

## Budget Committee Minutes

February 14, 2011

Present: Conrad Plaut, Chris Cimino, Beauvais Lyons, David Atkins, Clea McNeely, Jerzy Dydak, Jim Larson, Harold Roth

Minutes of the December 2010 Budget Committee Meeting approved unanimously.

Beauvais Lyons and David Atkins provided an update of their work on monitoring and making recommendations regarding living wage policy at UTK. They will report findings and recommendations at the March meeting. Chris Cimino agreed to get wage data for GCA and Aermark, two external vendors of services at UTK. Committee chair Conrad Plaut requested that wages for outsourced services be included in the report, if possible.

### Expenditure Data

The Committee then reviewed expenditure data, which compares categories of data expenditures across multiple universities over time. Chris Cimino clarified that the definitions of expenditures that are included in each category are derived from national NACUBO standards, and should be equivalent across universities. The “operation and maintenance” category includes both recurring and non-recurring expenses (e.g., construction). The category of “institutional support” can change over time because of organizational changes. Some universities have system charges and others do not. The systems charge at UTK this year will be about \$12 million.

Through 2009 UTK has an adjustment column to Institutional Support to show organizational changes (e.g., movement of IT back into UTK from the system and movement of alumni relations to a Foundation). Chris Cimino said that data is available.

Last year Don Bruce prepared a 2-page report to Faculty Senate which contained institutional support with adjustments that Chris was referring to.

The committee concluded by consensus that specific university-to-university comparisons are not very interpretable due to many factors. The goal will be to look at national trends, and Conrad Plaut will send the committee additional information to facilitate this discussion. Comparison of UT’s trend to national trends is relevant given the Top 25 quest, and these types of comparisons have been performed for other outcome measures, such as the cost per student FTE.

### Faculty Salary Data

Beauvais Lyons sent committee members comparative data on faculty salaries on 12/16/10 Beauvais recommended that the committee draft a set of recommendations about considerations of what should go into the decisions about allocating faculty raises. Possible criteria are investing in the strongest programs on campus, research quality and productivity, quality of teaching, etc.

Chris Cimino said that there have been discussions about how to allocate money for raises if the money is allocated by the State. Chancellor Cheek is in favor of allocating a portion for across-the-board raises and then allocate some to merit increases. Currently, the only way to get a merit raise is to get an offer from another university and ask UTK to make a counter offer.

. It was agreed as a group to individually review this data and continue discussion via email. Beauvais will send salary data again to committee.

Meeting adjourned.