Minutes for Faculty Senate – Budget & Planning Committee (FSB&P) Meeting
Jan 7/2019


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
  - 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
  - Formula model
  - Performance model
  - Incentive-based
  - Zero-based model, where every aspect of budget is reconsidered each year (rare)
  - Hybrid Responsibility Centered Model (RCM), combines 2 or more of the above (especially aspects of performance and incentive)
- Possible benefits of Hybrid RCM
  - 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
  - Cimino and others are investigating costs/benefits, expect to wait until new Chancellor is in place before making decision
  - Will require extensive engagement of stakeholders during decision making process
  - Implementation takes about 2 ½ years
  - 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
  - $1.06B in construction, design or planning
  - Funded 69% by UT, 25% by state and 6% from gifts
  - New White residence Hall – repair of siding will likely not be ready for use in Fall 2019
- Maintenance & repairs
  - Laurel residence hall (mold) – expected to be ready for use in Fall 2019
  - Clement residence hall (damage due to sprinklers) – is back in full operation
  - 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