

**UPRAC
Minutes
October 17, 2016**

In his opening remarks, the Chancellor reiterated what he told the UC Foundation Grants Committee regarding budget priorities. Campus initiatives, such as those regarding wellness, Executive Education, international education, etc., are very important. Seed funding is important to encourage partnerships. We can spend dollars that are not permanent and use those partnerships to get grant dollars. UTCs Health Science Building is #6 on the system capital budget list. We need to emphasize teacher education so we have the strongest program, not just in the state, but in the South. Dr. Angle also noted that he did not draw back on scholarships. Support for scholarships to undocumented students is a personal goal.

Tyler Forrest explained how they arrived at the weighed priority for the investments on the UPRAC Weighed Investment Priorities list. They used two factors. The first was count, or the number of individual votes for each investment priority, and the second was that they assigned a certain value to each priority, so first priority votes had a higher value than fifth or sixth priority votes. Tyler indicated that they received 16 responses overall. Dee Dee Anderson expressed concern that she is the only representative from Student Development while there are several more representatives from Academic Affairs. Dr. Angle replied that this list is strictly advisory, we do not have to follow it exactly, and he reiterated the importance of worthwhile and valid outside the classroom experience.

Dr. Brown asked the committee for comments regarding the items on the list.

Salary increases are the highest weighted priority. Going forward, the Board will ask that increases be performance driven rather than across the board. Dr. Brown indicated that contingent faculty pay is a market issue and that it is different on each campus. The pay scale will need to reflect longevity of services. Compensation is a big piece of recurring revenue. Dr. Ainsworth reminded the committee that we will need \$2.1 million dollars for a 3% salary increase pool. This will be a challenge. Dr. Elwell said he believes most faculty are in favor of performance based increases. Dr. Ainsworth referred to the increase for lecturers in Fall 2015. In Dr. Elwell's area these increases were \$180,000 in permanent dollars. Joanie Sompayrac said there would need to be transparency with faculty regarding how we are measuring performance because not all department heads measure it the same way or measure it fairly. She said faculty also need to realize that increasing permanent dollars spent on salary going forward translated to cuts elsewhere. Dr. Samuel asked if there were metrics in place for how we will do this because ambiguity in decisions regarding who receives merit/bonus dollars raises the number of complaints and lawsuits received by his office. Dr. Ainsworth said there are no metrics that he is aware of. It comes back to the ability of the supervisor doing the evaluations. Some faculty/staff evaluations reflect inflated numbers. We need normalization as evaluations move up the chain of supervisors. Dr. Elwell reflected that we need clear definition regarding what represents "meets expectations" and what represents "exceeds expectations," as it is different in each department. Dr. Ainsworth feels these terms are more defined on the faculty side than on the staff side. The question is, how do we do this and do it well? Dr. Brown added that a 3% increase to the salary pool needs a lot of revenue. If this is not funded by the state, as it was last year, then the institution has to find the money. Dr. Samuel asked where we are with the university's efforts to increase salaries to 75%-85% of market. Dr. Brown replied that the Sibson compensation benchmarking report should come out in January 2017.

Technology Refresh – Tom Hoover indicated that this project is moving forward. 382 staff members have computers that are 4 years old or older. New equipment has been ordered and samples will be set up in a room in the library where faculty and staff can look at them. Tom noted that they have allocated \$1,200.00 per machine, whether desktop or laptop, but noted that some people will not require a computer that costs as much as \$1,200.00 while others will need more expensive computers. In that case, the departments will be asked to make up the cost difference. Dr. Ainsworth asked about additional switches and IT infrastructure. Tom advised the committee that they still have a long way to go, but money has been allocated.

With regard to FTE additions, Dr. Brown asked committee members to look closely at staffing requirements. Be sure to take student credit hour production and program growth into consideration. The university needs to keep a quality general education curriculum. It is difficult to predict where growth will be. Dr. Ainsworth added that visiting assistant professor positions could go into tenure track positions if recruitment and hiring are handled correctly. Dr. Brown asked how do we invest in programs that are growing? The state has money now, but that could change in three to four years. How would each of you and your departments deal with being asked to get by with 3% less. Dr. Ainsworth advised that we need to avoid that situation by planning appropriately going forward.

Classroom furnishings – we need to explore what is needed as we move forward. Take into consideration the planning for the State Office Building and Lupton. Investment in technology that can be shared.

Dr. Brown asked Dee Dee Anderson about the seed money recommended for Student Development. Dee Dee replied that they are working on several ideas to connect students to the four-year experience at UTC. The idea is to be creative and work collaboratively with Academic Affairs.

Scholarships – We need to make sure our program is competitive. Dr. Samuel referred back to the Chancellor's comments regarding undocumented students and asked if Tennessee has a ban on allowing in-state tuition for undocumented students. Dr. Brown said yes, but indicated that there is was a bill before the legislature to change that, however it did not pass the legislature the first time.

Dr. Brown asked Kirk Englehardt to elaborate on the current priorities for Communications and Marketing. Kirk indicated that communication touches all aspects of campus. The UTC website is pretty, but it does not function as a usable tool. It will be a two-year project to get it right. The priority is to right size the department to better support all campus entities and that right sizing the department budget is a big part of that. Dr. Frost asked about the campus-wide calendar – who has ownership of it? Where does it reside? Dr. Ainsworth pointed out the complex logistics of managing the calendar and said we are still working on it. Terry Denniston added that we have the necessary EMS software, we just need to populate it, but that it is impractical for only one person to be responsible for updating it.

Dr. Brown quickly went through a PowerPoint about Budget 101. The slide deck will be provided to UPRAC members. There was a brief discussion regarding investments that enable actions, strategic budgeting and the importance of linking the budget to the University Strategic Plan. We need to evaluate the effectiveness and outcomes within the budget. That is what UPRAC is doing. Is the institution fulfilling its mission? For homework, Dr. Brown asked the committee members to study the budgeting and general finance/accounting terms. Budgeting has to get down to the department level. Department heads should understand the difference between unrestricted and restricted funds, and Education and General funds. Make sure everyone understands the big picture regarding budget

balances and obligations. UTC received \$156 million from state appropriations and tuition and fees. 43% of that is spent on instruction. We need to strengthen our investments in research expenditures.

Discussion turned to the current Summer School Model. We need to decrease instructional cost and increase credit hours produced. We are growing in the area of online courses. Departments that reduce expenses should see a budget surplus that will be returned to them as carryover. Increase revenue by decreasing cost/student credit hour. We may have to spend money to make money in some areas. A question was raised regarding how departments determine what classes they will offer during the summer. Typically, departments look at where students are in their progression toward their degree. There are some classes they must offer so students will be on track for graduation. Also offer additional general education classes that may have been full during the fall and spring semesters. Dr. Alp asked about the possibility of a flat fee for summer. Institutions that offer the flat fee for summer typically charge more than in-state tuition, but less than out-of-state tuition. Dr. Brown indicated that the university would need an exception from the state and the UT Board of Trustees to do that. Dr. Angle asked if committee members thought there would be a benefit to having conversations with department heads or do they understand the model? We need to incentivize people to produce additional revenue. It may be necessary to provide training to new department heads. Dr. Brown and Dr. Ainsworth asked Deborah Hyde to arrange a meeting to run through the model with the department heads.

Tyler Forrest gave a brief explanation and overview of several helpful reports in IRIS. Department heads would have access to these reports. You should be referring to the Real Time Financial Report within IRIS/SAP and not relying on shadow ledgers. There is a lot of information available in the PA20 screen – Display Master HR Data. Department heads can call Tyler's office if they need training.

The possibility of online leave reporting was brought up and Dr. Angle indicated that this is a programming issue. SAP (IRIS) is an accounting software program that has been modified for university use.