BUDGET MODEL
CONVERSATIONS

HTTPS://BUDGET.UTK.EDU/BUDGET-ALLOCATION-MODEL/
OLD

Revenue → Central Admin (Finance) → Support Units → Provost → Academic Units

NEW

Revenue → Academic Units and Centers → Central Admin → Support Units → Provost

WHY? Strategic spending, more transparency
Primary Units Organization

The Working Group and Steering Committee selected Primary Units organized into three categories: Academic, Other Academic and Auxiliary.

<table>
<thead>
<tr>
<th>Primary Units</th>
<th>Academic Units (10)</th>
<th>Other Academic Units (2)</th>
<th>Auxiliary Units (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>▪ College of Architecture and Design</td>
<td>▪ Centers and Institutes:</td>
<td>▪ Athletics</td>
</tr>
<tr>
<td></td>
<td>▪ College of Arts and Sciences</td>
<td>▪ Baker Center</td>
<td>▪ Dining</td>
</tr>
<tr>
<td></td>
<td>▪ College of Communication and Information</td>
<td>▪ Bredesen Center</td>
<td>▪ Housing</td>
</tr>
<tr>
<td></td>
<td>▪ College of Education, Health and Human Sciences</td>
<td>▪ Ctr Environmental Biotechnology</td>
<td>▪ Parking</td>
</tr>
<tr>
<td></td>
<td>▪ College of Nursing</td>
<td>▪ Inst Adv Comp Manu</td>
<td>▪ Service Center</td>
</tr>
<tr>
<td></td>
<td>▪ College of Law</td>
<td>▪ Innovation (IACMI)</td>
<td>▪ Thompson-Boling Arena</td>
</tr>
<tr>
<td></td>
<td>▪ College of Social Work</td>
<td></td>
<td>▪ VolShop</td>
</tr>
<tr>
<td></td>
<td>▪ Haslam College of Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Herbert College of Agriculture</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Tickle College of Engineering</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Revenue – UG and Grad Tuition, Financial Aid, Fees, Indirects, State Appropriations (*based on student credit hours, degrees completed, grad degrees completed, research support*), (Subventions)

\[
\text{Academic Units and Centers} \quad \rightarrow \quad \hline
\]
Revenue – UG and Grad Tuition, Financial Aid, Fees, Indirects, State Appropriations (based on student credit hours, degrees completed, grad degrees completed, research support), (Subventions)

Academic Units and Centers

“Bills” (Expenditures)
- Salaries
- Benefits
- Start-up costs
- Participation fee (subvention; university strategic initiatives)
- Cost Allocation Fees to Support Units
Revenue – UG and Grad Tuition, Financial Aid, Fees, Indirects, State Appropriations (based on student credit hours, degrees completed, grad degrees completed, research support), (Subventions)

Academic Units and Centers → “Bills” (Expenditures)

Salaries
Benefits
Start-up costs
Participation fee (subvention; university strategic initiatives)

“Spending Money”
Strategic Initiatives
New faculty, etc.

Cost Allocation Fees to Support Units
WHAT DO WE NEED TO THINK ABOUT?

METRICS!
Revenue – UG and Grad Tuition, Financial Aid, Fees, Indirects, State Appropriations (based on student credit hours, degrees completed, grad degrees completed, research support)

Academic Units and Centers → “Bills” (Expenditures)

- Salaries
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“Spending Money”

- Strategic Initiatives
- New faculty, etc.

Support Unit Allocations
Revenue – UG and Grad Tuition, Financial Aid, Fees, Indirects, State Appropriations (based on student credit hours, degrees completed, grad degrees completed, research support)

Academic Units and Centers

Colleges get money based on these things... Do they appropriately incentivize teaching excellence, research excellence, etc.?

Excellence incentives will also occur at the College level
Revenue – UG and Grad Tuition, Financial Aid, Fees, Indirects, State Appropriations (based on student credit hours, degrees completed, grad degrees completed, research support)

Academic Units and Centers → “Bills” (Expenditures) → Support Unit Allocations

We get billed based on student head count, square foot of space, faculty head count, research, etc.

Are these the best way to incentivize support units?

Is this a fair way to bill?
Support Unit Allocations

Cost pools were grouped based upon Working Group and Steering Committee discussions to be allocated in the budget model based upon a specific rule or metric.

<table>
<thead>
<tr>
<th>Cost Pool</th>
<th>Support Units</th>
<th>Allocation Metric*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Support</td>
<td>Chancellor's Honors, Continuing Studies, Distance Learning, Educational Advancement, Graduate School, Military Science &amp; Leadership, Provost &amp; Sr. Vice Chancellor, Teaching &amp; Learning Innovation, Access and Diversity Funds, Center for Global Engagement</td>
<td>Student/Faculty Headcount</td>
</tr>
<tr>
<td>Administrative Support</td>
<td>Associate VC Finance and Admin, Budget and Finance, Bursar’s Office, Business Services, Chancellor, General Support, Institutional Memberships, Institutional Research, McClung Museum, UT Foundation Direct Support</td>
<td>Direct Expenditures</td>
</tr>
<tr>
<td>UT Systems &amp; Foundation Support</td>
<td>UT Systems, UT Foundation, UT Research Foundation</td>
<td>Direct Expenditures</td>
</tr>
<tr>
<td>Employee Services</td>
<td>Human Resources, Staff Benefits</td>
<td>Faculty &amp; Staff FTE</td>
</tr>
<tr>
<td>Facilities</td>
<td>Assoc VC Facilities Services, Facilities Services</td>
<td>Net Assignable Square Feet (NASQFT)</td>
</tr>
<tr>
<td>Utilities</td>
<td>Utilities</td>
<td>(NASQFT)</td>
</tr>
<tr>
<td>IT</td>
<td>Associate VC and CIO, Data Processing Services</td>
<td>Total Headcount</td>
</tr>
<tr>
<td>Libraries</td>
<td>Libraries</td>
<td>Faculty &amp; Student Headcount</td>
</tr>
<tr>
<td>Public Safety</td>
<td>Assoc VC Public Safety/Chief, Campus Police, Emergency Management Services, Environmental Health &amp; Safety</td>
<td>Total Headcount</td>
</tr>
<tr>
<td>Research</td>
<td>Research &amp; Sponsored Support, Research Development, Research Integrity, Sponsored Projects Accounting, The Science Alliance, VC Research and Engagement, Natl Inst Bio Math Syn (NIMBioS)</td>
<td>Grants &amp; Contracts Revenue</td>
</tr>
<tr>
<td>Student Services</td>
<td>Enrollment Management, Student Life</td>
<td>Student Credit Hours</td>
</tr>
</tbody>
</table>

Note: Cost pools are subject to change until model is finalized.
THINGS THAT COULD FALL THROUGH THE CRACKS

E.G. SCHOLARSHIP THAT DOESN’T GENERATE REVENUE, FIRST YEAR RETENTION METRICS, ADJUNCT FACULTY, ETC. ETC. ETC.
THINGS THAT COULD FALL THROUGH THE CRACKS

E.G. SCHOLARSHIP THAT DOESN’T GENERATE REVENUE, FIRST YEAR RETENTION METRICS, ADJUNCT FACULTY, ETC. ETC. ETC.
THE STUDY ON COLLEGE DROPOUT RATES THAT HAS BECOME THE BASIS FOR STUDENT SUCCESS INITIATIVES HIGHLIGHTS **FACULTY INTERACTIONS AS A KEY TO RETENTION**, ON PAR WITH INTELLECTUAL DEVELOPMENT, GRADE PERFORMANCE, AND PEER GROUP INTERACTION.
So first year retention should be a measure of faculty engagement and teaching excellence.

Who gets credit for it in this model? Is it in the model?
METRICS DRIVE FUNDING, VALUE, POSITIONS NATIONAL SHIFTS FROM 1975 TO 2011

FULL-TIME TENURED AND TENURE-TRACK FACULTY GREW 23%

CONTINGENT FACULTY GREW 289%

NONFACULTY PROFESSIONALS GREW 369%

--BASED ON THE AAUP 2013 AND ACADEME 2016 REPORTS
WHAT DO WE NEED TO KNOW ABOUT THE BUDGET MODEL? CURRENT REQUESTS:

1) FY19 baseline budgets of each unit (transparency)
2) Metrics used to allocate revenues and assess fees (how the money flows)

WHAT DO WE NEED TO ASK OURSELVES?

What do we value that needs to be in the model? What best reflects the work we do?

https://budget.utk.edu/budget-allocation-model/submit-feedback/