

MINUTES OF THE FALL MEETING

BOARD OF TRUSTEES

THE UNIVERSITY OF TENNESSEE

October 5, 2001

The fall meeting of the Board of Trustees of The University of Tennessee was held at 2:00 p.m., Friday, October 5, 2001, at the University Club in Knoxville.

I. CALL TO ORDER AND INVOCATION

Mrs. Johnnie D. Amonette, Vice Chair of the Board, called the meeting to order, and Commissioner Dan Wheeler gave the invocation.

II. ROLL CALL

The Secretary called the roll, and the following were present:

Mrs. Johnnie D. Amonette
Mrs. Barbara C. Castleman
Mr. B. C. "Scooter" Clippard
Mr. Charles E. Coffey
Mr. J. Steven Ennis
Mr. Emerson H. Fly
Mr. James A. Haslam, II
Mr. Waymon L. Hickman
Dr. Rhynette N. Hurd
Mr. Jerry L. Jackson
Mr. D. Lynn Johnson
Mr. Frank J. Kinser
Mrs. Andrea J. Loughry
Mr. R. Clayton McWhorter
Dr. Verbie L. Prevost
Dr. Richard G. Rhoda
Ms. Tiffany E. Smith
Mr. William B. Stokely, III
Governor Don Sundquist
Commissioner Faye Taylor
Mr. John C. Thornton
Commissioner Dan C. Wheeler
Mrs. Susan R. Williams

The Secretary announced the presence of a quorum.

III. INTRODUCTIONS AND PRESENTATIONS

Vice Chair Johnnie Amonette introduced Commissioner of Education Faye Taylor and presented her with a Trustee lapel pin. The Vice Chair also introduced special guests, including Emeriti Trustees Frank Bowyer and E.S. Bevins.

The Vice Chair recognized Dr. Kathy Greenberg, President of the Knoxville Faculty Senate, for remarks on behalf of the Knoxville faculty.

The Vice Chair then welcomed Governor Don Sundquist to the meeting and offered to yield the gavel to him as Chairman of the Board. The Governor asked that Mrs. Amonette continue to preside.

Governor Sundquist acknowledged former Governor Ned McWherter and invited him to address the Board. Governor McWherter applauded Governor Sundquist and the Trustees for their efforts to achieve tax reform and better funding for higher education.

Governor Sundquist thanked Governor McWherter for his comments and support. He also thanked the members of the Presidential Search Committee and the Advisory Council for their hard work. Noting that tax reform would be the best possible gift to a new president, he warned that the entire State of Tennessee will suffer if higher education and K-12 education do not receive better funding. The State is under-funding higher education, and new jobs cannot be attracted to a state where employees are not properly trained. More money is needed for research, salaries, facilities, maintenance and instruction.

Vice Chair Amonette then introduced Dianne Duncan, President of the National Alumni Association and Bradford Bricken, President of the Knoxville Student Government Association, both of whom offered brief comments on the need for improved funding for the University.

IV. REPORT OF THE PRESIDENT

Acting President Emerson H. Fly advised the Trustees of the General Assembly's directive that the Board to study the University's operations and determine how it can operate more efficiently and with more limited resources. The study must also include the impact on the University of reductions made in the FY 2002 budget and the reality that the level of funding for the higher education formula may decline. Mr. Fly reported that the campuses have been asked to reallocate four to six percent from low priority programs to the highest priority programs. This reallocation is difficult since the University has been operating on less than adequate funding for ten years. Chancellors and vice presidents are receiving input from faculty and staff members and will submit reports to the President's office by October 15. The reports will be reviewed carefully and a final report will be presented to the Board of

Trustees in December. Upon approval, the report will be forwarded to the General Assembly.

Mr. Fly reported that the University has been asked by the Commissioner of Finance and Administration to impound one percent of its appropriations. The impoundment and the possibility of future impoundments have caused a hold to be placed on any salary increases for faculty and staff. Student fees were raised with the understanding that a portion of the money raised would go to much needed increases for faculty and some staff.

Mr. Fly announced that as a part of the reallocation initiative, an out-of-state consultant will do an independent review of the UT Space Institute with a final report to be completed by the end of the 2001.

Mr. Fly noted that the Knoxville campus managed to maintain its *U.S. News & World Report* ranking in the top third of the public research universities in the country. The Chattanooga campus ranked in the top tier of the same report. The rankings illustrate that persistence in spite of adversity is the hallmark of UT institutions. Noting Mr. Jack Lupton's unrestricted and undesignated gift of \$25 million, Mr. Fly remarked that alumni and development efforts at The University of Tennessee remain strong.

Mr. Fly then introduced Dr. Jack Dongarra, UT Distinguished University Research Professor of Computer Science. In 1993 Dr. Dongarra and a colleague at the University of Manheim began ranking the fastest super computers in the world. Their list of the 500 fastest super computers is updated every six months. Dr. Dongarra is also an international expert in parallel computing solutions. He was recently named to the very prestigious National Academy of Engineering.

Through a power point presentation (Exhibit 1) Dr. Dongarra briefed the Board on his activities and those of his associates in the Innovative Computing Laboratory. The work being done there involves the world wide web and grid computing, which he and his associates believe is the next generation of the web.

V. APPROVAL OF THE MINUTES OF PRIOR MEETINGS

Mr. R. Clayton McWhorter moved approval of the minutes of the June 27, 2001 Executive Committee meeting, the June 28, 2001 annual Board meeting, the July 18, 2001 special Board meeting, the August 3, 2001 special Board meeting and the August 31, 2001 special Board meeting. Mr. James A. Haslam, II seconded, and the motion carried unanimously.

VI. ADOPTION OF RESOLUTIONS OF RECOGNITION

Mr. Jerry Jackson moved adoption of the Resolutions recognizing Dr. Maurice Field (Exhibit 2) and Mr. Robert G. Hamilton (Exhibit 3). Mr. James A. Haslam, II seconded, and the motion carried unanimously.

Mr. Haslam moved adoption of the Resolution recognizing Mr. William B. Sansom (Exhibit 4). Mr. R. Clayton McWhorter seconded, and the motion carried unanimously.

VII. APPOINTMENT OF STANDING COMMITTEES/COUNCILS

Mr. James A. Haslam, II, moved approval of the appointment of standing committees and councils as recommended by Mrs. Johnnie Amonette (Exhibit 5). Mr. Frank J. Kinser seconded, and the motion carried unanimously.

VIII. NEW BUSINESS

A. REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

1. **Approval to Convey an Easement to the City of Knoxville.** Mr. J. Steven Ennis moved approval of a conveyance of an easement (Exhibit 6) adjacent to Third Creek, Knoxville, Tennessee, to the City of Knoxville. Mr. James A. Haslam, II, seconded, and the motion carried unanimously.
2. **Approval to Convey an Easement to BellSouth Telecommunications, Inc. in Knoxville.** Mr. J. Steven Ennis moved approval of a conveyance of an easement (Exhibit 7) in Knoxville Tennessee, to BellSouth Telecommunications, Inc. Mr. James A. Haslam, II, seconded, and the motion carried unanimously.
3. **Approval to Convey Real Property in Fee Simple and by Easement to the Tennessee Valley Authority in Tullahoma.** Mr. J. Steven Ennis moved approval of conveyance of real property in fee simple and by easement to the Tennessee Valley Authority in Tullahoma (Exhibit 8). Mr. James A. Haslam, II, seconded, and the motion carried unanimously.
4. **Approval to Convey Gift Property to the Appropriate Homeowner's Association: Tellico Village lot in Loudon County and two timeshares in Palm Springs, California.** Mr. J. Steven Ennis moved approval of the conveyance of a lot in Tellico Village in Loudon County and two timeshares in Palm Springs, California to the appropriate homeowner's association (Exhibit 9). Mr. James A. Haslam, II, seconded, and the motion carried unanimously.
5. **Approval of Rule Changes for The University of Tennessee Health Science Center – Library Fines.** Mr. J. Steven Ennis moved approval of the proposed rule changes concerning library fines at The University of Tennessee Health Science Center (Exhibit 10). The motion was seconded by

Mr. James. A. Haslam, II, and the motion carried unanimously by roll call vote as attached.

6. **Approval of Rule Changes for The University of Tennessee Health Science Center – Administrative Titles.** Mr. J. Steven Ennis moved approval of the proposed rule changes concerning administrative titles at The University of Tennessee Health Science Center (Exhibit 11). The motion was seconded by Mr. James A. Haslam, II, and the motion carried unanimously by roll call vote as attached.
7. **Filing of Liaison Committee Minutes.** Mr. J. Steven Ennis moved acceptance of minutes filed for the UT Bowld Hospital Liaison Committee meeting held June 11, 2001 (Exhibit 12). Mr. Jerry Jackson seconded, and the motion carried unanimously.
8. **Approval of Capital Outlay and Maintenance Projects for FY 2002-03.** Mr. J. Steven Ennis moved to approve the proposed FY 2002-03 and subsequent year funding requests for capital outlay and maintenance projects and the proposed priority rankings in accordance with Tennessee Higher Education Commission guidelines (Exhibit 13). Mr. Frank J. Kinser seconded, and the motion carried unanimously.
9. **Approval of Revenue/Institutionally Funded Projects for FY 2002-03.** Mr. J. Steven Ennis moved approval of the proposed revenue funded projects for FY 2002-03 for inclusion in the FY 2002-03 State of Tennessee Budget Document (Exhibit 14). Mr. Frank J. Kinser seconded, and the motion carried unanimously.
10. **Authorization to Present the Knoxville Campus Master Plan to the Tennessee Higher Education Commission and the State Building Commission.** Mr. James A. Haslam moved approval of the Knoxville Campus Master Plan and to continue discussions with homeowners across the Tennessee River from the Cherokee Farm. He further moved that a committee be formed to pursue ways to lessen concerns of those homeowners relating to the implementation of the plan, with the committee to consist of three representatives of the homeowners, three representatives of The University of Tennessee and Chairman, UT Vice President Jack Williams. Consideration will be given but not limited to the hours of operation, relocation of recreation and varsity playing fields to alternate sites, lighting and areas to be lighted and screens to be provided by use of trees, berms and other means of shielding. Mrs. Susan R. Williams seconded, and the motion carried unanimously.

11. **Evaluation of Vice Presidents and Chancellors.** President Fly reported that some accrediting agencies require documentation of the evaluation process for university vice presidents and chancellors. Mr. Fly said he will evaluate all vice presidents and chancellors during the current academic year and will work with the Vice Chair of the Board on the evaluation of the acting president. Next spring a presentation will be made indicating that such evaluations were completed.

B. REPORT OF THE ACADEMIC PROGRAMS AND PLANNING COMMITTEE. Committee Vice Chair Frank Kinser summarized three reports presented at the Committee's meeting. With respect to fall 2001 enrollment reports, Mr. Kinser noted that enrollment for The University of Tennessee campuses and Tennessee Board of Regents institutions are generally higher than in the fall of 2000. Mr. Kinser reported that the Committee also received information from UT Health Science officials on the possibility of decreasing the class size for the College of Dentistry and increasing the class size in the College of Pharmacy. The Committee also received a report on the *Geier* lawsuit to desegregate all of Tennessee public higher education. Mr. Kinser said a statement on diversity will be presented to the Board at its winter meeting in December.

C. REPORT OF THE LIAISON COMMITTEES

1. **UT Chattanooga Liaison Committee.** Mr. Frank Kinser reported that at its last meeting, the Liaison Committee discussed and endorsed assessment of a \$50 per term student fee beginning in the fall of 2002 to support the construction of a 100,000 square foot comprehensive wellness center for use by the UTC community. The wellness center fee is scheduled to come before the Board at its winter meeting in December. The Liaison Committee also reviewed UTC's 2001-2002 operating budget and endorsed UTC's commitment to redouble its efforts to recruit and retain minority faculty. The Liaison Committee also reviewed the status of UT Chattanooga's reaccreditation review by the Southern Association of Colleges and Schools and expects reaffirmation of accreditation by the Association at its December meeting. The Liaison Committee also discussed the need to examine personnel and compensation review processes for the position of chancellor and president as recommended by the SACS Committee.
 - a. **Adoption of Lupton Renaissance Fund Resolution.** The University of Tennessee at Chattanooga recently received an unprecedented and generous gift of \$25 million from Mr. John T. Lupton. Mr. Kinser credited Dr. Bill Stacy's rapport with Mr. Lupton as a determining factor in the gift. He asked Dr. Stacy to comment.

Dr. Stacy said Mr. Lupton has been a long time supporter of the University. The library on the Chattanooga campus bears the names of Mr. Lupton's parents. Dr. Stacy related details of his visit with Mr. Lupton to the Board and explained that the gift is especially significant in that it is unrestricted by the donor. Mr. Lupton has only asked that it be used in a way that will make a major, transforming difference on the Chattanooga campus.

Mr. Frank Kinser moved adoption of a Resolution recognizing Mr. Lupton for his gift (Exhibit 15). Mr. John Thornton seconded, and the motion carried unanimously.

2. **UT Martin Liaison Committee.** Mr. Jerry Jackson reported that the departments of agricultural resources and biological sciences at UT Martin have returned to newly renovated spaces in Brehm Hall, but the need remains for \$1.6 million to provide office space for the Department of Agriculture offices. He noted that groundbreaking ceremonies for the football operation building at Graham Stadium will be held in conjunction with the Skyhawks homecoming game. The football operations facility will be constructed with funds from a number of private gifts from alumni and friends, including a \$500,000 challenge gift from Mrs. Kathleen Elam. The Hardy Graham Stadium was renamed in honor of a lifetime benefactor and advocate of higher education in West Tennessee. The naming results from a recent \$100,000 capstone gift to intercollegiate athletics which brought the Graham family's total giving to over \$1 million. Finally, Mr. Jackson reported that the Southern Association of Colleges and Schools will make their visit to Martin in April, 2002.

D. REPORT OF COUNCILS

1. **Advancement and Outreach Council.** Mr. B. C. "Scooter" Clippard said the Council discussed four topics of vital importance to the future of The University of Tennessee and took formal action on one of the items. The Council discussed the reorganization of UT's federal relations effort. Associate Vice President Buddy Mitchell, who has represented the Institute of Agriculture in Washington, D. C., has assumed the coordination of federal relations efforts. Vice President Jack Williams reported to the Council that the University received approximately \$11.2 million more than last year through its private giving efforts. Vice President Tom Ballard updated the Council on the latest efforts of UT alumni, faculty, students and other University supporters to help break the funding stalemate in the General Assembly.

Approval of Creation of UT Partnership Council. Mr. Clippard made the motion to endorse the creation of the UT Partnership Council (Exhibit 16). Mr. Lynn Johnson seconded, and the motion carried unanimously.

2. Faculty and Student Council. Mrs. Susan Williams said the Faculty and Student Council met and discussed enriching the undergraduate experience at The University of Tennessee. Representatives from each undergraduate campus made presentations, and Dr. Loren Crabtree talked specifically about ways in which concerns of the Council could be addressed to improve the undergraduate experience in Knoxville. Dr. Crabtree also shared his plans for making the Knoxville campus a student centered research university.

E. REPORT OF THE PRESIDENTIAL SEARCH COMMITTEE. Mrs. Amonette noted that the Search Committee and Advisory Council are composed of dedicated and committed individuals, and much progress has been made since the initial meetings in August. Each Trustee received a plan for the selection process, the position advertisement and a schedule for the campus forums and visits. The Search Committee has met three times since August to select a search consultant, to approve the plan for the selection process, to approve the position advertisement and to receive a progress report on the campus forums. The Advisory Council met with the search consultant to draft a position advertisement (Exhibit 17), to further develop their role in the search process, and to plan the campus forums and visits. The Advisory Council is currently engaged in developing job specifications and in communicating with the respective constituency groups. Public forums were held on each campus. The forums were very proactive with a common theme emerging that the next president of the University needs to understand the respective missions of the various campuses, have an astute knowledge of the financial picture and be a people person. Bill Funk, search consultant, will be submitting a report summarizing the visits. The search website continues to be heavily used. The position advertisement began running in national journals and periodicals in September and will continue to run through October. Governor Sundquist, as Chair of the Search Committee, is sending a letter to a list of 500 contributors and friends of the University requesting support for the search process and requesting input and nominations from them. Bill Funk will be sending a letter and a copy of the search brochure to a list of 700 individuals across the country to solicit their support and input. The goal of the Search Committee under the Governor's leadership is to carry out the search in such a manner that the University will attract the top candidates in the country.

F. REPORT OF GRADUATES. The Secretary reported graduates at commencements held on August 13, 2001, at The University of Tennessee at Chattanooga (Exhibit 18) August 10, 2001 at The University of Tennessee in Knoxville (Exhibit 19); and August 5, 2001, at The University of Tennessee at Martin (Exhibit 20).

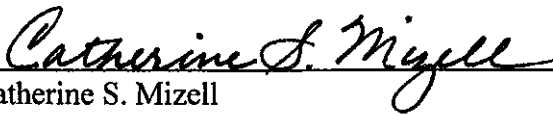
IX. OTHER BUSINESS

The Secretary announced the meetings for 2002:

1. Winter Meeting in Knoxville: December 11, 2001
2. Spring meeting in Chattanooga: April 3-4 or April 4-5, 2001

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.



Catherine S. Mizell
Vice President, General Counsel and Secretary