**East Tennessee State University**

**Ad Hoc Committee on Budgeting Process**

**December 18, 2014**

**MINUTES**

**Review President’s Retreat Information:**

* Handouts were reviewed, with discussion about the attachments of the email that was distributed. Discussion regarding the PowerPoint from the President’s Retreat that had information from this committee.

**Review 9/2/14 Memo to Dr. Noland:**

* Dr. Calhoun met with Dr. Noland and went over the memo and the points of discussion.
* Dr. Wykoff put together a document with the starting points for today’s discussion.
* Dr. Calhoun has a meeting with Dr. Noland Friday at 7:30am. to review today’s work. He would like to have the recommendations completed today. The notebook will be updated to complete the charge of the committee. A meeting with Dr. Noland is scheduled for Jan 5 for the committee to discuss the completed document.

**Revisit Preliminary Report recommendations:**

* Question was asked whether this committee will still visit other campuses to learn more about RCM. Dr. Calhoun spoke with Dr. Noland regarding investigation at other universities and it will be suggested for another committee to complete this.
* Bill Duncan reported on the feedback of the President’s retreat.
  + The overwhelming theme was that there needs to be more communication.
  + Questions were asked regarding the reason the budget process would be changed, whether it was because of shortfalls.
  + Discussion points included needing a champion to lead the process, having accountability, who decides the tax rates, is there charge for space, and how do you measure accountability?
* Gordon Anderson also spoke regarding the President’s retreat.
  + Many of the top leadership commented that they did not know the budgeting process was being looked at and didn’t know where it was leading.
  + Progress of the other committees who are looking at the budget process was discussed, as they started after this committee.
  + Many attendees did not know what RCM was and when it was explained, many questions arose.
* Question was discussed – Based on the feedback from the retreat, is the recommendation to move to RCM setting up to fail? Result of the discussion was:
  + If the recommendation is made without a clear plan, it will fail.
  + There needs to be a vision of how it will be implemented.
  + The other committee’s recommendations were discussed and their work will not impact the recommendations of this committee.
* There is concern that the budgeting process will not change, as there is concern that the President’s priorities won’t have agreement from senior leadership. At the President’s Retreat, the budgeting objectives seemed to be new information to everyone. There will be a follow-up meeting early in January to discuss the next steps from the retreat.
* Some points that will need to be made:
  + There needs to be a culture change.
  + There was strong agreement from the entire group that information needs to get to everyone – communication will be key.
  + Timeline needs to be established.
  + Training and development – do we have the right people to lead this process, are they trained, and do they know where this process will lead.
  + What are the consequences? When the culture shifts, not everyone thrives.
  + In other institutions, the provost is the champion of this process, not the president. This process should not be centered around one individual; it should be what’s best for the organization.

**Dr. Calhoun/Dr. Noland Meeting:**

* Dr. Calhoun discussed his meeting with Dr. Noland.
  + Dr. Noland liked the strategic plan process that was proposed.
  + The need to find out what is happening in other universities who adopted RCM was discussed.
  + Tax rates were discussed.
  + Critical to success is to have a senior leader to communicate the process and lead it through, as some will not like

the changes. Dr. Noland realizes things need to be resourced and someone needs to watch over this process daily, possibly a new vice president.

* + Funding is a concern.
  + Discussion regarding the process going forward. After the committee makes the recommendations, there will be another committee formed to continue the work and set the details. Some of this group would want to continue and Dr. Noland would like to include some of them in the next group.

**Identify Specific Recommendations to Forward the President Noland:**

* Document was distributed, Draft Recommendations for Committee Consideration.
* Dr. Wykoff led the discussion of the bullet points. This document will replace the 23 recommendations previously made.
  + The committee will endorse movement toward and RCM-type model.
  + There was discussion about the wording of the budget authority devolving to the level of the colleges - cost and revenue centers? Should each area keep the revenue that they generate? For example Athletics and Housing departments’ situations were discussed.
  + Some areas must remain as they are essential or strategic. How are the strategic areas determined and how long will they operate before review? Is this level of detail necessary?
  + Process of other universities was discussed for identifying the champion – was it a current leader or did they hire someone? It’s important to appoint a person who will be able to develop respect and collaboration with all; this person needs to be an expert in strategic planning.
* Wording of each bullet was discussed, Dr. Wykoff revised the document during the break and the wording was reevaluated. Changes were made to the document.

**Discuss Process for Completing Our Charge:**

Dr. Calhoun will meet with the president Friday to review the recommendations. The committee will meet with Dr. Noland on January 5 to discuss his feedback. The notebook will need to be revised and updated and we will have a few more meetings in January to finalize all documents.

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

Minutes by: Katie Jeter