

## President's Task Force on University Administrative Effectiveness

### Overview

The University of Tennessee System is the administration of the UT System President and the Board of Trustees.

#### Board of Trustees By-laws: Section 1.3

##### *Delegation of Executive Management and Administrative Authority.*

The Board delegates to the President the executive management and administrative authority necessary and appropriate for the efficient administration of The University of Tennessee system or necessary to carry out the mission of the system. The Board delegates to each Chancellor the executive management and administrative authority necessary and appropriate for the efficient administration of each institution and its programs, subject to the general supervision of the President. The Board shall not undertake to direct matters of administration of executive action except through the President.

A core responsibility of the UT System Administration is to perform operations on behalf of the University-wide campuses and institutes that would otherwise create duplication and additional costs if each campus or institute performed the function independently. This approach saves the institutions, taxpayers, and students significant costs when compared to each institution operating common functions independently and redundantly. However, the shared services must meet the needs of the campuses and institutes. To that end, operations must be reviewed periodically to determine the most effective and efficient means of implementation. For example, over time duplication may occur when processes are not functioning optimally as managers seek to work-around bottlenecks and inefficient processes or seek greater autonomy.

The second core responsibility of the UT System Administration is to perform the statutory and board-required oversight functions of the campuses and institutes. In fulfilling this oversight the intention is to maximize each institution's unique mission and operational culture to the extent permitted by law and policy.

The chief financial officer, chief operating officer, and the institutional chief business officers, under the direction of the president and chancellors, continually evaluate process improvements to provide the most effective and efficient service to students, faculty, researchers, alumni, and citizens. Over the years, the University has undertaken a number of studies and initiatives to evaluate cost savings and efficiencies. The following is a partial list of previous efforts.

1. UT Board of Trustees Subcommittee on Efficiency and Cost Savings: 2016 – 2018
2. President DiPietro's Budget Advisory Group (BAG): 2015 – 2017
3. Information Technology Optimization Task Force: 2011 – 2012

4. UT Board of Trustees Committee on Effectiveness & Efficiency for the Future: 2008 – 2013
5. President Shumaker's Cost Savings Initiative (over 600 items considered): 2003 – 2004
6. UTK College-Level Reallocation Task Forces: 2001 – 2002
7. Streamlining of the Administration of The University of Tennessee (part of President Gilley's Academic Plan for Excellence; resulted in a dramatic reorganization of administrative functions at all campuses and institutes statewide:) 1999 - 2002
  - UT Wide Process & Organizational Review: 2000 – 2002
  - University-Wide Administration Cost Savings Task Force: 2001
8. University-Wide Administration Departmental Cost Savings program: 1997 – 1998
9. University-wide Review of New or Enhanced Revenue Sources: 1996 – 1997
10. University of Tennessee Systems Improvement Project (SIP; dozens of teams at all campuses and institutes used systems management and process improvement methodologies to conduct in depth process/system improvement projects in every administrative function): 1993 – 1996
11. UT Office of Management Services (conducted dozens of formal effectiveness and efficiency studies, resulting in improvements in every administrative process at every UT campus and institute): 1980s – 1990s

#### What is Different about This Task Force?

The President's Task Force on Administrative Effectiveness is focusing on the roles and responsibilities of the UT System staff and those in commensurate positions at each campus or institute. The goal of the project is to eliminate redundancies and non-value-added processes. Under the general direction of the UT President, the University employs a blended administrative model with the system and institutions providing various levels of services and management. With ever-changing statutes, regulations, technology, and personnel the distinction between the duties of the UT System staff and those of the institutions can become blurred.

Finding cost savings and maximizing employee productivity are ongoing goals of the University's continuous process improvement activities. This project may result in cost savings which could be reallocated to higher value purposes, but achieving a cost savings target is not the primary goal. Likewise improving staff productivity to effectively meet the increasing challenges in higher education is a primary goal rather than reducing our workforce.

#### Benchmarking a Starting Point

The National Association of System Heads has 45 member systems of public higher education from across the nation. In 2016, the Board of Trustees established peer groups for each UT institution. This

produced a unique set of peers for UT System Administration rather than using UT Knoxville peers for the system. The work revealed that of the 45 public systems no two are alike. Each is organized with varying degrees of governance and shared services which makes comparisons complicated. The models range from a staff sufficient to meet the needs of the governing board to a highly centralized operation. Each system determines the most appropriate model to achieve its goals.

The U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS), collects data on twelve interrelated academic components; of which three are administrative support functions at colleges and universities. It is important to note that while IPEDS provides category definitions, the data available is self-reported by institutions and therefore may not be completely comparable.

IPEDS Definitions

**Institutional Support:** Day-to-day operational support. Includes expenditures for general administrative services, executive direction and planning, legal and fiscal operations, and public relations and development. Excludes physical plant operations.

- A review of peer institutions shows that UT campuses spend well below the peer average on Institutional Support activities.
- UT campuses low cost is likely due to the high degree of shared services operated by UT System.
- Adjusted for student headcount, the following table illustrates the percent of Institutional Support expenditures for UT campuses compared to the average of each campuses peers.

UT Institution  FY2016	IPEDS Institutional Support per Student Head Count (compared to peer average)
UT Chattanooga	66.1%
UT Knoxville and Inst. of Agriculture	74.5%
UT Martin	64.7%
UT Health Science Center	55.0%

- UT System Administration
  - Compared to its peer average of 315 employees, UTSA had 288 (91.6%)
  - UTSA expenditures were 88.7% of its peer average (includes IPS).
- The task force will review shared services among UT campuses and System Administration to determine the degree of efficiencies gained and quality of services.

**Note:** Because all of the data from IPEDS is self-reported by universities and costs assigned to categories are also determined by each university, the comparisons to peers can only be used as a general guide and not a precise measure of efficiency.

## Other Administration

Every position reported as Institutional Support is not necessarily administrative and conversely, every administrative position in the University is not found in Institutional Support. Other administrative categories reported in IPEDS include Academic Support and Student Services.

**Academic Support:** Services that are an integral part of the institution's primary mission of instruction, research, or public service. Includes libraries, museums, galleries, audiovisual services, academic computing support, ancillary support, academic administration, personnel development, and course and curriculum development. Also includes veterinary and dental clinics if their primary purpose is to support the institutional program.

**Student Services:** Admissions, registrar activities, and activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples are career guidance, counseling, financial aid administration, and student health services (except when operated as a self-supporting auxiliary enterprise).

## Review of Administrative Positions

In general, Institutional Support positions across the UT System have increased about 15% since the budget reductions of 2012. Currently, there are 1,274 positions reported as Institutional Support across the System (excluding those leased from campuses to the UT Foundation, Inc.).

- Longitudinal analysis of administrative positions is complicated by inconsistent classification and transfers of personnel and operations between institutions.
- Administrative positions (as defined by EEOC) declined across the System from 2005 to 2012. From 2012 through 2019 UT institutions have added 173 administrative positions; a 23% increase returning to the 2005 level.
- The task force will define administrative positions and examine changes in those positions over a period of recent years and create a tracking mechanism.

Operations in at least five major functional areas comprise the majority of Institutional Support activities shared between UT System Administration and Institutions will be reviewed in detail by functional area working groups comprised of campus and system content experts. The task force may determine a need to include additional functional areas.

- Capital Projects
- Communications and Marketing
- Human Resources
- Information Technology
- Procurement and Contracting

To include a third party assessment of the operations and outcomes, the task force will use a facilitator for the working groups' activities and to assist in crafting recommendations to the President.

Task force membership:

- David Miller, UT System Chief Financial Officer (Co-Chair)
- Richard Brown, UT Chattanooga Executive Vice Chancellor for Administration (Co-Chair)
  
- Tonja Johnson, UT System Executive Vice President and Chief Operating Officer
- Chris Cimino, UT Knoxville Sr. Vice Chancellor for Finance and Administration
- Petra McPhearson, UT Martin Vice Chancellor for Finance and Administration
- Tony Ferrara, UT Health Science Center Vice Chancellor and CFO
- Tim Fawver, UT Institute of Agriculture Chief Business Officer
- Gail White, UT Institute of Public Service Budget Director

The task force will begin by immediately gathering and validating the data necessary for the analysis. After January 1, 2019 the working groups for each functional area will begin meeting with a facilitator to begin the review of governing policies and mapping the area workflow.

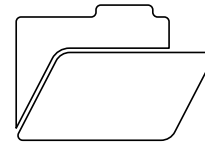
The goal is for the task force to report recommendations to the President by late spring.



Task Force: David Miller, Richard Brown Co-Chairs  
 Tonja Johnson, Chris Cimino, Petra McPhearson, Tony Ferrara, Tim Fawver, Gail White

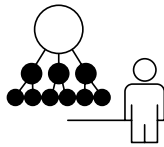


Facilitating  
 Consultant

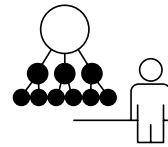


Initial Areas of Focus

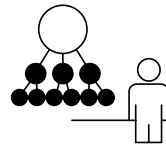
- Capital Projects
- Communications
- Human Resources
- Information Technology
- Procurement and Contracts



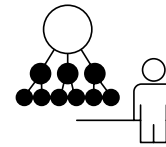
Capital Projects  
 Content Panel  
 3 System Staff  
 5 Campus Staff



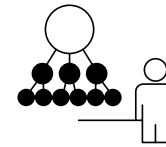
Information Technology  
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Communications  
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Applicable Statutes



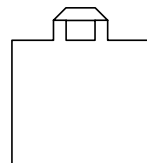
State Policy &  
 Regulations  
 Includes THEC



Board of Trustees  
 And  
 UT System Policy



UT System  
 Or  
 Campus/Institute  
 Practice



Product: Recommendations in each area to increase effectiveness and ensure that workflow process add value for students, faculty, staff, partners, and citizens.