Annual Report of the President, the University of Tennessee to the Board of Trustees, 1977-1978: A Year of Promise

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1977-78 ANNUAL REPORT OF EDWARD J. BOLING, PRESIDENT
THE UNIVERSITY OF TENNESSEE
TO THE BOARD OF TRUSTEES, JUNE 15, 1978

THE BOARD OF TRUSTEES, 1977-78

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The Commissioner of Education, Ex Officio
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A Year of Promise

The year 1977-78 has been one of continuing gradual improvement and growth, and in many ways was similar to preceding years of steady, upward movement. There has been one notable difference in the year now ending—a difference that promises to place us in the starting blocks for a great leap forward.

Quite fittingly, we are calling this difference and this promise Tennessee Tomorrow. It is the first time in history that the University has dared to indulge a dream of this kind.

University support has been a concern of the Board of Trustees since the founding of the institution 184 years ago. For the first 110 of those years, the struggle for funds was unceasing and often desperate. Funds came chiefly from student fees and from monies allotted to the institution by the federal government. At times the doors had to close because there was not enough money to keep them open. The University’s history is filled with accounts of these temporary closings and of the constant efforts of the trustees and presidents to find the financial means to keep the institution solvent.

In those early years the University was a state institution in name only. Not until the twentieth century did the University begin to receive regular appropriations from the state legislature—and as we well know, these appropriations have never been sufficient to maintain the institution. We are a state-aided rather than a state-supported University. Less than half of the annual operating budget comes from tax dollars. The remainder must come from a variety of sources, such as student fees, federal appropriations, auxiliary enterprises, and the like.

Even now, the margin for enrichment of existing programs and the margin for growth must come from the efforts of the University itself in attracting support from private sources—from the generosity of alumni and friends of higher education who make regular or special one-time gifts. Early in this century, when University officials were leading the way in the struggle for state support of public schools and colleges, they recognized the limitations of state finances, still suffering the lingering effects of a devastating civil war and years of reconstruction. At first, the University received only a pittance from the legislature—it was 1919 before the University received its first $1 million appropriation from the state; but as the economy gained strength, the appropriations to the institution grew accordingly. Today, the legislators, the governor, and state administrators are more generous toward higher education; but like the state administration and legislators 70 years ago, they are working under constraints.

For this reason, Tennessee Tomorrow is essential to the continued growth and development of the State University.

As you know, the three-year campaign goal is $35 million—$20 million in excess of the average $5 million a year the University has been receiving in gifts and grants.

What can the University accomplish with such an increase in funding?

Forty percent is scheduled to go to brain power: distinguished professorships, visiting lectureships, scholars- or artists-in-residence, supplements for research publications; graduate fellowships, undergraduate scholarships; exchange programs, Such investments can elevate our standards of instruction and guarantee the quality of our graduates.

Another 30 percent will go for new and innovative programs and to extend existing ones. We can expect the Tennessee of Tomorrow to benefit from new programs in agriculture, business, the sciences, the professional schools. Specialized equipment for research and service programs can be obtained with these funds.

Less than one-third is expected to be used for physical facilities—the kind that will enhance the University’s ability to serve the people of Tennessee but which cannot be obtained with available resources.

The future of The University of Tennessee does not depend solely upon the success of Tennessee Tomorrow. What does depend upon its success is the kind of University we shall have tomorrow. Tennessee Tomorrow will be the difference between an institution that continues to make progress at a snail’s pace and one that is able to take a giant step forward.

In the pages that follow, the chancellor of the five campuses and the vice presidents of the state-wide operations briefly describe some of their expectations that can be fulfilled by a successful Tennessee Tomorrow campaign, along with the accomplishments of the past year.
The University of Tennessee, Knoxville has established five major new program priorities costing $7 million as its share of the "new-dollar" phase of UT's $35 million Tennessee Tomorrow campaign.

UTK over the next three years will also continue to seek $9 million in regular giving to maintain previous annual giving levels. In all, UTK plans to receive $16 million in new and continuing support in gifts and pledges during the campaign.

The five major projects to be funded with new money include:

- $2.5 million for endowed professorship supplements;
- $2 million for faculty and staff development;
- $1 million for library acquisitions;
- $1 million for the performing arts endowed professorship supplements;
- $500,000 for student aid.

Endowment income for professorship supplements will recognize deserving faculty members and attract outstanding scholars. Years of inflation and appropriations below the average for comparable state universities in the Southeast have made it difficult to provide competitive faculty salaries. Several distinguished professors have left UTK in recent years for higher paying positions at other universities.

The faculty and staff development endowment will provide support for visiting lecturers, researchers, and artists; assist in the development of a faculty exchange program; enlarge the faculty and staff leave program; and increase the campus research fund.

The leave program will allow professors to go to other universities for special training and to keep pace with the new processes and applications of knowledge. Such experiences would result in more effective classroom teaching.

There is a critical need for funds to purchase manuscripts and to upgrade the general library collection. The UTK library needs an additional 500,000 volumes to serve students and faculty adequately. Because of a lack of funds, the library has been unable to purchase rare collections, even when offered at reasonable prices. This trend must be reversed if UTK is to be a major repository for materials related to the history of the state and region.

Arts, theatre, music, and other cultural programs will benefit from the performing arts endowment. Both student and professional theatre programs—the Opera Theatre and...
Do You Turn Somersaults?

Workshop, the Pride of the Southland and Concert Bands, UT Singers, and Concert Choir—will receive support from endowment income.

An endowment for student aid funds is being established because of the severe strain placed on the campus scholarship program by inflation and rising enrollments. Approximately 150 additional undergraduate scholarships and 25 new graduate fellowships could be created.

Enrollment Up

UTK's head count enrollment for fall quarter 1977 was a record 30,468. Black student enrollment rose to 1,636, up 263 or 19 percent over the previous year. Continuing efforts to make the student body more representative of all the citizens of Tennessee include a minority recruitment program and a black admissions counselor.

Academic Achievements

New degree programs approved by THEC this year include the M.S. degree with a major in vocational-technical education and the Master of Accountancy program.

A recommendation of the UTK Calendar Committee to establish an alternatives period, effective fall quarter 1979, was approved. The alternatives period, effective part of the regular quarter, represents a compromise between a return to a full-scale final examination week and retention of the present calendar. While many faculty may wish to give final examinations during the period, faculty are encouraged to consider a variety of methods for evaluating students.

The first students of the College of Engineering Scholarship Program for Minority Students were graduated this year. The first mini-term, an intensive period of academic study which the University Evening School offered between fall and winter quarters, produced 2,704 graduate and undergraduate quarter hours for 805 students enrolled in 41 courses. Tourism was added to the food and lodging administration curriculum of the College of Home Economics. The College of Law joined with its counterpart at Memphis State University in sponsoring a special summer admissions program. The joint Admissions by Performance Institute helps prepare culturally disadvantaged and handicapped persons who show promise as law students.

The Department of Art in the College of Liberal Arts inaugurated the first annual Tennessee High School Art Exhibit and Competition. The College of Nursing offered its first graduate level courses with assistance from a $190,000 Kellogg Foundation grant and a $250,000 grant from the U.S. Department of Health, Education and Welfare.

Job Opportunities Good

Job opportunities for UTK's doctoral and master's degree recipients remain good. An annual survey of advanced degree graduates showed that 97 percent of all UTK students who earned doctoral degrees in 1977 were employed. The campus
Energy Conservation Emphasized

Rapid increases in campus energy costs and national concerns about energy resources made UTK's energy conservation program even more important. During fall quarter, lighting was reduced in 59 University buildings after a survey showed reductions could be made without detrimental effects. Harsh weather and a coal strike during winter quarter prompted further campus-wide energy cutbacks, saving 1,500,000 kilowatt-hours.

A Central Environmental Control System installed this spring may reduce by 20 to 50 percent the electricity used in heating and cooling campus buildings. The system regulates air circulation to maintain constant temperatures and humidity levels with the lowest possible energy use. Programmed first for nine of UTK's larger buildings, the system will ultimately hold the line on energy costs in more than 100 campus buildings.

Research Tackles Problems

The work of researchers in the Department of Zoology could lead to a safer and more effective method of birth control. In addition to developing a contraceptive vaccine, scientists are conducting parallel experiments on infertility problems.

The Tennessee Energy Conservation in Housing project continued to demonstrate the use of alternative energy sources in residential housing. During the harsh winter of 1978, the solar and annual cycle energy system houses used far less energy than the conventionally-heated control house. The UT Environment Center operates the complex of houses for this joint venture of the University, the Tennessee Valley Authority, the Department of Energy, and the private housing industry.

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Public Service Helps State

Faculty members in the College of Education worked with more than half of the school systems in Tennessee during 1977-78. Activities included assisting with grant proposals, evaluating curricula and educational programs, conducting in-service training programs, and helping solve administrative problems. The Tennessee Industries Week professional development program sponsored by the College of Engineering attracted a record 368 participants. The UT Transportation Center received the Urban Mass Transportation Administrator's Award for outstanding public service for its vanpool demonstration project in Knoxville. UT is the only university ever to receive an award of this kind from UMTA.

More than 700 health professionals in rural areas of Tennessee were served during the first seven months of the year by the College of Nursing's Hospital.
Educational Learning Programs and Services (HELPs) project.

Four Areas Need Funds

Like every other state-assisted college and university in Tennessee, UTK faces four major funding concerns. Additional funds are needed to bring faculty and staff salaries in line with regional averages, upgrade library holdings, provide essential maintenance of campus buildings, and replace worn equipment.

These fundamental needs cannot be met through relatively small annual adjustments in the state’s formula for financing higher education. Original funding levels on which the formula is based have proved inadequate in light of historical deficiencies, the level of inflation, and the advances of neighboring states.

Despite impressive increases in recent years, UTK faculty salaries remain below regional averages at every level, and embarrassingly near the bottom at some academic ranks. Clerical and supporting staff salaries are about 25 percent below the Knoxville average, and the turnover rate in some jobs exceeds 65 percent a year. Several national accrediting teams have warned that the University is in danger of losing its top faculty members because salaries are far below regional and national averages.

The UTK library ranks seventh among eight comparable university libraries in the South in terms of volumes held and adequacy to meet academic needs. Despite an increase of nearly $1 million in the annual book acquisition budget since 1966-67, inflation last year allowed the addition of only 500 more volumes than were purchased a decade ago.

A special allocation for major maintenance provides for needed repairs on 16 UTK buildings. Continuation of this special allocation would help extend the life of many campus buildings, thus protecting the investment of taxpayers.

Presently, higher education is not permitted to depreciate equipment, as is common business practice. Recognition should be made of the fact that equipment wears out and must be replaced.

A campus highlight of the year was the "Creative Explosion," a week-long exhibition showing the importance of research done at the University. In addition to displays, the program included seminars and lectures. The event was sponsored by the UTK Academic Council, a representative student group that advises academic policy-making bodies on the campus.
Center for the Health Sciences

This has been an exciting, profitable, and progressive year for the Center for the Health Sciences. The Tennessee Tomorrow campaign is off to a solid start, and a number of outstanding gifts have come to UTCHS—$1.5 million for surgical research from the estate of Dr. Edward Dana Mitchell; $200,000 toward establishing a chair in developmental pediatrics from Herbert Shainberg and friends; $1 million for faculty development from Abe Plough; $480,000 to support a Memphis primary health care network from the Robert Wood Johnson Foundation; $140,000 to establish a special toxicology laboratory from the Burroughs Wellcome Foundation; and $505,000 from alumni and friends of the College of Dentistry for equipment for the Winfield Dunn Dental Clinical Building.

Personnel Changes
Two important personnel changes occurred at UTCHS this year. Dr. James C. Hunt, formerly chairman of the Department of Medicine at the Mayo Clinic and the Mayo Graduate School of Medicine in Rochester, Minnesota, has become dean of the College of Medicine, and Dean Ruth Neil Murry of the College of Nursing has retired. Dean Murry had headed the college since its formation.

Several UTCHS faculty have received awards of nationally recognized stature for their work. Dr. John W. Runyan, Jr., chairman of the Department of Community Medicine and director of the Division of Health Care Sciences in the College of Medicine, won the 1977 Rockefeller Public Service Award in the area of "Promotion of Health, Improved Delivery of Health Services and Control of Health Costs." Dr. Runyan also was recognized by President Carter for his part in the formation of the Rural Health Clinic Services Act. Dr. Andrew H. Kang, associate chief of staff of research and development and chief of the rheumatology section of the Veterans' Administration Hospital, and professor of medicine and biochemistry, received the 1977 Philip Hench Award from the Association of Military Surgeons of the United States.

Dr. Robert Jordan, director of the UTCHS Child Development Center, has been appointed to a three-year term on President Carter's Committee on Mental Retardation.

Dental Accreditation Approved
After six years of hard work, the College of Dentistry has been given "full approval" accreditation. The action was taken by the Council on Dental Education at its December 1977 meeting.

New Curriculum Begun
A major development of the year was the implementation of the four-year curriculum for dental and medical students. The Dental Curriculum Committee has been revising and upgrading the second, third and fourth years of the curriculum. Subjects will be presented in greater depth and at a pace which will permit greater absorption by the student. Changes in the profession also will be considered in the curriculum.

The Curriculum Committee of the College of Medicine is instituting changes in the basic science portion of that college's program of study. During the first fifteen months, the emphasis is placed on those organs associated with particular body functions and the medical disciplines concerned with those functions. The last twenty months of the program will remain a combination of required clinical rotations and elective courses. The Clinical Education Centers at Knoxville and Chattanooga offer components of the last twenty months of the medical curriculum. Also in the College of Medicine, the pass-fail grading system begun in 1974 has been changed to an A-F system.

A new continuing education policy mandates that each college or discipline take significant responsibility in meeting state-wide continuing education needs in its profession. An Office of Consumer Health has been established to coordinate faculty efforts in educating the public about health needs.

Knoxville Unit Progresses
The Knoxville Unit of UTCHS employed several new professionals this year, and the Memorial Research Center at Knoxville became a department of the College of Basic Medical Sciences on the Memphis campus. Approximately 80 percent of the residents in primary care disciplines at the Knoxville Unit have chosen to stay in East Tennessee, some in smaller towns such as Dayton and Sevierville.

Poison Center Established
The Mid-South Poison Center, based in the UTCHS College of Pharmacy, opened this year. This cooperative service program for the community and health care practitioners has access to the informational resources and consultative expertise of the National Poison Center Network. Cosponsors of the Mid-South Center are the College of Pharmacy, Le Bonheur Medical Center and Blue Cross-Blue Shield of Memphis.

Grant Support Up
Approximately $15 million in grant and contract awards was received during the first nine months of the fiscal year, equaling the total for 1976-77. Large grants in addition to the Robert Wood Johnson Foundation grant include $500,000 to Dr. Robert E. Tooms to develop rehabilitative devices for paraplegics.
and mentally handicapped children and a $400,000 award to the Clinical Research Center to provide core research support to the College of Medicine.

The City of Memphis Hospital, under management agreement with the University, is undergoing total reorganization. All functions within the hospital have been organized in two areas—administrative services and professional services. Directors of these two services report to the hospital's executive director, who in turn reports to the chancellor. Professional services are directed entirely by University personnel. The nursing service is undergoing a change from a licensed practical nurse-type service to a registered nurse service. Recruitment of nurses has improved significantly, and new RNs are being added. The administrative departments are being studied one at a time.

Facilities Grow

Two long-awaited buildings opened this year on the Memphis campus. The Basic Medical Sciences General Education Building, a $15 million structure, provides space for all nonclinical instruction with the exception of laboratory instruction in gross anatomy, post-mortem pathology and industrial pharmacy. The building is named in honor of Dr. Cecil C. Humphreys, a UT alumnus who has made significant contributions to higher education in Tennessee.

The Winfield Dunn Dental Clinical Building, dedicated in September 1977, is named for Dr. Winfield Dunn, a 1955 graduate of the College of Dentistry and former Tennessee governor. Design of the $8.2 million building permits the teaching of modern concepts of clinical dentistry and clinical care delivery to students.

Projects underway include the remodeling and joining of the Cancer Research Institute and Cancer Clinic Buildings to form the Memphis Regional Cancer Center. Upgrading of this facility will provide a modern clinical center for the diagnosis and treatment of cancer victims.

Phases one and two of the upgrading of the former West Tennessee Chest Disease Hospital, now UT Hospital, are nearing completion. This $1.6 million project involves modernizing the operating suite, upgrading one floor of hospital bedrooms, and correcting code deficiencies. In February 1978, the State Building Commission approved an additional $7.35 million to complete upgrading the hospital.

Also under construction is the $11.2 million College of Medicine Building at Memphis, with completion forecast in early 1979. This facility will house essentially all the personnel of fourteen of the eighteen departments within the College of Medicine. It will contain a vivarium, lecture halls, conference rooms, offices, and research laboratories.

The Family Medicine Practice Model at Jackson is expected to be completed early in 1979, and the addition to the Physicians Office Building at Knoxville has been occupied, providing additional medical office suites.

The Building Commission also has approved $19 million in revenue bonds to improve the UT Hospital at the Knoxville Unit. This project will consist of replacement of antiquated bedrooms, relocation of the radiological suite and provision of a new operating suite.

A major event of the year was the official naming and dedication of the General Education Building. Philanthropist Abe Plough, right, donor of $1 million to the UTCHS portion of Tennessee Tomorrow, suggested the new building bear the name of UT alumnus and educator Cecil Humphreys, center. At left is Frank Norfleet, Memphis cochairman of the Tennessee Tomorrow campaign.
Although obliged to tighten its fiscal belt because of inflation and an enrollment decline, UT Martin had a good year in 1977-78.

In October 1977, the campus anticipated a budget deficit of $375,000 for the year. Thanks to campus-wide economy efforts, the year’s deficit was erased.

Two primary causes of UTM’s enrollment decline were tightening of academic requirements for readmission of probationary students and improvement of the West Tennessee job market for college-age young people. Enrollments are expected to stabilize for 1978-79 at around 4,800 students.

Cost Savings Instituted

Fiscal limitations continue to be a campus concern. Administrative offices have had no increases in operating budgets for four years, and academic departments have had operating increases only one year in the last four. The mounting costs of travel, books, and equipment replacements have to be met by reduced use and acquisition. Each year, new revenues are used almost exclusively for rising utility charges and salary increases. Even so, UTM average salaries are still second from the bottom among state four-year campuses.

With such constraints, it is to UTM’s credit that no one was dismissed from the faculty or staff for financial reasons, and that tuition was not increased. Faculty and staff alike are absorbing heavier work loads.

Despite comparatively low salaries, 168 UTM faculty and staff are members of the UT Century Club ($100 or more contribution annually) and two are Presidents Club members ($1,000 or more annually).

In its region, UTM is the second largest employer (next to the Goodyear plant, a great UTM supporter), with an annual economic impact of more than $25 million within a twelve-mile radius. Appreciation of both the educational and economic impact of UTM has led to increased annual and special giving by alumni, businesses, and friends.

Private Support Grows

Local support of UTM athletics has increased from $12,000 two years ago to $45,000 this year. Giving to the UTM library, the faculty development grant fund, scholarships, the band, the engineering equipment fund, and other causes has been especially generous. UTM students receive scholarship help from the UT National Alumni Association, UTM’s first Merit Scholar, who enrolled because of UTMAA funds, graduates this year, and a second Merit Scholar entered this summer with funding from the same source. An average of twenty Tennessee high school valedictorians enter UTM each fall under UTNAAA $500 valedictorian grants.

A significant achievement of 1977-78 was the accreditation of the School of Engineering and Engineering Technology and the Department of Chemistry. UTM’s programs in chemistry, education, engineering, home economics, music, social work, and nursing have been accredited by professional agencies since 1972 (as has the UTM campus as a whole through the Southern Association of Colleges and Schools). The attainment of so many accreditations is indicative of the emphasis UTM faculty place on quality instruction.

Buildings Put Into Use

The two newest and largest buildings at UTM, Gooch Hall and the Physical Education/Convocation Center, are now in full use. Outdoor playing areas are being prepared, and renovation of the old Home Economics and ITV buildings is beginning. Future facility needs at UTM are limited to renovations and repairs or additions to existing buildings.

The library, with a goal of 225,000 volumes by 1980-81, has grown from 90,000 volumes in 1970 to 187,000 this year. The number of faculty members holding terminal degrees has increased from 31 percent in 1970 to 50 percent in 1978. At least nine faculty members will do further study in 1978-79. UTM faculty members have had extraordinary success in receiving summer study grants from the National Endowment for the Humanities, and two have received full-year NEH grants. A UTM professor has been named national director of a major grant to study American Indians, and there have been campus-wide increases in UTM faculty research projects and publications.
The reputation of UTM as one of the best pre-professional centers in the South continued to grow with increasing numbers of students applying to medical, dental, pharmacy, veterinary medicine, physical therapy, advanced nursing, medical technology, and law schools.

**Community Service**

UTM has also achieved a reputation for public service in West Tennessee through the offering of off-campus and night courses, non-credit seminars, consulting services to private enterprise and schools, and in-plant managerial training, as well as serving as host for band camps, football and basketball camps, agricultural youth meetings, language, speech, and mathematics contests, National Science Foundation camps, ROTC drill competitions, and dozens of other events. The rural location and campus facilities have made UTM a major attraction for summer youth groups.

The attention to resident students, especially undergraduates, continues to be UTM's hallmark. Almost 60 percent of the students live on campus, and almost 95 percent are full-time students. Ninety-four percent are from Tennessee, with Shelby County providing almost a fifth of UTM's enrollment.

**Campaign To Benefit Business**

UTM is actively seeking private funds to help continue its emphasis upon quality. The highest priority in the UTM portion of UT's Tennessee Tomorrow campaign for $35 million is improvement of the School of Business Administration. Endowments are being sought for the school's accreditation needs, especially in areas such as library books, periodical subscriptions, quarterly journal publication, faculty development, honor student scholarships, visiting lecturer programs, and equipment. Encouraging initial gifts have already been forthcoming, and efforts in this special area of need will continue through 1978-79.

Master's degrees in business administration (MBA) and in accounting will be offered beginning in the fall of 1978.

Extracurricular activities continue to expand, due in part to the quality of recreational facilities, which won a regional architects' prize this year for functionalism, and in part to the strong volunteer spirit of the students, who raised thousands of dollars for a dozen charities, including more than $49,000 in the annual wheelbarrow push from UTM to St. Jude Hospital in Memphis.

Support of UTM by UT's central administration has been particularly welcome in this period of austerity and inflation. Services UTM could not provide entirely on its own limited resources—especially in legal aid, fund solicitation, legislative liaison, continuing education, and public service—have helped immeasurably.
As the University of Tennessee at Chattanooga nears completion of its first decade as a state-assisted university, it is appropriate that the Tennessee Tomorrow campaign serves as a means to enrich the programs, faculty, and opportunities for future UTC students. For many years the University of Chattanooga received generous support from individuals and foundations in the Chattanooga area. Through the Tennessee Tomorrow campaign, the first effort to raise major gifts for UT Chattanooga since the merger in 1969, we are seeking support for endowment, new programs, and projects in curriculum and faculty development.

The infusion of $5,050,000 in new dollars will have an impressive effect on the entire institution. This impact has been intensified by the means in which the priority projects at UTC were selected. From a list of needs totaling some $40 million, University faculty and administrators selected six major projects which will serve the entire campus.

Projects include the creation of a Center for Economic Education and the endowment of a Chair of Free Enterprise; the acquisition of additional equipment for the new Fine Arts Center now under construction, and the endowment of three series of performing artists in music, art, and drama; the creation of a $1 million endowment for library acquisitions; the endowment of the scholarship portion of the University Scholars Program; the acquisition of another interactive academic computer; and a substantial addition to an existing endowment for faculty development.

These projects represent campus-wide needs and involve faculty and staff in the colleges of arts and sciences, professional studies, and engineering. Already, gifts have been received for other projects. The majority of this additional support hopefully can be used to endow professorial stipends in various academic departments, create endowed scholarships, and support high-priority departmental projects which total some $2,450,000.

UTC faculty and staff have recognized the importance of the Tennessee Tomorrow campaign, the worthiness of its priorities, and the need to lead by example. To date, their gifts to the campaign total more than $114,000.

Funding Priorities Explained

To appreciate fully the impact that the Tennessee Tomorrow campaign will have on the UTC campus, we must examine our major priorities. The creation of a Center for Economic Education and a Chair of Free Enterprise will enable UTC to attract to the faculty a leading spokesman for the free enterprise system who can speak throughout the community, region, state, and nation on that subject. Through this professor's leadership and the cooperation of the College of Professional Studies, the Center for Economic Education will bring information about our economic system into all schools at all levels. The center will sponsor a series of lectures on topics of interest in the field and occasionally compile papers, monographs, and other collections to be published.

Construction is underway on a Fine Arts Center, and the acquisition of additional equipment in the performance areas will afford the departments of music, art, and drama the best possible facility for teaching all aspects of performance and production. Nationally known performers will come to the campus to present their talent and work with students. Both campus and community will benefit from the artistic stimulation of these prominent artists.

The University Scholars Program, launched by the UC Foundation in 1977, claims an extremely high priority, and we hope to endow the scholarships for these highly motivated and qualified students. The creation of an endowment will relieve the year-to-year burden of supporting the program and add permanence to this nationally-recognized effort.

Undergraduate Emphasis

UTC's mission is to be the innovative undergraduate campus of the UT system. Since teaching is the primary element in innovative undergraduate education, on-going support is needed for individual and departmental faculty development projects. Faculty members are seeking new fields of expertise and new approaches to teaching existing courses. Many have sensed the need for practical experience which enables them to demonstrate to students the relevance of their disciplines. A small UC Foundation endowment exists for this purpose but the Tennessee Tomorrow campaign's success will
assure a substantial increase in faculty development funds.

For several years UTC has been among the fastest growing four-year institutions in the state. Programs have been added, course sequences developed in many departments, and applications for degrees approved by the Tennessee Higher Education Commission. These new and expanding programs place heavy demands on library acquisition funds. The success of the campaign will assure creation of a $1 million endowment for use in adding to the library, which is the heart of the campus and directly affects the strength of curricula.

An interactive academic computing program was developed in 1976, and its instantaneous success caused the limits of existing hardware to be exceeded within the first twenty-four months of operation. Proceeds from the campaign will be used to purchase additional hardware and increase the number of terminals, which will enable even more academic departments to use this resource.

Private Gifts Important

At UTC the goal is to build a university better than the state alone can build. Benefits from private gift support in the past show what can be done through the success of the Tennessee Tomorrow campaign.

Two activities associated with the campaign were highlights of the year. The search for the holder of the Scott Probasco Chair of Free Enterprise was initiated, and the University Scholars Program began its first year of operation. The Scholars Program was launched with 17 carefully selected students after an intensive recruitment effort. The Scholars representing a wide range of academic interest spanning the spectrum of majors, quickly became engaged in University activities. Many served as student representatives on various University committees.

Accreditation, New Programs

The impact of the Tennessee Tomorrow campaign belongs to the future. Meanwhile, UTC this year made significant progress toward its goals. New programs continue to develop. The Master of Science in Criminal Justice program, approved by the Higher Education Commission, will be implemented in the fall of 1978.

The commitment to excellence was obvious in accreditations awarded in 1977-78 by the American Chemical Society, the Council on Social Work Education, the Engineers' Council for Professional Development, the National League for Nursing, and the Council for Accreditation of Teacher Education. The preparatory division of Cadex Conservatory of Music was accredited by the National Association of Schools of Music.
The University of Tennessee at Nashville recorded one of its most progressive years in 1977-78. At the same time, it awaited a hearing by the U.S. Sixth Circuit Court of Appeals in Cincinnati of its appeal of a district court order to merge by 1980 with Tennessee State University.

Despite the prospects of a merger, plans are going forward to upgrade existing programs and develop new ones. Priorities established for the Tennessee Tomorrow campaign include broadening the work of the Center on Aging, creating a Management Development Institute, and establishing an endowment for faculty development.

In the academic area, two programs were approved by the Tennessee Higher Education Commission: the joint graduate program in public administration with Tennessee State University and the Bachelor of Science program in engineering.

The Center for Urban and Public Affairs, which administers the Master of Public Administration program, is fully functioning. Admissions procedures, student records systems, and course numbers and descriptions have been reorganized, and demand for the new program is high. There are 92 students in the program, 56 percent white, 37 percent black, and 7 percent foreign.

The Bachelor of Science in Engineering degree program serves the specific needs of students working in Middle Tennessee industries. The BSE consists of a three-year core of required subject matter and one year of electives, enabling students to tailor the program to their needs and those of their employers.

New Instructional Methods

To retain able students in the engineering program, key courses are being videotaped and made available in the instructional Media Center. Students can view missed or poorly understood lectures.

The Engineering Division has added a 1,200-square-foot laboratory containing some $20,000 in new equipment. An open laboratory concept has been introduced, allowing students to schedule laboratory exercises at convenient times. The course instructor records laboratory instructions, requirements, and assignments on videotape, which can be played back by the student.

UTN's English-Journalism sequence continued to experience high demand. This program, which enrolls few degree-seeking students, is made up largely of professionals employed at the lower levels of the communications industry. This year, it began to draw more students from the higher professional levels, and the Division of Arts and Sciences plans to continue programming for both its regular clientele and the more advanced students.

A Developmental Studies program begun last fall seeks to reduce academic deficiencies in basic skills for under-prepared students in three areas: English, mathematics, and reading. Counseling and testing services provide information on levels of competency and help students choose appropriate courses.

Center on Aging Grows

The UTN Center on Aging, a priority item in the Tennessee Tomorrow campaign, continued to grow in academic programming, public service, and training. Enrollment in gerontology courses increased 27 percent this year and is expected to continue growing. Most new students already work or intend to seek employment in the aging field. Public service activities of the Center on Aging have doubled, with an average of 120 hours per quarter, half of which were devoted to regional or state-wide activities.

The Center on Aging also had a
significant increase in training activities. The Tennessee Foundation
for Medical Care contracted with the center to provide gerontological
training for its Professional Standards Review Organization personnel who
are responsible to the federal government for conducting a
state-wide review of patients in long-
term care facilities. The Tennessee
State Commission on Aging has
requested four new training programs
for Area Agency on Aging staffs, a
doubling of state training over last
year.

"College-Within-the-Walls"
Continues
This year was the seventh for
College-Within-the-Walls, a program
in which UTN offers credit courses at
three penal institutions. The number
of courses at the main prison in
Nashville increased from four to six,
leaving more students to complete
requirements for the Associate of
Arts degree in a shorter time. Six
students graduated in June 1977. The
number is expected to double in 1978.

Between fifteen and twenty
inmate-students study and work at
UTN each quarter on the educational
release program. Students on
educational release must pay for
their own education, and most have
difficulty doing so. A special
scholarship fund was established to
provide assistance to incarcerated
students attending classes on campus.

UTN’s Division of Education has
cooperated with the State
Department of Education, the
Tennessee Education Association,
Tennessee State University, and the
public schools in researching areas of
special concern to school systems.
During the fall, a survey of state
education services was completed
and funding was sought for special
education services to school systems in
the Metropolitan Nashville area.

The Division of Education will
have a reaccreditation visit in 1978-79
from the National Council for
Accreditation of Teacher Education, and it is concerned that heavy faculty
loads and the additional duties
involving faculty exchange with TSU
will be criticized by the accreditation
team.

Library Needs Space
Library space needs are critical.
This year the technical processing
staff moved to another area of the
building, new shelving was purchased,
and several thousand new books
were taken from storage and shelved.
The library’s collection includes more
than 126,000 volumes, 4,954 reels and
198,211 sheets of microfilm, and
almost 1,000 journals. A special
effort was made this year to acquire
books, journals, and reports for the new
UTN-TSU Graduate Program in
Public Administration.

Programs Aid Community
An important UTN thrust this
year was in the arts. Within a year,
the UTN Arts Council moved the
campus into a position of community
leadership in the arts. Among
sponsored events of its first year were
ballet performances, a chamber
music concert, an exhibit and lecture
on Mayan art, an exhibit of photographs
by Senator Howard Baker, and a
major folk art exhibit from the Hirschi
and Adler Galleries in New York.

A Middle Tennessee Small
Business Development Center was
established in the Division of Business
Administration. An outgrowth of a
U.S. Small Business Administration
grant, the center counsels small

businesses in Davidson and
surrounding counties; offers continuing
education courses and seminars,
usually staffed by UTN business
faculty; maintains a resource and
reference library; and sponsors faculty
research. A credit program in
entrepreneurship and management is
being developed. The center also
affords students on-the-job
experience with small businesses.

UTN is working with the
Metropolitan Tourism Commission
in the Nashville Host Program, a
pilot project to bring continuing
education to employees in the city’s
large tourism industry. The project,
funded by proceeds from the city’s
hotel-motel tax, helps employees
understand the economic impact of
tourism in Nashville, the importance
of the service worker, and the location
of area tourist attractions. UTN has
received numerous requests to help
develop similar services in other
communities and states.

UTN this year received two
two federal government contracts totaling
more than $500,000. One grant to the
Department of Critical Care seeks to
improve the quality of pre-hospital
and in-hospital care in Middle
Tennessee. Teaching personnel and
medical equipment are sent into
hospitals in communities throughout
the area to provide on-the-job training.
The other contract enables UTN to
provide specialized foreign language
instruction, standardized testing, and
library services to military personnel
at Fort Campbell.

Progress at the Nashville
campus has come despite the addition
of merger-implementation
committee participation to normal
faculty and staff duties. For many at
UTN, merger committee activities
have become almost a second full-time
job. The campus is awaiting a hearing
of the merger decision appeal in
October with the hope that the court
order will be reversed and that UTN
can once again devote its full efforts
to educating students and serving the
Nashville community.
The infusion of Tennessee Tomorrow dollars into the Institute of Agriculture can correct several inadequacies and help the Institute improve its services to students and the people of Tennessee. Top priorities for these private funds are the expansion of library facilities for agriculture and veterinary medicine and improvement of the Institute's 4-H center where thousands of boys and girls enroll in summer sessions. Despite these needs, the Institute continued to make progress in 1977-78.

College of Veterinary Medicine

The third and final phase of the professional (D.V.M.) curriculum was approved this year by the Faculty Senate. A class of 80 students, all Tennesseans, was selected for admission in September 1978. During the year the college selected four veterinarians as the new residency program, which will begin in July 1978.

A $300,000 three-year Biomedical Research Development Grant received last fall from the National Institutes of Health is being used to increase the research competence of young faculty and staff through short-term special training and to establish three central laboratories.

Through its interim clinics, the college treated a steadily increasing number of privately-owned animals. Four continuing education programs were offered to practicing veterinarians in Tennessee and surrounding states.

Crowding became acute as personnel and programs outgrew the interim facilities. The new College of Veterinary Medicine Building, which will be in use in the fall of 1978, will be incompletely equipped at first. The college hopes that the Tennessee Tomorrow campaign will help rectify that shortcoming.

College of Agriculture

After five years of unprecedented growth, enrollment in the College of Agriculture did not change significantly in 1977. The number of baccalaureate degrees awarded rose 17.5 percent, and this fact, coupled with a slight decline in the number of new students expected for fall 1978, will cause a small decrease in enrollment next year.

Department heads and faculty members continued to give high priority to expanding and improving field laboratory exercises and experiential learning activities. Shortages of faculty and operating funds seriously restrict progress in these areas.

Two proposed doctoral programs are being considered. A doctorate in food technology and science has faculty approval and is under review by campus administrators. The Department of Forestry, Wildlife and Fisheries has great potential to offer a doctoral program.

About one-third of the undergraduates were on the honor roll each quarter of the year, and judging teams were competitive in regional and national contests. Job opportunities for agricultural graduates, with the exception of those in forestry and wildlife, continued to be excellent.

Heavy teaching loads, inadequate time to advise and counsel students and low operating budgets are major concerns of faculty and administrators. Funds have been allocated to increase the faculty next year.

Agricultural Experiment Station

The program in 1977-78 continued to emphasize the development of a broad research base in agriculture. Projects were classified in four major areas: increasing the quality and quantity of food; improving the quality and productivity of fiber; improving nutrition and food safety; and improving the quality of human life.

A research staff of 107 full-time scientists working on 200 projects prepared 245 publications on their findings. Ten special field days were held at branch experiment stations across the state to acquaint farmers and the public with latest research findings generated on these stations. Attendance averaged about 400.

With increased state funding, two scientists have been employed at the West Tennessee
Agricultural Extension Service

The Agricultural Extension Service this year emphasized training farmers and commercial applicators to use restricted pesticides. A total of 78,288 farmers and 3,882 commercial applicators were trained.

Work in pest management is expanding in Tennessee. In addition to management of cotton pests, projects in soybeans, snap beans, and tomatoes are planned. The goal is to teach farmers effective pest control, protect natural enemies of pests, use nonchemical means of pest control where feasible, and apply pesticides as needed.

Extension educational programs have resulted in significant growth in the swine industry in Tennessee. The state is now a national leader in percent of expansion of its swine industry.

The Extension Service also is involved in the Tennessee Energy Authority-Energy Extension Service, a federal pilot program in energy conservation. The TEA administers the program, and the Agricultural Extension Service is responsible for implementing the rural residential and small farms program. The Extension Service also has worked closely with the Water Quality Division of the State Department of Health to provide assistance and educational materials and to expand provisions of the Federal Water Pollution Control Act Amendments of 1972.

Special efforts were made this year to reach more young homemakers with consumer education. Thirty-seven counties formed new Home Demonstration Clubs. In 10 years, the Expanded Foods and Nutrition Program has reached a low-income audience of 53,000 homemakers and 67,000 youth with nutrition education. By participating in the program, more than 500 homemakers have become members of Home Demonstration Clubs.

The Extension Service's youth educational program, 4-H, ranked first in the nation last year in membership with 171,997 Tennesseans between the ages of nine and nineteen enrolled. Capital improvement funds of $1,350,000 have been appropriated to upgrade the Clyde Austin 4-H Training Center, which is used for extension educational programs serving twenty-one East Tennessee counties.

The Tennessee Tomorrow campaign will provide funds to improve the teaching and recreational facilities at Milan, Columbia, Crossville, and Greeneville.

It has been necessary to reduce extension educational programs in recent years to cope with inflation and inadequate state appropriations. The 1978-79 appropriations, while not all that are needed, will provide current support levels for programs, give an average of 7.5 percent salary increases, and provide approximately 40 percent of the funds requested for competitive salary adjustments. The appropriation will permit the Extension Service to make some progress toward the position it held in 1967, when Tennessee's average salary for extension agents was $302 above the average paid by the other thirteen southern states.
Institute for Public Service

During the past few years, the agencies of the Institute for Public Service have become increasingly aware of the need for additional monies to support services for government and business officials which cannot be funded from existing sources.

While the state, city, and county funds which IPS and its agencies receive provide for a core program, the rapidly escalating needs of government and industrial officials for more concentrated assistance require more funds than are currently available.

Therefore, the Institute has been considering outside sources for help in meeting some of these most critical needs.

Three Areas of Need

The Tennessee Tomorrow campaign offers the Institute an opportunity to make significant strides in three areas: technological and legislative awareness, small business management training, and top-level government executive training.

In the first area, the proposed technological and Legislative Development Awareness Program would provide funds for a two-fold pilot effort involving information dissemination. On the one hand, the program would continually seek new technologies which could be adapted to the needs of the state's cities, counties, businesses, and industries. These technologies, could enhance operating efficiency and therefore contribute to the economic viability of the state.

At the same time, the program's staff would monitor federal and state developments which could affect government or business. Information would be immediately disseminated to the appropriate people, giving them time to make farsighted management decisions.

While many businesses in Tennessee could utilize information derived from this program, others are struggling for financial stability. These companies have neither the management interest nor experience to benefit from the information. These firms require a special type of assistance which could be provided by the proposed Small Business Management Training Program.

Funds raised through Tennessee Tomorrow activities would support in-plant training courses for managers and top-level personnel to enhance the economic viability of these firms.

Career Development Needed

The final critical need is a Tennessee Government Executive Institute to provide specialized, intensive career development activities for top-level state and local government leaders. Patterned after the Federal Executive Institute, the proposed Tennessee program would fill a void in an otherwise extensive state-wide training effort.

These three programs, coupled with funds for personnel development activities, form the Institute's package of proposals for private funding through the Tennessee Tomorrow campaign.

However, other urgent needs exist which are best being met by grants from the federal government. Two recent developments include:

1. Participation of the four major IPS agencies in various aspects of the Tennessee Energy Authority-Energy Extension Service activities in the state. Using federal funds, the Institute agencies are providing concentrated energy assistance for cities, counties, and industries in three pilot counties.

2. Receipt of a National Science Foundation grant to fund the Tennessee Innovation Group, a consortium of twelve cities and UT in a project to utilize new technologies in the daily operation of the participating cities.

Program Makes Strides

While the recently funded efforts and the proposed programs will expand existing IPS services, significant strides have been made during 1977-78 in the basic Institute program. These include:

1. Implementation of a Regional Training Program to deliver eight basic management, supervisory, and secretarial training programs at 45 locations within a one-half hour drive of any governmental employee in Tennessee.

2. Completion of the compilation of the private acts of every county in Tennessee, a monumental activity requiring nearly four years.

3. Centralization of the printing and mailing for all IPS agencies, resulting in sizable annual savings and greater efficiency.
Division of Continuing Education

A proposal with exciting promise for Tennessee's working adults who wish to further their formal education is a master plan for continuing education now being formulated. The plan is based on existing extension activities; and it will seek to support and encourage all of the University's external study programs on a par with graduate teaching and scholarly research. While the traditional self-funding practice of extension is not to be eliminated, there will be a financial requirement similar to on-campus funding, and such support will be sought from non-state sources as part of the Tennessee Tomorrow campaign.

Educational Opportunities Continue

The state-wide Division of Continuing Education in 1977-78 offered its customary broad range of study opportunities to Tennesseans: correspondence courses, radio and television instructional programs and courses, library services, educational films, and training for Head Start personnel.

Center for Extended Learning

Through the Center for Extended Learning, the University this year continued to offer credit courses from all campuses and a number of non-credit and high school courses. The center administers multimedia courses utilizing combinations of printed materials, slides, videotapes, and broadcast television.

Although we are unaware of any duplication of extended learning efforts in the state, we believe there is an opportunity for coordination with the Board of Regents system in providing independent study courses from those campuses through a consortium arrangement, as is done in some other states.

Department of Radio Services

This department continued its cultural, informational, and educational services through the use of telecommunications technology to University academic departments, commercial radio stations, and the general public. The services include the operation of a public radio station, the production and distribution of general educational programs to 155 radio stations in Tennessee, and audio production to meet the needs of UT academic departments.

Main areas of concern are the shrinkage of funds available for supplies and the escalating cost of postage and telephone service.

Department of Television Services

Operating with a small but highly competent staff, this department continues to work closely with the Center for Extended Learning to produce and distribute programs that benefit Tennesseans at all educational levels. A typical new program this year is the production of videotape teaching materials prepared by the UT School of Social Work and marketed by the UT Research Corporation to institutions of higher education or human services in Canada and Japan, as well as Hawaii and other states.

Head Start Training

Through two federally funded contracts, the Department of Head Start Training provided training and technical assistance to the staff of the nineteen Head Start grantees in Tennessee. Areas of emphasis include recruiting and helping handicapped children and training for the Child Development Associate (C.D.A.) credential.

Training and technical assistance is provided primarily through on-site consultation.

Department of Library Services

Vital services to schools, civic organizations and individuals continued this year in the areas of package library service, drama and book loan, information-reference service, the reading program of the Tennessee Federation of Women's Clubs, and the publications and speeches of the department director.

Teaching Materials Center

In 1977-78 the Teaching Materials Center continued to make available educational films, color slides, transparencies and other visual materials to the University's campuses and other colleges, universities, and public schools throughout the state.

First Fifty-Year Employee

The Division of Continuing Education this year achieved a distinction probably never attained by any other department or unit of the University. Miss Mary Carmack, continuing education assistant who joined the staff as a stenographer in 1928, became the Division's—and possibly the University's—first employee to complete fifty years of service.
Enrollments Continue To Rise
In the year now ending, enrollments continued to increase, but at a considerably slower rate than in some recent years.

The following table indicates that the head count enrollment on all campuses increased by 1,344, a larger gain than was experienced in the previous academic year. The total of 50,467 students last fall kept the University among the largest institutions of higher learning in the United States, ranking nineteenth among the nation's universities and colleges.

<table>
<thead>
<tr>
<th>Campus</th>
<th>Fall Quarter 1976</th>
<th>Fall Quarter 1977</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knoxville</td>
<td>29,711</td>
<td>30,468</td>
</tr>
<tr>
<td>Center for Health Sciences</td>
<td>2,552</td>
<td>2,729</td>
</tr>
<tr>
<td>Martin</td>
<td>5,082</td>
<td>4,957</td>
</tr>
<tr>
<td>Chattanooga</td>
<td>6,162</td>
<td>6,628</td>
</tr>
<tr>
<td>Nashville</td>
<td>5,616</td>
<td>5,685</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49,123</strong></td>
<td><strong>50,467</strong></td>
</tr>
</tbody>
</table>

(Source: Office of Institutional Research)

Legislative Program
The 1978-79 operating appropriations for the University are $127,228,300, an increase of $16,469,300 or 14.8 percent over 1977-78. Primary emphasis in the 1978-79 appropriation was placed on provision of new money for an average salary increase of 7.5 percent. Legislative guidelines mandated 7.5 percent raises for all staff making $8,000 a year or less and limited average raises for personnel making over $22,000 a year to 6.5 percent.

In addition to funds for salary raises the 1978-79 appropriations contain new dollars for further enrollment growth and for fixed-cost increases in Social Security, retirement, and utilities. Program improvement funds are provided for the planned growth of the College of Veterinary Medicine, to address remaining accreditation problems at the Center for the Health Sciences and to enable that campus to correct long-standing staff deficiencies, to allow expansion in family practice and clinical centers, and to deal with specific professional salary inequities in the Agricultural Extension Service and Agricultural Experiment Station.

The operating budgets proposed by the Tennessee Higher Education Commission and the Governor, along with the appropriations made by the General Assembly, are presented in the accompanying table.

Retirement Program Changes
In recent years the spiraling costs of fringe benefits have consumed an ever-increasing percentage of the University's total budget. Consequently, University administrators worked closely with state officials this year to achieve a significant improvement in the method for funding the employer's share of the retirement and FICA contributions to the educational and general section of the budget. These efforts resulted in passage of an act by the General Assembly which provides:

1. Authorization whereby the state, as of July 1, 1978, will assume responsibility for funding, on an actuarially sound basis, the unfunded liability of the Joint Contributory Retirement System (JCRS);
2. Protection of the rights, benefits, and privileges of JCRS members;
3. The mechanism whereby the employer's share of retirement and FICA contributions will be transferred directly to the State Treasurer and not be included in the state's budget allocations to the University; and
4. Authorization for the Tennessee Consolidated Retirement System (TCRS) to assume financial and administrative responsibility for the retirement programs of the University.

Capital Outlay
The University's capital outlay request included twenty-one priority projects at an estimated cost of $43 million. Five of these projects were fully funded for 1978-79 at a cost of $14,418,000.

These projects for which funds were provided in appropriations and bond legislation are: UT Chattanooga Physical Education Complex, $8 million (total cost is $10 million, with $2 million to come from State School Bond Authority revenue bonds); UTCHS off-campus research animal facility, $980,000; UT Knoxville Agricultural Engineering Building, $3.3 million; Clyde Austin 4-H Center renovation, $1.35 million; UT Martin maintenance building, $788,000. Preplanning funds were allocated from a revolving account of the State Building Commission for an academic building addition at the UT Space Institute and an addition to the Caxton Education Building at Knoxville.

The 1978-79 appropriations also
include $2,115,000 for the major maintenance and minor repair to existing buildings throughout the University in accordance with priorities set by the UT Board of Trustees and approved by the Tennessee Higher Education Commission.

Facilities Planning
Since July 1, 1977, the University has awarded construction contracts in the amount of $8,985,000, making the value of projects under construction this year total $58,809,000.

Major projects substantially completed this year total $11,891,000. These include the College of Nursing Building and parking garage at Knoxville; the central energy facility and phases I and II of the renovation of the West Tennessee Chest Disease Hospital at Memphis; and the Physicians Office Building addition at the Medical Research Center and Hospital at Knoxville.

Major projects under construction are the College of Veterinary Medicine Building, $16,440,000, and Art-Architecture Building, $9,000,000, both at Knoxville; the College of Medicine Building, $11,646,000, at Memphis; and the Family Medicine Practice model building at Jackson, $847,000.

Placed under contract in 1977-78 were the Fine Arts Building, $6,200,000, at Chattanooga; Memphis Regional Cancer Center, $2,200,000; and alterations and additions to Strong Hall Cafeteria, $400,000, and Tennis Center Building, $185,000, at Knoxville.

Administrative Data Systems
Major progress was made on the Management Information Systems project. A new Financial Data Base was developed to enable the University to utilize this enormous data resource. Our most important challenge is to develop and install a new faculty/staff management information system encompassing payroll, personnel, and a number of other areas.

Student Data Base were also established. Systems are now being developed to enable the University to utilize this enormous data resource. Our most important challenge is to develop and install a new faculty/staff management information system encompassing payroll, personnel, and a number of other areas.

HEMI Project-Management Training
The University-wide administration, Center for the Health Sciences, and Nashville campus are extensively involved with the Higher Education Management Institute (HEMI), funded by the Exxon Education Foundation. UT was one of twenty-three institutions in the nation selected to participate in the three-year pilot phase of this program to improve management in higher education.

The program is tailored to meet specific needs identified by a survey of the three UT units. Managers will be able to use this training to improve operations, minimize costs and optimize use of managerial time.

In March, HEMI held its first national Training for Trainers program at the UTCHS campus. UT is being considered as the site of a National HEMI Program Center for universities interested in participating in the training program.

| Knoxville (including Knoxville Campus, Evening School, School of Social Work, Testing Bureau, and the Joint University Center at Memphis) | $98,638,252 | $99,245,656 |
| Space Institute | 2,197,884 | 2,316,000 |
| Center for the Health Sciences | 37,778,417 | 40,198,471 |
| Memphis Campus | 15,041,368 | 14,932,561 |
| Memorial Research Center at Knoxville | 15,008,741 | 15,782,784 |
| Clinical Centers at Knoxville and Chattanooga | 7,809,032 | 8,175,897 |
| Family Practice Clinics at Memphis, Jackson, Knoxville and Chattanooga | 9,041,639 | 9,298,631 |
| Martin | 10,419,922 | 12,027,125 |
| Agricultural Experiment Station | 2,635,739 | 4,150,200 |
| Agricultural Extension Service | 830,744 | 842,074 |
| Veterinary Medicine | 660,169 | 744,547 |
| Municipal Technical Advisory Service | 7,809,032 | 8,175,897 |
| County Technical Assistance Service | 15,008,741 | 15,782,784 |
| State-wide Programs (including State-wide Continuing Education, Institute for Public Service and University-wide Administration and Services) | 6,090,060 | 5,577,420 |
| Total | $206,151,967 | $213,291,366 |

<table>
<thead>
<tr>
<th>Estimated Revenue 1978-79</th>
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<tr>
<td>Student fees</td>
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<tr>
<td>State Appropriations</td>
</tr>
<tr>
<td>Federal Appropriations</td>
</tr>
<tr>
<td>Gifts, Grants and Contracts</td>
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<tr>
<td>Sales of Educational Departments</td>
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<tr>
<td>Sales of Auxiliary Enterprises</td>
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<tr>
<td>Misc. Revenue &amp; Previous Year's Balance</td>
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<tr>
<td>Total Revenue 1978-79</td>
</tr>
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*Does not include operational funds for UT Hospitals at Knoxville and Memphis and restricted funds from gifts, grants and contract research.
## ANALYSIS OF STATE OPERATING APPROPRIATIONS

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<tr>
<td><strong>A. Formula Units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UT at Chattanooga</td>
<td>$8,809,000</td>
<td>$10,651,000</td>
<td>$10,064,400</td>
<td>$910,600</td>
<td>$9,153,800</td>
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<td>UT, Knoxville</td>
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<td>$8,858,400</td>
<td>$918,200</td>
<td>$7,940,200</td>
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<td>UT at Nashville</td>
<td>$5,251,000</td>
<td>$5,886,000</td>
<td>$5,576,900</td>
<td>$544,100</td>
<td>$5,032,800</td>
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<td><strong>Sub-total</strong></td>
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<td>$81,837,000</td>
<td>$77,494,100</td>
<td>$8,070,500</td>
<td>$69,423,600</td>
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<td><strong>B. Non-formula Units</strong></td>
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<td>UT Center for the Health Sciences</td>
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<td>Memphis Campus &amp; Memorial Research Center</td>
<td>$21,593,000</td>
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<td>$25,268,700</td>
<td>$2,231,100</td>
<td>$23,037,600</td>
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<td>Family Practice</td>
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<td>Clinical Centers</td>
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<td>$1,867,400</td>
<td>$118,200</td>
<td>$1,749,200</td>
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<td><strong>Sub-total</strong></td>
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<td>$39,063,000</td>
<td>$39,459,500</td>
<td>$3,849,800</td>
<td>$35,609,700</td>
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<td>UT Space Institute</td>
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<td>$1,153,000</td>
<td>$1,065,400</td>
<td>$134,000</td>
<td>$931,400</td>
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<td>$4,840,000</td>
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<td>$6,460,500</td>
<td>$243,600</td>
<td>$6,216,900</td>
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<td>Veterinary Medicine</td>
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<td>$4,017,500</td>
<td>$171,500</td>
<td>$3,846,000</td>
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<td>Municipal Technical Advisory Service</td>
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<td>$435,000</td>
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<td>$213,400(a)</td>
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<td>$256,600(a)</td>
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<td><strong>Sub-total</strong></td>
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<td>$1,906,000</td>
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<td>Division of Continuing Education</td>
<td>$629,000</td>
<td>$704,000</td>
<td>$691,300</td>
<td>$92,500</td>
<td>$598,800</td>
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<tr>
<td><strong>Sub-total</strong></td>
<td>$629,000</td>
<td>$704,000</td>
<td>$691,300</td>
<td>$92,500</td>
<td>$598,800</td>
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<td><strong>UT Administration</strong></td>
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<tr>
<td>UT Administration</td>
<td>$994,000</td>
<td>$1,275,000</td>
<td>$1,320,700</td>
<td>$510,300</td>
<td>$810,400</td>
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<tr>
<td><strong>Sub-total</strong></td>
<td>$994,000</td>
<td>$1,275,000</td>
<td>$1,320,700</td>
<td>$510,300</td>
<td>$810,400</td>
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<td><strong>GRAND TOTAL</strong></td>
<td>$110,759,000</td>
<td>$133,020,000</td>
<td>$127,228,300</td>
<td>$12,780,400</td>
<td>$114,447,900</td>
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</table>

(a) Includes $30,000 for contracting with the Hartsville Project Coordinator Committee.
Where UT's Money Comes From...
Resources Budgeted 1978-79*

- Gifts, Grants, and Contracts: $50,054,016 (16.4%)
- Federal Appropriations: $8,164,785 (2.7%)
- Student Fees: $114,447,900 (37.5%)
- Auxiliary Enterprises: $37,626,492 (12.3%)
- Operationalunds for UT Hospitals at Knoxville and Memphis: $6,683,756 (10.3%)
- Endowment Income and Other Sources: $9,744,120 (3.2%)
- Institutional Support, Student Services, and Staff Benefits: $32,467,201 (10.3%)
- Instructional Programs and Related Activities of Academic Departments: $153,073,636 (50.1%)
- Research: $32,263,251 (10.6%)
- Scholarships and Fellowships: $7,266,463 (6.0%)
- Grand Total: $305,204,552 (100%)

*These resources include not only the unrestricted general budget funds but also operationalunds for UT Hospitals at Knoxville and Memphis and restricted funds from gifts, grants and contract research.
Development

On September 23, 1977, the Board unanimously approved the most ambitious undertaking ever attempted by the University and its Development Council: the Tennessee Tomorrow campaign, which seeks to raise $35 million to guarantee the continued growth of the University.

Never before in the history of higher education has a university attempted such a multi-campus campaign. Such a campaign to provide support for all the University's campuses, institutes and divisions requires unprecedented cooperation, coordination, and understanding from all concerned.

The campaign is progressing exceedingly well. We have completed the recruitment of national, state, and area campaign leadership. The University's family fund has been completed and solicitation of major gift prospects begun. Major proposals have been submitted to more than sixty national corporations, twelve private foundations, and numerous individuals. Campuses, institutes, and divisions are submitting proposals to corporations and foundations which have a particular interest in their programs. Results have been exceptional, considering we are only ten months into the campaign and have two full years of work ahead.

More than ever before, we have sought to involve the University's faculty and staff in the development program, and they have responded by giving more than $1.3 million to Tennessee Tomorrow. When asked for major gifts, individuals, corporations, and foundations are impressed with the dollars given by the faculty and staff and the numbers who have participated.

One reason for undertaking the campaign was to demonstrate to Tennesseans the need for private support of their 'publicly-aided' University. We are proud of the General Assembly's support, but to be a great institution we must receive private dollars from alumni, friends and others. We will use the Tennessee Tomorrow campaign to show Tennesseans that their investment in the University of Tennessee is an investment in the future of their children and their state.

Finally, the Tennessee Tomorrow campaign shows national foundations and corporations the need for their support of this publicly-aided University. The response in our initial solicitations of some of these national corporations and foundations has been gratifying, but we have a long way to go in informing national business and industry of the needs of the University.

Major Gifts Received

Several major gifts have been received through the campaign. Early this year, the University received the largest single gift in its 184-year history. Mr. and Mrs. Hal Reagan of Gatlinburg gave $2.5 million for academic enrichment at UT, Knoxville, UT at Martin, and the UT Center for the Health Sciences in Memphis. Later, the University received its largest corporate gift, a $500,000 commitment from the United American Bank of Knoxville to establish the Cecil H. Butcher, Sr., Chair of Banking in the College of Business Administration at UTK.

Of the seven major priority needs encompassing the $35 million goal, professorships, faculty development, and student aid are the major needs of all campuses and institutes. We must also concentrate on funds for libraries, new centers of learning and programs of instruction, and for specialized equipment, particularly at the Center for the Health Sciences.

Leaders Recognized

We owe our sincere gratitude to the campaign's volunteer leaders, particularly to the national cochairmen, John Harper, former chairman of the board of Alcoa, and Dr. Andy Holt, UT president emeritus. Joining them on the national campaign committee are John Fisher, president and chief executive officer of the Ball Corporation, national campaign vice chairman; Kenneth Rush, former ambassador to France, foundations cochairman; William B. Stokely, III, president and chief operating officer of Stokely Van Camp, and Bill Swain, chairman of the board of the First National Bank of Oneida, national corporations cochairmen; Jess Salley, senior vice president of the Commerce Union Bank, Nashville, chairman for agriculture; Litton Cochran, national alumni chairman; and Jim Irvine, state chairman.

It is through the continued dedication and enthusiasm of loyal volunteers and the development staff that the University enjoys the successes that make our development program one of the top ten in the United States and Canada.
One of the National Alumni Association's tours of the year took UT alumni and friends to a half-dozen European countries, including Austria, site of Mozart's lovely town of Salzburg.

<table>
<thead>
<tr>
<th>Number of Contributions</th>
<th>1976-77</th>
<th>1977-78</th>
<th>NET CHANGE</th>
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<tr>
<td></td>
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<tr>
<td>Dollar Total</td>
<td>$1,251,297</td>
<td>$1,486,656</td>
<td>$235,359</td>
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<tr>
<td>Number of Gifts of $100 or More</td>
<td>4,277</td>
<td>4,861</td>
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<tr>
<td>Average Gift</td>
<td>$56.87</td>
<td>$66.51</td>
<td>$9.64</td>
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</table>

The University's program of alumni activities and annual giving continues to generate support for the institution from alumni and other friends throughout the nation.

Alumni chapters are operating in all ninety-five counties in Tennessee and in forty-two cities outside the state. Many Tennessee counties are combined into dual or tri-county alumni chapters due to the number of alumni living in some of the smaller counties, but the total program of alumni activities and annual giving is taken to all counties each year.

Programs Involve Alumni

The National Alumni Association provides volunteer leadership and direct assistance from more than 1,600 alumni workers each year. Special programs such as alumni leadership conferences, Women's Activities Committee seminars, homecoming and class reunion activities at the Knoxville, Chattanooga, Martin, and Memphis campuses, alumni tours, professional school activities, Undergraduate Alumni Councils at UTK, UTM, and UTC; and annual giving campaigns combined with the 115 alumni chapter meetings in 1977-78 to bring together approximately 23,000 alumni throughout the country.

The Annual Giving Program continued to generate record amounts of support, exceeding the $1 million mark for the third consecutive year. The year now ending has produced another record, with $1,486,656 being given by alumni and other friends. (The table illustrates the comparison in annual giving between 1976-77 and 1977-78.) The Annual Giving Program is among the top five such fund-raising programs among public institutions in the United States and Canada, and is expected to generate $2 million a year for all campuses of the University by 1980.

Giving Promotes Excellence

The Annual Giving Program provides some of the key ingredients in the pursuit of excellence at all campuses of the University. These gifts each year fund scholarships, Outstanding Teacher Awards, Distinguished Service Professorships, library grants, visiting lectureships and many other projects that enhance the academic programs of all five campuses.

A genuine partnership exists between the University and the National Alumni Association. Key alumni volunteers are involved in nearly all phases of University activity, and their interest, concern, commitment, time and effort represent the primary reasons for the success of the total program of alumni affairs and annual giving.
A Look Ahead

The preceding reports elaborate on some of the goals and aspirations of the University which the Tennessee Tomorrow campaign will help to fulfill. New and innovative teaching programs, expanded research opportunities, and a broader dissemination of public services are the principal benefits to be expected from a fund-raising effort of this magnitude.

Besides these benefits, which will accrue to all Tennesseans, is a different sort of advantage to be gained from the Tennessee Tomorrow campaign. This is the fact that the campaign puts the University of Tennessee in the forefront of public concerns. The campaign causes the people of this state and nation to consider the University's needs and problems, hopes and goals. It is an unprecedented opportunity for us to take higher education's message to the people, to business establishments and corporations, to foundations.

In retrospect, the 1977-78 academic year has helped to justify the support the University is receiving through the Tennessee Tomorrow campaign. The foregoing reports indicate that the faculty, staff, and administrators have conducted the affairs of the University in a responsible and efficient fashion despite the usual budgetary constraints caused by inadequate appropriations and the erosive effects of inflation. Exceptional progress is being made in some areas, especially in the health sciences. In fact, progress in health care delivery in Tennessee during this decade has been so remarkable that it deserves special comment. Since 1970, annual state appropriations for the Center for the Health Sciences have increased six-fold, due in large degree to the development of a statewide system of health care training facilities including the Clinical Education Centers and Family Practice Centers, all of which benefit people in every section of Tennessee. Positive proof of the soundness of our health care delivery concept is the recent employment of the chairman of the Department of Medicine of prestigious Mayo Clinic as dean of the University's College of Medicine. My firm belief is that support derived from the Tennessee Tomorrow campaign will help us to make similar giant strides in other fields of study, research, and service.

An infusion of private funds such as we will realize from the Tennessee Tomorrow campaign is all the more essential because of the effects of inflation. Erosion of the dollar's purchasing power is still the University's number one problem. Last year, when the inflationary spiral seemed to level off, we had cause for optimism; but today, with inflation...
again moving upward, we are faced once more with a critical situation. Unless this public enemy can be controlled, it may quickly dissipate all our gains of the past year. Rising energy costs alone could swallow our gains.

We are not entirely helpless as we face inflation. We must continue to keep government officials and legislators apprised of problems caused by inflationary spending. Although we deplore the practice, we can raise fees, room rates, and other costs to students. And we must continue to take measures to eliminate waste and inefficiency. Unceasing attention to all facets of responsible administration of the University's affairs is absolutely essential.

One of the most rewarding aspects of any fund-raising campaign—and absolutely necessary to its success—is the dedication and zeal of volunteer workers. In the customary tradition of the Volunteer State, the men and women who are giving their time and talents to the Tennessee Tomorrow campaign are demonstrating an unqualified belief in the value of their objectives. Many of these volunteer workers are not even alumni of the University. One can understand the stake which an alumnus has in the institution. Without doubt, these volunteers are completely certain that The University of Tennessee is worthy of their time and energy and the support to be gained from the campaign.

One must certainly number the members of this Board of Trustees among the University's most dedicated volunteer workers. Your time and talents, contributed without remuneration, help keep this institution in the front ranks of American higher education. And your services often go beyond the normal scope of policy-making. It is significant that the vice chairman of this Board, Colonel Tom Elam, has just made a generous $100,000 contribution to the Tennessee Tomorrow campaign.

We want to extend our appreciation to countless others who are making the campaign a success and who have contributed to the University's progress during the year now ending. Our gratitude goes out to the Tennessee Higher Education Commission, to Governor Ray Blanton, Commissioner William L. Jones, Lieutenant Governor John Wilder, Speaker Ned Ray McWherter, and to members of the General Assembly. We are also indebted to the University's Development Council, which has led the Tennessee Tomorrow campaign, the National Alumni Association, and the private support organizations of the five academic campuses for their continued dedicated efforts. And especially, we are grateful to the administrators, faculty, staff, and students on all the campuses, not only for their support of the Tennessee Tomorrow campaign but for their daily contributions to the educational process.

Given the cooperative efforts of these groups and individuals, all working toward a common goal, the task begun this year holds the exciting promise of success and all the benefits which that success will mean tomorrow for the people of Tennessee.

Respectfully submitted,

Edward J. Boling
President