

MINUTES OF THE WINTER MEETING

BOARD OF TRUSTEES

THE UNIVERSITY OF TENNESSEE

December 11, 2001
Knoxville, Tennessee

The Board of Trustees of The University of Tennessee met at 2:00 p.m., Tuesday, December 11, 2001, in the Board Room, Andy Holt Tower, Knoxville.

I. CALL TO ORDER AND INVOCATION

Vice Chair Johnnie D. Amonette 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:

Governor Don Sundquist
Mrs. Johnnie Amonette
Mrs. Barbara C. Castleman
Mr. B. C. "Scooter" Clippard
Mr. J. Steven Ennis
Mr. Emerson H. Fly
Mr. James A. Haslam, II
Mr. Waymon L. Hickman
Mrs. 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 Rhoda
Ms. Tiffany E. Smith
Mr. William B. Stokely, III
Commissioner Faye Taylor
Mr. John C. Thornton
Commissioner Dan Wheeler
Mrs. Susan R. Williams

The Secretary announced the presence of a quorum.

III. INTRODUCTIONS AND PRESENTATIONS

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

Governor Sundquist thanked Acting President Eli Fly for stepping in at a difficult time. He said citizens of Tennessee have much to be thankful for including The University of Tennessee. Governor Sundquist told Board members that they and other state policymakers have tremendous influence over the future direction of the State and the University. He pledged to continue to work with the General Assembly to obtain proper funding for education and every other phase of state government in Tennessee. The Governor thanked Board members for the past support and asked for their continued efforts in obtaining adequate funding for higher education.

Governor Sundquist said the presidential search committee is well on its way to finding an outstanding leader for the University. He thanked those serving on the search committee and the advisory council for their leadership and efforts on behalf of the state and the University.

The Vice Chair introduced and welcomed to the Board meeting Emeritus Trustee E. S. Bevins, General Counsel and Secretary Emeritus Beach Brogan, student member of the Tennessee Higher Education Commission Board Betsy Kirk and Dr. Mike Combs, President-elect of the Faculty Senate in Knoxville.

IV. REPORT OF THE ACTING PRESIDENT

Mr. Fly thanked the Governor, Board members and University faculty and staff for their support over the previous six months. Even though the University has faced a number of challenges during the past six months, there have been a number of positives. The UT-Battelle partnership that manages Oak Ridge continues to do good work and receive positive response. Significant research is underway and new facilities are under construction and due for completion in the near future.

Concentrated efforts are being made to bring federal funding to UT. Thanks to the efforts of Congressman Zach Wamp and Senators Bill Frist and Fred Thompson, the University recently received a \$40 million grant to be used to train law enforcement officials in crime scene investigations.

As a result of the acts of terrorism on September 11, 2001, the University has focused attention on bioterrorism, and a number of research efforts are underway. The highly successful Physician Executive MBA program in Knoxville is co-sponsoring a course in bioterrorism. More than 3,000 emergency physicians are expected to participate in the first phase of the program. The second and third phases of the program will provide training to family practitioners, pediatricians, internists, nurses and EMS personnel. Programs with a similar focus are underway at the Institute of Agriculture.

Mr. Fly called the Board's attention to the report of the consultant, Dr. Allan Barber, who was retained to evaluate the programs and future direction of The University of Tennessee Space Institute in Tullahoma (Exhibit 1). UTSI has been an important part of the lower Middle Tennessee region since it was established in 1964. In the 1990's, UTSI lost two multi-million dollar grants, one from the Department of Energy and one from NASA, and has never fully recovered from the losses. Efforts must be made quickly to solidify community and university support around an achievable mission for UTSI. Consistent with the consultant's report, Mr. Fly announced that responsibility for the Space Institute will be transferred from Dr. Dwayne McCay to Dr. Loren Crabtree. UTSI's academic future involves a much closer relationship with the Knoxville campus. Mr. Fly also announced that he will appoint two committees recommended by the consultant. A committee chaired by Dr. John Prados will look at alignment and integration of academic programs in Tullahoma and Knoxville. The other committee will be more externally focused, examining the educational needs of the UTSI service area and the best way to address them. Both committees will make reports in July 2002.

Mr. Fly then turned to highlight one of the outstanding programs of the University-- the Ames Plantation, an experiment station located in the lower, western section of the State. He introduced Dr. Allan Houston for a brief presentation about the Ames Plantation.

Dr. Houston explained that the Ames Plantation was originally owned by Mr. and Mrs. Hobart Ames. Mr. Ames offered his plantation for use in the world bird dog championship trials. His standard of judging bird dogs, the Ames Standard, is still used in the judging process. Upon Mr. Ames' death, Mrs. Ames established the Hobart Ames Foundation to support the Plantation, which became a part of The University of Tennessee. The Plantation, which is the largest agricultural experiment station in Tennessee and one of the largest in the nation, serves as a research center. In accordance with Mrs. Ames' wish, the world bird dog championships continue to be held at the Plantation. Through a power point presentation Dr. Houston showed Trustees some of the research taking place at the Ames Plantation and invited Trustees to visit and view first hand the work being done there.

V. APPROVAL OF THE MINUTES OF PRIOR MEETINGS

Mr. James A. Haslam moved approval of the minutes of the October 5, 2001 Fall Meeting of the Board of Trustees. Mr. Frank J. Kinser seconded, and the motion carried unanimously.

VI. NEW BUSINESS

A. REPORT OF THE FINANCE AND ADMINISTRATION COMMITTEE

1. **Fiscal Year 2001-2002 Revised Budget** (Exhibit 2). Mr. James A. Haslam, II, moved approval of the revisions to the original budget as presented in the FY 2001-2002 revised budget document and approved by the Finance and Administration Committee. Mr. R. Clayton McWhorter seconded, and the motion carried unanimously.
2. **Approval of FY 2002 Salary Increase Pool** (Exhibit 3). Mr. James A. Haslam, II moved approval of guidelines for salary increases proposed by the Administration and approved by the Finance and Administration Committee. Mr. Jerry Jackson seconded, and the motion carried unanimously.
3. **Approval of Reallocation Plans** (Exhibit 4). Mr. James A. Haslam, II moved approval of the reallocation plans as requested by the General Assembly and approved by the Finance and Administration Committee. Mr. Lynn Johnson seconded, and the motion carried unanimously.
4. **Approval of Ten-Year Plan for Knoxville Campus Student Housing** (Exhibit 5). Mr. J. Steven Ennis moved approval of the ten-year plan for Knoxville campus student housing as approved by the Finance and Administration Committee. Mr. James A. Haslam, II seconded, and the motion carried unanimously.
5. **Approval of Revised List of Capital Maintenance Projects** (Exhibit 6). Mr. J. Steven Ennis moved approval of the revised list of capital maintenance projects as approved by the Finance and Administration Committee. Mr. R. Clayton McWhorter seconded, and the motion carried unanimously.
6. **Authorization to Transfer Eugenia Williams Property to UT Foundation, Inc.** (Exhibit 7). Mr. J. Steven Ennis moved approval of

the transfer of the Eugenia Williams Property to the UT Foundation, Inc. as approved by the Finance and Administration Committee. Mrs. Susan Williams seconded, and the motion carried unanimously.

7. **Authorization to Assess a Student Fee for Construction of a Wellness Center at UT Chattanooga** (Exhibit 8). Mr. J. Steven Ennis moved approval of the authorization to assess a student fee at UT Chattanooga for a Wellness Center as approved by the Finance and Administration Committee. Mrs. Susan Williams seconded, and the motion carried unanimously.
8. **Filing of Minutes of the August 20, 2001 meeting of the UT Bowld Hospital Liaison Committee** (Exhibit 9). Mr. J. Steven Ennis moved acceptance of minutes filed for the UT Bowld Hospital Liaison Committee meeting held August 20, 2001. Mr. R. Clayton McWhorter seconded, and the motion carried unanimously.
9. **Approval of Resolution Appointing a Managerial Group for U.S. Government Contracts** (Exhibit 10). Mr. J. Steven Ennis moved approval of the resolution appointing a managerial group for U.S. government contracts as recommended by the Finance and Administration Committee. Mr. R. Clayton McWhorter seconded, and the motion carried unanimously.

B. REPORT OF THE ACADEMIC PROGRAMS AND PLANNING COMMITTEE

1. **Approval of Class Size Changes in Dentistry and Pharmacy, UT Health Science Center** (Exhibit 11). Mr. James E. Haslam, II, moved approval of the changes in class size for the Colleges of Dentistry and Pharmacy, UT Health Sciences Center as approved by the Academic Programs and Planning Committee. Mr. R. Clayton McWhorter seconded, and the motion carried unanimously.
2. **Approval of Mission Statement for UT Martin** (Exhibit 12). Mr. James A. Haslam, II, moved approval of the Mission Statement for UT Martin as approved by the Academic Programs and Planning Committee. Mr. R. Clayton McWhorter seconded, and the motion carried unanimously.

3. **Statement of Commitment to Diversity and Equal Opportunity** (Exhibit 13). Mr. James A. Haslam, II, moved approval of the Statement of Commitment to Diversity and Equal Opportunity as approved by the Academic Programs and Planning Committee. Mr. R. Clayton McWhorter seconded, and the motion carried unanimously.

C. PROGRESS REPORT ON THE PRESIDENTIAL SEARCH

Mr. Bill Funk, consultant for the presidential search, announced that the Presidential Search Advisory Council would meet in Nashville on December 12 to begin distilling a pool of candidates that have come through the public processes. He said the hope is that by the end of the day, the Advisory Council will have narrowed the field of candidates to three to five. Those will be tabulated in the consultant's office and their names will be announced publicly. Mr. Funk predicted that Trustees will be pleased with the names coming from that process. He said the open records laws in Tennessee have proved to be a hindrance to some degree. Mr. Funk said he is talking with a number of individuals around the country who have not yet declared themselves as active candidates.

Mr. Funk said there have been a handful of individuals who declined nomination because they felt revenues were unavailable in Tennessee to do the kinds of things they would want to do as President of The University of Tennessee. Most of the candidates who declined nomination did so for personal reasons such as pending retirement. He said the process will begin to move at a much more rapid pace after January 1.

In response to a question from Mrs. Susan Williams, Mr. Funk said there have been one hundred applications or nominations. Of that group, 46 individuals have declined to become candidates.

D. ANNUAL REPORT TO THE GOVERNOR AND GENERAL ASSEMBLY

Acting President Fly said state law directs the Board of Trustees to submit an annual report to the Governor and General Assembly, a copy of which was forwarded to Trustees (Exhibit 14). Mrs. Susan Williams moved approval of the report. Mr. R. Clayton McWhorter seconded, and the motion carried unanimously.

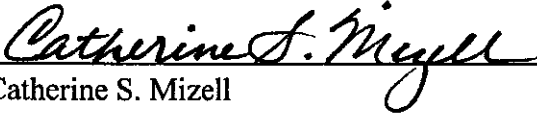
VII. OTHER BUSINESS

The Secretary announced the meetings scheduled for 2002:

1. Spring meeting in Chattanooga: April 4-5, 2002
2. Annual meeting in Knoxville: June 26-27, 2002

VIII. ADJOURNMENT

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



Catherine S. Mizell
Vice President, General Counsel and Secretary