

BESC report to Faculty Senate, 2019-20

The BESC charge: the Budget and Economic Status committee has four primary responsibilities: (a) to study and report to the Senate on financial aspects of public higher education in Tennessee and on prospects for faculty salary levels and raises; (b) to examine fringe benefit situations and recommend changes and additions as appropriate; (c) to participate in recommending faculty salary policies; and (d) to participate in broader budgetary matters that impinge on the educational function of the institution.

2018-19 committee members: Bo Baker, Boris Belinskiy, Michael Bell (chair), Leonora Brown, Aniekan Ebiefung, Nancy Fell, Deborah McAllister, Manuel Santiago, Li Yang, Anne Wilkins

Ex officio: Richard Brown, Executive Vice-Chancellor for Finance and Administration, Jerry Hale, Provost and Senior Vice Chancellor for Academic Affairs.

The 2019-20 BESC met four times (10-7, 11-12, 12-16, and 2-28). Minutes are attached. Spring meetings were preempted by the Covid-19 outbreak and subsequent campus shutdown.

“The best laid plans of mice and men” certainly applied to this year. The rosy economic forecasts of Fall gave way to the grim uncertainties of spring as the Covid-19 pandemic laid waste to lives and plans.

The Committee focused initially on obtaining the results of the Sibson Salary Survey solicited by the UT System. We finally obtained the long-awaited report, and found it to be utterly worthless from the committee’s point of view (see attached). The report presented aggregated data only, by rank within college. It provided no useful data regarding instructor salaries even at the aggregate level. As such, it is of no use to the faculty or to the administration, except as a snapshot of the University’s relative position in terms of compensation among its peer group. Both Laure Pou and Richard Brown agreed that the report was of no value in addressing individual faculty salaries at UTC, and promised to commission a campus-specific Sibson survey that will allow evaluation of individual faculty salaries at UTC to peers. Richard hoped to have this report available in spring 2020, but subsequent events made this unrealistic. Richard has confirmed that he remains committed to having Sibson conduct this survey over the next few months and share with the 2020-21 BESC.

Committee takeaways from our meetings prior to March

- The University ended 2018-19 in the black. The campus was able to add \$1 million to its rainy-day fund
- 2019-20 enrollment is flat
- Graduate school enrollment remains lackluster. Efforts to improve graduate enrollment have failed to produce positive results so far
- 19 faculty members bought in this year to the VRIP. 22 staff members chose to participate (represents \$2.9 million in salaries-requires a \$1.4 million payout in summer 2020). Richard Brown hopes to offer the VRIP every 4-5 years
- The campus is exploring how to adapt to new federal guidelines on “exempt employee” status. Twenty-four staff members at UTC are potentially affected. Options: increase salaries or change status to non-exempt?
- The campus is hoping for a 2% increase in tuition
- UTC currently number three in state in terms of student progression toward graduation (#1 in UT System)

- Insurance premiums are going up, but the state is covering and in addition offering a May insurance premium holiday
- Richard anticipates the state will authorize 1.5% cost of living salary adjustment (some combination of col and merit)
- The Chancellor has established a Commission on the Status of Women at UTC (Pam Ashmore-chair) to review female faculty development and salaries
- A campus priority is to increase the minimum hourly rate to \$12.50 over the next three years. President Boyd is also reviewing UT System salaries for non-faculty.
- Nationally there is a decline in traditional college age student enrollment-due to demographics and economics. Tennessee is not exempt from this trend and the campus administration is already putting plans in place to adapt. Recruitment will focus more intently on more adult learners, transfers, international students. We will have to embrace online education.
- There is a lack of clarity with regard to graduate assistantships
- Distribution of 15/4 funds for coming year still under review
- Concern over replacing tenure-track positions with lecturers

The Covid-19 pandemic has rendered much of the committee's previous discussion irrelevant. Due to the campus shutdown and the frighteningly swift changes in the economic forecast for the nation, the state, and the University, the committee did not meet again following its February meeting.

The Budget Town Hall (May 2020) and subsequent conversations with Richard Brown confirmed the following:

- The University's rosy academic picture for 2020-21 has changed dramatically as a result of the pandemic induced economic downturn
 - \$6 million returned this year to students as refunds for housing, meal plans, parking, etc.
 - \$0 tuition increase for 2020-21
 - 2020-21 funding focus will be on increasing scholarships so as to maintain enrollment numbers
- While there is a hiring freeze in place, the University continues to do whatever is possible to protect employees and avoid furloughs or layoffs, and hires are being made on a needs basis
- the VRIP remains unaffected
- the May insurance premium holiday remains in play
- the proposed salary pool is problematic, but not yet ruled out

The BESC encourages the campus administration to continue to pursue the following objectives:

- Follow through with a campus-specific salary analysis for faculty and staff at UTC that provides data for analysis of compression, gender, and equity issues
- Salary compression remains a matter of concern for many faculty members-the committee encourages the campus administration to continue with efforts to address this on an ongoing basis
- The UT System administration should support the proposal before the Tennessee legislature to offer paid parental leave to faculty members
- The campus should investigate providing on-campus child-care services (as an inducement to adult learners, and UTC employees as well)

- With salary increases increasingly tied to merit, the campus should focus more intently on training those involved in writing evaluations and set consistent standards across all colleges as to expectations. The sense that the playing field remains unlevel in the assigning of merit persists.