

**UPRAC
Minutes
November 26, 2018**

Attended: Chancellor Angle, Richard Brown, George Hynd, Dennis Gendron, Yancy Freeman, Tyler Forrest, Chris Sherbesman, Allison Evans, Laure Pou, Abeer Mustafa, Joanne Romagni, Mark Wharton, George Heddleston, Joe Wilferth, Robert Dooley, Daniel Pack, Valerie Rutledge, Linda Frost, Theresa Liedtka, Steve Ray, Michelle Deardorff, Beth Crawford, Christine Estoye, Jajuan Lewis, Danny West, Kenny Tyler

Absent: Bryan Rowland, James Newman, Anna Lane, Korede Ajumobi, Terry Denniston, Vanasia Parks

Dr. Richard Brown and Dr. George Hynd, UPRAC Co-Chairs, welcomed everyone to the University Planning and Resources Advisory Council (UPRAC) meeting. Dr. Brown stated that we are starting the budget planning process for fiscal year 2020 and asked everyone to start working with your division on budget and financial planning.

Dr. Angle thanked everyone for being present and mentioned that we are tweaking the budget planning process to make sure we get it right. Dr. Angle mentioned the importance of having a three-year budget planning window in order to have a clear vision. Dr. Angle asked that everyone work to understand their budget and understand that there is not just one revenue source. Some revenue sources come from grants, gifts, and new and existing positions. When you layout your request for your budget, please clearly outline how it fits into the strategic plan and outline your request over three years. Dr. Angle mentioned the importance of looking at tenure track, research, curriculum and all other components of your operation. The budget planning process is work in progress and your feedback is always welcome.

Budget Planning Timeline – Tyler Forrest discussed the Budget Planning Process Timeline FY 2019-20. **(Please see the timeline handout)** Tyler mentioned that everyone had a copy of the timeline and that it is also on the website as well. Tyler stated that August-October steps have been completed, which included the review of last year's financial report, working on preliminary recommendations for next year's revenue projections and now wrapping up the November component where units and departments have had their discussions. Tyler mentioned that the division heads have been advised of the budget request timeline and process and the due dates have been set. Tyler stated that they are starting something different this year and they have scheduled Internal Budget Advisory Council Meetings in January 2019. The meetings will be made up of the Chancellor, the Executive Leadership Team, the academic deans and the President of the Faculty Senate to review each division requests, as well as, each academic college requests. Tyler will prepare an agenda for each college and will be sending this out soon. Tyler asked that mandatory fees, lab fees proposals and any other fee related item all be completed and sent to the Budget and Finance Office. He stated to please call if you have any questions or concerns. After the hearings, the next steps will be the approval process with the ELT, UPRAC, and the Chancellor final campus level review. A Town Hall Meeting will take place to share the budget with the campus community prior to it being submitted to the Board in June 2019.

Dr. Brown asked the committee if they had any questions or comments regarding the budget timeline. Dr. Brown mentioned that January and February 2019 will be two critical months. Governor Lee will be unveiling the state budget at the State Address. His first budget proposal will likely be a signal for how he plans to fund higher education and related compensation plans moving forward. Dr. Angle mentioned that President Randy Boyd will be at UTC tomorrow, November 27, 2018. He asked to meet with students (opened to all students), deans, department heads and the Faculty Senate. President Boyd will also be meeting with the UC Foundation, Presidents Council members and local Board of Trustees members.

FY 2018 Year-End Financial Report – Dr. Brown mentioned that the full presentation and slide deck will be posted on the UTC Budget website (**Please see the handout**). Dr. Brown thanked everyone for their participation in the budget planning process last year. Dr. Brown stated again that they are tweaking the budget planning process to make sure that colleges have additional opportunities to present a three-year rolling budget. Dr. Brown said that the requests last year exceeded \$16 million. Governor Haslam was good to higher education and he has been committed to fully funding the outcomes based funding formula for the last several years. UTC has been at the top of CCTA for the last four years. This produces additional revenue for the campus and Dr. Brown thanked everyone for all the great work that has been done. Dr. Brown mentioned that enrollment growth revenue has helped balance the overall budget. Allocated funds are toward strategic goals of the institution and allocations are now called investments. All returns on investments will be looked at closely. Dr. Brown said that compensation investments over the last 10 years have helped significantly. The Sibson data indicated that our faculty are doing well. Promotion in rank is an automatic 10% adjustment in compensation for the faculty member. Laure Pou will be calling all of you regarding the allocation of market pool funds for staff. Dr. Brown mentioned that UTC is financially very strong and that student enrollment is very strong as well. Three key areas of compensation still need to be focus: salary compression, market competitiveness and peer benchmarked compensation recruitment to acquire new faculty. Dr. Brown asked all academic deans to look at critical staffing levels to meet growth projections.

Dr. Daniel Pack mentioned that UTC is paying less than Chattanooga State for some positions and he is finding it hard to hire staff for his college. Laure Pou mentioned that significant adjustments were made to meet the competitive market. Entry salary for academic advisors was \$36,000 and was moved to \$38,800. Dr. Brown mentioned he will get back to Dr. Pack after looking at the Sibson data.

Dr. Brown mentioned that all specialized fees were sent back to each academic unit during the carryover process. The strategic investment carryover funds retained centrally are being used for Holt Hall and the State Office Building capital projects. Dr. Brown thanked Danny West, Tom Ellis and Kenny Tyler for the work they do on capital projects.

Dr. Brown asked the deans and other colleagues to start thinking about tuition benchmarking and how to stay competitive. Dr. Brown mentioned that all UT leadership is new: new UT President, new UT Board of Trustees, and new UTC Advisory Board. Dr. Brown stated that the higher education environment is very competitive with every 4-year public university competing for the same students and resources. It is very competitive when trying to recruit new students. Dr. Brown mentioned the preparation for SACS reaffirmation of accreditation is coming up and that they will be looking at the academic quality, credentials of faculty, etc. Dr. Brown asked that while completing your budget, please think about this. The Tennessee General Assembly will also be looking at the efficiency and effectiveness of business models at all higher education institutions. A new state law requires UTC when admitting a student to give them the total cost of attendance which is included in their admissions letter. Enrollment and growth needs to be looked at closely.

Chancellor Angle stated that the “required cost of attendance disclosure” is for a four-year period, not a one-year which will be very challenging.

Dr. Brown mentioned that the 15/4 new tuition model will encourage students to take 15 hours and graduate in 4 years. This will be implemented beginning in the Fall 2019 semester for all new and transfer students. Dr. Freeman mentioned that there is an 11% premium once the student is full-time. This model has been approved by the UT Board and is ready to go. The goal is to remove road block courses so students can graduate on time within the four year cycle.

Undergraduate Out-of-State Program Review – (Pages 7-9 of the UPRAC Financial Report) Tyler Forrest mentioned that the graduate out-of-state tuition reduction has been implemented and is still being monitored. The Graduate School is working on getting the FTE’s up. Incoming President Randy Boyd is looking to lower out-of-state tuition for undergraduate students. Tyler said that even though UTC is at top of the middle section when compared to its peers, there are no shortage of variations of these figures due to how different states view graduate out-of-state tuition.

Dr. Brown mentioned that historically the State of Tennessee did not want to subsidize an out-of-state student’s tuition. Since the State was for many years the primary supporter of higher education revenue, the out-of-state tuition reduction scenarios need to be discussed.

Dr. Brown mentioned that E&G funding is strong in Tennessee. Notes and Bonds payable is another financial indicator. We have bonded projects growth due to the opening of West Campus Housing, but there is a dedicated revenue stream to offset this bonded debt.

Dr. Brown asked the committee to review the Capital Project Status Report and the Summary of Capital Budget Requests. **(Please see attached handout)** If you have any questions or concerns, please contact Tom Ellis, Danny West and/or Kenny Tyler.

FY 2020 Division Budget Presentations and Templates – Tyler stated that every unit received a standard template (2 communications – excel Budget Request Form and Administration & Finance Budget Proposal). This is not a restriction on what to use, but please use this as a guideline when completing your budget requests for fiscal years 2020, 2021 and 2022. Tyler asked that you please note the bottom tabs of the excel spreadsheet for the three-year requests. Tyler emphasized that you please complete the Account # and Position # as it is very critical. Also, please explain each of your request and outline your amount and link it back to the strategic plan. If you have any questions, please do not hesitate to ask Tyler, Chris Sherbesman or Allison Evans. Dr. Brown stated that having an opportunity to have a 3-year look would help greatly.

Costs Going Forward – Dr. Brown mentioned that we always capture “costs going forward” and begin to aggregate the list, share it with the Chancellor, Executive Leadership Team and with you.

Dr. Brown stated that enrollment matters and that the 15/4 tuition model will bring in new revenue. The funds will be used aggressively to support students as they progress through the institution. Chancellor Angle said he appreciates the growth in revenue, but he wants to make sure we honor our pledges to the students. Dr. Freeman discussed with the Deans the 15/4 model and enlisted them to help fill all the courses to accommodate the student’s schedule and keep the promise of the Chancellor to “be fair to the students”.

Dr. Hynd asked the committee to please keep thinking about how we can appropriately build next year’s budget request.

Dr. Brown asked for any comments or questions and thanked everyone for attending the meeting.