**CBO Meeting**

**May 18-19, 2016 – Knoxville - 8th Floor Conference Room – Andy Holt Tower**

**Wednesday, May 18, 2016**

● **FLSA Updates – Mike Herbstritt**

The Department of Labor raised the minimum salary for an employee to qualify as “exempt” under the Fair Labor Standards Act (FLSA) to $47,476.00. There are currently 1289 exempt employees across the state that fall below the $47,476.00. January 1, 2020 will be the next test and they will look at it on 3-year cycles. The HRO’s met 2 weeks ago and agreed with the CBOs that on 12/1/16, when this change goes into effect, any full-time employee that will be changing from exempt to non-exempt, will have his/her annual accrual rate changed to their years of service. Then they will have the calendar year of 2017 to use up any excess leave that they have that’s over the maximum number of hours for their years of service. If there are employees in your area that need to remain exempt and don’t meet the salary test, the attachment shows how to request an exception. The requests will be reviewed before the first of December by HRO’s, CBO’s, and the Office of General Counsel; and the ones that are approved will have their salaries adjusted.

The recommendation from the CBO’s is to let the employee who is changed from exempt to non-exempt have a Personal Day in December of 2016. Pay out of leave in 2017 if an employee terminates? CBO consensus is to pay the balance limited by 336.

**\***Title Issue: There are approximately 90 titles that have both exempt and non-exempt in them. The HRO’s proposal is to create 90 new titles, and HR would add an “-N” to non-exempt titles. This would eliminate the need for new business cards, etc.

**\***Paygrade Issue: Proposal is to eliminate any designation of exemption from the paygrade. There would be no change any paygrades. The whole paygrade system will be reviewed in the near future because it is 16 years old.

There will be a video conference with the Chancellors and the President, Monday, May 23, 2016 to discuss the decisions and processes.

The President and Catherine Mizell, Head of General Counsel sent out emails informing all employees of this mandate, and asked for time to review its effect on UT employees before any announcements are made.



Figure 1- Proposal Handout

● **IRIS Annual Plan** – Jim Sauceman, Ron Loewen

For some time we’ve talked about a mechanism whereby we could get your input for IRIS project planning and priority setting. The IRIS Project Portfolio is a list of the projects that are currently underway (above the blue line that you find on the second page), and projects that have been requested (below the blue line). If they have been requested, we are currently evaluating feasibility.

1. ESS Time Entry and Leave Request -

- We have pilots in departments for time entry and have learned a lot. The Team Calendar has been well-received. Currently we have it where the employee can enter their own time. We are programming now so that supervisors can approve time entry. The ESS Time Entry is a front-end to CATS, which is where non-exempt time is entered today. It is entered via the web and hopefully this summer also by phone with Fiori. We are also piloting Fiori, but it can’t be released yet until a few support packs have applied fixes to the mobile infrastructure.

2. HR Personnel Change/Transfer e-form – This had been shelved for a while because of resources, but we hope to have it ready by September.

3. ACA Tax Reporting – We’ve submitted a test file to the IRS in accordance with the Affordable Care

Act and it’s been accepted.

4. Glacier Interface for Non-Resident Alien Processing – this is a new interface we’ve just begun

5. Satellite System – an e-form that allows users the ability to request access for other systems through IRIS. It would route through the IRIS approval mechanism. Examples: Evisions, ESM, Archibus

6. ESM Contract System – Programming is complete.

7. FLSA Overtime Exemption Changes – Analysis work has begun. Trying to do generic solution for future changes so we can use the same tables to track populations.

8. Rewrite Tenure Infotype – Has been submitted to Academic Affairs and Institutional Research and

we are waiting for them to collect the data and give it back to us to be loaded into IRIS.

9. Rewrite Education Infotype – This also has been submitted to Academic Affairs and Institutional

Research. They are tying the new CIP codes to degrees.

10. Travel Advances – Done proof of concept in our sandbox system and that’s gone very well. We’ve begun the process of putting that configuration in our development QA production landscape and we anticipate after some training and some documentation changes to roll it out in August.

11. ESM Non-catalog Purchase System – We anticipate all of the interfaces to be ready in August.

12. ESM EasyPurchase Phase 3 – (Invoicing part of ESM) This part has just begun.

13. Memphis Accounts Receivable Contract Billing System – We want to use SAP’s Accounts Receivable and SD modules to bill for those A/R and also make it a generic enough solution based on industry best practices to where we could use it in other areas as well without affecting grants billing.

14. Memphis Reporting Enhancements – We are creating additional account attributes and different aggregates to make the units go together a lot easier.

15. Internal Orders in HR Module – There is still a lot of testing to be done.

16. Implement Recurring Vendor Payments – Some of those will be set up centrally this week, so this is very close to completion.

17. Library Interface – We are almost finished with the IRIS to Alma library invoice system.

18. Retirement Estimates – We are getting rid of the AS400 system for retirement and we are starting the projection estimates program. We are anticipating that to be ready in October.

19. SF425 Report – Just went to our QA system

20. PI Self-Service Reporting for PI Assistants – Today a PI can go to the portal and there are about 6 different reports they can request for themselves. We want to make it available to their bookkeepers, assistants, or co-PI’s and that’s what this project is for.

21. Mobile Infrastructure (Fiori) – This will be a separate set of machines as a front-end to IRIS. We’ve tried to make it look like an integral part of IRIS where all of your authorizations flow through, you don’t have a separate password, and we are testing the newness of the mobile platform. We hope to roll some of this out in August. Jim Sauceman said that he would be glad to demonstrate either the web or mobile versions to any interested party.

22. Ledger Reconciliation/Approval Online – This will allow all of the lines on the ledger to be checked off electronically saying that it has been reviewed. The documentation drill-down showing third party charges is a separate project (29).

\*\*It was decided that a mini-CBO meeting dealing with **travel** only would be very beneficial. It was agreed that in talking about IRIS updates, travel is the biggest priority to everyone. It is the biggest project on the list with potentially the biggest impact. It is a complex issue and we have multiple options on where we can go with advantages, disadvantages, and cost factors related to each option.



● **IRIS Update** – Jim Sauceman

⧫ Since January, a VPN is required to access IRIS from off-campus. On April 15 we upgraded to

the Unicode version of IRIS. At the same time we went to new hardware and a new database.

We are currently preparing for a disaster recovery test in the first week of June.

⧫ On the Human Resources side, we’ve mentioned the ESS, leave requests, time entry, and FLSA.

There is a new interface that we’ve implemented with Workers Comp and the state to speed up

claim payments with them. We implement interfaces with the various training systems on

campus and we are waiting for verification that everything is okay with the loading of those

courses. We are getting ready to load in results of the sexual assault training which was optional.

⧫ UTC Faculty Recruitment in TALEO –the workflows and business processes are being customized.

We have 47 adjunct faculty positions posted in Chattanooga, and over 100 applicants to those

systems and they are looking to roll that out further over the next few months.

● **Evisions Update** – Jim Sauceman

The Evisions Research System has been live since December. We built the IRIS interfaces back and forth with that system as well. The initial training has settled down. The remaining challenge is reporting. Jean Herrmann has agreed to work 50% on Evisions and 50% for Memphis. She is also working with our Business Intelligence Team to identify the reports that may be needed. Please let Les Mathews know what standardized reports or queries that you may need.

● **Business Intelligence Update** – Jim Sauceman

The community of practice has evaluated a number of solutions and have settled on using Microsoft single server as the database for the consolidated data reporting repository using Microsoft Tools for the extraction transformation and loading layer as well. We are also purchasing the IData Cookbook to define and catalog data definitions. (IData’s mission is helping higher education institutions be successful through effective data management and innovative technology.) We are going to be using for the front-end tool Microsoft Power BI and SSRS (Single Server Reporting Services) as the presentation linear tools. We have existing contracts for the majority of these systems. The anticipated cost for this solution is less than $32,000 per year. Our products are subscription-based so there will be minimal investment to begin with. The next steps are to present the solution for the state-wide IT Council review and begin software acquisition and implementation. Les hopes to have state-wide participation in the data and report definition and specifications.

● **Funding Gap Plans** – All

The attached Summary of Reallocation Plans is from the last November Board Meeting. The President will be using these updates to come up with new plans for the Board Meeting this October. Some of you have reviewed where you are in your budget hearing, and some have given us completely new sets of tables. We will probably use the exact same format in the Fall.



● **Review BAG Goals/Boundaries – Recommendations to BAG – All**

⧫ Ron Loewen (System) - We are reaching the end of the first two years, and it is probably a good time to re-think, reconsider and perhaps volunteer input as to what the next version of this might look like going forward. I have ideas as to what the effort structure, as well as the boundaries and goals might be during the next two-year phase. If everyone will please take a look at these and give them some thought, we can have a conversation around if we can come up with a consensus on recommendations on how this might be refined going forward and what types of changes we might want to suggest. We can go on the assumption that we will have an Efficiency Subcommittee of the Board to deal with. One of our priorities perhaps should be to build Board support for meaningful program review.

⧫ Tony Ferrara (Memphis) – When the next budget reduction comes along, we’ve taken all the meat off the bone. Unless the Board helps us cut some programs, we’re in trouble, and it’s going to be a lot harder to go through this. We think that if there are going to be these types of discussions, a group of us needs to be involved.

⧫ Chris Cimino (Knoxville) – The premise has always been that there is a broken model and we are getting no new state appropriations. We’ve always gotten state appropriations and our model is okay right now.

⧫ Ron Maples (System) – Reallocations are in our future. We need to communicate and convince the current Vice Chair and Nashville that we are very efficient, we do things well, and we are interested in saving money.

⧫ Gayle White (IPS) – Why is it necessarily good to re-allocate and re-appropriate? We think we’ve done a great job of that.

⧫ Richard Brown (Chattanooga) – The new subcommittee of the board is a unique opportunity for us to talk about efficiency and benchmarking. That board sub-committee can go back to the main Board of Trustees to help us with this. It’s hard on the campuses to get any at any kind of program review without a lot of pushback. It is the Board that sets that policy that says, “You must do this”. Maybe as Business Officers, we could work with that Committee to re-think what we’re doing with this BAG initiative. Perhaps, Ron Maples, as Interim CFO, would talk to the President about allowing that subcommittee to have a working session with the CBO’s in the room so we can talk about some of the real issues that are facing our campuses. We could come up with a top 5 bucket list of things that impact how we do business.

(R. Maples) I think that’s a good idea. I think we should have an agenda for them. The System has things that we are going to ask the campuses to help pay for, and I’m sure that you have similar lists from your Chancellors, etc. We could start there by saying that these are the things that we want to do and here’s how we’re going to get there. They are also interested in space usage. We need to think about how we are allocating our space and whether we are using it for the highest and best purpose.

(R. Brown) It is incumbent upon us to demonstrate that we are efficient in lots of different areas. I think that benchmarking is going to be very integral to what we are doing, to be able to demonstrate that and be able to report out annually on some of the things that we’re doing, to be effective at this. I don’t think that this thing is going away. I think that with THEC being revised again, a lot of reporting may go through there and they are going to ask a lot of questions of us about everything, from Facilities use to staffing patterns, and compensation issues. I think we need to sit around the table and figure out how to report and benchmark these out and how do we demonstrate to the outside world that we are doing this very well?

(R. Loewen) Speculation is that when people read the national media about trends of exploding administrative costs in higher education, they attribute that to us as well. I think we dealt with it effectively a couple of years ago, and then we ran into the exact same thing in this General Assembly session and we were able to put together some data behind closed doors that we shared with some key General Assembly members that made a big difference. It’s an ongoing effort. We’ve got to continually get the message out that we are using our resources wisely. Ron Maples and I will work on some thoughts about what a new Business Model would look like. We will send that out and see if it generate other thoughts.

⧫ Cindy Nichols (Ag) - Do we compare numbers with our peers?

(R. Loewen) It is difficult to do because people are structured differently. Some people own hospitals and other don’t. You look at Texas A&M who has a separate financial statement for its System Administration; if you look at its main campus, their institutional support cost is very low because it doesn’t show up in their books. A lot of people like to use IPEDs, and with that you are comparing apples, oranges, and pineapples. I think we are able to make decent comparisons on fees if we take into consideration fees plus state funding per student; and we look very good relative to peers. We can benchmark against ourselves over time, and whereas we might not be able to prove that we were efficient 20 years ago, we can prove that administrative costs have not exploded over 20 years. They have been relatively stable.

⧫ Petra McPhearson (Martin) - Does NACUBO or anyone have what is “best practices”? You can compare to any one of your peers and not necessarily be doing best practices for some of the benchmarks.

⧫ Tim Fawver (Ag) - Do we know how we compare with Facility Administrative rates compared with the Top 25 Universities? I assume that Harvard and the others are tremendously higher than we are. We can say that this is a Federal study and our Facility Administrative rates are in the mid-40’s – some higher, some lower, and our peers are up in the 70’s, 80’s, and in some cases over 100.

(R. Loewen) It’s good to be able to tell our story in data, averages, numbers and bar charts, but it’s also good to have a narrative: “Here’s something we did that made a difference.”

(G. White) I think Tim is right. Our F&A rate shows efficiency.

(R. Brown) There are about 8 indicators of institutional health. I think what the Legislators are looking for are:

⧫ What is the total cost to a student to attend these institutions and how is it calculated?

⧫ How do we use people and what are the program costs for an hour of instruction?

Everything I look at says that all of the campuses are very competitive, we just aren’t packaging the data to tell that story. I’d like for us to get in the room to talk about maybe 5 or 6 indicators that we can capture and explain to show sound financial health.

(C. Nichols) I don’t think the point is efficiency. The other side of efficiency is how effective you are at what you are doing. We have strived to do all of these great things in recent years and have improved so much. Are they wanting us to be cheap and efficient? Or good? You have to look at both sides to see if it’s a value. I don’t want a cheap education for my children. I want a quality education for my children.

(R. Loewen) That gets back down to the metrics you use to demonstrate that. One thing we were able to put together for the General Assembly in the formula metric was that in the previous ten years graduation rates have improved, retention rates have improved, the number of degrees we’ve awarded have gone up 22%, and over that same period, we lost over $120 million in state appropriations. Productivity has gone one way and state funding has gone the other. With the formula unit, fortunately we have those kind of metrics handy and fortunately they are moving in the right direction.



● **New Board of Trustees subcommittee and proposed by-law changes** – Ron Loewen

This is a document that Catherine Mizell provided the executive trusteeship committees last week talking about Public Chapter 753, which was a bill co-sponsored by Rep. Harry (Craig) Brooks and Senator Richard Briggs, both from the Knoxville area.

⧫ This law makes it clear that the President and the Board can now fire the Chancellor.

⧫ The President’s duties are clearly defined.

⧫ The elected officers are no longer elected by the Board annually. They serve at the pleasure of the

President.

⧫ The Board can remove a Chancellor at any time.

⧫ The Board can remove the CFO or General Counsel

⧫ “Establishes a mechanism by which a person may bring an issue to the attention of the Board, and require notice” - so there will be opportunities at the board meetings for not just staff, faculty, and students, but now a forum for the public (including staff, faculty, and students) to address to the board.

There are two new standing committees:

1. Athletics Committee
2. University Life Committee (Diversity)

There are new subcommittees of the Board:

1. Academic Affairs has one called Students Conduct, Rights, and Responsibilities
2. Advancement has the Subcommittee on Community and Alumni Relations
3. Finance Committee has the Subcommittee on Efficiency and Cost Savings and the Subcommittee on Tuitions, Fees, and Financial Aid. The 2nd one is one of the most important things the Board does. Robbi has been getting some questions from the Building Commission on Facilities Fees, such as: when did they start? What are they supposed to be used for? We are preparing responses to these questions with history and will share that information.

THEC is going to coordinate and administer the training for the new Board Members.

If you have information about your fees, please send it to Ron Maples or Ron Loewen.



● **Review of Enacted Legislation** – Ron Loewen and Ron Maples

⧫ Board Bill (Public Chapter 753) - see above

⧫ Guns – Police Chiefs are meeting to develop a process and form for registration and General Counsel (Matthew Scoggins) is drafting a new Safety Policy. There are still a lot of questions.

⧫ Discounts and Waivers – there is going to be a summer study session to get some understanding among General Assembly members. These are a lot of unfunded mandates that we would like to have funded.

⧫ Diversity

⧫ Budget Amendments - details are coming from F&A

Every year the Fiscal Review Committee selects some bills that were passed in previous sessions for us to review:

Hearing Aid Bill – we had to do an estimate on the revenue

In-State Tuition Bill – change effects all undergraduate campuses

Step-Up Scholarship Bill (development disabilities) – College of Education

● **State Appropriation Schedules/Discussions with David Thurman** – Ron Maples and Ron Loewen

This was a good year, but the fact that we did not receive a separate salary pool from the State, and the way they approached non-formula units were both disappointing. Part of their thinking was that roughly 70% of our costs are personnel, so if they were to give us a 3% pool, then they don’t need to give us a 3% increase in our State appropriations, they just need to give us maybe a 2.5% increase. We were at least able to talk them into pushing the non-formula unit increase up to 3.25%. The document that is attached is one that we gave David Thurman, the State Budget Director, to give him a sense of how we see our funding needs when it comes to unrestricted funds and how it relates to State appropriations. The way we tried to lay it out was in 3 big pots:

⧫ Some operating inflation and fixed-cost increase money of about $10 million state-wide

⧫ If we want to do a 3% pool, (pay for performance/across the board) that’s a little over $24 million

⧫ The State also had a pool for market rate adjustment, so I put in 2% pool for that, which we can think

of as our salary gaps, which would come to a little over $16 million. This would show that we need an

additional almost $30 million a year to address how we see our big funding priorities. If we were to

do that without doing reallocations, reductions, or raising fees, that’s what we’d need from the State

to be able to hold fees constant. We got less than $21 million from the State that we could use for

these purposes.

This is how we framed our initial discussion with the State. He is committed to meeting with us again to discuss this. We are hoping that any time the State has a salary pool for State employees, they will give us a similar pool size, fully-funded, based on our unrestricted fund salary budgets. Historically, that is what they would do, except for the formula units.

The biggest sticking point: They don’t understand why they have to give us a 5% increase in state appropriations to give us a 3% salary pool, especially on the non-formula units. Before we get together with him, we’ll put together a document and let you look at it to see if 1) does it address all of the priorities we need to address, and 2) does it make sense looking at your numbers?



● **Summer Meeting with F & A Budget Committee to discuss non-formula units** – Ron Maples and Ron Loewen



The Higher Education Formula Units spreadsheet is an analysis that David Thurman had done on just the TBR and UT formula units showing how they got to their funding recommendation. THEC ran all the numbers through the formula and then based their recommendation of adding almost $41 million to the formula unit so that no formula unit would lose State funding.

Any salary money they fund in the future, they will run through the formula. For the non-formula units, we will get the same schedules, so get your placeholders on that list.

● **Formula Review Committee Update** – Ron Loewen

There will be a meeting on June 13 at THEC. They will be defining “underprepared” students and what type of incentives would be attached to the underprepared students that progress through the formula.

● **Legislative Inquiry** – Diversity Office Expense – All

We need to identify in our accounting structure what we are going to call diversity, so that when we get inquiries in the future we know how to grab the data easily. At each campus and institute, we need to be able to say, “These are my diversity cost centers.” An email will be sent out showing current listings. Let’s make changes now if necessary.

● **2016 Fee Plans**

The attached “Change in Recurring Tuition & Fee Revenue Budgets” chart shows those units with fees how your proposed budget of fee revenue numbers and change numbers look. This is just recurring. This takes out the non-recurring pieces.

If there are big variances, I’ll be getting in touch with some of your staff for footnotes to explain what is behind the big revenue changes.

Fee Structure and Approach to Out-of-State:

⧫ Martin – We have a modified version of 15-4 (Students taking 15 hours/term so they can graduate in

four years a little bit more deliberately). It’s called Soar in 4.

0 -59 hours – assessed a Soar in 4 rate

60 or more hours – 2.2% increase

Also, to attract more out-of-state students, we decreased out-of-state tuition by 59%.

⧫ Memphis – None of the tuition fees are going up. The only addition is a Simulation Center fee which

is assessed to all students whether they are on campus or not. Enrollment numbers are up.

⧫ Ag – Our increase is $900,000 of which $500,000 is due to enrollment changes. Increase in in-state is

4%. Out-of-state is 2%. We look at what we need to make our raise pool, faculty promotions, people

that have passed the career ladder that will receive increases, and that’s the way we work our tuition

if we can’t re-allocate within.

⧫ Knoxville – Only fee changes beyond tuition are mandatory:

Student Program & Services Fee - $38 annual increase

Facilities fee - $14/yr

We strive to stay at 3% or less. This year is 2.9%. We told the colleges “no” to charging course fees. FY17 will be our last 15-4 cohort that we push through.

Out-of-state we will be not increasing. To be more attractive, we offer scholarships. That way we aren’t giving up any of the base revenue. We will have the largest Freshman class that we’ve had in a few years. We are looking at 22,000 on the undergraduate side.

⧫ Chattanooga – Resident enrollment fees - 2.2%

Program Service Fees – 1.3%

Much of that is due to projects. We have a new housing piece going in and a new parking deck. We also have some other student fees. We have 2 differential fees that are going for the Doctor of Occupational Therapy and Physical Therapy, but we had those programs to drop their course fees. We are recommending no increase in out-of-state tuition and calling it an On-Boarding Scholarship Program. Our enrollment for the fall is tracking well. We’re hoping that our transfer enrollment is picking up. We have been working a lot on Articulation Agreements with the 2-yr schools and we’ve signed new agreements with Chatt State, Cleveland State, and Motlow State.

(R. Maples) Another other thing about fees, there were multiple bills this time about having a “locked in” fee for all 4 years. You might want to think about what that might look like if it comes to pass.



● **Out of State Fee ideas – Ron Maples**

The Fee Statement used to have a document that said, “This is What You Pay”, “This is What the Maintenance Fee Pays,” and “This is What the State Pays on Your Behalf.” They don’t calculate that number anymore. We can still calculate it. And as long as we don’t charge less than what the state is putting in per student, we would probably be okay lowering our out-of-state fees. This has allowed Martin to decrease tuition. As we’ve increased our in-state fees, we’ve also increased our out-of-state fees. We didn’t do it based on what the state was putting in, we did it at the same percentage that we were increasing the in-state fees.

There was an article that came out today that said that Tennessee State is going to do a 43% discount on out-of-state fees for students within a 250 mile radius of Nashville. So there is precedent for other methods of enticement. It’s another tool for your consideration.

● **Hybrid Pension Issue – Ron Maples**

The State Retirement Office brought forward an issue with the Hybrid Pension. There is a defined contribution portion and a defined benefit portion. On the defined benefit portion, at the State level, there are 2 pieces:

1. The Actuarily Determined Contribution - 2%
2. Stabilization Reserve Fund – 3.87% The retirement office has always known that this part was at risk with the Feds. They finally said that they won’t be reimbursing it at all.

Going forward we will send the Payroll with only the 2% (Actuarily Determined Contribution), and then we will send the rest of it later on in another file. We will not charge that part to anyone who is being paid by a Federal grant, contract, or Federal dollars. That affects Ag and Sponsored Programs.

Our cursory analysis of this since it has been going on since July 1, 2014, shows that we had about $48,000. It will continue to grow. We will try to refund that money as we can.

I’ve been told that it will not affect retirees.

● **Final Cash Management – Ron Maples**

The final cash management rules came out yesterday from the Department of Education. Those rules require all institutions to keep all Title IV funds, which is your Financial Aid money, in Federally-insured, interest-bearing accounts and put into Perkins Loan revolving funds. Other types of investment accounts are no longer options. Institutions must ensure that Title IV funds are not put in a nightly cash sweep, uninsured accounts. The Department has also released a new Q&A document.

We will still handle this centrally for you as we have historically and we will be compliant.

**Thursday, May 19, 2016**

**● Enterprise Car Rental Presentation – Mark Paganelli**

(Mark) We have been with Enterprise for a little over 5 years. The State outsourced their motor pool a year ago and did a bid and the rates went down significantly. Enterprise would like to present their We Car Program to us. Knoxville did an RFP about 2 years ago and decided that it would be best to keep it in-house, but some of the other campuses have expressed an interest in this. It would all be under state contract, no bidding necessary.

The following presentation was made by Justin Lyons, Business Rental Sales Executive, with Enterprise Holdings in Knoxville:

⧫ The entire state of Tennessee has a partnership with Enterprise. We are the primary vendor for

car rental. Total Transportation Solution: Car Sharing, Truck Rental, Vanpooling, Fleet Management,

Car Sales

⧫ Overview of Enterprise:

🚘 1.7 million vehicles within the Enterprise (home city), National (airport) & Alamo company

🚘 JD Powers Award - Ranked Highest in Customer Satisfaction 15 of the last 16 years

⧫ Emerald Club: Loyalty Club where you can earn points toward free rental. Billing can be tied to your

Emerald Club number and that makes things much more convenient for your travelers. There are

different tiers: Base, Executive, and Executive Elite.

1. Reserve and Pay for a Midsize Car
2. Bypass the Counter
3. Choose any car from the Emerald Car lot

⧫ There is a National Car Rental App. From it you can:

1. Modify reservations
2. Make reservations
3. Track Emerald Club points – use them for free rental days
4. Get E-receipts

⧫ State of Tennessee agreement: $28.44 = mid-size car rate

Rates include insurance with $1 million liability (Business use only)

UT’s account #: XZ56187

How to rent is on the Treasurer’s website under Travel Program

🚘 Lower age limit: 21

🚘 They have a **breakeven** **reimbursement tool** that will help you decide whether it will be more cost-effective to reimburse an employee for mileage or rent a vehicle. He will share that with Mark.

🚘 They will be glad to upgrade anyone you deem eligible to Executive Elite.



**● Capital Projects/Facilities Planning Update – Robbi Stivers**

Our capital process for the 2015-16 budget is coming along. We are going to bring about 17 projects to the Building Commission in June and then take another 6-9 projects in July and approximately $160 million worth of new money and projects to get things going. We’re also in the makings of next year’s fiscal budget as well, with a deadline of July 1, so please continue to look at that. One of the by-products of the reorganization that the governor has proposed for the 6 universities is that THEC is likely going to back the deadline up on us, which will mean that we will be forecasting projects out probably 3-6 months earlier which undermines our ability to properly budget these expenditures so the further out it gets, the more blurry the picture becomes.

Not definitive, but being discussed: TBR will likely not be considered a higher ed entity any longer. They may be put under a different silo and their funding requests may be considered differently than what they are today. There will be more fragments competing for the same pot of money. THEC will be more empowered and may bring on more staff. They will be very instrumental in evaluating capital projects. They will generate a budget. It may be the same or there may be more steps. State Building Commission is also gearing up for the 6 universities. They don’t want the capital from those 6 universities until they can demonstrate that they have the infrastructure to put those projects together in a way that’s acceptable to them. More staff is going to be added to help vet and process these projects as they go through. This is going to be different for us all.

**● FY 2015-16 Capital Budget – Robbi Stivers**

The time between now and July 1 is critical. We’ll meet with the President soon thereafter and he’ll begin to formulate his recommendations to the Board. Around the end of August we should have our recommendations to THEC.

**● SERUM – (Outsourcing) Update – Tennessee Real Property Efficiency Initiative – Ron Maples, Robbi Stivers, Mark Paganelli, Richard Brown**

(Robbi) In the name of efficiency, they will probably require another report, which will probably be a Facilities Strategic Plan. Everything that we do with Facilities has to be in that plan. We have roughly 900 Facilities system-wide. Facilities assessments will have to be done every five years to give an overview of the condition of our facilities. We already do this in reporting to THEC and with our capital budget requests when a campus sends something in. There may be some delegated authorities to the systems. My recommendation is to look back, start over, and consider the points we were trying to solve. This has been a discouraging process.

(Ron M.) Richard is now on the steering committee, Mr. Peccolo has been brought in as a consultant, and Mark is also on a committee looking at the bids on the people doing the accounting to see if the numbers were right, as well as being on the committee looking at the RFQ.

(Richard) We have been taking a look at how the state is going to structure this RFP to really select this outsourcing Facilities partner. There will be a series of training exercises over the summer to take a look at that RFP and make sure that we have the right customer relationships in it. That process will probably go through June and July and into August, with possibly that RFP hitting the streets in November and December. It will be first of year before you see some movement there. Along with that, there is a parallel process that Mark has been involved in, of taking a look at an RFQ to take a look at an independent 3rd party to review the data that the state has aggregated up and the University’s data and see if there are any issues and if they are aligned.

(Mark) The state has outsourced 10% of their office space and they claim that they are saving “X” dollars, and if they would take that and outsource every Facilities Management for all of our 900 buildings, all the buildings at TBR, and all the state buildings, prisons, state parks, etc. they would save “x” dollars.

To come up with that number, they have taken what is known as Whitestone benchmarking where you take housekeeping, landscaping, pest control, and other categories, and you assign a service level and that calculates your benchmark cost, and then you look at your actual cost. The State is saying they are 70+% below the Whitestone numbers and we’re saying we’re 68% below. They’re claiming they are going to save $55 million. It seems that maintaining a dorm, research lab, or a medical facility might cost more than an office space. The people who do know these things say that they aren’t comparing apples to apples.

The President said that we want these numbers audited. They did an RFP and we were not allowed to review the RFP before it was sent out. The scope of it was to come and look at our numbers, look at the Whitestone numbers, and issue a report on it. They got 2 responses: 1 from a CPA firm and 1 from a Facilities Management firm that is a competitor of JLL, who the State uses to outsource the 10% of their office space. They allowed them 45 minutes to present. The CPA firm didn’t understand Whitestone and wasn’t familiar with it, and didn’t understand service levels. They looked at it as they would an audit of a construction project. They went back and looked at the actual costs and made sure that the numbers were correct. The Facilities Management firm more or less said that the numbers were wrong because you shouldn’t have a gap. Your benchmark numbers shouldn’t be 60-70% above what your costs are and your gross square footage isn’t the way you go about it because you aren’t going to maintain your stairwells, elevator shafts, etc. They knew numbers like how many square feet a housekeeper should be able to clean per shift.

(Richard) There is still a lot of angst on the campuses among the facilities people. They don’t feel like this is being evaluated fairly. If you adjusted the service level back to a level that you know fits higher ed, suddenly that $55 million projection goes down to nothing.

(Mark) The point I tried to make is to forget the $55 million and benchmarks and hire a consultant to give us ideas for improvements and efficiencies.

(Richard) They’ve requested to come in and visit with every Chancellor within UT to present the merits of this program. They’ve already been to the TBR schools. Butch has recommended that the Chancellor and the Chief Business Officers sit in on these presentations, so you may be getting those requests.

**● Empower Tennessee Update – Ron Maples, Robbi Stivers**

Empower Tennessee was one of the 4 legs of the SERUM project. It was to create a pool of money from the State that we could use to fund energy projects and in theory would create savings over time and that savings would come back to the area that was using them. Last year, they got the State to grant $43 million to establish this pool, and they went out and found a bunch of projects. Consultants from General Services went to different campuses and pitched big lighting projects and other energy-saving projects. At the time, the deal was that you would sign up for this money, but you would pay the money back plus interest from the day you signed the contract. We could get better rates elsewhere, so we chose not to do this. Robbi explained this to the Commissioner when he asked why no one was using this money. Now we are using the money interest-free. More money is available for financing projects. All capital projects are being set up in Edison now, as well as UT so that the State can track it too. It has been an interesting exercise.

**● CAB Update – Richard Brown**

We met in Martin on March 30.

*On the Agenda*:

✔ Outsourcing relative to employee benefits and how it would impact employees

✔ Thank you to the Business Officers for your continuing work on moving compensation forward.

✔ Initiatives and updates. We were pleased that the first President’s Awards went over very well.

We will likely change the criteria a little so that staff have a competitive edge in the process.

✔ Haven for Faculty and Staff – Title IX training for all UT campuses needs to be pushed forward

✔ Policy updates:

What should remain in personnel files?

HIPPA confidentiality

Affirmative Action and Diversity – how are those records kept?

✔ Workers Compensation – there were a lot of conversations about the new CorVEL relationship and

back to work processes

✔ State-wide work teams continue to work, compensation teams are continuing to ask campuses to

move minimum compensation. We are at $9.50 on most campuses, but can we get to a $10.10

benchmark?

✔ FLSA changes – policy changes will be coming out now

✔ Wellness Program – Recommendations and changes are coming. We are looking at a new EAP and

wellness plan.

✔ Also looking at retiree’s insurance as a package.

I wanted to bring before the Business Officers the notion of whether or not to move forward with another Simpson update study to make sure that we know where we are with the compensation gap. I think that the President has a desire to solicit the state very strongly to put some recurring dollars into compensation, similar to what he did with other state employees. The investment on the other side of the state was almost $80 million as recurring funding to close their compensation gap. I think that the University of Tennessee and all of higher education is going to have to come up with a similar model, but we must have definitive benchmarks to say what those gaps really are.

**● Retirement Incentives – All**

All reports were given.

**● Annual Incentive Pay Reporting – Ron Maples**

The Incentive Pay Reporting that you’ve done in the past and sent to Butch Peccolo should be sent to Ron Maples now.

**● 2016 Salary Plans – All**

*The deadline for details on how you are going to implement the guidelines for campus and institute plans is June 2.*

System Administration – 1% across the board pool; 2% market & merit pool; with a minimum of either

$600 or $800 across the board

Martin – 2% across the board: 1% market equity, contingent upon enrollment increase; as well as a 1%

one-time bonus merit also contingent upon enrollment increase; $600 minimum

Knoxville – 3% pool merit & market only; no across the board; just for regular FT/PT staff; $10 minimum

wage effective 6/30/16

Ag - $10.10 minimum wage effective 6/30/16; 1 ½ % across the board; 1 ½% merit pool; $600 minimum

IPS – 3% pool: 2% across the board; $800 minimum; 1% merit & market

Memphis – 3% across the board; $1,000 minimum

Chattanooga - 3% pool across the board; $800 minimum

Already at $10.10/hr for non-exempt staff

$250,000 pool for faculty promotions from assistant to associate to full professor

to keep faculty pay competitive

**● Elected Officer Performance-Based Variable Comp Plan: Metric & Model – Ron Loewen**

In the Board materials, the Variable Comp Plan is roughly 140 pages long. If things roll out the way I think they are going to, in System Administration, I am going to have to budget for 5 elected officers. This was my attempt to translate what applies to the President. There are about 2 dozen metrics. Each of you will have a Chancellor to budget for. A few metrics are financial driven. One of them is the metric on the salary gap plan. We’ve talked about the concerns on how it’s being measured and who is measuring it. We’ve had the HR numbers and competing numbers from Institutional Research. Right now, the President and the Board are getting engaged and setting goals for the following year and not all of the data that forms the baseline is final yet, so I’m not sure yet how those goals will get set up. There is some discussion that this may be outsourced. The method of pay-out may be changing from a lump sum to one that would promote retention such as a bonus pay-out over 3 years.



**● Campus/unit market salary gaps – All**

How are they being measured?

How are they being reduced?

(Ron L.) – As far as the State budget, their market rate adjustment pool is $30 million and that’s just for January 1 implementation. They will probably come up with another $30 million next year. I think we need to tell the State that we can’t get there unless they help us or give us some cover on fee increases.

*System* – As far as how to reduce the plans, we don’t really have a recurring funding source outside of these July 1 pools that provides about a 1% pool over and above what Simpson’s been telling us (that general inflation’s been running about 2% each year). It gives us a little bit of progress. As far as how we are currently measuring our gap: HR is keeping up with what they see is the market median for each position and we look at everyone’s current salary versus that median. If you are below that median, we take that number as part of the gap. As far as managing that: when we look at individual people, we recognize that we have some work to do in refining our measurement methodology and that will take staff effort and time. We can’t get to where we need to be if the State doesn’t help us fund it. The State would need to give us roughly 2% for the next 4-5 years to completely close that gap and that would be in additional to 2-3% each year just to keep pace with the market.

*Knoxville* – We haven’t been able to use the information from the Simpson Report. We didn’t have good matches on the data on the front end.

*Memphis* – We used Simpson to update our faculty, but used someone else to do the staff piece. We used an 85% median instead of 100%. HR was pleased. We think we are pretty close to where we need to be.

*IPS* – Our consultants said that the Simpson information had no bearing on most of our employees. They just weren’t covered by the State. We are doing our own salary market analysis.

*Martin* – We’ve done our own as well. We’ve just used CUPA-HR to get a lot of the information that we need to make the comparisons year after year to at least be at 85% of the market median. For the last few years, we’ve had money allocated outside of the general pools, but in recent years, we’ve not been able to do that. It is part of our plan.

*Institute of Agriculture* – We have good salary data for our faculty compared to our peers. Once you get past the faculty and a few key administrators, we don’t have data. In addition to that, we are like System, we have no source of recurring revenue to do anything above what the State funds, so when we are looking at it, there is no source of funds. We are looking at going down on our market gap analysis because our funding is not keeping up. According to the projections, we’ve already peaked, and are just trying to hold our own without additional money.

There was discussion about finding out who did the State review. Richard said that he would consult with Rebecca Hunter, Commissioner of Human Resources for the State, and let the Business Officers and HRO’s know their approach and see what we might do going forward.

*Audit* (Sandy Jansen) – How it is being measured concerns me. Currently the goal is to decrease that gap 15%. I don’t feel like we have a good way to measure the decrease in the gap, because, as an auditor, I’m still a little skeptical that we are measuring apples and apples.

Mark Paganelli – For staff, you could easily take what the State has (accountants, administrative assistants) and we’re way behind them—When you present that, you can say you are using the State’s data and they actually do a much better job than our HR does at trying to keep their people to market.

It was decided that after the FLSA adjustments have had time to take effect, Richard Brown will recommend a joint meeting of the HRO’s and the CBO’s in a workshop to talk about the data, a strategy, and a common approach.

 

**● Update on Policy Medical and demo – policy software – Tony Ferrara**

We have almost all of our policies in the new format now. Anyone can go to uthc.policymedical.net and look at it. The challenge has been in finding the time to update the procedures. We went through a process so that everybody agreed on a consistent format.

**● HIPPA compliance – Tony Ferrara**

We have a decent set of HIPPA policies in place for each campus. We would like to get the contacts for each covered entity together to talk about training that has to be done on a regular basis. Audit has been doing HIPPA assessments and the consensus is that there is a need for a template for contracts and separate agreements.

**● System Charge – Ron Loewen**

This came out late in the proposed budget process. We had not settled on what the University’s salary pool was going to be. In this new approach that we’ve adopted, there is a new element of growth tied to the funding base and as the base of current expenditures grows, there is a growth factor there. When you look at the incremental funding, it’s not growing nearly at the rate of these increases. In some of our units, when going to new allocation approach, there is a considerable phase-in effect where there was cost-shifting from some units to others and last year we put in a 25% cap, and I put in a 25% cap again. 25% increases year after year cause concern. There is also the transparency beyond the fact of the way the new model and method works, having put in a growth factor with additional add-ons built-in, that are just coming out of a growth in the funding base, how is the money being deployed in System Administration?

The first page shows the base that we used for allocations. Rather than using the Cost Study Approach, we moved to just using historical current fund expenditures and using a 3-year moving average to keep out fluctuations that weren’t intended. One of the drawbacks is that the base included FY13 which is a long time ago. Historical base changes may not reflect very well the financial changes that are going on the year this is being used for. The bottom blue box shows the change factors. The assessment rate is what the rate was last year. This shows the growth in the base. This provides a little flexibility for the President. The Variable Compensation Plan may be pulled out. There may be short-term projects such as TALEO or there may be reorganizations and changes that we aren’t sure will be part of the long-term recurring model and we might end up approaching those as a separate cost model before we decide if it’s going to become a part of general funding. There is the net 3% System Administration salary pool which takes the total salary pool for System Administration and then backs out the State appropriations that the System received this year and also backs out the piece that goes to the Research Foundation. That is the assessment rate for the new base which calculates to a little over $17.3 million. The net change of a little over $6 million is very close to the number back in April that I gave as an example as far as what would ’17 look like with a 3% salary pool.

The second page is based on a model of what the CBO’s show the President when he goes out for a campus and system budget hearing. As far as new funding coming in, it’s a little over $2 million. The State Appropriations is a little over $325,000 and that’s more than we typically get in System Administration and then there is the net increases to the 2 charges to make up the $2 million. And then reallocations that we’ve done throughout the previous year and plan to do in the upcoming year are approaching $1.5 million. When you look at the uses, most of the things in the top half of the list are things that are tied to the $2 million in new funding. Most of the things on the bottom of the list are tied to reallocations. You can see the Insurance money we got from the State, Salary Plans, TALEO, Elected Officer Variable Compensation Plan are all things we’ve already talked about. Those Presidential Projects and Initiatives are an attempt to set up a little recurring fund that the President can use for initiatives and projects that he is approached with throughout the year to give him a little flexibility in his position to fund things. LMS support is where several units are going together to put together a learning management system. Some of the units are going to use that for external training and then within System Administration, HR will be using that to support Faculty training. There is a cost model that is sharing all the costs of the license for that, and this is the share of it that would support the HR piece of it for that implementation. We have two DC Consultants that work in Washington. One that was already in our recurring budget is not here: the SMI firm that represents UT in Washington. And then there’s an individual that’s been a consultant for a few years that we’ve never put into the recurring budget. That will now be an on-going thing. A contract position that was previously funded by Ag is being fully incorporated into the Contract function. The Ag increases are the largest increases in the System charge, and that helps offset that. There will be a small incremental increase to Archibus. Career ladders, reclassifications, and promotions: most of the fee-bearing units will have small pool to help fund those each year. Evisions – when you put together the total recurring costs to that, including some staff, not only on the IT side, but also on the user side, it’s close to $600,000 recurring. That is funding that has come out of the IT restructuring as has most of what is listed below it. These are new repurposing of funds. We did about $1.7 million in reallocations going into last year; we have about $1.5 million that we’ve either done this year or will go into next year.

The third page lists commitments that may or may not need to be addressed over the next couple of years. This is a mixture of three different categories. Some of these are (1) hard commitments that are already there. We are going to set up an Executive Vice President’s office with a highly paid administrator, an administrative assistant, as well as some operating funds. This was an edict. The lowest recurring cost for Concur appears to be around $300,000. That’s not a commitment – that’s just (2) something we’re looking at and discussing. Doubling the size of the Leadership Institute is an (3) on-going ask. There may be add-on’s funded by natural growth. We do have the capacity for on-going reallocations. If we have a good year in interest income, we can set some aside for some of these big one-time things.

There are some things that we wouldn’t move forward on without consensus on from this group. There are other things where we want the President and the System Administration leadership to have some discretion on how they use the money and have some flexibility, but still be transparent on how the decisions are made while also being sensitive to getting input and listening to thoughts from this group and the Chancellors. For FY 17/18, we will look at making changes in communication.

Tony – This is one-third of the System budget. I’ve always asked to see the full budget. We would like to see what all the revenue are.

Ron L. – We haven’t been showing you the total budget, but we have been showing the increment as far as the funding changes, and so I do think the second page is a good idea because it shows the increment and how it is deployed. We are making some progress in having requests referred to us instead of just being added on in an ad hoc kind of way. Our Board in particular, places a high degree of value on advocacy and communications functions. We’ve made some big investments to those functions.

Richard – One perspective on this is that your increases are larger than the aggregate income increases on most of the campuses. We get a 2.2 tuition cap and you come back and take almost 10% of that. The process just doesn’t resonate very well. I would love to see you sit down with the President’s staff, in the room with the Chancellors, to talk through these issues, so I’m not getting it from the backside and my Chancellor coming to me with questions that I can’t answer.

Ron L. – I should have gotten this information out to you during the year. One thing that I need to go back and reconsider on the base growth is making sure that the delta is reasonable when you look at the incremental funding that you all are looking at going into the upcoming fiscal year.

(Regarding reserves) Our fluctuation reserves are pretty much depleted. We took $10 million out of that as well as a couple of other reserves. We do have a few million available in a couple of other reserves. There are also some reserves dedicated to the Battelle fee and the different types of activities that is allocated toward. That is something I could pull together so we understand what kind of one-time money may be available for system-wide projects and services.

Looking forward at how we’ll develop the FY18 charge, definitely I’ll try to follow a better process of communication and involvement throughout the fiscal year as well as re-thinking some components of the model. Ron (Maples) and I will go back and take a look at ’17 and discuss pulling out the Variable Comp and other things.



**● Fiscal Policy Update – Ron Maples**

During the past year, the following policies were touched:

Service Centers and recharge centers - revision

Memberships and subscriptions – revision

Entertainment and Group arranged events - revision

Travel - revision

Use of university vehicles - revision

Cost Transfers - revision

AP policy - revision

Internal transfers – revision

Sponsored Projects – salary policy - revision

Purchasing - revision

Contracts-revision

Summary Changes of going from $5,000 to $10,000 without bids

Cross Project Program Income – revision

HIPPA policy – new

Tax exempt financing policy – new

Budget policy – revision

The committee is currently working on:

Reconciling the Ledger Policy - revision

Records Management – pipeline

Lease of Real Property – Robbi

Duplication of structured materials

Payroll Policy

Change in the ZK Rules for credit card policies – technical revision

There was a productive meeting with Ron Maples, Audit, and General Counsel regarding the Policy on Policies. There will be revisions.

**● State Audit Update – Ron Maples**

There were 2 State Audit findings last year. One was an IT finding and one was in Research. We have responded to both of them. This year’s State Audit is ready to go. They have decided that we are low risk. They will be at all campuses that have financial aid for a limited review and will be at all campuses that had findings to follow up. Other than that, it should be a Financial Statement audit.

**● E-Procurement Update – Mark Paganelli**

The shopping cart has had over 17,000 orders placed through it. The only issue is still seems to be with Dell who charges us sales tax on some orders and messes up some invoices. The other vendors seem to be doing well. Anyone can pull reports from there. If you want to see purchases from your campus, let us know, and I can set you up a report that you can run at any time

**● EMS Contract system – Mark Paganelli**

We are getting very close on the contract system. I envision that it will be up within the next 2 weeks. It will be a very slow roll out. When we roll out a budget entity, we take all of the contracts in SAP and download them into an Excel file. Then we send them to you to see if there are any of them that you no longer need for any reason. Next we set up those active ones in the new system in case you have to do an amendment to it. The other big, technical side is requisition. This will replace the SAP requisition. You create a requisition in ESM. We are very limited on the fields we have that will feed it over to SAP. Depending on the order type, it will create a pre-encumbrance, send it to Purchasing, they will bid it out, and then when they issue it a PO it will relieve the pre-encumbrance and create an encumbrance in SAP like it does now with a PO. EMS has upgraded their bidding module system to accommodate RFP’s.

**● Diversity Business Enterprises update – Blake Reagan**

Something that is very important to keep in mind is that it doesn’t matter where UT spends its money, as far as it relates to the State, in order to get credit for it, it matters whether they are certified or not. So even if a bonafide, disadvantaged person owns a business and we spend millions with that business, if they’re not certified in Tennessee, it’s zero. It’s as if we spent with a “majority business”. Driving certifications is what drives success so that’s what we strive for.

This fiscal year Go-DBE has:

🡁 Sent out thousands of letters and improved our data and reporting

🡁 Put SAP terminology in alignment with the State’s certification language with is very important

**🡁** Hosted and facilitated the Governor’s Office of Diversity Business Enterprises Marketplace 2016

🡁 Added 2 new certified diversity suppliers to the Marketplace

🡁 About to launch Supplier Orientation Program (1st of its kind)

🡁 Certification campaigns

🡁 Improved Business Classification Form

🡁 Outreach efforts

Previous data issues addressed:

🡂 Double-counted spend with p-card (actual p-card expenses + Bank of America spend to pay p-card)

🡂 Double-counted Facilities Planning (Robbi’s office) spend and counted by Blake’s office

State’s Go-DBE office has 1,394 certified suppliers.

106 of them are expired

UT has 295 certified suppliers. Some suppliers just won’t take the time and effort.

Our effort is working and the trend is upward.

**● TouchNet - Mark Paganelli**

TouchNet is the University’s 3rd party vendor for cashiering and student invoicing. Every campus uses TouchNet and the contract for it is up. We are working with TBR to get this approved at Fiscal Review.

● **Concur (Update) – Mark Paganelli**

We are putting in their booking tool. I will send an email with the website. You call World Travel and they set you up with a user name and password. You and your employees can and go in and start becoming familiar with Concur and the booking tool and see if this is something you like. It doesn’t have anything to do with the reimbursement side of it. This is booking trips, airfare, hotels, and it has our negotiated deals in there. Quirks: You can only book 1 hotel room and on an airline, you can book your ticket, but you can’t pick your seat. After you book it, you go to the airline and pick the seat. You still get the World Travel services, but you get a $7 fee instead of the $17 fee.

**● Education Advisory Board – Mark Paganelli**

EAB is a membership forum with a consulting component. They have developed software that:

⧫ Enhances the academic program.

⧫ Ties in well with Banner

⧫ It helps with student tracking.

⧫ It Benchmarks financial allocations to specific academic programs

⧫ It helps with student progression and career tracking

(Richard) Chattanooga has been in the planning process with them for over a year. They use national best practices to deliver these products and services. We feel that the return on investment is worth every penny.

(Mark) They have a software solution that helps with student retention. Chattanooga had put this in and had been using it for a couple of years and wanted to amend it and it needed to go to Fiscal Review. At the same time, MTSU was in the same boat as they had piloted it, and ETSU, Austin Peay and others were wanting to use it, so TBR initiated a system-wide contract saying that any campus could use it. It had prices fixed for 5 years over the length of this agreement. Dale Sims, their Vice Chancellor for Business and myself (Mark) presented it. There was a 1st and 2nd and then it was overturned. They said they would approve a 3-year deal and to come back and try again. Contracts expire at the end of May, so we are working with EAB to get a bridge agreement in place. It will be presented again in June and Katie High, VP for Academic Affairs will make a presentation supporting its value.

**Next Meeting – September 21-22, 2016**