

TEMPLE UNIVERSITY  
**FACULTY SENATE STEERING COMMITTEE**

Minutes

**Date:** Tuesday, 3/26/19

**Time:** 1:00 p.m. – 3:00 p.m.

**Attendance:**

Present: Rafael Porrata-Doria (Pres., Law), Kimmika Williams-Witherspoon (V. Pres., TFMA), Michael Sachs, (Past-Pres., CPH), Sue Dickey (Secretary, CPH), Rob Fauber (CLA), Teresa Gill Cirillo (FSB), Jeffrey Solow (BCMD), , Shohreh Amini (CST), Quaisar Abdullah (COE), Doug Lombardi (COE), Vallorie Peridier (CST), Mark Rahdert (Law), Carmen Sapienza (LKSM), Cheryl Mack (Coord.)

**Absent:**

Lisa Ferretti (SSW), Paul LaFollette (Fac. Herald, CST), Austin Leong (KSoD), Sharyn O'Mara (ART), Melissa Potts (Pharm), Betsy Barber (STHM),

**Guest:** (2:00 p.m.) Temple University CFO, Ken Kaiser & Jaison Kurichi, Associate Vice-President for Budget & Finance

Topic	Discussion	Action
1. Call to order	<p>The meeting was called to order by Senate President, Rafael Porrata-Doria</p> <p>Motion to approve the FSSC Minutes of 3-12-19.</p>	<p>Called to order at 1:06 p.m.</p> <p>Approved as read.</p>
2. Report of President R. Porrata-Doria	<p>Greetings: Do we have a quorum? My report is going to be pretty brief. Ken Kaiser &amp; Jaison Kurichi are coming in at 1:30 p.m.</p> <p>RPD: I reviewed the minutes of the meeting of 3/12/19 &amp; I gather that there was a robust discussion on changing the Faculty Awards ceremony to fewer people with a stipend. My understanding was that you don't want to change &amp; that you would like me to talk to Provost JoAnne Epps &amp; see if she can give us a little bit of money for each awardee. Do you have an amount in mind?</p> <p>FSSC Members: No.</p> <p>RPD: I will talk to her but my instinct is that she's going to be reluctant to come up with \$ b/c she still has to pay for the luncheon.</p> <p>MR: I like the awards luncheon very much. I think that if we moved to a mid or late afternoon session, it would be cheaper.</p> <p>RPD: The second item has to do with last week's Representative Faculty Senate meeting that was to be held. President Englert was our scheduled guest with trustee Steve Charles, who's been asked by the Board of Trustees (BOT) to come up with a strategic plan for the next five years. As far as I know, we were scheduled to have President Englert &amp; Steve both as our guests. That changed on Monday a.m. President Englert had to go out of town &amp; Steve Charles preferred to appear with President Englert. We found ourselves with no guests for the meeting, but also no real business to transact. Given that, I asked Cheryl Mack to cancel the meeting around 10 a.m. I thought it would be much better than to have a five-minute meeting to which people showed up. For those who didn't get the email, I apologize.</p> <p>About this strategic plan; my first awareness of it was when I attended an Executive Committee meeting of the BOT, during</p>	

which the chair introduced Steve as the head of the strategic plan. The committee is co-chaired by Steve Charles & President Englert. It's just getting organized. I've had a meeting with Steve Charles because I consider it essential for any plan to have faculty input. I was thinking of the FSSC first, but he said he would like to come to the Representative Faculty Senate. He said, "Sign me up for that!" My concern is about communication so that we can come out of our silos & make decisions in a better way.

CS: At the medical school, we're undergoing strategic planning right now. Is this also what the university is doing, only slower?

RPD: The sense is that they're trying to plan better ways that we can work together. I'm not so sure that they know exactly what they're talking about.

CS: They've already made strategic decisions without a strategic plan in place, like selling Fox Chase Cancer Center.

RPD: Their concern is that we're working in a bunch of silos & at cross purposes to each other. I wanted to get us into the process early enough.

SA: Is this about a search for a new Temple president?

RPD: The BOT doesn't seem to be acting like there is going to be a change of administration anytime soon. I will advocate for a proper search process if and when that occurs. Last time, there was no search committee period.

JS: That stopped with the presidency of Adamany.

RPD: I've been lobbying for > decanal review committees. I'm advocating for more faculty on them. One was for the dental school; one was CPH. In one, one appointee has very close ties to the dean & disclosed that. On the dental school committee, one had done a substantial amount of research with the dean & the other two committee members were department chairs. I will call the Provost's Assistant, Mary Louise (Weegie) & find out these things. The issue that has been clearly shown this time around is that we've had trouble getting volunteers for deans' review committees. That may be for a number of reasons. There is also trouble getting volunteers for search committees. Service is not valued, not worth spending time on these committees. Folks in some schools are discouraged from volunteering. CATA has had a lot of problems this year getting people to volunteer. This is a long-term problem. We need to talk more about this, but it's an issue.

VP: What happens once the Dean's review is done? Has it ever had a consequential ramification?

RPD: Participants on the committee obviously know what's in the report, but that's about it. Until JoAnne Epps became Provost, nobody even saw their own reports. She changed that. They've taken the position that because it's a confidential personnel issue, that it can't be disclosed to the faculty & staff at any college. They are aware that this is a system that has some issues & problems. They are exploring other dean evaluation techniques, including the 360-degree review that involves faculty, students, staff & senior administrators. Having done one, they are very time & labor

	<p>intensive, but far more transparent than the current system. I'm in communication with the provost's office to find out what's next.</p> <p>KWW: Anecdotally, the dean's review in the College of Liberal Arts was as a result of that dean's review &amp; in my place.</p> <p>MR: Not too long ago, we had a provost who did what she called a 360 which in her mind included the associate deans &amp; the ... I would suggest that to the administrative if you make it a black box that faculty will conclude that it's not .</p> <p>SA: We did a very transparent 360 &amp; it was wonderfully done, with recommendations, submitted to the dean &amp; we saw very little change.</p> <p>RPD: I think it's dependent by school. In some, the number of degrees of review were no more than 36.</p> <p>JS: To MR: Please explain the "black box."</p> <p>MR: The process is not confidential, although some things must be.</p> <p>RPD: If there is information that you can't disclose (to Provost Epps &amp; Assistant Provost, Mary Louise [Weegie] Esten, you can disclose the process.</p> <p>JS: If there is a faculty survey with names, the faculty won't do it.</p> <p>SA: We never emailed out from the College of Science &amp; Technology. We brought everything in on paper copies only.</p> <p>RPD: We're working on these things &amp; the Leadership group can meet with the Provost.</p>	
<p>3. Report of Vice President, Dr. Kimmika Williams-Witherspoon</p>	<p>There are two candidates for approval.</p> <ol style="list-style-type: none"> <li>1. Lisa Ferretti did not submit a statement, CV or bio-sketch. I move to approve her, contingent upon her submission of a short statement &amp; bio-sketch.</li> <li>2. Amy Min, from Pharmacy School for the Committee for International Programs. Move to approve? Amy has been appointed!</li> </ol> <p>There are 2 questions: Can chairs &amp; staff serve on Faculty Senate committees?</p> <p>MR: Clearly under our bylaws, no for staff for committee service. They can consult.</p> <p>KWW: Can chairs?</p> <p>MR: Absolutely yes.</p> <p>KWW: Until our bylaws document is changed, it says yes. I would like the bylaws committee to meet next week at this same time &amp; try to look at that document.</p> <p>CS: Are you going to consider Center Directors?</p>	<p>Motion made, 2nded &amp; passed. Motion made, 2nded &amp; passed.</p>

	<p>MR: Anyone who has a full time faculty appointment is okay to serve.</p> <p>VP: Adjuncts do teach at several schools.</p> <p>MR: This group approves committee appointments. We can say, "No thank you!"</p> <p>KWW: Dr. Ruth Ost (Temple Honors Program Director) has sent 4 – 5 names that she would like to see appointed to the Honors Oversight committee.</p> <p>MR: She has always recruited &amp; put forward people.</p> <p>KWW: I've also invited her to this body. I'm still trying.</p> <p>MS: Last year, there was a committee made up of Paul LaFollette &amp; Jim Korsh to look at these adjunct things. They didn't put forward a report. Steve Newman (President of TAUP) originally brought that up, but now negotiations are underway, so it may have gone down some on the priority list.</p> <p>JS: This is related to chairs &amp; how they have been re-classified (by the PLRB ruling a couple of years ago). Right now, chairs can rule on tenure as an NTT faculty member and they can rule on P &amp; T decisions.</p> <p>DL: We have a lot of NTT chairs in the College of Ed who rule on tenure.</p> <p>TGC: How would that relate to the union?</p> <p>RPD: How could adjuncts be integrated into the FS?</p> <p>MS: There are a bunch of issues that need to be unpacked, such as swamping of the FS by NTTs. Jennie Shanker &amp; others served as delegates. Paul LaFollette might be able to give some insights.</p> <p>JS: As a member of the TAUP-Faculty Senate Liaison Committee, at the same time, the more you do things like this, the more you encourage TU administration to diminish the # of TT faculty as people who do things like that.</p> <p>CM: With regard to the Honors committee, Dan Berman appointed an administrator who did not go through the FSSC approval process, but can he do this?</p> <p>MR: Rafael, I think that one thing you must talk about with the provost is that administrators are in no position to appoint administrators to Faculty Senate committees.</p> <p>JS: Could someone be appointed ex-officio so that they're non-voting?</p> <p>MR: That doesn't mean they're non-voting. They can serve as consulting staff to the committee.</p> <p>KWW: Ruth brought the at-large designation to the Honors Oversight Committee. Can we change the name of the committee ourselves?</p>	
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

	<p>RPD &amp; MR: Yes.</p> <p>DL: If those are the bylaws, can the director propose 2 faculty to be appointed?</p> <p>Our guests have arrived. Let's table this discussion.</p>	
<p>Guests: (2:00 p.m.): Ken Kaiser, Temple University CFO &amp; Jaison Kurichi, AVP for Budget</p>	<p>RPD: Let me welcome Ken &amp; Jaison... It's always a pleasure. [Introductions were made around the table.] The floor is yours. Please update us about RCM.</p> <p>KK: This is the first time I've been in the updated board room! It's really nice. Thank-you for inviting me. We do enjoy coming to talk about the budget &amp; its state. It's less about what we have &amp; more about the questions. Whatever works. Please see my slide panel. I'm focusing on the 3-year review that ended last semester. It's about why we did it &amp; what changes we made.</p> <p>CS: Someone mentioned it at the medical school/Tom K.</p> <p>KK: The med school is treated as any other college. As you know, RCM was implemented in 2014, with a 3-year review as planned in as the natural course of things. It's operating as it was designed &amp; intended; operating in the most efficient manner. We're viewed as the folks who brought RCM here, which is why we brought in John Curry from the DeLoit firm to run the review. He's sort of the god-father of RCM &amp; we really benefitted from his knowledge. He spent time at Penn and other organizations. We held many interviews with every possible stake-holder. An all-faculty survey was sent out. We talked with all deans, held lunches. The response rate was pushing 50%, which was really unheard of. That tells us that everyone "loves RCM."</p> <p>There were 2 categories of recommendations. [Please see KK's ppt that describe his verbal report] depicted below:</p> <ol style="list-style-type: none"> <li>1. Budget Ops (Qualitative) <ul style="list-style-type: none"> <li>Joined ABC academic benchmarking consortium. Robust. We want to be able to benchmark. Other comparison products not that good compared to this one. (Others have small private colleges). This one has all public universities. We won't use it for this budget process b/c it's so new.</li> </ul> </li> </ol> <p>JS: What areas are you benchmarking?</p> <p>KK: Eight. SAMS (administrative), facilities, finance, fundraising, research. Includes administration within the schools &amp; colleges as well. For example: How much is TU spending on Human Resources (HR)? Or are we overspending in an area?</p> <p>QA: How much of this information is going to be publicly available?</p> <p>KK: We will own it in my area; It's not going to put it out on the web.</p> <p>VP: How will state appropriation get divvied?</p> <p>KK: This was answered, when we started, we had the 'hold harmless' policy. When budgets were beyond the amount available, that's where the state appropriation comes in. They could</p>	

	<p>make a cut in our appropriation.</p> <p>KWW: Art schools are always at a deficit. This is not calculated in the subvention, so we're always behind the 8-ball.</p> <p>KK: When costs are put in, the amount goes up with your enrollment.</p> <p>KWW: Our building was torn down for the library.</p> <p>KK: That's why there's always subvention in the art schools. Even if art is doing everything right &amp; it's just a slippery slope, the money should go over there.</p> <p>JS: Enrollments go up with RCM.</p> <p>KK: Folks throughout the university are expressing desire for canned reports &amp; forecasting tools. Dashboarding. This makes it easy for leadership in schools to identify areas &amp; set strategies. There is reinforcement from leadership that RCM is here... there's some buzz that it wasn't here. But Dick Englert approved RCM before President Neil Theobald was here during his first presidency. I want to provide clarity &amp; unity on that.</p> <p>The next set of slides is related to the model itself. How overhead &amp; subvention are allocated. The main theme from DeLoit's recommendations &amp; findings is that our model is too complicated. We knew that it was too complicated in fiscal year 2015. There were 8 metrics to drive out costs; 8 cost buckets. This was not really what we wanted. We wanted something much simpler. We took the more complicated version &amp; broke it down to 3 buckets &amp; 3 drivers. They're student related; space related &amp; general. If they are student related, they are allocated based on credit hours &amp; student activity. For space/facilities, the calculations are based on square footage.</p> <p>VP: What about security?</p> <p>JK: That's shared.</p> <p>SA: One problem in my college is space for teaching; but then there are not enough teaching spaces.</p> <p>KK: If it's your space, you're paying for it. Simplifying the model makes it much easier for Jaison.</p> <p>MS: Square footage gets assigned to CPH.</p> <p>KK: Everything in this bucket has a clear student focus. (See revised allocation of Cost Buckets). For the general administration, there are administration units that cover everything.</p> <p>KWW: Because we have so little space, adding more students is not an option because there's already lack of enough space. This tool tells the university to charge for space. That's not how it's allocated for us.</p> <p>KK: Facilities operations and that service get allocated based on that. One of the Facilities Management strategies: Key elements call for setting excess margins.</p>	
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

	<p>1. Mechanics (Quant) Facilities operation + that service get allocated based on that. One of the Facilities Management strategies: Key elements call for setting excess margins.</p> <p>2. Mechanics (Quant)</p> <p>There is a summary of the report available. There are 50 pages of it. It's available for all. The key here is that if this goes into effect there is no plan. No dean will say 'we have a lot of carry-over; we don't know what we're going to do with it...' I will pause there. The FY 2020 budget will be challenging for next year. Enrollment will be down by 450 students.</p> <p>JK: There is a decline in applications &amp; graduations. Deposits are down. Last week they went down by 20% &amp; then another 13% another week later. Admissions has a litany of reasons why. We can't put out an optimistic budget. We're planning for a 750 student enrollment decline.</p> <p>DL: Is that new since RCM? What has changed?</p> <p>TGC: Are you attributing that to the demographic shift?</p> <p>KK: I hope not, but if that is it, we'll talk about budget cuts, resizing &amp; cutting the excess.</p> <p>MS: Admissions...</p> <p>KK: has already reached into the hold list &amp; admitted another 400 students. It's more nuanced than that.</p> <p>DL: Is there a shock absorber built in?</p> <p>JK: We delay how we allocate the revenue based on last year's credit hours. We allow the revenue to go to the schools &amp; if they're efficiently using it, they keep the money.</p> <p>KK: For the graduate &amp; professional schools, they are usually always flat. They are similarly always flat. Tuition will be a 10 – 15 million-dollar drop with this smaller enrollment. We are planning &amp; hoping for a consumer price index increase in undergraduate admission tuition. Our fees also significantly less than other schools. At TU, they're \$890.00; At Penn State, they're in the thousands and higher at others.</p> <p>KWW: Is this indeed the change in the demographic shift? Out of state tuition is ticking up to hopefully cover some of those losses related to demographics. Enrollment is like a drug because there are more resources.</p> <p>QA: I know that you spoke about the 2% decrease in student admissions. Wouldn't it be balanced off by an increase in the 'let in' rate?</p> <p>KK: In my mind, there should be a big enough incoming class to offset all of that. The other question is, 'do we have the services to offset these new many?' The state appropriation is flat, &amp; that's a loser for us. Honestly, I'm just happy that it's not cut, so I'll look on</p>	
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

the bright side of that.

MS: Are athletics funds not distributed more broadly?

KK: There are costs associated with that turnover. The President's intent is not to let it all go to athletics (by reducing the budgets & paying for buyouts). President Englert is aware of this for sure & you should feel free to talk about that with him the next time. Everyone knows that TU is heavily unionized. There are 11 bargaining units. The costs that we are trying to keep down: benefits. This year, the issues are with prescription & specialty drugs. All of the specialty drugs are going up 22 % this year. Generics - we need some great research on how this should be solved.

Other categories of expenses: discretionary. We all know what we've had to deal with over the past few years. The compliance office is built into the budget for that year. Lights, facilities & staffing for the new library are coming up. Not every support unit requests a budget increase year to year. Only 5 this year requested dollars. The President & the Provost will make the decisions. I wouldn't recommend making any of those things for those requests right now. Right now, the gap is roughly \$35 million shortfall in revenue/overage in expenses. The cost of the compliance office is a \$500,000-700,000 cost. They are taking ownership for data verification. I left that meeting discouraged. It's not panic material. No tuition increase is built into that number. Enrollment is not complete. We're planning for a \$10-15 million cut for the budget. We always take a conservative approach. Moody's (rating agency) cites that as one of our strengths.

CM: How many times in the past 5 years has tuition increased?

KK: Five. There was none in 2012. Costs go up. That's what I'm fighting for. It's passed on to the consumer. There is less for everybody with a budget cut. It's expected with a CPI increase.

TGC: Financially, how is that addressed in the budget?

KK: We had a couple years in big scholarships. That cohort is moving out now. Once we get equilibrium with enrollment...

DL: Percentages, flat dollar. Pitt & U. of Penn did zero last year, but they're more expensive. Pitt & Penn State have 5 billion; ours is 650 million this year. Hard to compare on that front.

KWW: I have two unrelated questions. Are purchasing & accounts payable under your venue?

KK: Accounts payable is, but not purchasing.

KWW: We can't get paid out of our own grant money.

KK: Contact Terry Cook with Concur. It's a mismatch.

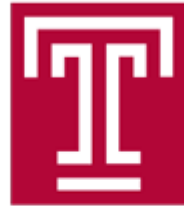
KWW: Will state legislators have access to our benchmarks?

KK: We can't make public their data. We can't make that happen. That report of comparison would kick us out of the consortium. We can live via all the peer information. We could run those reports.



	<p>KWW: Could we also do a report in terms of how we stand in relationship to our administrative structure?</p> <p>KK: Yes. We can compare school by school. There are surprising results on how we've done it so far. Everyone at TU has been here for a long time. You know that we cut the budget by 13 million dollars. I can't think of faculty consequences. Mostly administrators taken out. Security is very expensive.</p> <p>QA: You mentioned that a lot of students received a lot of the scholarships.</p> <p>KK: There is one more year. This class is our first big one; then there is one more after that. Thank you for asking us to come talk with you all.</p>	
Old Business	<p>TGC: I'm having trouble accessing <i>The Faculty Herald</i>. How are we getting it out? Who is the intended audience &amp; how do we reach them? There are very lengthy articles that nobody reads; very long articles with small type. I'm thinking that we should be modernizing the entire concept. I was having a hard time finding the old issues.</p> <p>QA: On follow up, I have a question regarding bringing in Jim Papacostas (to the FSSC)?</p> <p>CM: We're bringing in Jim related to our web communications. Maybe putting the Senate into the TUPortal. The website is not great. The Faculty Senate is not communicating with faculty.</p>	
New Business	<p>SBD: The Mumps-Measles &amp; Rubella (MMR) free immunization clinics are coming up Wednesday &amp; Friday, March 27<sup>th</sup> &amp; 29<sup>th</sup> from 7:30 a.m to 4:00 p.m. If you come and get into my line, I will give you a booster!</p> <p>MR: We need a serious discussion about monitoring incoming students, faculty &amp; staff.</p> <p>SBD: All of the health science students and faculty are monitored; many, every year. This has been going on for many years. It's a national standard of participating in a health profession. Our titres (immune response blood levels) are on file with Employee Health.</p>	
Adjournment	President RPD: Thanks, everybody! We are adjourned.	Meeting adjourned at 3:03 p.m.
Respectfully submitted, <i>Sue Dickey</i> Sue Dickey, PhD, RN, Associate Professor & Faculty Senate Secretary, 2016-18, Spring, 2019		

Next meeting: Next FSSC: 4-9-19. Representative Faculty Senate: 4-18-19 in Kiva Auditorium.  
SBD/sbd 3-26-19; updated: 4-7-19



TEMPLE  
UNIVERSITY®

# RCM & FY20 Budget Update

March 26, 2019

# For today...

- Update on RCM and three year review
  - Purpose
  - Changes Made
- FY20 Budget Update

# Purpose

Assess University's existing RCM Model and approach to budgeting to identify and address unintended consequences with the goal of improving the approach going forward.

- Gather both qualitative and quantitative evidence for potential model changes for fiscal year 2019
- Improve, as necessary, the governance structures and operational components of the budget and budget model

# Process

- Engaged Deloitte Consulting
  - To meet with constituents throughout the University
    - Senior Leadership
    - School / College Leadership
    - Faculty
    - Staff
  - To benchmark and conduct a financial data review
- Surveyed all full-time faculty and department chairs
  - 1,164 participants with 46.9% response rate
- Interviewed School / College Business Officers

# Budget Operations & Management

## Leadership & governance

- Ensure CFO and Provost are jointly leading the budget efforts.
- Monitor leadership turnover to maximize stability of RCM.
- Take a long-term perspective to RCM and the value it can bring.
- Recognize the value of being able to make difficult decisions.

## Service levels

- Conduct review to evaluate effectiveness of central services.
- Understand market-based pricing methods and quality expectations.
- Establish performance framework for central service providers including shared expectations.

## Data & reporting

- Post all RCM resources to a unified website (TUportal).
- Build a forecasting tool for schools and colleges to use so they can evaluate budget impacts.
- Identify budget liaisons within each unit to act as agents of the budget office for communications.

## Business model assessment

- Work with each academic and administrative unit to develop “unit measures” or key performance indicators.
- Evaluate units every three years in a staggered fashion.
- Leverage KPIs in annual budget development exercise.

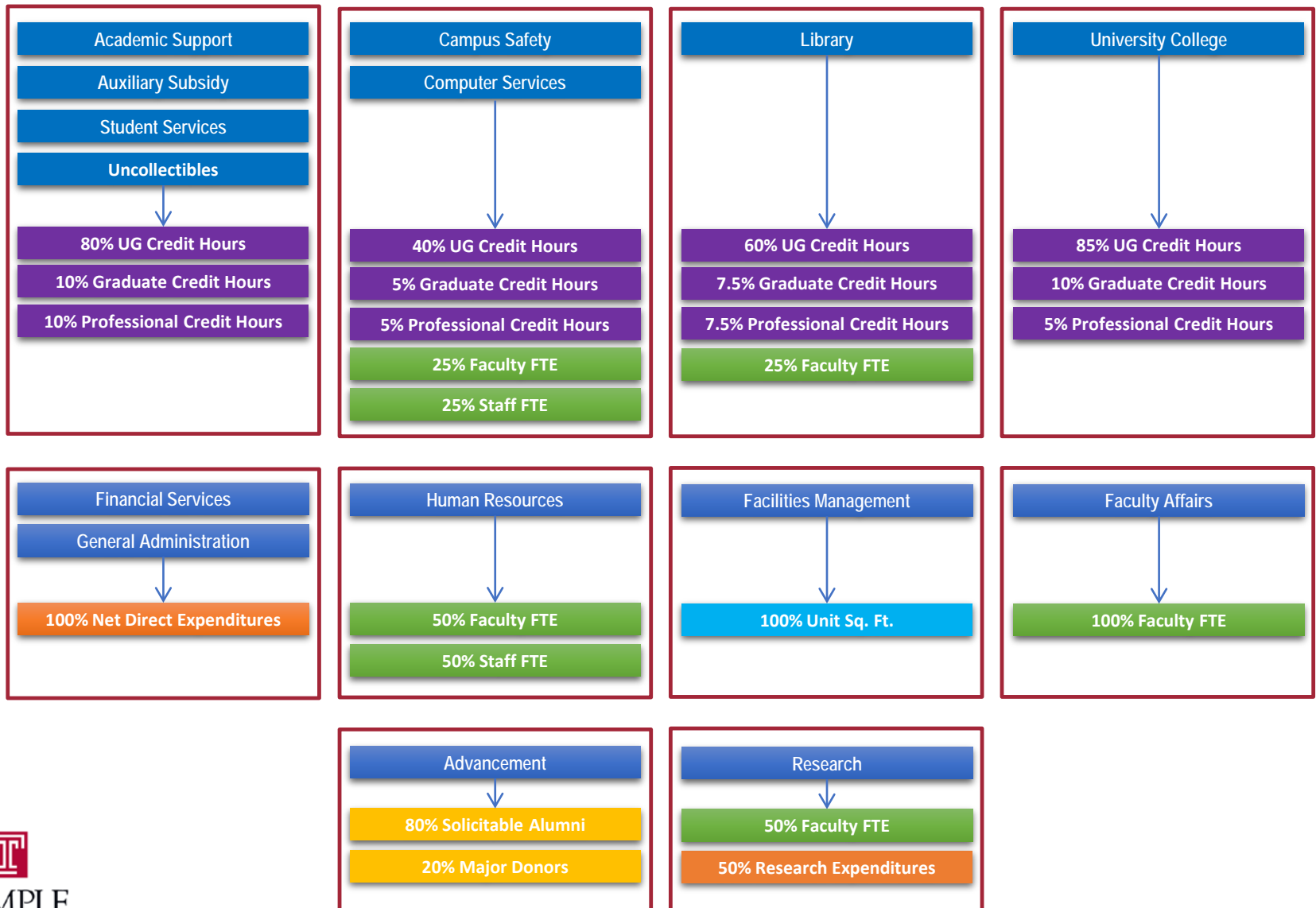
## Expertise & capacity

- Develop the training curriculum for staff & faculty.
- Create onboarding materials for those new to their role in RCM.
- Create reference guides and tools available to all employees.
- Establish structure for collaborative user groups.

# Budget Model Alignment

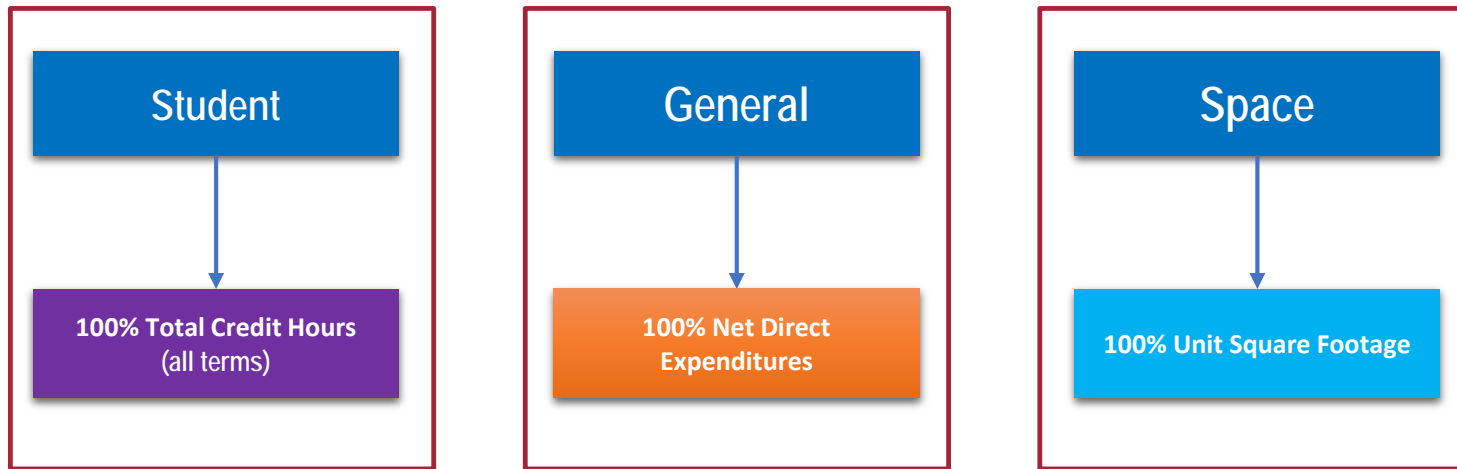
- Focus on planning and simplifying the model
- Reduce the number of metrics from 8 to 3
  - Credit Hours Generated (all terms)
  - Net Direct Expenditures
  - Square Footage
- Focus on the guiding principles:
  - Fairness
  - Simplicity
  - Fostering an environment of long-term planning
  - One Temple
- No one will be advantaged or disadvantaged by change in methodology during transition year (subvention)

# Current Allocation Methodology





# Revised Allocation Methodology



Reducing the number of metrics (cost drivers) from 8 to 3 and the number of cost buckets from 15 to 3 will greatly simplify the model, make it more predictable and better support long-term strategic planning.

# Revised Allocation of Cost Buckets

STUDENT		
Campus Safety (50% of Expense)	Libraries	Temple Press
Computer Services (50% of Expense)	Office of the Provost	Uncollectibles
Enrollment Management	Recreation Services	University College
Graduate School	Rome	Vice Provost Faculty Affairs
Intercollegiate Athletics	Shared Classrooms	Vice Provost for U/G Studies
International Affairs	Student Affairs	

# Revised Allocation of Cost Buckets

## GENERAL

Business Services	Human Resources	Purchasing
Campus Safety (50% of Expense)	Institutional Advancement	Risk Management
Center for Equity and Inclusion	Institutional Expenses includes benefits, insurances, exec comp	University Budget Office
Central Vacant Space	Internal Audit	University Marketing
Computer Services (50% of Expense)	Office of the President	University Secretary
Controller's Office	Office of the VP, CFO & Treasurer	Vice President for Public Affairs
Government Affairs	Office of University Counsel	Vice President for Research
	Real Estate/WRTI	

# Revised Allocation of Cost Buckets

## SPACE

COO Office & Emergency Mgmt	HSC Facilities Management	Rent of Property / Taxes
Debt Service	Main Facilities Management	Service Operations
Environ Health & Radiation Safety	Planning & Capital Projects	Utilities

# Revised Margin Management Rules

- Revenue Centers (Academic and Non-Academic Units)
  - If accumulated carryover balance is:
    - Below 5%, then 100% carryover of year-end surplus
    - 5% and below 10%, then 80% carryover of year-end surplus
    - Over 10%, then 60% carryover of year-end surplus
    - The accumulated balance over 15% will be assessed 10% annually
    - Exception proposals should be submitted to Provost and CFO and if approved will be submitted to President for final approval.
- Support Units
  - If accumulated carryover balance is:
    - Below 5%, then 65% carryover of year-end surplus or 5% of unit budget whichever is smaller
    - Support Unit carryover is capped at 5% of unit budget
- Excess surpluses that are not awarded to units will be transferred into a Strategic Fund managed by the President

# FY20 Budget

- FY20 will be a challenging budget to develop
  - Revenue
    - Enrollment
      - UG Enrollment decline of 450-750
        - Four year graduation rates are up 11% over past 4-years
      - G/P Enrollment flat
    - Tuition
      - Decline in UG enrollment equates to approximately \$10M - \$15M
      - Planning for a CPI like UG base rate increase
      - G/P rates based on input from the deans
      - Three previously approved differentials to be reviewed and considered
  - State Appropriation Flat
    - \$155.4M

# FY20 Budget

- FY20 will be a challenging budget to develop
  - Expenses
    - Non-discretionary
      - Compensation
        - 11 collective bargaining contracts
      - Benefits
        - Medical and Specialty Drugs
    - Discretionary
      - Compliance Function/Office
      - Annualized Library facilities and utilities
      - Support Unit Budget Conference Request
        - Reviewed by faculty and deans
        - President and Provost to review
    - Budget Cut
      - Minimum of \$10M expected

# FY2019 Budget Planning Cycle

## September

- FY20 Commonwealth Appropriations request submitted

## December

- Collect and distribute allocated cost and assessment metrics to the RCs for review.
- Preliminary enrollment targets are set.

## February

- Governor's FY20 Budget Address
- Convene Support Unit Budget Conferences
- Convene the University Fee Committee

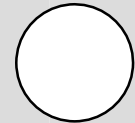
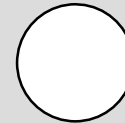
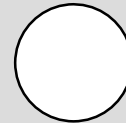
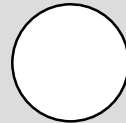
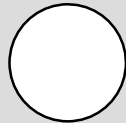
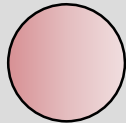
## April

- Provide RCs with updated estimates and targets.
- Convene RC budget conferences.
- Request proposals for tuition rates for professional and graduate programs

## July

- Present final budget to the Board of Trustees
- Provide unit targets to RCs and SUs

## Budget model changes implemented for FY19



## November

- Begin FY19 budget analysis and identify issues to be addressed in the FY20 budget planning process. Review and analysis ongoing.

## January

- SU data collection supporting allocated costs.
- Convene University Internal Charges Committee

## March

- Present preliminary budget to the Budget and Finance Committee.
- Provide Revenue Centers with allocated cost, assessment and revenue estimates (enrollment model)

## May

- Present updated budget to the Budget and Finance Committee.