

Minutes for Budget and Planning Committee Meeting 10/1/12

Attendees: Scott Gilpatric (chair), Baoshan Huang (secretary), Gerd Duscher, Nathan Preuss, Joe Bailey, Randal Pierce, Jeff Fairbrother, Harold Roth, Chris Cimino

Place: HBB 316 (Pilot Conference Room)

1 Scott Gilpatric (committee chair) opened the meeting at 3:31pm and committee members introduced to each other.

2 Vice Chancellor Chris Cimino provided budget updates:

Budget updates on both State and Campus levels

Up to August, 2012, the state revenue collection had exceeded the target, which builds up surplus and extra revenue. State continues to save the funds. In August, the revenue was higher than the previous years, but still short in budget.

UT saw 5% salary pool, 2.5% across the board last year. The state partially supported (55%) of the pool, the other 45% were raised from tuition (as a formula unit). 55% netted us around \$4 million. The total planned pool was \$12.3 million. The state cut \$3 million. UT increased tuition by 8%. The new formula has provided us funding as a result of increased research expenditures and an increase in graduation and retention rates.

THEC has been watching the formula to ensure fairness and equity across four-year and two-year institutions.

UT has a number of fixed costs paid from tuition revenues, including and not limited to, waivers, promotions, and faculty start-ups.

While we've had a facilities fee in place for several years, we have increased the past two years to cover deferred maintenance and new buildings. New building construction will be covered 75% by the state. UT has to come up with 25% of the first \$75 million.

Next two buildings on UT's priority list: 13th and Cumberland and Melrose.

The Strong Hall Building has been approved and funded and is currently intended for biology and chemistry labs, Anthropology, Earth and Planetary Sciences, general purpose classrooms, and faculty offices.

13th & Cumberland will be another lab and classroom building.

UT's campus master plan was approved in September 2011. It incorporated the Top 25 elements into the plan by looking at capacity and demand. We currently have a deficit of more than 800,000 gross square feet in research, classroom and class-lab space.

This administration has committed to a new building every year in the 5 year plan, subject to the state's approval and funding support.

Committee discussed asking Associate Vice Chancellor for Facilities Services David Irvin to give a presentation to the B&P committee regarding the campus master plan.

Cherokee Campus Updates:

At least the 1st building is under construction, the JIAMS building, with a split funding model between the state, federal, and UT sources. The system is trying to find partners to locate to the site and enter into joint research initiatives. The property is managed by the UT system. UT has committed to finish the entire JIAMS building. The first phase is expected to be finished in summer 2014 with the second phase being completed in 2015. UT expects the second phase to cost around \$10 million which it will fund with bonds and service the debt with F&A proceeds. The hope is that JIAMS will increase research activities and ultimately generate more F&A. We have already bought two electron microscopes (a TEM and a FIB) for JIAMS, currently in SERF.

Employee Health Care premiums will be increased by 2% in the coming year. It's a self-funded plan in which the employee pays 20% of the premium and the State funds 80%.

3 Faculty Salary Report

Last year the committee passed resolution regarding faculty salaries.

The most recent faculty salary study was done for 2011. The study indicates that most of the UTK faculty salaries are still below the Top 25 peers, although the gap has been reduced. Last year UT had an overall 5.7% increase in faculty salaries; whereas our peer groups had only 2%.

According to Vice Chancellor Chris Cimino, the chancellor pushed hard for this year's increase on the basis that the Top 25 peers were doing 2-3% increases and we wanted to make up some ground for not having any increases for four years. By late spring we expect to receive faculty salary data for FY12.

The committee feels that even with the current pay increase, the faculty salary gap between UT and our Top 25 peers is still very large and concerning. It is difficult for UT to become Top 25 public university with our current faculty get paid significantly lower than our Top 25 peers.
Scott will draft a new resolution on faculty salaries on behalf of the B&P Committee.

4 Update on Student Retention Project

The committee chair Scott Gilpatric is scheduled to meet Asst Provost and Director of OIRA Denise Gardner on Tuesday (10/2/12).

It has been noted that the data of UT vs. Top 25 in terms of ACT and GPA are similar or even better. However our retention and graduation rates are much lower. The committee will be

looking into whether there are any geographical or demographical reasons that caused low retention/graduation rate.

5 Open Discussion of Direction for the B&P Committee this Year

- a. Understanding the Campus Master Plan
- b. Looking further into retention data
- c. Salary resolution
- d. Bike lanes
- e. Graduate students' fee waiver
- f. Study the efficiencies of investment in infrastructure vs. faculty positions
- g. Higher education bonds

The meeting was adjourned at 5:00pm.