

MINUTES

**University of Tennessee Faculty Senate
Budget and Planning Committee
January 30, 2009, 8:30 a.m. – SMC 720 (CBER Conference Room)**

Present: Denise Barlow, Don Bruce (Chair), Nathalie Hristov, Jeff Maples, John Nolt, Harold Roth, and Karen Sowers

Absent: Stephen Blackwell, Lee Han, Donald Lighter, Michael McKinney, Jay Pfaffman, and Jon Shefner

Minutes from January 9, 2009 were approved.

The committee recognized the attendance of Denise Barlow, which was a pleasant surprise given that this was her last day of work at UTK. The committee thanked Barlow for her faithful service which has facilitated the group's work on several occasions over the years. The committee also welcomed Jeff Maples, who is stepping into the Vice Chancellor for Finance and Administration position on an interim basis and will be attending budget and planning committee meetings while he is in that role.

Campus Budget Update: The committee reviewed several tables of UT system and UTK campus budget information provided by Denise Barlow and Harold Roth, focusing on sizeable increases in Institutional Support over the past five years alongside much slower growth in Instruction. It was agreed that further study was needed, and that a report would be useful for the next Senate meeting on February 23 if possible. Don Bruce and Harold Roth agreed to request some additional data on UT system spending from Jeff Maples. John Nolt and Don Bruce also agreed to ask Scott Simmons (the Faculty Senate's graduate assistant) to do some benchmarking of similar data for our peer group institutions.

Additional discussion of the Faculty Salary Study and give-back scenarios, academic common market, and records management was deferred until our next meeting on February 27.

UT Credit Card Agreements: Barlow and Nolt clarified that the current agreement (which Nolt will provide a copy of at our next meeting) is a renewal of UT's initial five-year agreement. The agreement specifies that UT will provide a list of employees and students and allow booths at events for the purposes of marketing credit cards. The arrangement provides around \$2 to \$3 million per year. Given the current economic situation and the underlying problems regarding consumer debt, the committee agreed to continue studying this issue. John Nolt agreed to make contacts and possibly set up a meeting.

Un-capping Tuition at UTK: The morning's News-Sentinel included a story that un-capping tuition was off the table at UT, at least for now. That said, the committee considered several aspects of tuition increases. Maples noted that un-capping should only be considered as an effort to raise additional revenues. According to various scenarios that have been estimated by campus administrators, un-capping alone would net about \$25 million after covering additional

scholarship obligations that would arise. Another option would be to levy a drop/add fee in order to address some of problems that result from capped tuition. Charging a \$25 fee for adds and drops beyond the third add or drop would net about \$1 million. A 9% tuition increase would net about \$13.6 million. A hybrid approach of raising the tuition cap to 15 credit hours and changing the per-credit charge would net about \$9 to \$10 million. The committee agreed to continue monitoring the developments regarding tuition increases of any form.

Upcoming Meetings:

February 27

March 27

April 24

(All meetings will be held at 8:30 a.m. in SMC 720.)