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### Letter: UTK Financial Exigency Plan

Commission for Blacks

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February 19, 1981

TO: Dr. John Morrow  
FROM: Luke Ebersole *LE*  
SUBJECT: UTK Financial Exigency Plan

In responding to the inquiries of the Commission for Blacks regarding the UTK Financial Exigency Plan, I need to say that I cannot speak for the committee that developed the plan. As a member of the committee I can state my perception of committee considerations relating to the issues that have been raised. You may wish to discuss these perceptions with Professor Russell French, who served as chairperson of the committee.

The Commission for Blacks has identified an overall issue to which the Committee on Financial Exigency gave a large amount of thought. An important concern of the committee was to prevent a situation in which the implementation of a financial exigency plan would result in destroying the gains that have been made through affirmative action. It was evident that strict adherence to a plan in which retention of faculty was based on seniority could result in a disproportionate loss of minority and female faculty. For this and other reasons the committee found it necessary to provide a basis for exception to the rule of preference by seniority. The provision for exception was considered in a context of uncertainty regarding present and future legal interpretations. The final choice of language represented an effort to provide an exception to the rule of seniority without legal entanglement.

I shall respond to the specific questions raised in order as numbered in your letter:

- (1) Four members of the Financial Exigency Committee, including one non-voting member, are designated by office; one administrator is to be chosen by the Chancellor; one academic dean is to be chosen by the Board of Deans; and members of the faculty are to be nominated by the Executive Committee of the Faculty Senate and confirmed by the Faculty Senate. The members of the faculty appointed to the committee need not be members of the Faculty Senate. Consideration was given to insuring representation by certain groups in the membership of the committee, but that possibility was judged to be too limiting in view of the number of groups (race, sex, age, rank, college) that might seek designated representation. The achievement of appropriate faculty representation was left to the judgment of the Executive Committee of the Faculty Senate.

- (2) The Financial Exigency Plan provides that a state of financial exigency cannot be declared to exist until every effort has been made to avert an exigency situation. Encouraging early voluntary retirement is one means of retrenchment. As you indicate, retirement of senior faculty would have the effect of making it possible to retain more faculty having lower rank and salary.
- (3) The identification of a condition of financial exigency is the responsibility of the Chancellor after consultation with appropriate committees of the Faculty Senate. Review of administrative staff requirements would be part of the retrenchment effort before a state of exigency would be declared. The administration not only would "police" itself; it would be aided by the faculty.
- (4) It is evident that the committee shares the concern regarding the retention of programs. The plan provides the means by which the faculty and administration having responsibility during a period of financial exigency can make considered judgments affecting programs.
- (5) The Plan does provide the possibility for elimination of programs, but reduction of programs would follow from recommendations made by the Committee on Financial Exigency rather than from administrative action alone. It is possible, however, that the objectives of the Plan might be achieved without elimination of programs.

A record of the meetings of the committee could not be provided inasmuch as systematic minutes were not kept. The process was to move from section to section and from draft to draft as these were developed.

As you have said, there are not full answers to some of your inquiries at this time. Even so, if there is anything that I could add through discussion of these matters with you, I would welcome the opportunity to talk with you about any of the questions which the Commission has raised.

mlh

cc: Dr. Jack Reese