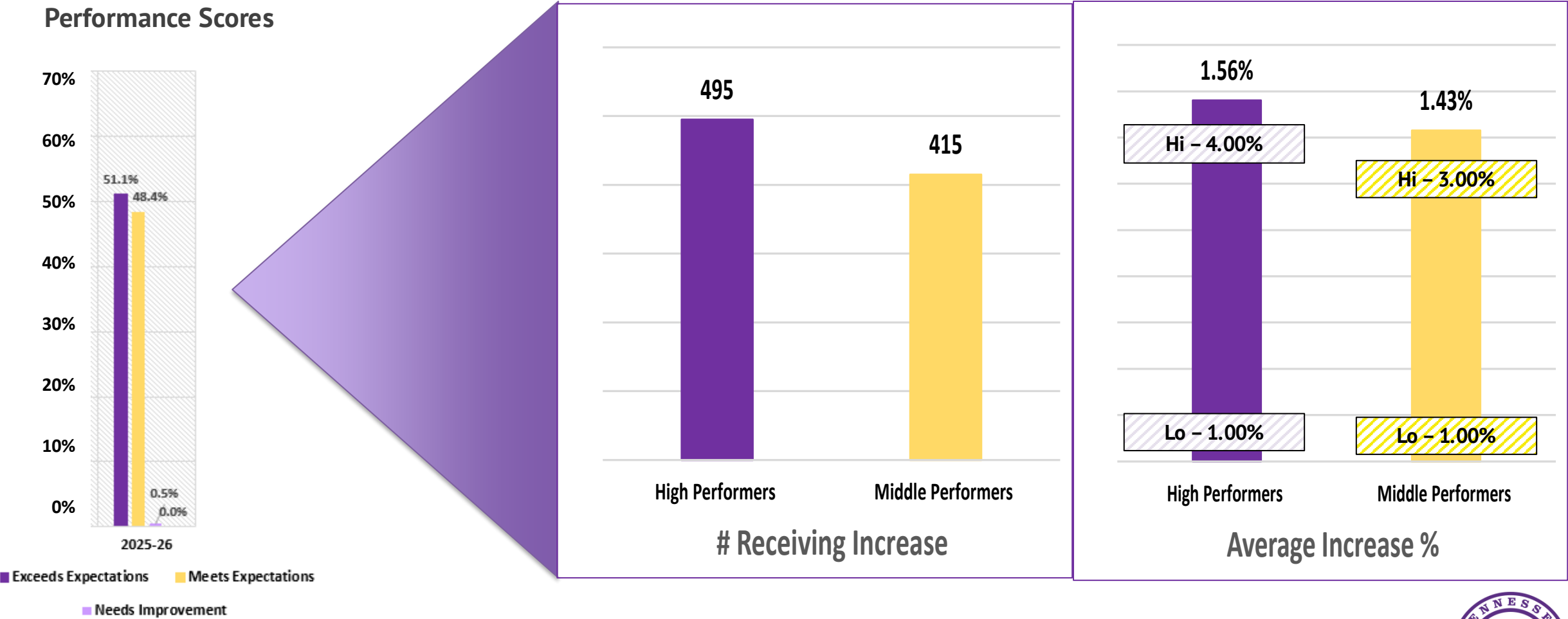
- **Faculty** = 2026 Performance Evaluation Scores of meets expectations or better rating
- **Staff** = 2026 Performance Evaluation Scores of meets expectations or better rating OR satisfactorily completed the probation period for those employees hired between January 1 – March 31, 2026.
- Hire date on or before March 31, 2026
- Employee NOT placed on a Performance Improvement Plan during the fiscal year (July 1, 2025 – June 30, 2026)

- **Merit Ranges:** Minimum of 1% to Maximum of 5%

*Note – 1.5% increase set by the state of TN, of which 55% is funded by the state and 45% is funded by the university

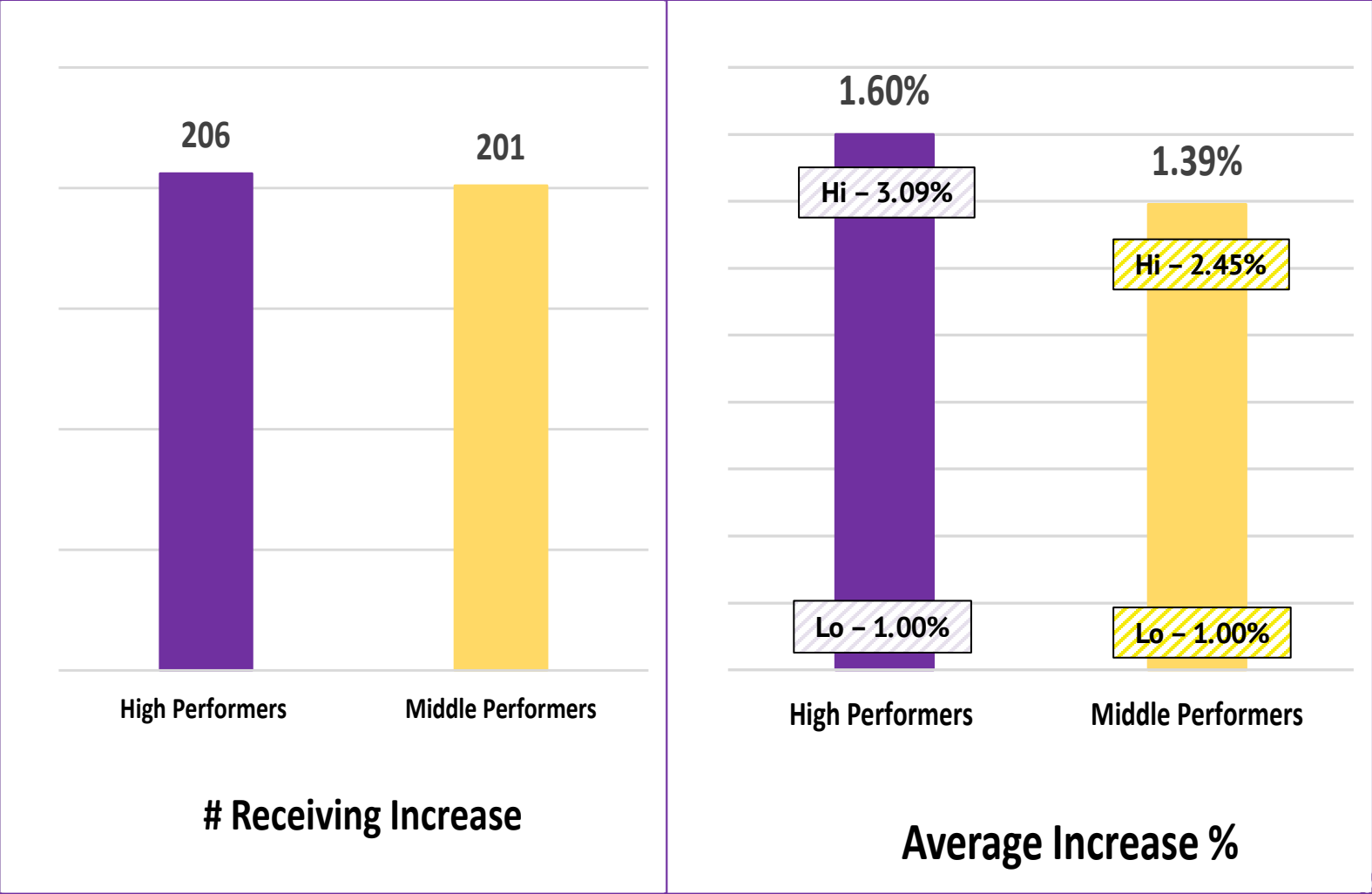
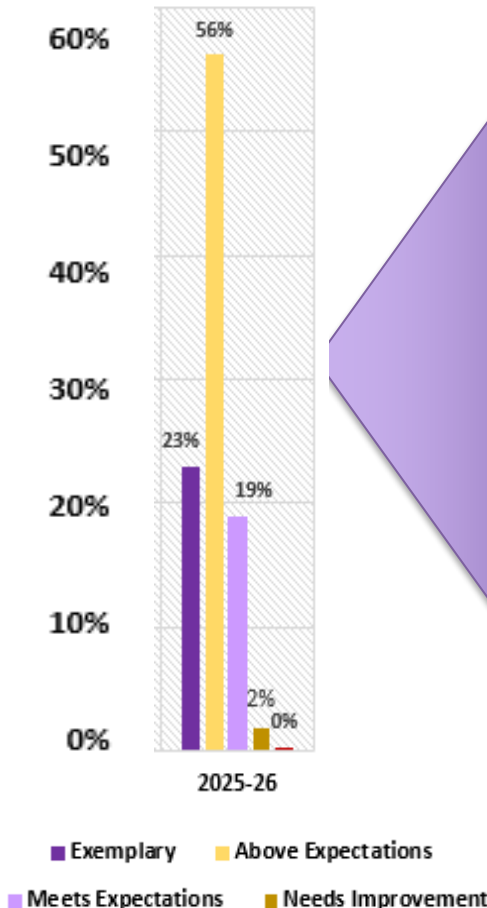


2025-26 Staff (Non-Faculty) – Distribution of Base Salary Merit Increase by Category

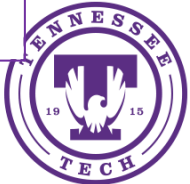


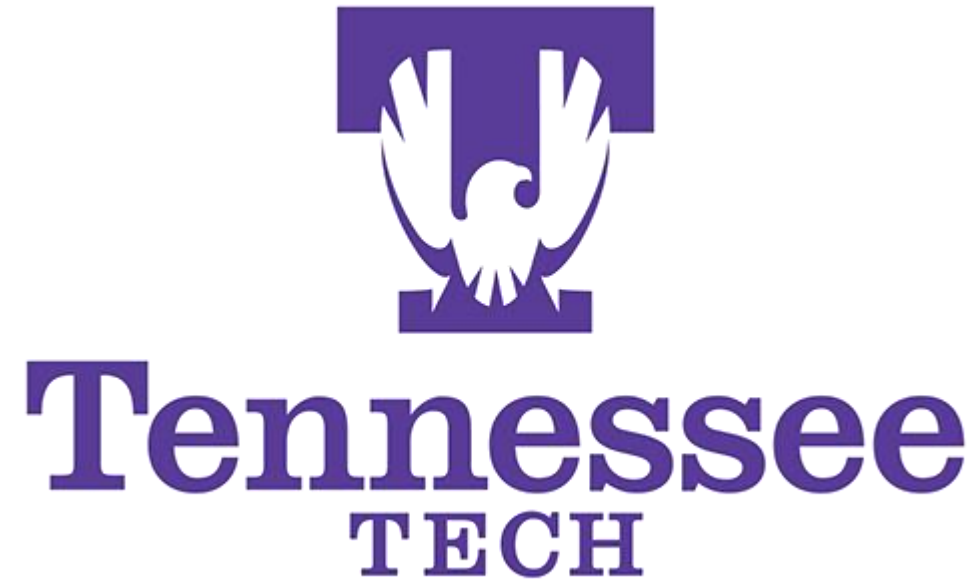
2025-26 Faculty - Distribution of Base Salary Merit Increase By Category

Performance Scores



*High Performers include those faculty that scored >4.0 to 5.0 out of a scale of 5
*Middle Performers include those faculty that scored 3.0 to 4.0 out of a scale of 5





Tenure Recommendations



