

Faculty Senate Meeting with the President
October 29, 2018

Members Present:

Douglas Airhart, Deborah Ballou, Michael Best, Tammy Boles, Troy Brachey, Chris Brown, Debra Bryant, Andrew Callender, Corinne Darvennes, Ahmed ElSawy, Steven Frye, Stuart Gaetjens, Melissa Geist, Mark Groundland, David Hajdik, Jeremy Hansen, Ann Hellman, Paula Hinton, Seth King, David Larimore, Regina Lee, Lori Maxwell, Christine Miller, Holly Mills, Lachelle Norris, Linda Null, Brian O'Connor, Joseph Ojo, Sally Pardue, Mohan Rao, Jeff Roberts, Leeann Shipley, Cara Sisk, Troy Smith, Sandi Smith-Andrews, Barry Stein, Holly Stretz, Zac Wilcox, Kim Winkle, Jeanette Wolak

Members Absent:

Ismet Anitsal, Jeremy Blair, Shelia Hurley, Barbara Jared, Christy Killman, Ben Mohr, Richard Rand

Guests:

President Oldham, Vice President for Planning and Finance Stinson, Lee Wray, Cynthia Rice (for Senator Stretz)

Call to Order

Senate President Smith called the meeting to order at 3:36 p.m.

Announcements

Senate President Smith reminded Faculty Senators to respond to his e-mail asking them for the issues they would like to work on this year. Senator Smith-Andrews announced there will be a Halloween activity in Crawford Hall this Wednesday from 4 to 7 p.m. Senator Airhart also announced the College of Agriculture is selling chrysanthemums for homecoming.

Announcements from President Oldham

President Oldham shared that THEC has named Tennessee Tech University (TTU) as the #1 performing university according to the funding formula for this year. Assuming that the funding formula is fully funded, this translates into a 7.6% increase in state funding, roughly 3.8 million dollars. President Oldham also indicated that the engineering building proposal is #4 on the priority list, which is definitely within a fundable range. THEC is also recommending that they fund the last round of the Carnegie re-classification money, which is an additional \$900,000 of recurring funds, bringing the total to \$2.1 million. President Oldham clarified that this news is the first step in the legislation session and these increases and projects will need to pass through the new Governor's budget, but it is an excellent beginning. Some discussion ensued on how the performance rating in the funding formula translated into actual dollars. VP Stinson distributed a document (prepared by TBR) entitled, "TBR Unrestricted State Appropriations 2018-2019" to help explain the funding from the state and how we compare to sister institutions. See attached. President Oldham clarified that due to the Focus Act Legislation, TTU still has to submit its annual budget through TBR because of the cross collateralization of capital project costs around Tennessee. VP Stinson added that TTU's state appropriations flow through TBR.

Senator O'Connor asked if other Carnegie-level institutions are receiving the additional, recurring funds. President Oldham explained that TTU has an R-3 level of classification and that the reason why we are benefitting has to do with the timing of our new classification. TTU attained its Carnegie classification at the same time as the state decided to change the funding formula to get away from the Carnegie classification. In order to honor TTU's investment in achieving its Carnegie classification, the state opted to pay these funds over a 3-year period. The \$900,000 is the remainder of the \$2.1 million of the Carnegie re-classification money.

Professor Stein asked if President Oldham's positive news mitigate any of the budget shortfall. The President replied that yes, it does help. He then explained that TTU has multiple income streams to manage and they sometimes move in different directions for different reasons. In prior years, the revenues increased substantially due to tuition revenue (enrollment increases), whereas the state support was declining. Currently the state appropriations are improving, but there is an enrollment decline.

Discussion Topics

Paternity Leave

Mr. Wray updated the Faculty Senate on a proposed paternity leave plan from Human Resources that will grant 6 weeks of paid leave for TTU employees (mother or father) within the first 12 months following the child's birth. This plan has yet to go through TTU's approval process and ultimately the state will need to approve the financial plan. Senator Pardue asked where the money would come from to fund this paternity plan. VP Stinson noted that significant funds would be needed to cover classes (hiring adjuncts or temporary employees, for example). The academic unit would be responsible for covering this expense. A question arose whether an academic unit could refuse to find a substitute for the person on paternity leave. Currently, anyone can take paternity leave up to 12 weeks without pay and protect their job according to federal law. The proposed paternity plan will guarantee pay for 6 weeks.

Budget Shortfall

VP Stinson distributed a sheet that indicated where the roughly \$2 million dollar revenue shortfall was coming from (out-of-state tuition) and which areas are covering these costs. See attachment. She indicated that 44 new international students were refused visas. Twenty (20) of them have indicated they are working on getting their visas to attend class in the spring semester. Due to the volatility of the visa situation, these prospective students are not built into the projections. TTU currently has approximately 200 international students, compared to 800 international students (revenue of \$17 million) four years ago; hence, we have lost \$11 million in the last four years. Questions arose on the revenue shortfall document and discussion ensued. VP Stinson gave examples of where funds have been identified to cover the shortfall. Within Academic Affairs, for example, the re-organization between the College of Interdisciplinary Studies and the Office of Distance and Continuing Education and the CITL produced \$298,000 in revenue, which was used to cover their share of the budget shortfall. Other ways of covering the revenue shortfall include:

1. International Education—Two vacant positions, portion of travel budget. VP Stinson noted that VP Johnson is now overseeing this office
2. International Scholarships—Covered in decrease in enrollment of undergraduate, international students

3. President's Office—A position has been eliminated and other offices in President's area will cover the balance
4. Research—Difference in salaries between individuals who left and those who started
5. Academic Affairs—See above
6. Business Affairs—Reorganization due to 3 retirements and 1 resignation which led to the elimination of a position. In Facilities, there was a vacancy in the office staff
7. Student Affairs—Out of operating funds
8. Other—From fringe benefits dealing with tuition payment for employees beyond what has been budgeted
9. Colleges (Academic Scholarships)—VP Johnson has identified scholarship dollars that he is not going to need
10. Enrollment Management—Noel Levitz contract was cancelled. This group was tasked with recruiting prospective, first-time students.

VP Stinson pointed out the work of a university committee looking at 5-year strategic planning for the budget and gave some examples of current initiatives (purchase of computers for faculty, administrative associate efficiency, lapsed salaries [\$4 million]). She indicated that they are considering placing 60% of lapsed salary monies into an investment fund and 40% back into the units. Several Senators clarified that their academic units indeed depend on lapsed salary monies for their individual budgets (such as the hiring of adjuncts, faculty travel, accrediting visits, recruiting, ...) VP Stinson added that the budget model would include looking at student credit hours (SCH). The academic units that have seen an increase in SCH will see an increase in their budgets. President Oldham clarified that lapsed salary money will be available to hire replacements. Whatever money is not being used, 40% will be put back into an account to be used at the unit's discretion. Once the position is filled, the money goes to the new salary. Ultimately, the money is not taken away. The 40% / 60% distribution is only in effect during the interim time. Senator Larrimore asked if a study has been conducted to see how units spend the 60%, indicating the academic units in particular anticipate vacancies and depend on these funds for new computers or to pay for supervising teachers in the field, for example.

VP Stinson asserted that the purpose of the budget model process is to get money to necessary areas based on the discretion taken place. The budget model had included an 18% investment fund, which TTU was never able to fund due to financial exigencies. She stressed that they make the best projections possible so as not to hurt the university any more than necessary. Senators, though, questioned some decisions made on money spent over the years and noted that these decisions have not helped the university in an efficient manner (such as enrollment endeavors). President Oldham respectfully disagreed, noting examples of improved student retention (investment in new student advisors) and how research dollar expenditures are up approximately 3-4 million dollars a year compared to previous years. Senator Larimore referenced a chart detailing research expenditures (NSF data) for TTU over the last 10 years. TTU is back to where it was in 2012. President Oldham indicated that prior to 2010 the numbers were even higher. Some discussion ensued on the efficacy of investing in leadership positions in research. President Oldham suggested looking into best practices on this issue at sister institutions, such as MTSU. VP Stinson shared THEC funding formula data on research dollars (actual expenditures): TTU 2015/2016--\$12.5 million, TTU 2016/2017--\$15 million. Comparatively, other sister institutions saw a decrease in research expenditures. Senator Geist suggested the drafting of an accounting

sheet that shows what was spent, what the money was spent on, and the return on investment for these decisions. This will help with the perception of financial mismanagement. President Oldham has looked at enrollment data and the predictability of a variety of factors and concluded that enrollment predictions and enrollment revenues are extremely complex. The most predictable element of enrollment is the incoming freshmen. He noted that TTU takes a conservative posture when budgeting for enrollments. VP Stinson noted that TTU is not the only university making cuts in TN. MTSU and ETSU have been cutting their budgets due to enrollment decreases as well. Senator Maxwell asked if the budget model developed by Huron could encompass changes, such as enrollment decreases. President Oldham noted that the budget model was not designed to predict revenue. Its function is to help in the distribution of dollars. Overall, TTU needs to budget even more conservatively than done in the past. Senator Stein asked about enrollment strategies for international students. President Oldham reminded Senators that the Office of International Education is now under Enrollment Management. He has explored lowering out-of-state tuition for international students to be competitive with other TN universities. He asked, though, what do you do with those international students at TTU who have already paid a higher tuition? Now, with much fewer international students on campus, it makes sense to consider lowering this tuition and President Oldham will carefully look at this issue.

Senator Ballou indicated that there is internal expertise at TTU to tackle budgetary issues and cited her work and that of others on the budget committee. The budgetary forecast is concerning due to the fact that so much rides on student enrollment for the generation of revenue. THEC data is available for all of the 4-year universities in Tennessee for comparison. A tremendous amount of work is going on at TTU to deal with budgetary concerns.

Senator Roberts asked whether the budget cuts in Athletics were included in the document distributed by VP Stinson. Their budget decline is reflected in their own internal area. As student enrollments decline, so do student athletic fees. President Oldham pointed out the importance of protecting the academic units from making budget cuts. Cuts normally from this area were covered by reducing scholarships as noted above. The administration also protected Advancement, Facilities, and ITS.

Senator Geist asked about the plans for the CITL, and if they will hire a new VP to head it. The CITL and Distance Learning and Continuing Education will now fall under the College of Interdisciplinary Studies. Provost Bruce will have more information on this restructuring.

Senator Hellman asked how TTU plans to increase student enrollment. President Oldham noted the following initiatives:

1. Marketing
2. Increase recruiting approach for first time freshmen. The 2018 enrollment of 1890 incoming students shows a favorable return on this investment.
3. Plans for recruiting more out-of-state students and those high school students who are not considering a university education. President Oldham has visited 21 different counties so far in his recruitment efforts.
4. A face-to-face interaction with students is needed to recruit effectively.
5. A full-time TTU recruiter now lives and works in Nashville.

Senator ElSawy suggested developing satellite campuses in other countries and gave Texas A&M as example. Looking beyond neighboring counties for student recruitment is essential. Senator Stein asked if the Eagles Reach initiative has been successful. President Oldham replied that it has not. Out-of-state recruiting is not successful because we have not been in front of people enough.

Senator Geist noted the importance of TTU's online presence, the missed opportunities, and the favorable possibilities it has to offer. President Oldham indicated that Provost Bruce is "pressing a reset button" on online opportunities and will begin to scale from here. Senator Geist cited an online initiative from MTSU that was faculty driven with the aim to create quality programs and to generate funds for the unit (70%) and the institution (30%). President Oldham stressed the importance of the financial model for these online proposals and that each online program is unique. Senator Geist noted the need for more experienced online experts at TTU to help with this type of initiative. President Oldham indicated that TTU has never had a true continuing education unit. He is hopeful that the present restructuring will consider this type of unit moving forward. He also noted that online programs have a life cycle, depending on their relevance in society and other factors. TTU needs multiple online programs at various stages of life cycles.

Senator Rao asked about the plan for adjusting out-of-state tuition. He and other international faculty members have contacts abroad and can disseminate this information to increase the enrollment of international students. President Oldham replied that a long-term plan to reduce out-of-state tuition would be the best strategy. A business model will be needed to accommodate this change.

Senator Stein asked if the out-of-state tuition rates differ for undergraduate students and graduate students. VP Stinson noted that there has not been an increase in either undergraduate or graduate out-of-state tuition rates. TTU has increased in-state tuition rates, but not out-of-state tuition rates. Senator Stein observed that graduate student recruitment is more of a national endeavor. He suggested that TTU be more competitive with those graduate students paying out-of-state tuition. President Oldham indicated that some institutions have a high tuition and high discount model, whereas others have a lower tuition and lower discount model. TTU needs to determine whom we are competing against and what our most productive marketing scheme is. Sticker price often reflects value. President Oldham is in favor of looking at these scenarios.

Senator Gaetjens asked about the funds used by Facilities for the different building projects around campus. President Oldham clarified that the \$154 million is for the e&g budget, which encompasses the education costs of the university. The auxiliary budgets, not included in the e&g budget, encompass dining services and student housing. Capital project costs are earmarked for maintenance and new construction projects and are not included in the e&g budget either. The e&g budget for facilities encompasses personnel salaries and utility costs, for example.

Professor Geist noted that the current budget model has a detrimental effect on interdisciplinary collaboration. The model stresses the importance of generating student credit hours for the academic unit. How can this be done if faculty members from different disciplines teach the same class? There needs to be a proper accounting for these types of classes. Interdisciplinary

courses are pedagogically powerful for students. The issue of SCHs also affects graduate courses, which has far fewer enrolled students than undergraduate courses. Research is not considered well in the model either. President Oldham believes that the person doing the work should be getting the benefit. He noted that the budget model is informative: Where are we putting our resources and what is the return? Deans and Chairs should set priorities and adjust their budgets accordingly.

Promotion Raises and State-Mandated Raises

VP Stinson noted that the promotion raises have been coming out of the raise pool since 2015/2016, as mandated by TBR. Senator Smith-Andrews surveyed all of the LGIs in the UT system during the last TUFs meeting and discovered that TTU is the only 4-year institution out of the 10 institutions in Tennessee to use the raise pool to pay for promotion raises. All of the other schools budget their promotion raises separately. This shocked the Senate Presidents from our sister institutions. President Oldham noted that not all universities give the same raises. There is some variability. He expressed the desire to push faculty and staff raises as high as possible. Prior to 2015/2016, the promotion raise money came from the general budget. There were many years where faculty and staff did not receive any pay increases, only promotion raises. Senators noted that it was bad for morale to hear that there will be a 2.5% across the board raise, when many faculty and staff received less. President Oldham clarified that there was a raise pool of 2.5%; it was never stated as a raise across the board. The Board seemed to misunderstand this as well. President Oldham is not opposed to budgeting promotion raises from the general budget, only noting that it will be easier to do this some years than others. Faculty raises have increased substantially in the past few years, making it a challenge to budget for them. President Oldham would like a good faculty salary study by rank to be conducted to see how competitive we are when it comes to the recruitment of faculty talent. Some of this information can be found in the compensation model.

Parking Permits

VP Stinson noted that they sold as many gold parking permits as there are gold parking spaces, which is not ideal. They did not sell as many gold permits to faculty as they had anticipated, so they created a lottery for students to use them. Students pay for their red parking permits, and the difference is covered in their general access fee. There are fewer red spaces, not fewer gold spaces. It has been noted that construction workers have been parking in gold parking spaces. VP Stinson will check into this.

The meeting adjourned at 5:58 p.m.

Respectfully submitted,

Mark Groundland, Faculty Senate Secretary

Supporting documents

1. TBR Unrestricted State Appropriations 2018-2019
2. TTU Budget Revenue Shortfall Coverages