

**Resolution from Faculty Senate Budget and Planning Committee
Regarding Outsourcing and JLL Business Case for UTK**

This resolution was approved through an electronic vote of the Faculty Senate Executive Council for consideration at the October 16, 2017 Faculty Senate meeting.

WHEREAS the UTK Faculty Senate has affirmed in a resolution of November 2015 its opposition to the potential additional outsourcing that could arise from a State initiative; and

WHEREAS the UTK Faculty Senate Budget and Planning Committee report of May 2017 identified a variety of costs that could reduce any potential savings from additional outsourcing; and

WHEREAS the JLL Business Case for UTK failed to address any of the issues raised by the report of May 2017, ignoring concerns expressed regarding costs of annual leave payouts which UT is obligated to pay, increased TennCare costs, costs due to evening events, additional risk due to loss of institutional knowledge, and of loss of connections to academic programs arising from collaboration with Facility employees; and

WHEREAS the JLL Business Case ascribes a very large portion of the supposed "savings" to utilities while giving no justification as to how such savings would arise except through "JLL operating practices" nor any justification for the supposed more than doubling of such savings over three years; and

WHEREAS the risk management section of the JLL Business Case does not specify that JLL will assume the risks associated with possible lack of competence and knowledge of their employees and the potential for this to lead to major losses that UTK would have to absorb; and

WHEREAS the Business Case claim that all transferred employees will receive equal or better compensation than they presently receive is false since there is no mention of any educational benefits such as tuition benefits available to UTK employees and their dependents, nor any offering of the variety of continuing education opportunities available for UTK employees that are separate from tuition benefits; and

WHEREAS the Business Case notes that JLL will achieve labor savings through a reduction of the number of employees by 90 FTE's, resulting in a loss of 11% of the current UTK FTE's which is inconsistent with their guarantee of continuing employment for all current UTK employees who desire to transfer; and

WHEREAS the Business Case provides no evidence that the reduction in employees they propose will be adequate to provide the variety of services expected by the campus community, particularly since there are significant increases in building space at UTK coming on-line in the near future; and

WHEREAS local small business owners who contract with the University would be adversely impacted by additional outsourcing of facility services to JLL; and

WHEREAS, Facility Service operations at the University of Tennessee participate in regular program assessments with peer universities and are shown to deliver a high level of services at lower cost than average; and

WHEREAS the mission of the University of Tennessee, Knoxville is to raise up all the citizens of the state and to act in the best interest of all the people of Tennessee when making decisions about programming, operations, and working conditions; therefore, be it

RESOLVED, that the UTK Faculty Senate reiterates its opposition to the additional outsourcing of functions proposed in the JLL Business Case and urges Chancellor Davenport to recognize that the Business Case's flawed arguments, lack of evidence regarding potential savings and refusal to respond to reasonable concerns raised by previous actions of the Senate and the University community provide sufficient reasons to reject this business proposition from JLL.

LINKS: Faculty Senate Outsourcing Resources

Faculty Senate Outsourcing Resource Page

<https://senate.utk.edu/background-on-state-outsourcing-initiative/>

Faculty Senate Budget and Planning Committee Report

http://senate.utk.edu/wp-content/uploads/sites/16/2016/08/BudgetandPlanningOutsourcingForumReportApril2017_RevisedTMJ_5.1.17.pdf

Faculty Senate Budget and Planning Committee Report Powerpoint

http://senate.utk.edu/wp-content/uploads/sites/16/2016/08/BudgetCommitteeReportOutsourcingApril2017_TMJ-002.pdf

Faculty Senate Outsourcing Resolution; November, 2015

<http://senate.utk.edu/wp-content/uploads/sites/16/2015/11/Outsourcing-Resolution-revised.pdf>