

First Report of Budget Review Team: Plan

11-05-2020

The *Budget Review Team* presently has the following members

- Coriana Close, Art Department (Cochair)
- Mihalis Golias, Civil Engineering
- Holly Lau, Theater and Dance
- Zabihollah Rezaee, School of Accountancy (Chair of B&F)
- Máté Wierdl, Math Department (Cochair)

In broad terms, this team was asked by the Chair of the Budget and Finance committee to review the university's (UofM) budget as it relates to academic programs. This is quite a general task. As typical in such cases, it's best to identify a specific task, carry it out, and based on the information, identify what needs to be done and prioritize them.

Proposed initial step: analyze salary data

As a first step, this team will analyze the salary data of full time UofM employees. There are two reasons for this. One, this analysis has been done to some extent in each of the last 7 years. Two, the statistical analysis of the data will give indications of what the major issues are in the university budget, and it will indicate how to prioritize further steps.

To be specific: the already existing analysis seems to have shown that

- There are much more staff members than educators/researchers on campus, and the gap has been increasing.
- In the last 10 years, faculty raises have been **30% below the inflation rate.**
- In the last 10 years, staff raises have **exceeded the inflation rate by 60%.**
- Salaries of administrators in leadership positions have **increased multiple times** faster than faculty's.

Further steps

If the conclusions about salary increases turned out to be correct, then they would suggest reviewing and analyzing the budget and compensation data for administrators and the related contracts.

Another task that is timely is an examination of the 2020/21 budget changes, some of which are already under way. This is all the more warranted since there are statements, obtained directly from THEC (Tennessee Higher Education Commission) regarding the so called budget “cut”, which contradict the information the UofM leadership communicated to the faculty. Namely, much of the proposed budgeting for the current year hits the academic departments very hard, using the budget “cuts” as a motivation, while THEC explicitly stated (over the phone and email) that the university’s budget for the current year has stayed flat.

Next, a review of the foundations seems in order since some of the foundation money spent is tied to administrators’ expenditures as it was shown 5 years ago in the senate when hundreds of thousands of dollars were given to third parties without any indication of the services they did for the university.

Resources needed

In order to do the proposed salary analysis, the team needs to gain access to the raw salary data for the last 10 years, starting with the salary data of 2008/09, the year of the world wide financial crisis. ***Unfortunately, even this initial data request was denied by the administration of the University hence the Team asks the Senate to help out.***

The team needs to have access to the University’s Budget Task Force’s minutes and other data reflecting the work of that group in order to obtain a clear picture of the budget shortfall and the plans to mitigate it.

