

**THE UNIVERSITY OF TENNESSEE**  
**20% REDUCTION PLAN**  
**Chattanooga**

|   |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Reduction Target (from reduction schedule)</b>       | \$ 8,497,368          | \$ 8,497,368          | \$ 8,497,368          | \$ 8,497,368          | \$ 8,497,368          | \$ 8,497,368          | \$ 8,497,368          |
| <b>Revenues (if applicable - see below for figures)</b> |                       |                       |                       |                       |                       |                       |                       |
| Tuition Increase  | \$ 1,785,750          | \$ 2,142,900          | \$ 2,500,050          | \$ 2,857,200          | \$ 3,214,350          | \$ 3,571,500          | \$ 3,571,500          |
| Other (by source) (Fixed Costs 2009-10)                 | (1,580,000)           | (1,580,000)           | (1,580,000)           | (1,580,000)           | (1,580,000)           | (1,580,000)           | (1,580,000)           |
| <b>Total Revenues</b>                                   | <b>\$ 205,750</b>     | <b>\$ 562,900</b>     | <b>\$ 920,050</b>     | <b>\$ 1,277,200</b>   | <b>\$ 1,634,350</b>   | <b>\$ 1,991,500</b>   | <b>\$ 1,991,500</b>   |
| <b>Reductions Required</b>                              | \$ 8,291,618          | \$ 7,934,468          | \$ 7,577,318          | \$ 7,220,168          | \$ 6,863,018          | \$ 6,505,868          | \$ 6,505,868          |
| <b>Reductions (Mid Year)</b>                            |                       |                       |                       |                       |                       |                       |                       |
| Administrative  | \$ (256,223)          | \$ (256,223)          | \$ (256,223)          | \$ (256,223)          | \$ (256,223)          | \$ (256,223)          | \$ (256,223)          |
| Operations and Maintenance                              | (319,955)             | (319,955)             | (319,955)             | (319,955)             | (319,955)             | (319,955)             | (319,955)             |
| Student Services (Includes Athletics)                   | (177,804)             | (177,804)             | (177,804)             | (177,804)             | (177,804)             | (177,804)             | (177,804)             |
| Instruction   | (693,918)             | (693,918)             | (693,918)             | (693,918)             | (693,918)             | (693,918)             | (693,918)             |
| Academic Support  | (50,000)              | (50,000)              | (50,000)              | (50,000)              | (50,000)              | (50,000)              | (50,000)              |
| <b>Total Reductions</b>                                 | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> |
| <b>Additional Reductions Required</b>                   | \$ 6,793,718          | \$ 6,436,568          | \$ 6,079,418          | \$ 5,722,268          | \$ 5,365,118          | \$ 5,007,968          | \$ 5,007,968          |
| <b>Additional Reductions:</b>                           |                       |                       |                       |                       |                       |                       |                       |
| Provost   | 4,326,744             | 4,099,284             | 3,871,825             | 3,644,365             | 3,416,906             | 3,189,446             | 3,189,446             |
| FOIT  | 868,107               | 822,470               | 776,833               | 731,196               | 685,559               | 639,922               | 639,922               |
| Athletics   | 656,582               | 622,065               | 587,548               | 553,031               | 518,514               | 483,997               | 483,997               |
| Student Development                                     | 271,397               | 257,129               | 242,862               | 228,594               | 214,327               | 200,059               | 200,059               |
| University Advancement                                  | 163,611               | 155,010               | 146,409               | 137,808               | 129,207               | 120,606               | 120,606               |
| Chancellor  | 112,760               | 106,832               | 100,904               | 94,976                | 89,048                | 83,120                | 83,120                |
| Scholarships  | 394,518               | 373,778               | 353,038               | 332,298               | 311,558               | 290,817               | 290,817               |
| <b>Total</b>  | <b>6,793,718</b>      | <b>6,436,568</b>      | <b>6,079,418</b>      | <b>5,722,268</b>      | <b>5,365,118</b>      | <b>5,007,968</b>      | <b>5,007,968</b>      |

Campus/institute specific schedules with target reductions and tuition figures will be sent to chief business officers for completion. Schedules are to be returned to Chris Cimino by December 17, 2008.

| <b>Fixed Cost Items for 2009-10</b>                       | <b>Additional Campus Needs for 2009-10</b> |
|---|--|
| Transfer Scholarships                                     | 200000                                     |
| ROTC Scholarships   | 15000                                      |
| SACS Accreditation  | 50000                                      |
| Summer School Faculty Salaries                            | 200000                                     |
| Faculty on One Time Funds (Nursing, Bus & Diversity Hire) | 150000                                     |
| Utilities   | 150000                                     |
| Faculty Promotions & Rollovers                            | 190000                                     |
| Banner DBA Paid from One Time Funds                       | 125000                                     |
| Maintenance on Additional Square Footage                  | 200000                                     |
| Employee Insurance Increased Cost                         | 100000                                     |
| Academic Initiatives (Sim Center)                         | 200000                                     |
| <b>Fixed Cost</b>   | <u>1580000</u>                             |
|   | Part Time Instruction 200000               |
|   | Library Databases 50000                    |
|   | Instructional Equipment 100000             |
|   | Nursing Faculty 100000                     |
|   | Development Officer 70000                  |
|   | Retirement Incentives 300000               |
|   | <u>Additional Needs for 2009-10 820000</u> |

**Mid Year Budget Reductions**

|                        |              |                       |                          |
|------------------------|--------------|-----------------------|--------------------------|
| Chancellor's Office    | 7566         | Administrative        |                          |
| University Advancement | 10873        | Administrative        |                          |
| Student Development    | 16562        | Student Services      |                          |
| Athletics              | 59554        | Student Services      |                          |
| Finance, Ops & IT      | 65739        | 27784 Administrative  | 29955 O & M 8000 Stu Srs |
| Academic Affairs       | 337606       | 303918 Instruction    | 33688 Student Services   |
| Academic Affairs       | 440000       | 390000 Instruction    | 50000 Academic Support   |
| Finance, Ops & IT      | 440000       | 290000 O & M          | 150000 Administrative    |
| Student Development    | 90000        | 60000 Student Service | 30000 Administrative     |
| University Advancement | <u>30000</u> | Administrative        |                          |

1497900

**Above Information**

**Summarized:**

|                          |                |
|--------------------------|----------------|
| Administrative           | 256223         |
| Operations & Maintenance | 319955         |
| Student Services         | 177804         |
| Instruction              | 693918         |
| Academic Support         | 50000          |
| Total                    | <u>1497900</u> |

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| <b>Reduction Target (from reduction schedule)</b>       | \$ 8,497,368        | \$ 8,497,368        | \$ 8,497,368        | \$ 8,497,368        | \$ 8,497,368        | \$ 8,497,368        | \$ 8,497,368        |
| <b>Revenues (if applicable - see below for figures)</b> |                     |                     |                     |                     |                     |                     |                     |
| Tuition Increase  | \$ 1,785,750        | \$ 2,142,900        | \$ 2,500,050        | \$ 2,857,200        | \$ 3,214,350        | \$ 3,571,500        | \$ 3,571,500        |
| Other (by source) (Fixed Costs 2009-10)                 | (1,580,000)         | (1,580,000)         | (1,580,000)         | (1,580,000)         | (1,580,000)         | (1,580,000)         | (1,580,000)         |
| <b>Total Revenues</b>                                   | <b>\$ 205,750</b>   | <b>\$ 562,900</b>   | <b>\$ 920,050</b>   | <b>\$ 1,277,200</b> | <b>\$ 1,634,350</b> | <b>\$ 1,991,500</b> | <b>\$ 1,991,500</b> |
| <b>Reductions Required</b>                              | \$ 8,291,618        | \$ 7,934,468        | \$ 7,577,318        | \$ 7,220,168        | \$ 6,863,018        | \$ 6,505,868        | \$ 6,505,868        |
| <b>Reductions (Mid Year)</b>                            | \$ (256,223)        | \$ (256,223)        | \$ (256,223)        | \$ (256,223)        | \$ (256,223)        | \$ (256,223)        | \$ (256,223)        |
| Administrative  | (319,955)           | (319,955)           | (319,955)           | (319,955)           | (319,955)           | (319,955)           | (319,955)           |
| Operations and Maintenance                              | (177,804)           | (177,804)           | (177,804)           | (177,804)           | (177,804)           | (177,804)           | (177,804)           |
| Student Services (Includes Athletics)                   | (693,918)           | (693,918)           | (693,918)           | (693,918)           | (693,918)           | (693,918)           | (693,918)           |
| Instruction   | (50,000)            | (50,000)            | (50,000)            | (50,000)            | (50,000)            | (50,000)            | (50,000)            |
| Academic Support  | (1,497,900)         | (1,497,900)         | (1,497,900)         | (1,497,900)         | (1,497,900)         | (1,497,900)         | (1,497,900)         |
| <b>Total Reductions</b>                                 | <b>\$ 6,793,718</b> | <b>\$ 6,436,568</b> | <b>\$ 6,079,418</b> | <b>\$ 5,722,268</b> | <b>\$ 5,365,118</b> | <b>\$ 5,007,968</b> | <b>\$ 5,007,968</b> |
| <b>Additional Reductions Required</b>                   |                     |                     |                     |                     |                     |                     |                     |
| <b>Additional Reductions:</b>                           |                     |                     |                     |                     |                     |                     |                     |
| Provost   | 4,326,744           | 4,099,284           | 3,871,825           | 3,644,365           | 3,416,906           | 3,189,446           | 3,189,446           |
| FOIT  | 868,107             | 822,470             | 776,833             | 731,196             | 685,559             | 639,922             | 639,922             |
| Athletics   | 656,582             | 622,065             | 587,548             | 553,031             | 518,514             | 483,997             | 483,997             |
| Student Development                                     | 271,397             | 257,129             | 242,862             | 228,594             | 214,327             | 200,059             | 200,059             |
| University Advancement                                  | 163,611             | 155,010             | 146,409             | 137,808             | 129,207             | 120,606             | 120,606             |
| Chancellor  | 112,760             | 106,832             | 100,904             | 94,976              | 89,048              | 83,120              | 83,120              |
| Scholarships  | 394,518             | 373,778             | 353,038             | 332,298             | 311,558             | 290,817             | 290,817             |
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|---|--|
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| ROTC Scholarships   | 15000                                      |
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| Utilities   | 150000                                     |
| Faculty Promotions & Rollovers                            | 190000                                     |
| Banner DBA Paid from One Time Funds                       | 125000                                     |
| Maintenance on Additional Square Footage                  | 200000                                     |
| Employee Insurance Increased Cost                         | 100000                                     |
| Academic Initiatives (Sim Center)                         | 200000                                     |
| <b>Fixed Cost</b>   | <b>820000</b>                              |

| <b>Mid Year Budget Reductions</b> | <b>2009-10</b> | <b>2008-09</b>        |
|-----------------------------------|----------------|-----------------------|
| Chancellor's Office               | 7566           | Administrative        |
| University Advancement            | 10873          | Administrative        |
| Student Development               | 16562          | Student Services      |
| Athletics                         | 59554          | Student Services      |
| Finance, Ops & IT                 | 65739          | 27784 Administrative  |
| Academic Affairs                  | 337606         | 303918 Instruction    |
| Academic Affairs                  | 440000         | 390000 Instruction    |
| Finance, Ops & IT                 | 440000         | 290000 O & M          |
| Student Development               | 90000          | 60000 Student Service |
| University Advancement            | 30000          | Administrative        |

1497900

**Above Information**

**Summarized:**

|                          |                |
|--------------------------|----------------|
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| Instruction              | 693918         |
| Academic Support         | 50000          |
| Total                    | <u>1497900</u> |

## 2009-10 Budget Reduction Plan and Impact Statements

### The budget reductions in each area are as follows:

**Provost/Academic Affairs:** Reductions to Non-Academic Departments and Programs budgets such as Program Accreditations, External Review, Graduate Programs, Wellness Program, Academic Computing, University Honors, Walker Teaching Resource Center, Instructional Excellence Grants, Commencement, and Admissions/Graduate School. There will also be reductions to the support the Children's Center, Challenger Center & Cadec Conservatory of Music while keeping these important operations in place with less state supported dollars. The library resources will be reduced and could result in negative operational effectiveness with an impact to faculty teaching and student learning. We will also look at the closure and merger of some non-academic departments. There will most likely be some reduction in staff and the movement of staff to student fee accounts such as the technology fee where appropriate. Finally, in the Academic areas we will reduce the number of faculty and increase class size to accommodate more students per instructor. This could have an impact on student retention and student recruitment. We will also use more GTA's where appropriate to assist with labs and teaching faculty.

**Finance, Operations & IT:** The reductions will come from not filling vacancies and reducing various positions within the services areas which will result in adversely impacting the cleanliness of buildings, grounds appearance and the condition of carpet, paint and lighting. This will also increase the response time to service calls and delay some potential critical safety issues. We will reduce the utilities costs through energy conservation measures and also shift some of the utility costs to Auxiliary Units where appropriate. In addition, we will shift appropriate cost to the student facility fees for maintenance, repairs and improvements. We will look at various University training and staff development program cuts and employee recognition programs in the Human Resource area. This will adversely impact employee job enhancement for better efficiency and higher morale. In addition, we will reduce the number of staff serving students in the services areas of Bursar and Information Technology. We will also delay the upgrades and purchase of computers, servers, network switches and other technology needs. This will result in equipment failures and in negative satisfaction of student services. Finally, we will look to outside vendors for potential outsourcing of core services where appropriate, including the operations at McKenzie Arena.

**Student Development:** Will potentially reduce staff and operating costs for recruitment and admissions which will have a negative impact on the ability to increase student enrollment. We will also reduce the face to face contact will prospective students by relying more heavily on e-recruiting efforts and telephone contacts. In addition we will reduce the number of staff in the Student Success Center. This will impact the ability to provide outreach educational programs to some students. We will also reduce the number of student program offerings which will hamper our ability to educate students on programs such as alcohol, drugs, Coping with College, etc. In addition, we will rely on student fees where

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| Tuition Increase  | \$ 1,785,750          | \$ 2,142,900          | \$ 2,500,050          | \$ 2,857,200          | \$ 3,214,350          | \$ 3,571,500          | \$ 3,571,500          |
| Other (by source) (Fixed Costs 2009-10)                 | (1,580,000)           | (1,580,000)           | (1,580,000)           | (1,580,000)           | (1,580,000)           | (1,580,000)           | (1,580,000)           |
| <b>Total Revenues</b>                                   | <b>\$ 205,750</b>     | <b>\$ 562,900</b>     | <b>\$ 920,050</b>     | <b>\$ 1,277,200</b>   | <b>\$ 1,634,350</b>   | <b>\$ 1,991,500</b>   | <b>\$ 1,991,500</b>   |
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| <b>Reductions (Mid Year)</b>                            |                       |                       |                       |                       |                       |                       |                       |
| Administrative  | \$ (256,223)          | \$ (256,223)          | \$ (256,223)          | \$ (256,223)          | \$ (256,223)          | \$ (256,223)          | \$ (256,223)          |
| Operations and Maintenance                              | (319,955)             | (319,955)             | (319,955)             | (319,955)             | (319,955)             | (319,955)             | (319,955)             |
| Student Services (Includes Athletics)                   | (177,804)             | (177,804)             | (177,804)             | (177,804)             | (177,804)             | (177,804)             | (177,804)             |
| Instruction   | (693,918)             | (693,918)             | (693,918)             | (693,918)             | (693,918)             | (693,918)             | (693,918)             |
| Academic Support  | (50,000)              | (50,000)              | (50,000)              | (50,000)              | (50,000)              | (50,000)              | (50,000)              |
| <b>Total Reductions</b>                                 | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> |
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**Mid Year Budget Reductions**

|                        |              |                       |        |                  |      |         |
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| Instruction   | (693,918)             | (693,918)             | (693,918)             | (693,918)             | (693,918)             | (693,918)             |
| Academic Support  | (50,000)              | (50,000)              | (50,000)              | (50,000)              | (50,000)              | (50,000)              |
| <b>Total Reductions</b>                                 | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> | <b>\$ (1,497,900)</b> |
| <b>Additional Reductions Required</b>                   | <b>\$ 6,793,718</b>   | <b>\$ 6,436,568</b>   | <b>\$ 6,079,418</b>   | <b>\$ 5,722,268</b>   | <b>\$ 5,365,118</b>   | <b>\$ 5,007,968</b>   |
| <b>Additional Reductions:</b>                           |                       |                       |                       |                       |                       |                       |
| Provost   | 4,326,744             | 4,099,284             | 3,871,825             | 3,644,365             | 3,416,906             | 3,189,446             |
| FOIT  | 868,107               | 822,470               | 776,833               | 731,196               | 685,559               | 639,922               |
| Athletics   | 656,582               | 622,065               | 587,548               | 553,031               | 518,514               | 483,997               |
| Student Development                                     | 271,397               | 257,129               | 242,862               | 228,594               | 214,327               | 200,059               |
| University Advancement                                  | 163,611               | 155,010               | 146,409               | 137,808               | 129,207               | 120,606               |
| Chancellor  | 112,760               | 106,832               | 100,904               | 94,976                | 89,048                | 83,120                |
| Scholarships  | 394,518               | 373,778               | 353,038               | 332,298               | 311,558               | 290,817               |
| <b>Total</b>  | <b>6,793,718</b>      | <b>6,436,568</b>      | <b>6,079,418</b>      | <b>5,722,268</b>      | <b>5,365,118</b>      | <b>5,007,968</b>      |

Campus/Institute specific schedules with target reductions and tuition figures will be sent to chief business officers for completion. Schedules are to be returned to Chris Cimino by December 17, 2008.

| <b>Fixed Cost Items for 2009-10</b>                       | <b>Additional Campus Needs for 2009-10</b> |
|---|--|
| Transfer Scholarships                                     | 200000                                     |
| ROTC Scholarships   | 15000                                      |
| SACS Accreditation  | 50000                                      |
| Summer School Faculty Salaries                            | 200000                                     |
| Faculty on One Time Funds (Nursing, Bus & Diversity Hire) | 150000                                     |
| Utilities   | 150000                                     |
| Faculty Promotions & Rollovers                            | 190000                                     |
| Banner DBA Paid from One Time Funds                       | 125000                                     |
| Maintenance on Additional Square Footage                  | 200000                                     |
| Employee Insurance Increased Cost                         | 100000                                     |
| Academic Initiatives (Sim Center)                         | 200000                                     |
| <b>Fixed Cost</b>   | <b>820000</b>                              |

**Mid Year Budget Reductions**

|                        |        |                       |        |                  |      |         |
|------------------------|--------|-----------------------|--------|------------------|------|---------|
| Chancellor's Office    | 7566   | Administrative        | 29955  | O & M            | 8000 | Stu Srs |
| University Advancement | 10873  | Administrative        | 33688  | Student Services |      |         |
| Student Development    | 16562  | Student Services      | 50000  | Academic Support |      |         |
| Athletics              | 59554  | Student Services      | 150000 | Administrative   |      |         |
| Finance, Ops & IT      | 65739  | 27784 Administrative  | 30000  | Student Service  |      |         |
| Academic Affairs       | 337606 | 303918 Instruction    | 90000  | Administrative   |      |         |
| Academic Affairs       | 440000 | 390000 Instruction    | 30000  | Administrative   |      |         |
| Finance, Ops & IT      | 440000 | 290000 O & M          | 30000  | Administrative   |      |         |
| Student Development    | 90000  | 60000 Student Service |        |                  |      |         |
| University Advancement | 30000  | Administrative        |        |                  |      |         |

1497900

**Above Information**

**Summarized:**

|                          |                |
|--------------------------|----------------|
| Administrative           | 256223         |
| Operations & Maintenance | 319955         |
| Student Services         | 177804         |
| Instruction              | 693918         |
| Academic Support         | 50000          |
| Total                    | <u>1497900</u> |

## 2009-10 Budget Reduction Plan and Impact Statements

The budget reductions in each area are as follows:

**Provost/Academic Affairs:** Reductions to Non-Academic Departments and Programs budgets such as Program Accreditations, External Review, Graduate Programs, Wellness Program, Academic Computing, University Honors, Walker Teaching Resource Center, Instructional Excellence Grants, Commencement, and Admissions/Graduate School. There will also be reductions to the support the Children's Center, Challenger Center & Cadec Conservatory of Music while keeping these important operations in place with less state supported dollars. The library resources will be reduced and could result in negative operational effectiveness with an impact to faculty teaching and student learning. We will also look at the closure and merger of some non-academic departments. There will most likely be some reduction in staff and the movement of staff to student fee accounts such as the technology fee where appropriate. Finally, in the Academic areas we will reduce the number of faculty and increase class size to accommodate more students per instructor. This could have an impact on student retention and student recruitment. We will also use more GTA's where appropriate to assist with labs and teaching faculty.

**Finance, Operations & IT:** The reductions will come from not filling vacancies and reducing various positions within the services areas which will result in adversely impacting the cleanliness of buildings, grounds appearance and the condition of carpet, paint and lighting. This will also increase the response time to service calls and delay some potential critical safety issues. We will reduce the utilities costs through energy conservation measures and also shift some of the utility costs to Auxiliary Units where appropriate. In addition, we will shift appropriate cost to the student facility fees for maintenance, repairs and improvements. We will look at various University training and staff development program cuts and employee recognition programs in the Human Resource area. This will adversely impact employee job enhancement for better efficiency and higher morale. In addition, we will reduce the number of staff serving students in the services areas of Bursar and Information Technology. We will also delay the upgrades and purchase of computers, servers, network switches and other technology needs. This will result in equipment failures and in negative satisfaction of student services. Finally, we will look to outside vendors for potential outsourcing of core services where appropriate, including the operations at McKenzie Arena.

**Student Development:** Will potentially reduce staff and operating costs for recruitment and admissions which will have a negative impact on the ability to increase student enrollment. We will also reduce the face to face contact will prospective students by relying more heavily on e-recruiting efforts and telephone contacts. In addition we will reduce the number of staff in the Student Success Center. This will impact the ability to provide outreach educational programs to some students. We will also reduce the number of student program offerings which will hamper our ability to educate students on programs such as alcohol, drugs, Coping with College, etc. In addition, we will rely on student fees where

appropriate to supplement the recreational and student programming areas. Finally we will reduce or eliminate professional development to all staff.

**University Advancement:** The budget reductions will come by not filling and eliminating a Development Officer vacancy and reducing the operating, marketing and alumni publication operational budgets. We will also reduce the institutional support to the radio station by increased fundraising efforts. We will also seek reimbursement from the UC Foundation for cost of meetings and staff time. These reductions will negatively impact our ability to raise additional funds to supplement the University and further reduce our ability to communicate with former and current UTC students, faculty and staff.

**Chancellor:** The budget reductions will come from the Campus Wide Occasions budget and will negatively impact the University's ability to assist departments with fund raising efforts, student group communications and contact with the Chancellor's Office, community group participation and outreach efforts and well as addressing campus diversity issues. This will result in greatly limiting the accessibility to community and campus constituencies to garner and maintain partnerships as outlined in the University Strategic Plan.

**Scholarships:** We will reduce the amount of scholarships available to students in the coming year which will negatively impact our ability to recruit and maintain students in highly competitive programs and areas of studies. This will also impact our ability to continue to lead the state in a competitive diverse student population.

**Athletics:** We will look at reductions to our operating, recruiting and team travel budgets as well as grant-in-aid funds. We will also look at reductions in administrative functions and consider some centralization of duties as we can interdepartmentally. We will also consider and plan for increased revenue projections as we go forward to minimize the impact of any state reductions set forth. We are very concerned about our ability to meet the expectations of the university and community if our financial support continues to diminish. A 20% reduction in state funding will be detrimental and will significantly impact our ability to self-generate revenues and threaten our mission to guide, encourage and support our student-athletes in their quest for comprehensive excellence.