

## Budget and Planning Committee Meeting

Monday, October 31, 2011, Ayres Hall 4<sup>th</sup> Floor Conference Room, 3:30-5:00pm

### Minutes

Members present: Scott Gilpatric (chair), Jerzy Dydak, Nathan Preuss, Klaus van den Berg, Harold Roth, Randal Pierce, Chris Cimino

The meeting was called to order at 3:30 pm.

1. Minutes of the September 26, 2011, meeting were approved.
2. New Member: Scott announced that Ramon Leon from the College of Business Administration has been added to the committee.
3. Report from Chris Cimino, Vice Chancellor of Finance and Administration.

Board of Trustees Meeting: Chris noted that the Board of Trustees met on Thursday and Friday, October 28 and 29. They received an update on FY2011 results, and there were no surprises. State auditors are currently auditing the books for FY2011.

Capital Construction Update: Two buildings for UTK are on the capital projects list for next year. They are the new Academic Building at Cumberland and 13<sup>th</sup> Street, and Strong Hall. Other UTK projects are on the list for later years. The construction budget for next year will depend on the Governor's budget which will be released in late January. Projects that get funded will ultimately depend on what the House and Senate pass as the budget.

The Center for Interdisciplinary Research and Graduate Education was renamed for Governor Bredesen.

Tuition Plans: There was no discussion about tuition plans at the Trustees Meeting.

Facilities Fee: Chris discussed the Facilities Fee that students pay. The administration would like to use the funds for improving campus—not for new buildings. A committee is charged with providing suggestions for allocating the facilities fee to projects. The committee will meet this week, and plans for the fee will be presented next year. The largest items on the list are upgrades for the Humanities classrooms and the Chemistry lab. Upgrading the Chemistry lab is critical, and options for lab space while the upgrade is occurring are being considered.

Athletic Department Finances: Chris distributed a copy of a report on the Athletics Department that was presented to Athletic Board members on October 3. For FY2011, the athletics department finished the year with a \$5.783 million surplus. After accounting for campus revenue and expense transfers, the net surplus was \$14,448. The Statement of Athletics Reserve Balances shows that the department has unrestricted cash reserves of \$5.6 million and a retention account for coaches and athletic director buy-outs of \$4.8 million. Total cash available is \$10.4 million which is not a large cushion for a budget with revenues of over \$100 million. Indirect costs are not shown on the report. Although other ancillary units on campus are charged three percent to help cover overhead, athletics is not charged this amount because they pay other costs to the campus. Chris believes

athletics is doing well compared with other institutions. The athletic department at UTK gives money back to academics and only a couple of other SEC schools are able to do that.

4. Non-Academic System Support: Chris asked for guidance on what data the committee wants. The purpose of collecting the data is to see if the committee can identify sources of growth in spending in nonacademic areas such as central administration. Types of data that might be useful include the number of FYEs and costs. Chris noted the problems with interpreting the data over several years because of changes in where some administrative departments report (i.e. system level vs. campus level). He also noted problems with comparing the data with other systems because names of positions are not consistent. He will get data for UT for five years for the committee.
5. Retention Issue. Scott had talked with Mary Albrecht about retention data, and she told him that the data she had was limited, but Sally McMillan and Dr. Ruth Darling would follow in discussing what is available. Scott noted that if the data were of high quality, we could analyze it to determine the factors affecting retention from the first to second year. He noted that retention has budgetary impacts and is a valid issue for the committee.
6. Student Evaluation of Courses: A discussion was held in connection with the issue of retention concerning the data reported in Tennessee 101. Jerzy expressed concerns that the GPAs of students and the actual grades awarded in the class are not reported. Concerns about collecting the data on-line were expressed by Jerzy and Randal since student evaluations are helpful in understanding retention data.
7. On-line course offerings: This is an area where the market is changing. Issues relate to our core competencies and should we outsource our offerings. Jerzy discussed the advantage of getting more interaction from students in on-line classes than live classes. Chris noted that the Board of Trustees has discussed on-line course offerings as a revenue generator. Chris will contact the Provost's office to see if they have any information on the topic.

Meeting was adjourned at 5:00 pm.

Minutes prepared by Harold Roth