**East Tennessee State University**

**Ad Hoc Committee on Budgeting Process**

**Monday, December 16, 2013**

**MINUTES**

**Review 11/15 Meeting:**

* A relationship will be developed with the Programmatic Committee. The chair of each committee will attend the other’s meeting and give a progress report to avoid duplication of efforts.
* Since there is not budget for this committee, invitations cannot be made to have guest advisors attend. Using video conferencing was discussed.

**Review Current Budgeting Process – BJ King:**

* The current budgeting process starts in November, when THEC makes recommendations for fees, etc.
* In January, when the Governor gives the State of the Union address, information is received regarding salary increases, proposed appropriation for capital expenditures and operations funds.
* Upcoming enrollment numbers are projected.
* Special requests are then considered, along with course fees and estimates from revenue producing departments.
* In May, budget guidelines are established and the budget moves forward.
* Expenditures are based on the prior year budget. Adjustments in salaries are added. Travel, supplies and equipment stay the same unless requests are made.
* Allocations of funding then come from the President’s office.
* Questions and discussion regarding the current process:
  + Enrollment projections seem to be based on what we want, not on what we have.
  + Expenditures are based on prior year.
  + Reallocations are made by moving dollars around that don’t relate to the strategies of the University.
  + All revenues are not treated the same.
  + It is unclear how money is shifted to the colleges and how reductions have been identified.
  + Financial decisions are not aligned with the strategic plan.
  + There is no feedback in the loop that drives decisions.
  + Saved money is returned to the university, so there is no incentive to reduce.

**Revisit Charge:**

* Dr. Calhoun spoke with Dr. Noland
  + He stressed that the focus of this committee be on structure, as opposed to process; make sure reporting structure addresses transparency and accountability.
  + Use the RPK Group structure as “second base” to determine what has value.
  + Determine how decisions will be made and how allocations will be made. Need new architectural structure with less silos, more accountability. Start with RPK organizational charts as a framework.
* What is Our Role?
  + Tie strategic planning to the decision making budget structure
  + Identify who we are accountable to – Stakeholders?
  + Architecture – tied to strategy
  + Timeline – tactical strategies
* What is Not Our Role?
  + Implant RCM Model – could be used as a tool, but our role is not to develop model.
  + No specific budget numbers will be looked at.

**Identify Key Milestones for Completion of Charge:**

* At the upcoming meeting:
  + A review of the organizational charts from RPK Group will be conducted. Each of the four areas will be discussed to see how they would fit in our strategic planning process.
  + Strategic planning needs to be the first priority. All will review the current strategic plan.
  + Gordon Anderson will present an overview of the current strategic planning process.

**Identify Data Needs:**

* Library of articles will be established
* Other Universities that have used RPK recommendations will be contacted.

**Review Meeting Dates:**

* Upcoming dates were discussed and changes were made. Next meeting is Friday, Dec. 20, 2013 at 8:30am

Meeting attended by: Larry Calhoun, David Linville, Raven Moody, BJ King, Gordon Anderson, Mike Smith, James Batchelder, Wallace Dixon, Bill Duncan, Amal Khoury, Randy Wykoff, Wendy Nehring, Randy Byington, Linda Garceau

Minutes by: Katie Jeter