

MINUTES

University of Tennessee Faculty Senate Budget and Planning Committee

January 9, 2009, 8 a.m.

Stokely Management Center Room 720 (CBER Conference Room)

Present: Denise Barlow, Stephen Blackwell, Don Bruce (Chair), Nathalie Hristov, John Nolt, Jay Pfaffman, Harold Roth, Jon Shefner, and Karen Sowers

Absent: Lee Han, Donald Lighter, and Michael McKinney

There were no minutes from the meeting on December 10, 2008, which consisted mainly of a discussion with Henry Nemcik on the UT Foundation and UT development activities, followed by an open discussion of the current budget situation.

Campus Budget Update: John Nolt reported on the recent meeting of the UT Board of Trustees' Efficiency and Effectiveness Committee (Jan. 5), and lamented the lack of substantial big-picture thinking or discussion. Campus revenue enhancements appear to be focusing on uncapping the current tuition and raising the overall per-hour tuition rate. The recently-proposed undergraduate fee does appear to have gotten considerable criticism and is not likely to be pursued further by the Provost or Chancellor.

Nolt discussed his notion that we need to present a consistent message throughout the process, and that message should be to preserve the instruction of students in the classroom.

John Shefner noted that division meetings were being held in the College of Arts and Sciences to discuss or at least present more information on the current budget cutting.

Karen Sowers noted that, while current discussions at UTK did not involve large-scale program cuts as in last year's budget environment, programs are in fact being cut at other campuses, namely the Health Science Center at Memphis.

Faculty Salary Study and Give-Back Scenarios Update: Stephen Blackwell noted that he would follow up again with Donald Cunningham in order to get more information on administrator salaries (relative to faculty salaries). Shefner also noted that the union is working on this issue. Blackwell and Shefner agreed to coordinate further efforts on this issue.

Give-back scenarios were discussed briefly. A 1% give-back of salaries above \$30,000 would only generate \$891,118 without considering a corresponding reduction in benefits and \$1,051,519 with benefits in the savings calculation. A more progressive scenario with a 1% give-back on the amount of salary between \$30,000 and \$100,000, 2% on the amount between \$100,000 and \$200,000, and 3% on the amount above \$200,000, would only yield \$1,022,228

without benefits and \$1,206,229 with benefits. Discussion generally concluded that these figures were too small to consider further.

Similar discussion ensued on the issue of furloughs, which are being seen in other states as ways to save money. Employees in those states have been required to take leave without pay for a certain number of days, without any corresponding reduction in their workload. Discussion among the committee was not receptive to this idea, and the possibility was not discussed further. The committee will want to stand ready to respond if such a policy recommendation comes about.

Living Wage Update: Shefner noted that he will not be able to devote much time to this issue in the near future due to other obligations. The committee agreed that more action on this issue was not prudent in the current budget environment, but that study should continue in order to inform possible future action. Don Bruce agreed to continue looking into the ways in which living wage levels are determined.

Academic Common Market Update: Nathalie Hristov reiterated that the ACM might be a way for the university to save if UTK students could take certain programs at other campuses, and if students at other universities could come to UTK for similar reasons. There are many issues involved, however, so Hristov agreed to continue to pursue data on current usage and report back to the committee.

Records Management: Nolt discussed an e-mail from Mike Pemberton claiming that significant savings might be realized if more offices/departments on campus made better use of records management services. Denise Barlow noted that RM is a system office, and that the usual approach is to retain too many files than are needed or required. The campus is currently covering significant RM costs, and it is not clear how greater use of RM would generate significant savings. Bruce agreed to follow up and report back to the committee at a future date.

Existing Fund Balances: Nolt also discussed an e-mail from Larry Silverstein about the current and possible future uses of existing fund balances. Barlow noted that while we do have reserves from various fees, etc., those funds are reserved for specific purposes. Current contingency funds are only sufficient to cover no more than three days of working capital. Very little exists in unrestricted development funds. Gary Rogers looks at this for the UT system.

UT Credit Card Agreements: Nolt presented yet another e-mail regarding UT credit card agreements, expressing concern that UT might be indirectly promoting the use of credit in historically bad economic times. A related issue involves the possible distribution of student contact information as part of existing agreements. Barlow agreed to get copies of current agreements and report back to the committee.

Schedule of Remaining Meetings for Spring 2009: The committee agreed to continue meeting on the last Friday of the month at 8:30 a.m. Remaining meetings for the spring semester will be held in Stokely Management Center room 720.