Action Items:

- Please review the minutes from the last meeting as posted online; they will be presented for approval at the next meeting.
- Please send email to colleagues to respond to appointments (and volunteers) on Standing Committees.

Faculty Senate Meeting:

1) Roll Call
   b) Members Excused - W. Means
   c) Members Absent -
   d) Additional attendees - S. McPhee, D. Miller, J. Cothern, K. Gebert

2) Approval of November 2008 Minutes - Approved as provided online with corrections to roll call

3) Treasurer’s Report - (October figures)
   a) Operating Budget: $1,865.66
   b) Travel: ($183.74)
   c) Discretionary Account: $605.00

4) Discussion with President McPhee
   a) State of the Budget cuts - The cuts we are facing are either Tier I - $19.3M or Tier II - $11.8M are each equally devastating. The primary difference is the results of money coming from the Federal Stimulus package. Recall that by October of last fall, we were cut $10M. In recent months, the Governor is not touching Education funds in the state. The Governor is waiting to present the budget (normally done in the State of the State) until early March. His priority with the stimulus dollars is to provide relief to state agencies to reduce layoffs. We are planning on the smaller amount of funds at this point. Regardless, we are dealing with a very serious fiscal problem and will never return to seeing the $20M that we are having to cut. By July we will be down from $105M to $91M. Specifically - in the budget coming from the legislature – if any funds get added back in the only funds will be for maintenance and student aid.
   b) Goals of this process is to take control of this process; when we are cutting that deeply, we can only cut personnel and benefits-based. This means the university will change from the path it was on and there are no sacred cows other than to protect the academic quality. Additionally, we must find additional ways to fund projects to maintain our
status and we have to retain the status as a major doctoral degree comprehensive university.

c) Answers to Questions

i) Furloughs – Savings will be used overall to continue running the university. Furloughs are one-time funds. There are no decisions are on furloughs at this time. We must follow our policies. If there is to be a particular department/program to be cut, we will have to find bridge funds to give to the state and then we will go through appropriate timetable to eliminate the program and use those savings to replace the source of the bridge funds. Right now, we are not taking tenured positions on the table, we hope that we will first and foremost protect tenured faculty members. Tenure track will have the appropriate time and notice. THERE WILL BE NO EFFECT ON RETIREMENT PROGRAMS OF EITHER TYPE.

(1) Q - Post-retirement faculty are concerned. A- That program could be cut. Someone needs to submit that concern so the committees can make a reasoned response.

(2) Q - Can furloughs repeat? A- No; this needs to be done once and then over. It is terrible to repeat these experiences. We have not decided on furloughs.

(3) TBR reductions are less – The percentages is based on the formula funding units and non-formula funding. Because of our FTE enrollment we get hurt by having “tuition funds” to available to replace state funding so it is held against it.

ii) What is the timetable of the process? Will the Faculty Senate have enough time to consider the plan and respond? We will provide appropriate time to consider, study, and respond. The Board wants to have the information by the June 28 meeting. The meeting notes have to go 14 days in advance. So by the first part of June, everything has to be set in stone. A second report will come from the oversight committee by February 24, 2009. We probably need to make somewhat final recommendations to Chancellor in early April. Nothing is final until

iii) What about other funds? – We are not anticipating any dollars come in? NO. We will cut what we have to give back. Then we will look at fixed costs (utilities, health insurance, benefits, building maintenance, faculty promotions - $3M) We need to invest for the good of the university and we need to plan for worst case and then reap the benefits of that planning. New recruiting plan - MTSU is a certainty in uncertain times. Average Honors ACT is 29.7 ($7K). (Vanderbilt 27 ACT & $50K)

(1) Can there be a contingency plan for spending funds that come in after the plan has gone forward? Yes. I want you to be aware of the process and part of the solution. I trust that you are using time in your deliberation to talk about what you would like to see.

(2) Q. We tried to come up with creative suggestions and proposals to save faculty positions. Every week, these were shot down multiple times and were told that we must rank the programs. We need assurance that all the work is being reviewed. A. I am so pleased with the hard work and integrity that has come out of the process. The President and the Steering Committee values the work. There have been efforts to challenge certain groups to be more specific...broad generalizations are helpful but not sufficient. Everything should still be under consideration, especially from work groups. Q. – can we some flexibility from TBR? A. not at this time. Q. Are there going to be a buy-out for early retirement? A. You have to frontload to plan for the future and does not help for the current
problems Q. – Spring enrollment is higher...does this help? A. No, fall enrollment is how we base the budget year. They might bring us bridge dollars.

iv) This is an accurate statement of our plans. We will use this to grow the University. You realize this is a hard sell? Yes we have to do these things for the implications for the campus across the board. Q. – What about the timing? This makes it harder to deal with the fiscal problems? A. No...we can't float along. Things might get better and they might not. The alternative is that we lose our Carnegie classification and cut 20% of all funds and salaries.

(1) Q. Are we phasing out temps? Are we looking at departments in terms of liberal arts mission?A. We will look at these hard questions. These are problems not of our making but we must respond to the issues.

(2) Q. In your opinion we will have to cut academic problems? A. That is an option we will have to consider. Q. So I understand a need for an optimistic attitude, but if we have no bad programs ....why are we suggesting that it is a bad program and implying that we are better for it being gone? A. Our options are so limited. We have no other options since they are ongoing cuts. Note: TBR will not declare financial exigency – amongst which is lowering bond rating. Next round of funding could be that TBR tells each university which programs will be cut because of duplication.

(3) Dr. McPhee wants to know: What frameworks and guidelines and principles to keep in mind as we make these discussions? We are trying to do this all together; I do not expect unanimity. We will try to do the best for the future of the university.

d) Budget discussion - We resumed for discussion.

i) The structure of the report was discussed and concern is expressed that the best ideas from the various committees will be dismissed in favor of ideas that were predetermined by other individuals. The administration says there are no predetermined decisions. On the other hand, academic affairs has their list of system-wide decisions.

ii) What are other universities doing? In no other institution are they restructuring for the future.

5) Action Items
   a) Review reports online and reports in the next two days; prepare for a called meeting at the end of this month to respond to interim reports – probably on February 23, 2009 or perhaps March 2, 2009.

6) Discussion Items
   a) None

7) New Business
   a) None

8) Adjournment