

Budget and Planning Committee, Faculty Senate, 03/08/2021 minutes

In attendance: Ken Baker, Tamah Fridman, Phillip Daves, Cristina Barroso, Eric Lukosi, David Horton, Lisa Driscoll, Alex Rodrigues, Kellie Fecteau, Louis Gross, Chip Bryant, Danny White, Reid Sigmon, Brett Huebner

Members not present: Chris Cimino, Michael Gelantalis.

Agenda:

- 3:30 Vice Chancellor for Development and Alumni Affairs Chip Bryant: Pertaining to the impacts from the COVID recession, what has been the overall impact on your division and fund-raising? Comparisons to peer institutions and other questions.
- 4:15 Athletic director Danny White: Athletics was hit the hardest by Covid, what is the financial landscape now and the time scale projection as to when the financial health would be achieved and how? When can they start contributing to the campus operations? Any new planning?
- Lou Gross challenge to Danny White (!)

Vice Chancellor Chip Bryant:

- [Pertaining to the impacts from the COVID recession, what has been the overall impact on your division and fund-raising?](#) All in-person events and galas had to be canceled and switched to online events. However, the alumni platform expanded and the donors responded unexpectedly well. We are \$44 million ahead of where we were the last year. Costs went down, but donations went up.
- [Regarding comparisons to peer institutions, what do you feel your division is doing particularly well with, and what could be improved? Is there an ongoing process of prioritization and associated consideration being given to reallocation within Development and Alumni Affairs to meet changing priorities?](#) From peers survey, only two universities are ahead of their previous year: us and the University of Florida. We need to further expand the alumni platform, hire people to help with virtual events, virtual Vol Town Halls.
- [What ways might faculty assist your unit that are not already being carried out? Are there lessons from other institutions about how faculty assist their efforts that we should consider instituting here that would benefit Development efforts?](#) Chip Bryant: the current approach is that prospective donor who did not make up his mind where their donation shall go, is asked what area of campus life made the most impact on their life or was/is the most inspiring. Lou Gross: How can faculty

assist to pursue donor initiatives? Senior faculty have connections with foundations that can be used; a coordinated initiative is needed. Is there a formalized process for Chairs supported by an endowment to meet with the donor family? Tamah Fridman: Is it possible to create a menu of virtual marketable opportunities for the donors that also highlights the UT in-need areas? Chip Bryant: We will look into it.

- **Ken Baker:** How do you keep up with alumni? What are the challenges? The main challenge is to not lose contact within the first 1-2 years when students graduate and the email changes. Students are exposed to the culture of philanthropy throughout their time at the university. If they receive a scholarship, they have to write a thank you letter to the donor family. They are taught to be proud of the school, be involved, and be invested. In their senior year, they are asked to make their first gift to the university.

Athletics Director Danny White:

- **Athletics was hit the hardest by Covid, what is the financial landscape now and the time scale projection as to when the financial health would be achieved and how? When can they start contributing to the campus operations?** Lou Gross: How do you see the next five years' budget? Danny White: Student-athletes-centered, focused on increasing the revenue.

Presentation by Reid Sigmon: The operating budget is about \$140 million. The principal debt is \$100 million, the Neyland stadium part is \$40 million that is expected to be paid off in 2033. The reserve balance has been \$10 mil for the last three years; plan to build a reserve to \$50 million. Athletics pays \$16 million in scholarships. Each athletic student receives an additional \$5500 compared to a non-athletic student. The current net operating budget deficit is \$28 million. There will be an increase in revenue due to CBS contact renegotiation (media rights, the current is till 2023/24). Debt refinancing - saved about \$200,000. More stratification on ticket prices is planned.

- **The Challenge:** Over his 40 years career at the University of Tennessee, Professor Lou Gross brought 2.5 times his entire cost to the university in external funding. Lou extended the challenge to Director Danny White that, over the time that he is at UTK, Athletics would provide support to the academic components of UTK equivalent to the total salary paid to him. Director White has accepted the challenge with great enthusiasm!