STAFF SENATE MEETING
MINUTES
March 14, 2016

Note to Senators: Please share the senate agenda, minutes, and any other enclosures with your colleagues prior to the scheduled meeting. Senate meetings are open to all staff. Agendas, minutes, and attendance rosters are available on the Staff Senate website at http://www.etsu.edu/stsenate/default.asp


FRIENDS OF THE SENATE: None

EXCUSED: Lisa Bell, Carshonda Harris, David Robinson and Rita Taylor

UNEXCUSED: Brandi Nave, Dianne Pittarese, Karen Sullivan, Cynthia Weaver, and Connie Wyche

I. Call to Order – President Whitlock called the meeting to order at 2:32 p.m. in the Forum Room of the D P Culp Center.

II. Guest Speaker – Vince Thompson regarding 365 – The migration of 365 for faculty and staff has been completed with minimal errors. The migration for students is set for April 4th, however their emails will change on May 11th. Their mail will not be integrated. They will have to do that on their own.

III. Guest speakers – Larry Calhoun, Mike Smith & James Batchelder regarding new budget model - In October, 2013, President Noland appointed an Ad Hoc Budgeting Process Committee. This Committee was charged with making recommendations to the President related to the development of a new budgeting process for ETSU that embraced the elements of a transparent, open, and inclusive process that aligned planning and budgeting with resource allocation. While a new budgeting committee and report process is part of the Committee’s recommendations, the group quickly realized that a shift in “culture” would be required in order to accomplish the goals set forth by the President. The Committee enjoyed representation from a wide variety of constituencies. Multiple meetings have taken place which included webinars concerning Responsibility Centered Management, conversations with University representatives of Miami and Indiana, a review of the Kentucky implementation model along with a significant amount of quality dialog and frank conversation. Each member of the committee was actively involved in the process and reached a remarkable level of agreement.

The Ad Hoc Budgeting Process Committee was charged with reviewing the existing budget process at ETSU and determining whether that process should be retained, modified, or replaced. Specifically, the Committee was charged with considering whether a Responsibility Center Management (RCM) model or a variant of the RCM model should be adopted. RCM is a financial model that devolves budgetary decision-making and control from a central level to the level of the College and/or the Department (“the Responsibility Centers”). Typically, in an RCM system, tuition revenue is returned to the College and then the tuition revenue and/or the state funding for the University is “taxed” at a pre-determined rate in order to operate those parts of the University that are “cost centers.” RCM operates most effectively when the responsibility centers and the cost centers work together to develop over-arching strategic goals for the organization; when there is strong support for RCM on the part of the organization’s leadership; when there is shared decision-making as to how centralized resources are expended; and when there is a careful and systematic process to introduce the RCM model into an organization. At its best, an RCM model provides incentives for enrollment growth; aligns budget responsibility with budget authority; ties budgetary decisions to strategic planning, and provides a process by which budget reduction decisions can be made during times of reduced revenue. The Ad Hoc Budget Committee believes that our current planning and
budget models are not optimally structured to position ETSU to succeed in a rapidly changing academic world. We also believe that revenue, budget authority, and entrepreneurial energy should reside at the level of the Colleges. The committee recommends that the university move in the direction of developing and implementing an RCM-type budget model by studying in detail several models used at other institutions, visiting such institutions and bringing knowledgeable representatives from such campuses to ETSU, and possibly by hiring a consultant who is familiar with the implementation of RCM-type budget models to help us through the process. Changing a budget model, in and of itself, will not address all of the challenges that face ETSU and other institutions of higher learning, and the committee feels very strongly that other aspects of how the university operates must be addressed during this information-gathering and development phase. In Summary: If a decentralized, RCM-type model is to be developed at ETSU, we believe the following specific actions must be taken: a. ETSU must hire or identify a respected, collaborative, senior leader at the Vice President or Director level to be the implementation leader/champion for effective strategic planning and the RCM model. b. The senior leadership team of the university must demonstrate their support for the implementation of an RCM-type model. c. ETSU should establish a working group to identify principles and parameters for the implementation of the RCM-type model. d. Members of this working group should visit other institutions that have implemented an RCM-type model to gather data that would inform the process at ETSU, and have those institutions visit ETSU. e. Consideration should be given to a variable assessment (tax) among colleges and other revenue centers based on their missions. f. The RCM-type process should be carefully and regularly evaluated, particularly in the early years, to account for unintended consequences and any errors in assumptions. There should be a recognition that there are alternative ways of defining “cost” centers, including identifying those that are “Essential” (activities that must take place for the university to achieve its mission), those that are “Strategic Assets” (activities determined highly desirable for the university to achieve its strategic vision) and those that are “Optional” (those activities that, while potentially of significant value, are not essential for the university to achieve its mission). h. It must be recognized that there will be initial costs associated with developing and implementing a new model, and appropriate funding should be identified for this purpose. i. Prior to, and throughout the implementation of a new budget model, there needs to be careful communication/education/buy-in to ensure clarity and transparency in comprehensive understanding of WHAT the model is; WHY it is being implemented; WHEN it will start; HOW it will impact budgets; and WHO will conduct training and be available for questions. {Additional information can be found online at http://www.etsu.edu/125/newbudgetprocess/documents/2015-final-report.pdf or the Power-Point attached to these minutes}

IV. Approval of Minutes – A motion was made by Senator Helen Jones to approve the minutes, and Senator Barbara Chamberlain seconded the motion. The motion passed unanimously.

V. President’s Report - The IUC will meet this month on the 21st. I had a concern about FSLA guidelines coming this summer. The concern was that exempt employees’ salaries would need to be increased to keep them at exempt status or otherwise a lot of exempt employees would change over to non-exempt status. Ms. Diana McClay responded that the FLSA regulations have not been finalized yet. The Labor Department has stated late 2016 will be the release date. Afterwards, the university will have 30-120 days to make appropriate adjustments. The ETSU administration is aware of the issue, will take appropriate steps to remediate the situation once the standards are released, and will notify employees.

VI. Treasurer Report - Senator Rowland reported the following:

1. General account balance as $7290.53
2. The Holiday Drive account balance as $211.13
3. The balance of the Community Benevolence account holds a balance of $4,481.25

VII. Report on Standing Committees

1. Senator Murphy reported on the Parking Committee: Safe Voyage will provide students with Escort Services while they are on campus, this means a Campus Public Safety Officer will drive behind or alongside of the student as they walk. Johnson City Public Safety will provide a student with a ride. Please share this information with students. The Desman report was conducted prior to the knowledge of the return of football. The stadium and parking from that is not included on this report, however you can see the locations of where they proposed for a new garage. If there are any suggestions
please let Senator Murphy know so she can take them back to the committee. Also our Big Logo E has been selected for our 2016-2017 Parking Permits.

2. **Senator Dills reported on the Elections Committee:** Results from the Constitution revisions were approved. 122 Yes, and 12 No.

VIII. **Report on Project Committees**

1. **Senator Roberson reported on the Blood Drive:** The drive is set for June 5, 2016, 40 units is our goal, which equals around 70 people. Please contact Senator Roberson if you would like to donate.

2. **Senator Rowland reported on the Picnic Drive:** The Staff Picnic is planned for Thursday, May 19th from 12:30 – 2:30 in the Quad area. The Firehouse will be catering lunch! Prize donations are starting to come in.

XII. **Old Business** None.

XIII. **New Business**

1. Senator Murphy stated she needed all Committee on Committee updated reports emailed to her before the end of March.

IX. **Announcements**

1. President Whitlock asked that any senators interested in receiving the legislative week-in-review emails from Government Relations please let him know and he will make a distribution list to send to as he receives the emails.

2. President Whitlock thanked Ms. Diana McClay for accepting the Mayoral Proclamation of Appreciation on behalf of all ETSU employees on March 3 from the City Commission.

3. President Whitlock said that he would scan and distribute the FOCUS governance document that Dr. Noland gave to the executive committee in February.

XII. **Adjournment** –

The meeting was adjourned at 3:40 p.m. Motion to adjourn was made by Senator Jones and seconded by Senator Tipton.

Submitted by Senator Kristi Smith
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Secretary

Attachments:
  New Proposed Budget Model Presentation