

## Minutes for Faculty Senate – Budget & Planning Committee (FSB&P) Meeting

Jan 7/2019

Attendance: Larry McKay (chair), Misty Anderson, Ken Baker, Chris Boyer, Chris Cimino, Lisa Driscoll, Nick Geidner, Lou Gross, David Irvin, Beauvais Lyons, James Myers, Victor Ray, Alexandre Rodrigues, Beth Schussler & Tyler Wall.

Chris Cimino, Sr. VC Finance & Administration – “Options for New Budget Models”

- Presented slides prepared by “Huron Consulting”, a company that has worked for UT in the past. Two slides from the presentation are attached, but Chris does not have approval to release the rest at this time
- Overview of current “traditional” budget model, used by UT for past ~50 years, and range of alternative models
  - o Traditional model is largely an incremental model, meaning that each unit starts with base from previous year and management focusing largely on small increases or decreases
  - o Formula model
  - o Performance model
  - o Incentive-based
  - o Zero-based model, where every aspect of budget is reconsidered each year (rare)
  - o Hybrid Responsibility Centered Model (RCM), combines 2 or more of the above (especially aspects of performance and incentive)
- Possible benefits of Hybrid RCM
  - o Greater transparency, simpler, fewer special deals, more savings, may help institutions whether changes and recessions, etc.
- Numerous examples of other institutions switching to Hybrid HCMs or considering switching
- UT is considering switching to Hybrid RCM
  - o Cimino and others are investigating costs/benefits, expect to wait until new Chancellor is in place before making decision
  - o Will require extensive engagement of stakeholders during decision making process
  - o Implementation takes about 2 ½ years
  - o Operation of a Hybrid RCM requires continued engagement with stakeholders and very good data and assessment

David Irvin, Associate Vice Chancellor for Facilities Services

- Added comments on budget models. Very interested in increased transparency and feels he can work effectively with different model types
- Provided slides (attached)
- Overview of existing projects
  - o \$1.06B in construction, design or planning
  - o Funded 69% by UT, 25% by state and 6% from gifts
  - o New White residence Hall – repair of siding will likely not be ready for use in Fall 2019
- Maintenance & repairs
  - o Laurel residence hall (mold) – expected to be ready for use in Fall 2019
  - o Clement residence hall (damage due to sprinklers) – is back in full operation
  - o See handouts (much of which we didn’t discuss)
- State/THEC priorities for new projects

- New focus by state on renovations and new rules on office/teaching/lab ratios
- Top UTK priorities are Nursing, Panhellenic, Buehler, Dabney, Jessie Harris, and Hoskins Library, but rankings are very fluid
- Ellington Plant Sciences (UTIA) is top state priority, followed by 7 projects at TN Board of Regents schools, Audiology & Speech Pathology (on UTK campus, but belongs to UT Health Science Center in Memphis), then Nursing building
- Melrose building (Humanities & Fine Arts) dropped off the priority list because existing plan (mainly faculty offices, with just 6 classrooms) does not meet new state guidelines. Will likely have to rethink the entire concept behind Melrose.

Budget analysis – Alex Rodriguez

- Tabled until next meeting

Priorities for upcoming meetings

- Invite athletics to meet with FSB&P

Next meeting Jan 28 at 3:30 pm in Strong Hall, Room 611

- Presentation by Robert Nobles, Interim Vice Chancellor for Research, Outreach & Engagement