

MINUTES

**University of Tennessee Faculty Senate
Budget and Planning Committee
February 27, 2009, 8:30 a.m. – SMC 720 (CBER Conference Room)**

Present: Stephen Blackwell, Don Bruce (Chair), Nathalie Hristov, Jonee Daniels Lindstrom (for Jeff Maples), Jay Pfaffman, and Harold Roth

Absent: Lee Han, Donald Lighter, Michael McKinney, and Jon Shefner

Minutes from January 30, 2009 were approved.

Campus Budget Update: The committee reviewed several new tables of information from the campus and system budgets and other sources. Don Bruce reported on a recent meeting with Chancellor Jimmy Cheek and Interim Vice Chancellor Jeff Maples to learn more about campus-level spending on institutional support. Maples provided very useful detail that explained the vast majority of the increase in campus spending in this category as resulting from the transfer of several responsibilities from the system level to the campus units. Without those new items, campus spending on institutional support grew only very slowly over the past five years.

Harold Roth presented several updates from the newly-revised system budget along with some benchmarking that he had done in order to compare UT spending with peer institutions. Bruce presented some data that Scott Simmons (Faculty Senate GA) prepared. Data from the *Chronicle of Higher Education* showed that the average spending on Institutional Support among four-year public institutions was 6.9% of total spending in 2006. For the Southern Universities Group (a common peer group for comparisons to UT), the average was 7.0% in 2006. UT's spending on Institutional Support system-wide went from 7.0% in 2006 to 7.6% in 2009.

Jonee Daniels Lindstrom presented a table of detailed system administration spending on institutional support by category for 2007 and 2008. We had requested this data after our January 30 meeting. She was able to clarify some of the major categories of spending for the committee.

The committee discussed the possible implications of the recent federal stimulus legislation on Tennessee higher education spending. Most everyone agrees that the information currently available is insufficient for effective budget planning, so things are moving along as if no stimulus money will be made available. It is unclear what the requirements would be in terms of the state's maintenance of effort in order to receive the new funding.

It was agreed that a meeting with system budget personnel should be pursued before a report would be drafted for the broader Faculty Senate. Bruce agreed to contact the appropriate people to get that set up.

UT Credit Card Agreements: Bruce reported on a meeting that was held on February 20 with Lofton Stuart to discuss the UT credit card agreement. Stuart and other staff members present

gave those in attendance (Bruce, John Nolt, and Joan Heminway) a very useful overview of the history and current status of the agreement. UT receives approximately \$1.4 million per year, and we are in the third year of a possible seven-year contract. This is the second such contract, so we are in the tenth year overall of this type of arrangement. The contract originally provided \$2.0 million per year, but has since been revised. It is not clear where that money goes, although remarks by Stuart indicated that the UT President has discretion over its uses. Stuart indicated that most banks will not be renewing these sorts of agreements because they are losing money. It was noted that more than half, and up to 90%, of UT freshmen arrive on campus with a credit card already. No direct marketing to students is permitted under a recent Tennessee state law. In fact, only one mailing to students has taken place in the ten-year history of the agreement, and it caused such a negative reaction that UT has repeatedly refused requests for subsequent mailings to students. Most activity is now focused on alumni and, occasionally, tables at sporting events. Only 17,000 cards have ever been issued under the agreements, and only 10,000 are currently active. Only about 1,000 cards have been issued to students, and only about 700 of those are currently active. Applicants who do not qualify for a credit limit of at least \$500 are not given a card. Most students start out at the \$500 limit in cases where cards are approved. At the meeting, Joan Heminway expressed concern regarding the students' ability to opt out of mailing lists that are provided and the existence of any programs to educate students on the appropriate use of credit (and associated pitfalls). Her concerns were largely alleviated during the meeting. With all of this information, the committee elected not to pursue further action at this time.

Faculty Salary Study: Steve Blackwell will report back to the committee at a later date.

Academic Common Market: Nathalie Hristov discussed some data that she had received just prior to the committee meeting. Approximately 1,800 non-resident students are currently attending UTK at in-state tuition rates as a result of the ACM. This is made possible when their home state does not provide a similar academic program. It remains difficult to determine how many Tennessee students participate in ACM programs in other states. Hristov will continue looking for data and will report back at a future meeting.

Gender Equity Study: The committee was reminded by John Nolt that the Commission for Women had requested an update of Lou Gross' earlier analysis of gender equity. Hristov agreed to coordinate our committee's efforts to do this, first by requesting the necessary individual-level data from the Office of Institutional Research and Assessment, and second by working with Gross and others as needed in order to update the statistical analysis.

Upcoming Meetings:

March 27

April 24

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