

Minutes of the Full Faculty Meeting 1/28/2009

President Pedro Campa called the meeting to order at 3:20 p.m.

The minutes of the September 9, 2008 meeting were approved (Hiestand/Sturzer)

Marcia Noe was re-elected Faculty Secretary

Rebecca Elliott (Graduate Studies Division) was elected assistant professor faculty senator at-large

Jennifer Beech (English) and Rebekah Bromley (Communication) were elected associate professor faculty senators at large

#### **Chancellor's Report**

We have had a very trying year but our sister institutions are losing people through termination of faculty members and I am happy to be able to say that we have not had to even consider terminating any tenure-track faculty members. The cuts we have proposed are eliminating approximately 50 unfilled positions. This is a hurtful number that will affect all of us and the way we do our jobs. What we are observing is a continuing move that began a couple of decades ago in the way that higher education will be funded forever. Believe it or not, we are among the highest in terms of state appropriations as a percentage of the total annual UTC budget—48%. At the University of Virginia there were some brutal budget cuts, and today about 15% of UVA's budget is funded through state appropriations. The University of Vermont is below 10%. A shift is occurring in public higher education from state supported to state assisted to state located. We will be pressed to continue to operate at the same level of programs and quality. We now bring in \$13 million dollars a year in grants and contracts, and we will have to do better than that. Private donations are another source of revenue and we at UTC have done very well in private donations. The last capital campaign had a \$20 million dollar goal; we have now surpassed that with \$34 million dollars in pledges: professorships, scholarships, academic programs, capital expenditures. In the future private donations will furnish a higher proportion of the total budget. Once we get through this, I predict we will never again see 48% of our budget covered by state appropriations. By next July 1, approximately 40% of our budget will be made up of state appropriations. And this will be a high water mark that will not be topped. So we are called upon to re-engineer higher education and it will be the executive team's obligation to help the faculty do this by finding additional sources of revenues. Before this academic year began, the 2008-09 academic year cuts were offset to some extent by a 6% tuition increase, but we ended up with a 1.9 million dollar cut beginning this fiscal year. Our base budget before the cuts we are in the process of making; we need to find 3.5 % of state appropriations to give back to the state by Jan. 1. And to prepare 10.4% more to remove from our base budget before June 30, 2009. Two weeks ago we were told by the governor's office that tax revenues from business and sales taxes were coming in so slowly that we must prepare and have ready an additional 5% cut. It has not yet been ordered. But once they tell you and write it down, there is a great danger they will ask you to do it. As of now, a total of 12.8 million dollars will be cut from our budget in one year's time. This all translates to a 61% cut for Academic Affairs. Thank you for the dedication and sacrifice that bring you here every day. This will end and we will move on and we will be okay. We will continue to be a strong, vibrant and dynamic public university with an important mission to fulfill and we will fulfill it. When we find obstacles in our path that prevent us from doing things in the old way, will find a new way and it may be a better way.

### Comments and Questions

Q: To what extent will cuts be offset by student fees and tuition?

A: We're being told right now that we need to prepare the cuts for the state budget office without factoring in a tuition increase. We will achieve a 7% tuition increase, and 2 1/2 million dollars of cuts will be offset by this tuition increase. There is some talk that this number could go higher because there is such a crisis in higher education; THEC and the Board of Regents are aware of how painful the cuts are and there is at least a discussion going on about the 7% limit going higher; but the state legislators are going to be very sensitive to a high tuition increase.

Q: The papers say the state may possibly be receiving some federal funds but not for academic things.

A: Some of the higher education newsletters are doing a more nuanced look at the stimulus package and there are monies in there for higher education: for utilities, infrastructure, and research dollars for alternative energy sources and green technologies. If we are lucky enough to get in line for that money, and we did prepare a list of things that UTC could do with stimulus money if we get it, we have asked for building renovations to enhance energy efficiency. The greater hope from the stimulus package is that something like 700 million dollars in TennCare money may come in which will take pressure off the governor, who may then not ask us to make such drastic cuts.

Q: Is anyone looking at overhead in administrative costs? Looking at peer institutions, UTC is very high in administrative, 50% higher than UTK. Data gathered from our peer institutions' web sites, using EEO classifications, e.g., "Administration/Executive/Managerial" and "Instructional Faculty" shows UTC to be heavy in administrative positions. For example Western Carolina University lists 55 administrators and 502 faculty, while UTC lists 131 administrators and 400 faculty, the second highest on the list of our peer institutions.

A: The institutions are probably not counting the same things. Last fall a consulting firm called Bering Point did a study of relative costs of operations and did a similar comparison and put UTC in the bottom third of our peer institutions in terms of managerial support to faculty.

Q: Who paid for the Bering Point study?

A: The UT system.

Q: How much did it cost?

A: I don't know.

Q: I am interested as the next person in trying to get a new student information system in place, but I know how expensive Banner is: it costs millions of dollars. Now we're looking at coming close to laying off part-time and nontenure track faculty. When it comes down to faculty or Banner, I know which way I'm leaning. How can the Administration justify paying so much for Banner in light of prospective faculty cuts?

A: We're continuing with Banner because we truly feel that our student system will crash and burn. If it were a question of Banner or losing faculty, I would ask for Banner to be postponed. If there is a way to phase it in, perhaps we can get some components implemented and not others.

Q: I'm all about priorities, but I'm also about quality, and I'm concerned that as we keep looking at all these cuts, we at some point won't have the intestinal fortitude to cut programs because we can't be all things to all people. I would rather that we do what we do well than do a mediocre job trying to do it all.

A: I have been asked to do what you just described. What has happened so far is extremely preliminary. THEC did their high-level analysis of productivity and sent each institution in the state a list of programs we are obligated to exam for cuts. Many of these programs serve many departments, although they may not have many majors. The THEC list is not that useful. We will have to do a program-by-program assessment and the provost and deans have begun to do that. We are being pushed to do much more in terms of cross campus collaboration. Nursing is often a place-specific kind of training. The other thing being pressed very hard is why aren't you delivering more of your student courses online? We don't do as much online now and in the future we probably will do more. We will look carefully at who does it, however we do it and who does the quality control. We will be asked to defend our programs based on market need.

Q: Why is Academic Affairs taking such a big hit (61% budget cut)?

A: Because AA has 63% of all the dollars. This may not be the final total. There still is a time in which the Chancellor will be accountable for how we get all of the dollars that will be cut from AA. What we are doing is a rather flat proportional sharing of the sacrifice.

Q: When will you announce the specific cuts?

A: By the February UT trustees board meeting we will have the cuts and they will go on our website, but things still could change before June. Then there will be a period of logrolling between us, the UT system, and the Board of Trustees about what we will actually present to the governor.

#### Report from the Provost

Thanks to Fran Bender and the 45 people who helped advise the freshmen on probation. We are emphasizing student retention and have seen some early signs of success. For the previous three years fall retention was 84%; this spring, it jumped to 90%. We don't know exactly why it jumped 6 percentage points. We are doing everything possible to get as much input from across campus about the cuts; this is an ever-changing situation and we are going to have to respond as best we can. The cuts that have been identified so far, because of the quick response time frame, are not strategic cuts. Where the strategy will come into play is in deciding how money will be put back and where it will be put back as it become available. We will be able to do a better job of managing our enrollment and be able to see some bottom-line financial improvement.

Academic Affairs had an ad hoc committee made up of faculty and staff across campus who have been reviewing and advising on all AA programs since early in the fall semester. This committee continues to meet and advise on areas we should look at. Most of the currently identified cuts in AA were discussed within that committee. No unilateral decisions are being made. Decisions are being made in this committee and in the Deans' Council. In this situation we are not making decisions between good and bad but between things that are good, and honest differences of opinions are possible. Tough choices are being made and we'll continue to struggle with them but in the long run, this process gives us a chance to rethink, re-envision, and restructure some things that will serve us well in the years ahead. Two weeks ago, THEC released a list of low-productivity programs. Fourteen undergraduate programs at UTC are on that list: any program that graduates fewer than 10 majors per year over a five-year average is

considered a low-productivity program by THEC. Some of these programs are critical to the UTC mission and will not be cut but they all need to be looked at. A systems procedure is being drafted for how to deal with programs that are being recommended by a campus for closure. That procedure doesn't lay out how a given campus will do that evaluation, so Jocelyn Sanders is going to draft a procedure for this campus for everyone's review. There are some programs that have indicators that say we need to take a look at them, but there will be no knee-jerk reactions. These procedures will be presented in draft form to the Board of Trustees at the February meeting.

Q: Cutting programs will have no impact on our budget for the next two years; is it realistic to say that cutting these programs will help up to save money now?

A: Yes, even if we cut programs, it will be two years or longer before we realize any savings. We are attempting to build in a cushion, to say give us some time, knowing that we don't know what additional revenue or extra efficiencies we may be able to gain. We can certainly help ourselves out by looking wherever possible at larger section sizes. The average section size here is 22 students; that's a pretty low average. Those kinds of adjustments will take time. We need a way to cushion that to give us a way to make whatever long-term adjustments we need to make, with any savings from those adjustments we reinvest in areas of strengths so that we continue to excel.

Q: Is the 5 million dollars savings primarily from the hiring freeze?

A: Yes, and some nonacademic support program cuts. A million dollars worth of cuts: faculty positions that are currently unfilled and will not be filled. A lot of trustees don't appreciate that there is a healthy amount of turnover every year so that in any given year, there will be some vacant positions. It doesn't mean we don't need them. What we have had to do, very nonstrategically, is take out vacant positions this year and go back with whatever revenue we can get back to revalue some things.

Q: What has happened to the conversation about removing the cap for full-time enrollment?

A: The governor killed it, making public statements that he is against it, that it is an end-run around a major tuition increase. The State Board of Regents already acted to remove the cap but President Petersen has indicated we will not pursue that any longer. In the long run it might be the right thing to do but we don't know what the immediate ramifications will be.

Q: Is it fair to say that the major hit will be to the adjuncts and lecturers?

A: No, we just don't have the permanent faculty members to do that; a lot of our student credit hours are being generated by contingent faculty. The adjunct budget has not been cut; if anything, we are talking about putting more money into it.

Q: Increasing the class size is not a concern, my classes are large but what does concern me is how students are packed into those classes. Students are on top of each other. The infrastructure is the problem.

A: This is right. We are looking for every possible classroom space where we can increase section sizes. The deans are getting the provost information on where section sizes could be increased and where they can't do that because of physical classroom limitations.

Q: English is not necessarily comfortable with increases in class sizes. My concern has nothing to do with the size of the room. It has to do with how much student work one can responsibly grade and how well students can be served.

A: No across-the-board increases in class sizes will happen.

Report from the Vice Chancellor for Finance and Operations

The current economic crisis is perhaps the most challenging in the last 20 years of this institution. The real challenge is that the numbers change weekly. Hopefully, the numbers will stabilize and enable us to do some real financial planning. This process will take 3-5 years and it will take your collaborative spirit to help us with this process. Dr. Arfken's committee is looking at ways we can save dollars and create new revenue sources. Energy management is one creative way in light of increasing costs from the Electric Power Board. We will have to do less and this will impact quality. We are pushing for a tuition increase greater than 7% without negatively impacting access. Every unit on campus will undergo review. The other challenge as we move into 2010 is our SACs reaccreditation process, so we must insure that our academic core is strong. The byword is: We Teach. We are going to rebalance the institution beyond these cuts so that we can be sure we are delivering quality. Not doing Banner may not be an option; if it breaks, we can't enroll students. The UT system is paying for part of the costs of Banner.

Q: How will the data being collected about programs be publicized?

A: The provost, working with the academic deans, has a review process that will be posted on the web site. There will be a lot of transparency.

Report from the President of the Faculty Senate

The UT Council met and the minutes are in the Faculty Senate minutes of the January 15 minutes. This is a good place to see the philosophy behind the cuts. A draft of the cuts process will also be posted. Whatever we do, whether it is unilateral decision of the Administration or a joint decision of the faculty, it will negatively impact the university. Perhaps we will never be the university we want to be. What can we do? Hold our breath? There is one positive thing we can do: we can join the union.

The meeting was adjourned at 4:45 p.m.

Recorded by Marcia Noe, Faculty Secretary