

EXEMPT STAFF COUNCIL

May 17, 2023

Held via Zoom

Minutes

Members in Attendance: Susan Lazenby (Chair), Anitra Barrett (Vice Chair), Mary Lee King, Lance Keatley, Jordan Hicks, Elizabeth Johnson, Kat Mortensen, Sherry Marlow Ormsby, Elizabeth Smith, Sandra Jones

Others in Attendance: Brent Goldberg, Vice Chancellor for Finance & Administration; Laure Pou, Assistant Vice Chancellor for Human Resources; Julie Brown, Director of Employee Relations; Nicole Gaines, Employee Relations Consultant; Logan Rader, HR Administrative Support Specialist

Call to Order: Susan Lazenby called the meeting to order at 10:03 a.m.

Annual Budget Update (Brent Goldberg): Vice Chancellor Brent Goldberg shared some highlights with the Exempt Staff Council regarding the annual budget for the upcoming fiscal year, beginning July 1, 2023. The state formula funding for growth and productivity that UTC will receive - approx. \$2 million - fell short of the Tennessee Higher Education Commission (THEC) recommendation, which was approx. \$7.3 million. In total, UTC will receive roughly \$5.8 million from the State of Tennessee in new revenue. Over 90% of the new revenue received from the state is being invested in matters of compensation.

This includes increasing the minimum hourly rate on campus to \$15.00 per hour, allocations for faculty promotions and rollovers, and investing in efforts to address salary compression for staff. The minimum hourly rate on campus has increased 48.5% over the last two calendar years. With increasing minimum rates comes compression, particularly in the lower market ranges (MR01 – MR09). Compression occurs when employees hired at the lower market ranges receive an increased rate that matches or even exceeds those in higher market ranges, such as direct supervisors and managers. Roughly \$600,000 is being invested in FY2024 to address these compression issues that arise due to an increase in hourly rates, which is estimated to cost roughly \$2 million over the course of several years. On top of the increased minimum hourly rate, a 4% increase will be applied to all employees who are in good standing, effective July 1, 2023 for staff & 12-month faculty, and August 1, 2023 for flex-year staff and 9-month faculty.

Since almost all new revenue will be invested in matters of compensation, UTC is recommending to the UT Board of Trustees a 3% tuition increase – approx. \$3 million - to cover costs that have increased due to inflation, such as property insurance, utility costs, and other commodities. In addition to those costs, UT System applies a charge to all campuses to cover administrative costs, as the UT System does not generate revenue itself. Other investments currently pursued by UTC, much of it through non-recurring funds, include the Mocs First Year quality enhancement plan (QEP), the institutional Quantum initiative, and various applied research initiatives culminating in the launch of the UTC Research Institute. Overall, the financial footing of UTC is good for fiscal year 2024.

The money provided by the state for the 5% salary pool covers roughly 55% of the total cost, and UTC is expected to provide the funding for the remaining 45% institutionally. After assessing various potential outcomes, UTC is able to fund the 4% increase while allocating the remaining funds to address compression and move the campus to the \$15.00 minimum hourly rate.

Campus Safety (Brent Goldberg): UTC has increased efforts to communicate with members of the community regarding campus safety, particularly in the areas surrounding active shooter and threat preparedness. Finance & Administration has created and distributed a comprehensive emergency response guide geared toward faculty members due to their role in the classroom during any given academic semester. Similar items are being developed for non-faculty members as of the date of this meeting, along with the planning of a campuswide active shooter drill in coordination with a third-party consultant.

Q&A with Brent Goldberg & Laure Pou:

- **How is compensation being addressed for positions that are not currently being compensated within their applied market range?** Each market range is broken into quartiles one through four (Q1–Q4). Human Resources monitors these ranges proactively, and UTC currently does not have any employees who fall below Q1 within their range. Any concerns or questions regarding where a position’s compensation falls within their applied market range are encouraged to be directed to Human Resources in coordination with supervisors and division heads.
- **What qualifies as “good standing” for a current employee to receive the 4% salary increase in FY2024?** The salary increase is established as a merit-based raise rather than a cost-of-living adjustment that is applied equally to all

employees, regardless of performance. All staff members that received a score less than 10 during the 2022 Annual Performance Review cycle will be ineligible for the increase. All faculty members that fall below the “Meets Expectations for Designation/Rank” during the 2022 EDO cycle will be ineligible for the increase as well. In addition to the performance review standards, any employee that is currently at or beyond the “Written Warning” stage in a progressive disciplinary action will also be excluded from receiving the increase. The UT Board of Trustees require an increase to include a requirement based on merit.

- **How is compression being addressed and/or equalized when new employees are being onboarded among existing employees with similar rates?** Addressing this requires ongoing collaboration between Recruitment, Budget & Finance, and hiring departments at the Search and Hiring phases. Typically, before a search process begins, HR evaluates the position description(s) to ensure they are classified correctly with an appropriate salary range. When employees are brought onboard with a new salary point, discussions with the hiring manager and department can help to identify discrepancies among current employees at similar levels with more years of experience, among other factors, making recommendations aimed at internal equity.

- **What is UTC doing to address salary competitiveness concerns among certain fields, specifically in Information Technology and its growth in Chattanooga as a technological hub?** While this is a challenge for UTC to address, it is also a problem for the City of Chattanooga as a whole. Most companies in the area are having issues hiring IT professionals, and one contributing factor is the increasing amount of people relocating to Chattanooga, specifically from other major metropolitan areas (e.g., California, Nashville). This also contributes to affordable housing issues due to disparate costs of living between Chattanooga and these metro areas. Additionally, some individuals are receiving the region-specific payrate when working remotely for entities that are housed in other metro areas. Campus administration acknowledges the challenges presented by these and other factors to market competitiveness, and they are key points of focus in discussions surrounding strategic planning. The current strategic plan, which was implemented alongside the COVID-19 pandemic, is set to be in effect through 2025, and the Division of Finance & Administration is aiming to set a strategic financial plan in the coming months, concurrent with a new strategic plan.

- **What is the target number for university enrollment as it relates to funding?**
Communicating these elements to members of campus that drive a large portion of university funding is a primary goal of both Finance & Administration and Enrollment Management & Student Affairs moving forward. While enrollment will never “fully fund” university operations, programs, and goals, UTC administration is able to identify enrollment and financial targets in order to remain stable without resulting in budgetary cuts. In recent years, UTC has had non-recurring budget reductions, which are driven by decreases in enrollment. This is not unique to UTC, as regional universities’ enrollment numbers have dropped year-to-year across the southeast. In tandem, recovery from the COVID-19 pandemic has proven slower for regional universities when compared with flagship campuses, such as UT Knoxville, Alabama, and Georgia. Leading indicators (e.g., orientation registrations, housing deposits, retention rates, etc.) point to an optimistic outlook for Fall 2023. FY2020 provided the highest enrollment to date for UTC, which was disrupted by the COVID-19 pandemic. To discontinue the use of non-recurring budget reductions, enrollment must roughly match or exceed FY2020 numbers, among which are 10,230 undergraduate students and 1,450 graduate students (roughly 11,680 students in total). From there, goals can be established aimed at gradually increasing enrollment over the course of several years as part of the strategic plan. Housing presents a substantial factor in determining enrollment as well. If capacity is exceeded for residential areas on campus, university funding will be negatively impacted due to the need to contract off-campus housing units. Housing for the Fall 2023 semester is at capacity, and it is predicted that the university will need to utilize third-party contractors to fill at least 100 spots. Plans for a new housing facility are already underway at the site of what was previously Frist Hall. This has been delayed due to increased interest rates and construction costs, and students would have borne the brunt of this cost through their housing rates, which would have exceeded market rates, if the project continued as scheduled.

*Employees and members of the UTC community are encouraged to view the FY2024 Budget Town Hall that was held May 8th, 2023, at this link:
<https://www.youtube.com/watch?v=VcW9HRWqTqA>

June and July Meeting Date (Susan Lazenby): The June 2023 ESC meeting will be rescheduled to June 28th, 2023 due to orientation, and the July 2023 ESC meeting will be rescheduled to July 26th, 2023.

Blue Ribbon Award (Susan Lazenby): The April 2023 Blue Ribbon Award winner is Leslie Tyler, Internship Coordinator in Health & Human Performance. The group congratulates Leslie on her exemplary work, and employees are encouraged to continue nominating their fellow colleagues for this honor by clicking this [link](#).

Other Matters:

- **Staff Senate:** There are ongoing discussions between the chairs of the ESC and ERC to work together with administration and combine the groups to form a staff collective that would work together on behalf of all exempt and non-exempt staff on campus. Additionally, members of the Faculty Senate have expressed interest in collaborating with staff representative groups on campus to further the betterment of the campus as a whole. More updates will follow in future meetings.

Adjournment: The May 2023 ESC meeting was adjourned by Susan Lazenby at 11:00 a.m.

Next meeting: Wednesday, June 28th, 2023