

Achieving the Guiding Principles

UTK began the budget redesign project by developing guiding principles for the new model. Below is a summary of how the new model aligns with the guiding principles:

Guiding Principle Component	Description	Addressed?
Supports the flagship, land grant mission, vision and values of the diverse constituencies of the University in advancing its pursuit of on-going excellence in teaching, research, scholarship, creative activity, outreach and engagement.	<ul style="list-style-type: none"> ▪ Budget model features a strategic investment fund that generates discretionary funds to support strategic priorities and mission-critical needs. ▪ Model allocates resources in a manner that incentivizes revenue growth and cost containment. 	Yes
Facilitates investment in the operational and administrative units, essential to university and college priorities.	<ul style="list-style-type: none"> ▪ Fosters a greater dialogue between central and local leadership that encourages primary and support units to live within their means. ▪ Budget model assists with scenario planning to better analyze new initiatives and decisions in alignment with strategic plan. 	Yes
Fosters innovation, collaboration and responsible fiscal stewardship through flexible incentive design.	<ul style="list-style-type: none"> ▪ Model features incentives that will reward performance, entrepreneurship, and innovation. ▪ The model allocates state appropriations to incentive research, instruction and student success. Allocated resources follow growth in research and instructional programs. 	Yes
Allocates resources using a transparent, consistent and straightforward methodology.	<ul style="list-style-type: none"> ▪ Revenues and costs are allocated in a transparent and consistent manner using metrics that are commonly agreed upon. Central unit costs use institutional data as a proxy to allocate costs. ▪ Model incorporates all operating funds to better understand how units contribute to the University's fiscal position thereby promoting transparency, efficiency, and accountability across all units. 	Yes
Provides accessible, predictable, accurate and timely information to promote trust across colleges, administrative and support units.	<ul style="list-style-type: none"> ▪ Financial data is sourced from a "single source of truth" to ensure that data can be verified and is standardized across the University to serve as the best predictor of performance. ▪ Model decisions were made to create logical allocation methodologies that are simple, which will enhance management decision-making and long-range planning. 	Yes