EMPLOYEE RELATIONS COMMITTEE MEETING
The University of Tennessee at Chattanooga

December 11, 2008
Heritage Room, University Center

Members attending: Pat Boyer, Joyce Blevins, Sue Carroll, Debbby Corey, Cheryl Faulkner, Kelly Griffin, Mike Headlee, Valerah Hodges, Ken Hood, Anne Jay, Anna Lane, Jack Pitkin, Doris Roensch, Frankie Roeser, Sue Stephens, Nancy Tolar, Jan Uhles.

Others in attendance: Dan Webb, Director, Office of Human Resources; Melanie Sadler, Administrative Specialist, Office of Human Resources; Kathy Taylor, Benefits Specialist, Office of Human Resources.

Call to Order: Ms Hodges called the meeting to order.

Minutes: Motion was made and seconded to approve minutes of the September 18th meeting.

Guest: Dr. Richard Brown, Vice Chancellor for Operations & Finance

Governor Bredesden recently said Tennessee is experiencing the worst economic crisis in the state’s history. Dr. Brown said all states, particularly in the South, are experiencing budget cutbacks. The university has been anticipating reductions in state funding, which now amounts to ten years of consecutive budget cuts. A mid-year cut of $1.5 million means the base budget for the 2008/09 fiscal year will have been reduced by $2.6 million. State funding for UTC may be reduced by 15% or $6.3 million for the 2009/10 budget.

President Petersen has announced the following steps for all campuses: an immediate freeze in hiring, purchasing and equipment, and travel. Exceptions would require approval of the Chancellor and UT system hiring review committee. New academic and administrative programs have also been suspended. Reductions will require the university to become leaner while continuing to deliver a quality education. Dr. Brown said he is committed to keeping staff informed through a weekly or biweekly online newsletter.

Travel paid from R and E accounts is restricted although some grants may contain travel provisions. Dr. Brown urged members to discuss travel with their department head and seek approval from the Provost. Departments that have already made deposits for faculty/staff travel will not be made to cancel, since doing so might mean monies are forfeited. When asked if lab chemicals could be purchased, Dr. Brown replied that because they are essential to teaching, there is no freeze on those types of purchases.

Discussion of tuition and fee increases for the 2009/10 year will take place in January and a 6-8% increase is expected. The university is viewing soft caps on freshmen enrollment and a different tuition scale. At present, students are not charged tuition for exceeding 12 hours per semester. However, THEC and the state legislature have expressed concerns that increasing the tuition scale might limit access to a college education and a decline in graduation rates.
A tuition increase of 6-8% would generate $2.6 million for UTC but costs going forward would be $1.5 million due to faculty rollovers and promotions and utilities. Utility costs increased 24.7% or $878,000 in November. Dr. Brown said due to the planning efforts of Assistant Vice Chancellor Tom Ellis and his staff, $23 million in expenses at the Power Plant has been averted over the past years. Internal capital maintenance projects must be reviewed by a system committee and a new chiller that had been budgeted will not be funded at this time. Recycling will continue and students pay a ‘Green Fee’ that provides partial funding.

During the past seven years Dr. Brown said he has set aside $3 million to fund a new student information system, SCT Banner; this new system is critical to registering students and processing academic information and has received system approval to go forward. Funding from the state for a new library is still available. Asbestos abatement is ongoing at Grote Hall and Metro Building. Student Health Services will not move to the UT Family Practice Building in January 2009 as originally planned. The space is being remodeled as part of Erlanger’s contractual agreement with UTC and is behind schedule.

Dr. Brown was asked if the university is considering the elimination of sports programs. He replied that sports are an important part of the university and aids in recruiting students. Athletics has cut their mid-year budget by $60,000 as all departments were notified of their pro-rata share to cut. ETSU eliminated football several years ago and some have suggested that UTC do the same. Dr. Brown said ETSU is now reconsidering this decision and may re-establish their football program. Few schools are able to finance their entire sports programs from the revenue they generate.

Chancellor Brown has established an ‘ad hoc’ committee to review effectiveness and efficiency within the university. Valerah Hodges and Jim Bowman serve on the committee, representing the ERC and ESC respectively, with representatives for every Dean and Vice Chancellor. Among ideas that have been discussed are discontinuing the use of personal printers in favor of networked IKON copiers, at an estimated savings of $80,000 a year; battery operated vehicles instead of state cars for use on campus. Staff may also submit ideas directly to Vice Chancellor Brown.

At the state level there is discussion of discontinuing longevity and fee waivers, which Dr. Brown said he is against because they help in the recruitment and retention of employees. A member asked if the university had considering establishing a 4-day workweek. Dr. Brown replied that it would be difficult to do so because of academic calendar.

UT Martin will be closed on January 2 that should result in savings of $18,000. Staff would be required to use annual leave, personal day (if non-exempt), or comp time. Mr. Webb said UTC’s Exempt Staff Council discussed the impact if the Chattanooga campus was closed on January 2. Most felt it would be problematic because classes begin January 5 and students would be arriving on campus to check into housing and receive refund checks from the Bursar’s office. Dr. Brown said the university is viewing next year’s calendar as the university is slated to be open Christmas Eve.

Dr. Brown said he believes the economic crisis will continue for another 2 – 3 years, aggravated by the mortgage and general credit crisis. When asked about a reduction-in-force, he said the university would do what it could to protect human capital. He noted that Linda Hendricks, UT Chief Human
Resources Officer, serves on the President’s staff and keeps personnel issues on the forefront.

**Health Insurance Changes**

Ms Taylor said the State Insurance Committee met recently and have negotiated fee structure changes with the various health insurance carriers so that the previously announced health insurance premium increase for 2009 of 4% will not take place. In order to avoid the insurance premium increase, the State Insurance Committee negotiated an increase in prescription co-pay amounts. Co-pays for a 30-34 day supply at retail pharmacies of generic drugs will be: $5 for generic; $25 for preferred name brand; $75 for non-preferred name brand. Copays for a 90-102 day supply by mail order or at participating ‘mail at retail’ pharmacies will be: $10 for generic; $50 for preferred name brand; $100 for non-preferred name brand.

As co-pays have increased since the end of Annual Enrollment, the university will allow members in the HMO or POS plans to transfer to the PPO plan. The HMO and POS do not have an out-of-pocket limit, but the PPO plan has an out-of-pocket limit for prescription drugs of $1,620 a year per individual. Employees who wish to transfer to the PPO plan should complete a new enrollment/change application no later than 3 PM on January 14, 2009, for an effective date of March 1, 2009.

Because the pharmacy co-pays are increasing, the university is also extending the deadline for joining the Flexible Benefit Reimbursement Plan. If staff have already completed a form and turned it in, they may change the amount by completing a new form and marking it as ‘Revised.’ Due to the holidays, forms should be submitted to the Office of Human Resources no later than 3 PM on December 19, 2008.

**Training Advisory Group Committee**

Ms Lane, Chair, said the Training Advisory Group (TAG) has met regularly to promote training and develop new training programs. A TOP (Training for Optimal Performance) website with links to training from various departments is under development. Mr. Webb will meet with senior administrators to gain their support for training. The Chancellor has previously expressed his support.

An IRIS subcommittee has recommended several sessions a year that would offer navigational help in addition to policies regarding fiscal matters. IRIS forums will also be scheduled.

On a personal note, Ms Lane attended *The Seven Habits of Highly Effective People* offered by Human Resources. She said although the program was a little pricey, she would highly recommend it to anyone.

**Star Achievement**

Kelly Griffin attended train-the-trainer for ‘Star Achievement’ in Nashville. ‘Star Achievement’ consists of four modules requiring 8 hours to complete that must be taken in order. The program focuses on attitude, accepting criticism, managing and prioritizing tasks, and communication. In one exercise, participants were given an egg to decorate and told to keep track of it all day, which represented awareness of one’s attitude.
Mr. Webb said UTC’s Training Advisory Group has recommended the program, which could become self-sustaining and grow facilitators. UT Martin offers the program at $75 per module although Ms Griffin said there was discussion that the cost would probably be reduced.

Mr. Webb said he would like to offer the first module of ‘Star Achievement’ once a month in the spring semester. A maximum of 16 participants is recommended. The cost for each module has not been set. Human Resources will handle logistics.

ERC Retreat

ERC representatives and alternates attend an annual Retreat in January. Ms Hodges asked members if they would be willing to forego the retreat next month as a way of giving back to the university. Members agreed and a meeting will be scheduled in place of the Retreat. Mr. Webb said this would mirror what the Exempt Staff Council does, as retreats are only held during election years.

Bursar Move

Ms Boyer said the Bursar’s office would be moving to the second floor of the University Center the week of December 15. Disbursements will remain in Fletcher Hall.

Adjournment

Motion was made and seconded to adjourn.

Respectfully submitted,

Melanie Sadler
Administrative Specialist
Human Resources