

**UPRAC
Minutes
March 28, 2019**

Attended: Chancellor Angle, Richard Brown, George Hynd, Yancy Freeman, Tyler Forrest, Chris Sherbesman, Allison Evans, Laure Pou, Abeer Mustafa, Joanne Romagni, Mark Wharton, George Heddleston, Joe Wilferth, Robert Dooley, Valerie Rutledge, Theresa Liedtka, Michelle Deardorff, Beth Crawford, Christine Estoye, Bryan Rowland, Anna Lane, Terry Denniston, Vanasia Parks, James Spruill, Gretchen Potts

Absent: Korede Ajumobi, Daniel Pack, James Newman, Jajuan Lewis, Steve Ray, Dennis Gendron, Linda Frost

Dr. Richard Brown and Dr. George Hynd, UPRAC Co-Chairs, welcomed everyone to the University Planning and Resources Advisory Council (UPRAC) meeting. Dr. Brown thanked the members of UPRAC for their participation in the budget process over the last few months and especially for their collaborative work to make sure the University will be in a great financial position. Dr. Brown and Provost Hynd wanted to thank the UTC Budget and Finance Team for their continued support and outstanding work.

Provost Hynd mentioned that the aspirations and visions that we all have for the various units that we work in, is part of the overall vision of the University and falls in alignment with our university's mission and our strategic plan. Provost Hynd again, thanked everyone for the opportunity to work with such an outstanding group.

Dr. Angle thanked everyone for their hard work and mentioned that it was great to hear everyone's presentations. Dr. Angle mentioned that everyone received a notice regarding where the University is going and how we will make future investments to free up funding to make strategic and mission critical investments for the University that will allow us to make progress. Dr. Angle stated that we think we can raise tuition 2.5% as this is the THEC maximum tuition increased allowed. Dr. Angle stated that the UT Promise ended up being a collaborative effort and it will start in Fall 2020 with the household income level set at \$50K. Dr. Angle said we do not know what the definitive guidelines are and we have a year to figure out this process. Dr. Angle mentioned that if the process is the same as the TN Promise and student's loans are counted in as part of the student's contribution, the institutions liability could be less than previously planned. Dr. Angle said that we are still working through the details with the UT System and the conversations have been very healthy. Dr. Angle said that we have a new local UTC Advisory Board and this is the first time we will have an independent review regarding our budget.

Dr. Brown wanted to thank Chancellor Angle for his leadership and guidance with all the different areas and the different roles he is leading within the University and with the UT System.

Dr. Brown asked Tyler Forrest to please go over the budget process update and time-line. Tyler Forrest stated that the budget proposed process is coming to an end and is seeking the final input in the final proposed costs going forward budget. Mr. Forrest said that Chancellor Angle will host the Town Hall Budget meeting which will take place on April 29, 2019, which the campus will be invited to discuss the budget and will offer an opportunity to give any feedback and to be sure that everything is very transparent. The UTC Advisory Board will meet to review our budget recommendations and then on June 21, 2019, the UT Board of Trustees will meet to approve the final UTC budget.

Dr. Brown discussed the Governor's Budget Update and stated that there will be no base budget reductions for higher education, which means we are on solid ground with the current budget planning. Dr. Brown mentioned that the Governor is recommending a 2% raise pool for state employees which will include UTC. Dr. Brown indicated that the flexibility on how we will be allowed to use this pool is not known at this time, but the money is available and UTC will honor the 2% raise for faculty and staff. Dr. Brown stated that there is a \$10 million special allocation that will be divided between UT campuses for campus safety and security improvements. The UT Chattanooga will be getting a prorated share of the allocation. The monies will be used for new lighting, electronic locks, and safety for campus classrooms that help to mitigate active shooter incidents and helps campus police to make the University safer. Dr. Brown stated that the TBR schools already have the same funding and President Boyd asked for the UT campuses to have this support as well and the Governor agreed. Dr. Brown mentioned that THEC has asked for our plans to use these funds and the institution has shared them with THEC. Dr. Brown assured the committee that we all will see new safety improvements throughout the campus, we will make sure all classrooms are easily lockable and new electronic locks and new technology will be in place for safety.

Dr. Brown stated we received one capital project this year which was an east campus utility distribution project. This will be a significant project that allows the east side of the campus to be connected to the central energy plant in an upgraded way and positions us for the health science building connections. Dr. Brown said that with all the LGI Institutions, the capital process has become very competitive. Chancellor Angle said there were only two capital projects funded for four-year universities. We were told to expect projects for UT campuses every 2-3 years and it needs to be kept to around \$40 million dollars. Dr. Brown said the Governor's budget was healthy and strong and did a lot of funding to keep salaries strong for K-12 teachers. Dr. Brown said the Governor fully funded the higher education funding formula which will thrive revenue back to UTC.

Dr. Brown stated that we arrived at a point on our process where we were \$1.3 million dollars out of balance and we had subsequent meetings with all major divisions. With the help of all the deans and vice chancellors, and the collaborative work, you will see a recommendation of a balanced budget based on the revenue that we have projected to come in, but it is subject to change if the revenue shifts. Dr. Brown asked Mr. Forrest to please go over the "**Cost Going Forward Divisional Budget Request**" (**attached**) which was passed out to each UPRAC member so they could write and make notes regarding the recommended requests. Mr. Forrest asked each member to please stop and ask any questions and/or concerns you may have. Mr. Forrest did state that they will be looking at 3 columns on the data sheet. One the "**Recurring**" (recurring funding each year) "**15/4**" (committed dollars) and "**Non-Recurring dollars**" (estimated dollars that we think we have available on a non-recurring basis which can reinvest back into the budget next year).

Athletics – Dr. Brown noted that it is very important to know that the remaining expense items under the requested category are fully expensed out of the student fee increase and that these are not E&G dollars. They are actually fee supported dollars that go directly to athletics. Mr. Wharton said that they are going up to 60 games to be broadcasted for the ESPN3 which is a major expense.

Finance & Administration – Facilities, Grounds, Maintenance – Dr. Brown mentioned that the institution will be providing contracts over the summer so we can get a handle on what the real requirements are over the next three years and then we will appropriately staff to meet our needs and to make sure we don't lose the major upgrades that we currently have to make sure the campus remains looking attractive. This will give UTC a competitive edge with student recruitment efforts.

Academic Affairs - Dr. Brown mentioned that there is a strong investment in Academic Affairs with the 2019-20 budget. Chancellor Angle mentioned that one of the things that we are looking at regarding how new positions being filled in the upcoming academic year will help with the recruitment costs. Chancellor Angle said the positions will be partially funded and then fully funded once it has been filled. This will help with budget flexibility with the one time monies which can be put back into the budget.

Student Affairs - Gretchen Potts inquired about the market competitiveness of all salaries and was wondering if there was a competitive market for a mid-point salary for the Assistant Director of Student Outreach and Support. Ms. Potts was concerned regarding the salary level for this position due to such a high demand of specialized work. Mr. Forrest said that there are two related parts of the salary market process. He stated that they do check internal salaries benchmarks when the position is finally requested, HR will then benchmark the salary and adjust the difference and provide any salary required. Laure Pou stated that sometimes the position is a proposal to see the full definition of the position. Ms. Pou said that once positions are defined, they will do a full benchmarking analysis for salary adjustments. Dr. Brown mentioned that everyone will see in the cost going forward budget that there is a market pool for salary adjustments.

Dr. Brown asked the committee if they had any questions or comments regarding the budget. Dr. Brown stated that they have tried to touch the highest priorities of every operating division across the University, as well as to provide for Faculty and staff compensation adjustments. Dr. Brown again thanked everyone for the collaborative work to help keep the University budget balanced.

Dr. Joe Wilferth inquired about the line item adjustments for the Promotions, UCF Rollovers and Senior Lecturers and asked if this would include any tentative plans for promotion of current lecturers? Provost Hynd said he and the Chancellor will discuss the recommendations regarding lecturers and that it is still a work in progress. Dr. Brown said they are looking at the models across the TN higher educational system regarding the possibility of offering incentives for faculty who complete the post-tenure review process. Dr. Brown stated that once the data comes in, Chancellor Angle and Provost Hynd will review the data. Provost Hynd said that the Budget & Economic Status Committee will be asked to take a look at these incentive models. Provost Hynd mentioned that they will ultimately review all models and make a recommendation of warranted and reviewing these models is a great PTR plan.

Dr. Brown said upon the recommendation of the Budget Advisory Committee, he did inquire of the Budget Economic Status Committee regarding the 2% salary pool on how the pool should be allocated. The BESC would love to see the entire 2% go to the market based cost of living adjustment.

Dr. Brown stated that he moved forward the Voluntary Retirement Incentive Program (VRIP) to the UT System. Dr. Brown said the CFO of the system, David Miller, was very excited and the CFO said that the Board Chair and President would likely view the VRIP very positively. Gretchen Potts asked if the VRIP would be available for Faculty and staff. Dr. Brown said it will be offered for both Faculty and staff as long as they meet the retirement eligibility criteria. The VRIP will include a 6-months' salary payout, as well as the payout off all annual leave.

Laure Pou explained the proposed VRIP (Voluntary Retirement Incentive Program) to the UPRAC members. The University is looking at two separate options for the VRIP to make it a very positive incentive for Faculty and staff. If the UT Board approves the program, this will provide an opportunity for employees to select a retirement date of December 31, 2019 or June 30, 2020. Ms. Pou stated that HR will have specific steps involved to help manage participation up to the retirement date. Individuals will have up to 45 days to confidentially submit their interest and HR will offer consultations with financial advisors to see if the individuals would want to move forward with the retirement. Provost Hynd stated that from the Faculty standpoint for retirement, this could impact the number of Faculty that may go through post-tenure review as this will be an exemption if you declare the intent to retire. If you require any further details, or if you have any additional questions and concerns regarding retirement, please reach out to the HR office.

Dr. Brown stated that we will need to make good strategic and business case decisions on the realignment of any positions that are eliminated or opened up due to the VRIP. Dr. Brown said that you must make a business case to the appropriate vice chancellor and Chancellor for how a position should be realigned and interested within the University.

Christine Estoye asked what type of impact may take place with early retirement. Ms. Estoye said that a lot of departments were taken off guard with the 2015 VRIP due to how many people took advantage of the program. Ms. Pou said that 296 employees are eligible for retirement, but there are two types of categories for eligibility per HR policy. The eligibility requirements are that you must be 55 years old with 10 years of service, 60 years old with 5 years of service or any age with 25 years of service. Ms. Pou mentioned that when you break down the group of employees, they are looking at potentially over 100 positions that may be affected. Ms. Pou mentioned with the 296 retirement eligible employees, the total salary dollar impact is around \$21 million dollars.

Dr. Brown adjourned the meeting and again, thanked the UPRAC members for their work and keeping "Students First".