

**UPRAC
Minutes
September 26, 2016**

In his opening remarks, the Chancellor noted that our current projections include salary increases, but it is important to remember that last year's across-the-board salary increase was not funded by the State. Tennessee is sales tax based and we will not know how that will affect our budgets until after the State of the State address by the Governor. We will look at making future salary increases performance based. We will be holding a budget workshop to give people a better understanding of the campus budget and how their department budget fits into the bigger picture. Dr. Brown noted that this continues the effort towards transparency. Dr. Ainsworth added that we are changing the way we do the budget planning. Starting earlier so we can have a campus-wide discussion. The advice from UPRAC will help determine budget priorities. We want to ensure that dollars are invested where they will make the biggest impact on student learning.

PowerPoint presentation on FY2016 Year-End Summary & FY2018 Budget Planning

Dr. Brown noted that the budget process is fluid. We work on closing one budget while we are opening another one. UTC operated in the fiscal black as required by the state. E&G expenditures did not exceed projected/actual revenues in FY2016. We even added \$100,000 to the E&G fund balance. The State wants this fund balance to be between 2% and 5% of unallocated expenditures and UTC's E&G fund balance is now at 4.11% (\$6,300,000). This is an indicator of strong financial health. The Auxiliary Fund balance is also in good shape at \$600,000, another indicator of financial health.

Regarding division carryovers, Dr. Brown noted that these amounts have been approved and can be moved forward. Divisions are to send an outline to Chancellor Angle indicating how these carryover funds will be used to add value. In the FOIT approved carryover amount, some funds will be used for Facilities projects and some will go to IT for Instructional Technology.

Fee transfers to R&R (discretionary reserves) total \$5,413,842. Divisions will be asked how they are going to use the funds, do they need them, and to submit the use of funds report to the Chancellor.

Dr. Brown indicated that he had advocated and recommended a centrally funded performance based bonus pool in FY 2017. \$605,000 in non-recurring funds. This amount is being divided based on departmental budget size, not number of employees. Human Resources and the Budget Office are working to build criteria to determine who will receive a bonus. The hope is to distribute the bonuses around the first of December. Auxiliary Enterprises is paying for this. Dr. Rausch asked if HR would be part of the process in determining criteria because many people on campus get rated high on performance evaluations. Dr. Brown confirmed that bonuses would be tied to measurable performance.

Issues going forward include structural changes within higher education organization in Tennessee and the fact that THEC now reports directly to the governor and has the authority to set tuition increases. Future increases will likely be held to the HEPI rate of 2.2% (15-16) or adjusted if the rate changes.

Committee members were given a list of the Executive Team's investment priorities for FY 2017-18 and a Budget Request Form for Departments to use when preparing their budgets. The committee looked at FY 2018 potential revenue and investment, which could change. The slide does not show projected

contributions from Complete College Act TN, because everyone is scrambling for their share of those dollars, but that could possibly add another \$1 million. Choices will have to be made regarding making the best use of these dollars.

Dr. Elwell asked about contingent faculty equity in regard to the salary increases. Lecturers earn less than \$36,000/year, but are an integral part of the teaching and credit hour production of the college. Dean Pack noted that you need to include and consider salary inversion and Dr. Brown added that salary compression is also an important part of the compensation planning equation. Dr. Ainsworth added that adjunct salaries need to be considered too. Nationally, 70% of teaching is done by adjuncts. At UTC, that number is closer to 30%. Adjuncts are the first exposure to faculty that the students may get. This is a big part of retention and feeds into the funding formula. Professional staff at UTC are paid about 75% of market. Dr. Brown noted that Human Resources is working with Sibson Consulting regarding updating and market/peer comparative analysis of our compensation plan. Human Resources should have a report in place by January of next year. Dr. Pack indicated that with faculty hires, start-up packages are an essential requirement. Chancellor Angle said that we need to invest in teacher education. We need to be a leader in this area. There was a discussion about priority hires and how do we generate some revenue. Dr. Pack indicated a need for seed money to grow the graduate program. As faculty members bring in more funding, that helps with the recruitment of graduate students. The Chancellor agreed that seed funding is important. It would help the department get started, so not a recurring item.

Dr. Liedtka asked for clarification on Instructional Technology. Dr. Brown indicated that it is infrastructure support, Banner, and outfitting of classrooms. Dr. Rausch added that the idea is to help people understand the opportunities available. The conversation should include Instructional Design and using classroom time differently. Need to make technology available. Dr. Rausch and CIO Hoover will work with IT TAC to better define Instructional Technology.

Dr. Elwell asked about the Computer Refresh Program. Tom Hoover indicated that they have determined there are 382 computers being used by faculty and staff that are over 4 years old. IT is working on a schedule for replacing them and will send out more information soon. One of the challenges are the labs, where are they, is there open use of the lab, and how do we fund them. Technology Advisory Committee is developing a dictionary of terms. IT hopes to start ordering the new computers by the end of the year. Need to be efficient with the dollars. Dr. Elwell indicated that he had heard a rumor that new computers would be ordered for new hires in June. Dr. Ainsworth said the University could have a selection contract with a standard list of computers with varying capabilities by December 2016 and that departments would have to help determine what level of technology is needed.

Clarification was requested regarding the seed money for Student Development that is on the list of investment priorities. Dee Dee Anderson indicated that the funds were intended to be used on new ideas/programs that will help connect students to the 4-year university experience. They would partner with Academic Affairs and focus on service learning. Chancellor Angle added that students learn by doing. He emphasized the benefit of coming to UTC as a freshman and having the entire 4-year experience rather than doing 2 years at a Community College. Linda Frost brought up scholarships and strategies to build that funding pool. The Chancellor noted that students receiving the Hope Scholarship receive \$3,500 per semester as freshman and sophomores and \$4,500 per semester as juniors and seniors. How do we competitively package these scholarships? Tennessee remains very affordable.

Yancy Freeman asked for clarification regarding the Communication item on the investment priorities list. Dr. Brown indicated that this refers to comprehensive institutional marketing and outreach. It includes training and faculty development so we take full advantage of the opportunities. Dr. Liedtka brought up the UTC campus website and asked who is managing it. Our current model of having 200+ campus editors is not ideal and there is no apparent content approval process. Administrative assistants cannot and should not be doing major web updates. Dr. Rausch reflected that this item has been brought to the Technology Advisory Committee. There are numerous compliance issues. It was mentioned that a centralized calendar is also needed.

Pam Ashmore added that, speaking from the point of view of the Council of Academic Department Heads, priorities regarding faculty hires have to include the workload policy. Faculty that are involved in more research teach less. Some faculty are overproducing. Dr. Ainsworth said that value has to be assigned at the individual level. There is a cost to letting someone do something other than teaching. For academic programs that are growing as evidenced by data, we need to add faculty lines. For academic programs that are not growing, we may need to make some hard decisions regarding investments.

Dr. Pack discussed the Sim Center's fiber optic connection to Oak Ridge, but noted that there is not a connection from the Sim Center directly to the Department of Engineering. TAC will look at internal fiber connectivity.

Dr. Ainsworth advised that we cannot spread the budget resources a mile wide but have it be only one inch deep. We need to look at where we can make the biggest bang. That may be in one area this year, but in a different area next year. UPRAC must assist in identifying the top 5 – 6 priority things to address. Departments should consider investments that can potentially generate revenue to maintain, grow and start new programs. We need to remain competitive in 4-year programs. He suggested reprioritizing funding through the UC Foundation.

Deborah Hyde asked if there were boundaries to what departments can request in their budgets. Dr. Brown indicated that academic budget planning should start at the "grass-roots" departmental level and move to the various deans and then to the Provost. Administrative planning should follow a similar process. Departments should get their budget priorities to Tyler Forrest next week. We are using a similar process as last year. Departments should use the Budget Request Form and tie budget requests to the strategic plan. We will need to start our work at the unit level.

The Chancellor pointed out that if there are some requests that we cannot allocate money to, we can partner with the UC Foundation for fundraising to potentially make it happen. We don't want to squash good ideas.