

## **TTU Faculty Senate Meeting with the President February 19, 2018**

Members Present: Ismet Anitsal, S.K. Ballal, Deborah Ballou, Jason Beach, Tammy Boles, Troy Brachey, Chris Brown, Debra Bryant, Andrew Callender, Corinne Darvennes, Ahmed ElSawy, Billye Foster, Stuart Gaetjens, Melissa Geist, Mark Groundland, David Hajdik, Paula Hinton, Steve Idem, Barbara Jared, Christy Killman, David Larimore, Regina Lee, Jane Liu, Tony Michael, Holly Mills, Linda Null, Brian O'Connor, Joseph Ojo, Richard Rand, Jeff Roberts, LeeAnn Shipley, Cara Sisk, Troy Smith, Sandi Smith-Andrews, Holly Stretz, and Jeremy Wendt

Members Absent: Douglas Airhart, Ward Doubet, Steven Frye, Jeremy Hansen, Ann Hellman, Shelia Hurley, Lori Maxwell, and Christine Miller

Guests: President Oldham and VP Stinson

### **Call to Order**

The meeting was called to order at 3:35 PM by Senate President Killman.

### **Comments from President Oldham**

#### **Budget Issues from Fall 2016 and Spring 2017**

President Oldham had Dr. Stinson, VP for Business and Facilities, present an overview of Tech's budget over the past few years. She explained how the budgets were balanced in response to the cuts due to the drop in international students and then scholarship commitments.

There are three budgets done per year. July is the proposed budget with no one-time revenue and expenses included, as enrollment is not known. The revised budget is done in October, and includes fall enrollment, one-time revenue and expenses, and adjustments of State appropriations. December is the expected budget, which should come really close to our financial statements for the year. It is State law to do three budgets per year.

Some general comments of the slides shown:

- *Slide 1. Tuition and Fees Revenue, FY13-FY18.* The FY16-17 drop in revenue is mainly due to the drop in international student dollars. Tuition and fees is included in the \$98,560,500 October budget. For the FY18-19, THEC sent a 0%-3% tuition cap to the Governor, so we will be working within that for this year.
- *Slide 2. Undergraduate Maintenance and Tuition Rate Increases, FY13-FY17.*
- *Slide 3. State Mandated Raises and TTU Additional Raises, FY14-FY18.* The mandated State 3% raise is not usually funded by the State, as the Governor does not designate money for it.
- *Slide 4. Academic Expense Budget Trend Data, FY16-FY18.* From the July budget, this shows the E&G (Educational & General expenditures) and fees for each college. Fee revenue increased from \$3 million to over \$6 million. There is no one-time funding included in the July budget.

- *Slide 5. Academic Expense Budget Trend Data, FY16-FY18.* From the October budget, there are many one-time expenditures and revenues included, along with some carry-over course fees.
- *Slide 6. October Revised Budget, FY16-17 – Analysis on Needed Budget Cuts.* There was a big drop in international enrollment, causing \$2.4 million to be found. R250 is the 250-mile radius offer of in-state tuition to students. Budgets of the non-instruction areas were reduced proportionately based on size of their budget. These reductions were entirely related to enrollment. The State gave us 27% of our total budget in 2016. As tuition revenue goes down, the percentage will change. Now, we are at about 30% unrestricted E&G. All non-instructional areas took a 2.31% budget cut.
- *Slide 7. Instruction Budget Cuts Analysis Based on International Student Enrollment Decline, Spring 2016.* This looks at what departments are teaching the courses to undergraduate students. Not all colleges took the same amount of cut. There are more international students in A&S and Engineering Colleges.
- *Slide 8. FY2017-18 Proposed Budget Revenue & Expense Estimates Workbook.* In December 2016, we found out about an overage of scholarship commitments. We got 4% tuition increase for in-state, and 0% out-of-state approval for FY 2017-18. Tech is way outside than what our peers are charging for out-of-state tuition. We needed to reduce our budget by \$2.6 million.
- *Slide 9. Instructional Allocations, Reductions by College.* In the July budget, a specialized academic course fee (SACF) was added to our revenues. An average of Method 1 and Method 2 was used to reduce budgets of colleges. Some colleges got approved course fees. The figures shown is only the difference. Business is phasing in their budget reduction. The revenue generated did not go back. The \$3 million will be put back into the budget model, but no units are meeting their mark because we are still dealing with reduced enrollment. Scholarships get allocated to colleges based on teaching levels and student credit hours. Both Methods 1 and 2 are part of the budget model. Method 1 is based on contribution margin percentage. At Tech it's about a 50-50 split between instruction and non-instructional areas with budget cuts. Our target is for a 60-40 split, as aspired by President Oldham.

There are increases in non-instructional expenditures, with the big drivers being utility costs, especially with the future opening of two huge new buildings and several renovations on campus. Specialized course fees did not restore the initial cuts from fall 2016. The only way more revenue will be restored is if enrollment increases.

Performance funding is coming from the State, but Senators asked if they are going to see any of it in the colleges? Dr. Stinson said we have to solve our own problems. We are getting \$3 million based on the Governor's budget due to graduation rate, and our positive outcomes. Don't rely on State money. We have to depend on enrollment. Now, our total enrollment is down about 1000 heads, which is a lot. Permanent faculty, including full-time lecturers, has increased in numbers. A 2% tuition increase would generate about \$1.4 million. President Oldham is excited to get Dr. Brandon Johnson into the Enrollment Management job so he can calculate the ROI on scholarship students. Over time, scholarships should more than pay for themselves, but we aren't there yet.

- *Slide 10. Non-Instructional Allocation Based on Proposed Budget FY2017-18 Net Unit Margin.* This shows the non-instructional cuts. The net loss of people was 19, but several more vacant salary lines were cut.
- *Slide 11. Non-Instructional Allocation Based on Proposed Budget FY2017-18 Net Unit Margin (continued)*

President Oldham said there were permanent budget cuts in the first round. Every college has since increased their budgets. The increase in student fees made up for part of the reductions. Decisions regarding faculty development costs are up to the Deans. The purpose of the current budget model is to push as much money and resources to the colleges as possible. Revenue from course/lab fees are to be used for something in instruction, but the rest of the colleges' budgets have more flexibility. All colleges are experiencing additional costs that are not reflected in additional revenues. President Oldham indicated additional funding opportunities are still being pursued, but no details. We don't know where the net will be. Dr. Stinson said we might get some money in October. The Governor's budget has a 2.5% raise in salary. There is concern that the Governor wants to get rid of longevity pay. President Oldham said he hasn't heard anything about that. Longevity pay in the Governor's proposed budget is for State employees, which we are not.

### **Recent VP Positions Filled**

Two Vice-President positions were recently filled. President Oldham feels we got two really good people to fill the Provost/VP for Academic Affairs and the VP for Enrollment Management & Career Placement. Dr. Brandon Johnson, currently at Mississippi State University, will be starting April 1<sup>st</sup>, and is anxious to get started as VP for Enrollment Management. Dr. Lori Bruce will arrive in mid- to late-April. Her spouse, J.W. Bruce, will join the ECE Department as an associate professor, in a newly funded position not from the ECE Department's budget. Dr. Lori Bruce should be visiting departments around campus asking about aspirations and goals.

### **Fitzgerald Glider Kits Issue**

President Oldham said we are trying to be fair and balanced to everybody. The main goal is to protect the integrity of the institution and integrity of the investigations and reviews. He was responding to a specific question when he made that quote published in the *Tennessean* recently, which was taken out of context. He assured us that we are taking the appropriate actions. He said he is very concerned about it, and was not trying to express an opinion in this article. There are policies and procedures we will follow. It was never his intent to fail us, but he doesn't feel he communicated that to the reporter.

Steps are being finalized for two phases of investigations. One phase is the misconduct in research charge associated with someone in the project. Dr. Huo is serving as the Research Integrity Officer for this phase, which is designed to be confidential and give a quick determination if there is enough to go through with a full investigation or not. According to Policy 780, this will be completed within 60 days. If there's a full investigation stage, a larger group of people will have access to more information and people. The time limit for an investigation to be completed is 120 calendar days.

Although there is not a policy, President Oldham has called for an independent external peer review of the project itself. He is looking at getting someone from off campus with appropriate experience to manage this process. Approval will be sought from the Board of Trustees, and maybe the College of Engineering.

President Oldham, Dr. Hoy, and Senate President Killman met earlier this afternoon. Three letters were prepared for Fitzgerald, EPA, and Congresswoman Diane Black informing them of the inquiries and investigations. President Oldham is also in the process of recusing himself for anything in this process, and turning it over to the Board. He admitted he didn't read the technical report before signing a letter of support. He said there was nothing to be leery of at the time he signed the letter to Congresswoman Black.

As an overview of the timeline of this issue, President Oldham said he had first knowledge of a concern internally when Dean Hoy called just before Christmas. His concern was that the PI listed was not qualified to do the work. The investigation was triggered when that PI filed a misconduct allegation. Public criticism does not always rise to the level of an investigation being needed. It is actionable when someone involved in the project makes an allegation. Senators cautioned President Oldham about making statements to the press. President Oldham said he's here to support all scholarly activity on campus. Nationally, it would have been hard to see any conflicts. He said his Chief of Staff did not read this report before he signed it, as he wasn't even on staff at that time. The letter to Congresswoman Black was signed in June, long before any problems arose. In hindsight, President Oldham said he would have done things differently.

Dr. Hoy has supplied a list of internal and external names to President Oldham as suggestions for members for an investigation committee. Senators told President Oldham that the Office of Research and Development has let him down, but he hasn't said anything about looking at that office. President Oldham said he's sure that will be part of it, as the investigation will look at the entire process. He continued by saying that in this particular project, on paper, all signatures looked appropriate when this grant was initiated.

During peer reviews, usually data is taken at face value. There will be experts in the field, so everything will be reviewed during the investigation. The goal is to protect the integrity of the institution and protect everybody's rights during the investigation. He encouraged all of us to be open and fair-minded. He promised to deal with whatever corrective action is needed pending the investigation. Senators stressed the need to restore our reputation. They urged President Oldham, as representative of the entire University, to take the proper action. People will then appreciate us and we can restore our reputation. The right action and wisdom will get us there. Don't get involved with politics. There is concern over potential loss of grant funding from Washington, and the probability of losing many young faculty because of this issue. President Oldham ended by saying the real test is how we handle this.

The meeting adjourned at 5:45 PM.

Respectfully submitted,  
Regina Lee,  
Faculty Senate Secretary

Approved: March 12, 2018

Supporting Document:

1. Budget Summary documents