

**University System Relations Committee Meeting
August 31, 2009, University Center Chickasaw (218), 2:00PM**

MINUTES

Members Present: Beauvais Lyons (Chair), David Atkins, Greer Fox, Russel Hirst, John Nolt, Candace White, Svetlana Zivanovic.

Members Absent: John Lounsbury, NCAA Representative (until filled)

1. Approval of the Minutes (none)
2. Discussion of the Charge for the Committee and Goals for the Year:

University/System Relations Committee. Membership shall consist of at least eight faculty members including the elected campus representative to the University Faculty Council and the Faculty NCAA Representative. During years when the campus has a faculty representative on the UT Board of Trustees, that person will also serve on the University/System Relations Committee. The Chairperson shall be a faculty member.

The University/System Relations Committee will provide for faculty input (a) into activities of The University of Tennessee system, including Athletics, Research, ORNL, Information Technology, the Cherokee Campus and (b) with the Board of Trustees and the Tennessee legislature. The University/System Relations Committee shall work with the Budget and Planning Committee to monitor The University of Tennessee system budget and Athletics Department budget.

Beauvais Lyons spoke about the Senate Effectiveness Task Force that led to the formation of the committee and said he hoped the committee would be proactive in addressing issues that are part of its charge. John Nolt asked if we plan to meet with President Simek, as there are issues specific to the UTK campus that are appropriate for the committee. Candace White asked if this would bypass the Senate and its relationship with the Chancellor. There was also concern how we intersect with the UT Faculty Council. The Committee could certainly play a role in helping to frame system-wide issues that come to the Faculty Senate.

The Cherokee Campus issue is significant, and something we need to monitor closely. John Nolt indicated that the Cherokee Campus Committee has not met since last spring, even though there were supposed to be public meetings to generate input into the planning process. Greer Fox asked where the Research Council was in the process. It was suggested that we might meet with David Milhorn, Joe DePietro and include the Chair of the Senate Research Council.

Our Committee might avoid focusing on IT issues for the near term, as this is

something the Library and Information Technology Committee will work on.

Campus to system relations is a factor in any master plan for the campus, as it involves academic and athletic needs for space and construction management. John Nolt indicated that the campus master plan was held up because of an absence of THEC building standards. He said he thought these had now been formalized, and that hopefully a campus master plan process is being worked on. Beauvais Lyons will ask President Boulet to follow up on this with Chancellor Cheek.

John Nolt spoke briefly about TUFs (Tennessee University Faculty Senates), which has developed a position paper on the reorganization of higher education in Tennessee. It calls for the unification of four-year and doctoral programs at UT and TBR and the elimination of THEC. The TUFs position paper will now go to the campus faculty senates for endorsement. This will hopefully give faculty a large voice in the reorganization of higher education. State Representative Beth Harwell, Republican from Davidson County is following up on the TUFs position paper as the basis for a bill in the legislature.

Separate from this, President Simek and Chancellor Manning have assembled a joint UT – TBR Task Force to look at how well the two systems are working together, with some recommendations for improvement.

One thing our committee might do is help to facilitate communications about the TUFs position paper before the next Faculty Senate meeting. Svetlana Zivanovic expressed concern about the question of flagship status, whether we might end up with two flagships. There are other specific recommendations that may generate concern by some faculty, and that the implementation of any recommendations would be subject to a political process. John Nolt stated that the TUFs position paper focuses on objectives what would be best for college students and the state as a whole, and because of this we should endorse it. Recommendation details can be worked out later through a process that involves the faculty senates.

Beauvais Lyons indicated that last year a Legislative Task Force was formed, chaired by Jon Shefner. He indicated that anticipated President Boulet would continue the task force and if so thought the committee could help to support their efforts.

Candace White said that one thing this committee needs to be involved in is system reorganization, specifically having Athletics report to the campus.

Candace White also said that we should be monitoring the work of the Efficiency and Effectiveness for the Future Committee. Beauvais said that George Cook at UT Health Sciences will attend the meeting late this week and send an email to the UT Faculty Council. He will forward this to the committee. If and when the Efficiency and Effectiveness for the Future Committee meets in Knoxville, we'll plan to be involved.

Russell said there needs to be more mechanisms to facilitate communications with the members of the BOT. It may be possible to invite some of them to a future meeting of the committee.

3. Discussion of the June 2009 Athletics Budget Hearing Report from Don Bruce. Below is a report from Don that was forwarded to the committee as a information item:

1. Actual revenues were about \$87.1m for 2008-09, about \$400k less than budgeted.
2. Revenues are projected to grow by nearly 16%, due mainly to an extra home football game (8 total this year, not likely to repeat for at least 10 years), new donation/seat opportunities (in the development line) and an approximate doubling of TV revenues (shown as part of the SEC distribution).
3. Expenditures are also projected to grow by over 15%, with new transfers to campuses being a big part of that. They are factoring in a bowl trip costing approximately \$1.2m.
4. On page 4, the golf facility and hall of champions are approved but will not commence until funding sources are identified.
5. Contributions to the new Tennessee Fund that are designated for academics will be given to campus Chancellors as discretionary funds to offset potential reductions in direct giving to academic programs now that tickets cannot be given to donors outside the TN Fund.
6. The new \$1m announced today (for UTK only) is above and beyond the TN Fund "pass-throughs" to academics, via the Chancellors.
7. The athletic department has about \$7m in reserves. They were able to close this year's books without dipping into the reserves. This is amazing news to me.
8. When asked which expenditures would be the first to go if revenues came in under target, facilities improvements and travel (changing from flights to buses) were the only items mentioned.
9. Mike Hamilton noted that he expects revenues to come in higher than budgeted, but reminded us that everything hinges on the W/L record of the football team.
10. There appears to be some confusion on campus about the new donation/ticket policies. We were told that faculty can buy season tickets without making donations (not the case when I arrived at UTK in 1999, but that was immediately after the national championship season and the pool was completely exhausted). They noted that about 1100 faculty tickets are still available for purchase without a donation. Flyers will be sent to all faculty within the next two weeks.

John Nolt indicated that the big issue was the new arrangement between the campus and athletics in terms of gifts. It turns out there were problems with this

arrangement, as donors receive goods and services (tickets) for their tax deductible donations. A new arrangement has been developed that will increase allocations to academics from the Athletics Department. It should be noted that this represents only 4% of gifts to academic programs.

4. Issues to discuss with Board of Trustees members at the Senate Retreat. Candace White will introduce the Trustees and will present the questions below:
 - What is the direction of system reorganization. In general, where do they see this process going?
 - What are their concerns from the recent BOT retreat?
 - From their perspective as trustees, what arguments are being made for and against having Men and Women's Athletics report to the UTK Chancellor?
 - What plans do they have for post-stimulus funding of higher education?
 - What concerns are being expressed to them from parents and students? Are they aware that at UTK there is a significant gap between student demand for courses and our inability to adequately meet this demand.
 - How do you plan to preserve full-service faculty (those engaged in teaching, research and service) so that we can enhance our graduate programs, national rankings and research productivity?
5. Future Meetings: September 28 (2pm) hopefully with Vice-President David Milhourn, Joe DePietro and the Chair of the Research Council about the development of the Cherokee Campus, and on November 2 (2pm) on a topic to be determined.
6. Adjournment at 3:15pm