

**MINUTES OF THE ADVANCEMENT AND PUBLIC AFFAIRS COMMITTEE
BOARD OF TRUSTEES
THE UNIVERSITY OF TENNESSEE
February 24, 2011
Chattanooga, Tennessee**

The Advancement and Public Affairs Committee of the Board of Trustees of The University of Tennessee met at 2:00 p.m. on February 24, 2011, in Room A of the University Center on the University of Tennessee at Chattanooga campus.

I. CALL TO ORDER

Chair George Cates called the meeting to order.

II. ROLL CALL

The Chair called the roll of committee members. Those present were:

Mr. George Cates, chair
Mr. Charles Anderson
Ms. Monice Hagler
Mr. James Murphy
Dr. Jan Simek
Mr. Karl Schledwitz
Mr. Charles Wharton

III. APPROVAL OF MINUTES OF LAST MEETING

The chair referred the committee to the minutes from the October 21, 2010 meeting. Mr. Wharton noted two corrections that needed to be made on pages two and four. The minutes were unanimously approved with the changes.

IV. WELCOME AND OPENING REMARKS BY COMMITTEE CHAIR

Mr. Cates thanked everyone for attending and noted the heart of the meeting today is the update on federal and state relations.

V. UPDATE ON FEDERAL, STATE, AND MEDIA RELATIONS

Hank Dye, Vice President for Public and Government Relations, started his presentation by giving an overview of what was submitted to the board notebook. There is a summary sheet that summarizes the communication plan that was involved in introducing and announcing the new President. There is also a link that takes you to a video that shows a compilation of the publicity from the announcement and introduction.

Mr. Dye introduced a new program that Kurt Schlieter, Associate Vice President and Director of Federal Relations, has been working on called Government Relations 101. Mr. Dye explained that there is urgency and concern for what is going in in Washington, D.C. GR 101 is a represented effort to maximize what the office of Federal Relations does. The idea is to reach out and be inclusive and prepare those who want to help. The objectives and goals are to strengthen advocacy, increase funding, maximize resources and create the best environment that we can for people to help us tell our story. Participants will primarily be senior leadership at Campuses and Institutes. It will involve engaging with chancellors and research oriented leadership on campuses and selecting

faculty leadership with legislative interest to get them ready to go to Washington. Staff will travel to the different campuses and conduct seminars and provide material that will explain and define the “what” and the “how.” Mr. Dye reviewed the timeline with the group and then introduced Kurt Schlieter.

Mr. Schlieter gave an update on the Fiscal Year 2011 budget. There are several possible outcomes which are: a full year continuing resolution on FY10 or a lower top-line spending amount, defense bill plus full-year continuing resolution for all other agencies, series of short-terms continuing resolutions at FY10 levels or lower while negotiating House and Senate position or negotiations could fail which could result in a government shutdown. There are three different paths he is working on: Fiscal Year 2011, Fiscal Year 2012 Appropriations and Fiscal Year 2013 Agency Budget Preparations. Mr. Schlieter introduced Damian Kunko from Strategic Marketing Innovations, the consulting firm hired in January, who is helping us prepare for FY 2013.

SMI is helping UT track the FY11 budget process and engage agency program managers to determine core funding availability for UT programs. They are also working with Kurt and Hank to Develop an internal advocacy training tool to help gain program marketing expertise. Between February and September, the number one goal is to influence and develop some marketing campaigns for key UT priorities. Some long term goals include working with “star researchers” on identifying key opportunities for UT and position UT for competitive solicitations. Karl Schledwitz asked how we know when we’re successful. Are there any benchmarks to determine successfulness? Mr. Schlieter answered that it will be a long process in order to be able to determine that. There will be some evidence in FY 2013. George Cates asked about the focus in Congress and concerns for impact on UT relative to those aspects of the budget on programs that constitute about 8% of the total budget. Mr. Schlieter has had conversations with staff regarding entitlement reform and he agreed that it is a very big problem. Continued attention will be a priority.

Anthony Haynes, Associate Vice President and Director of State Relations, gave an update on the atmosphere of the legislature in Nashville. There are 23 new members in the legislature that are very involved in this session. Mr. Haynes noted several focus priorities for the session including the best interest of the students, such as lottery, financial aid and guns on campus, keeping politics out of the classroom, and continually reducing the administrative burden and the cost of operating at UT. Spruell Driver asked about an update on summer school with an emphasis on completion. Mr. Haynes responded that summer lottery funding is one of the initiatives of the Governor and should have a positive impact. Without any further questions, Mr. Dye concluded his report.

VI. UPDATE ON MEDIA RELATIONS

Mr. Dye gave an update on the Government Relations website and suggested the group review it at their convenience at <http://tennessee.edu/govrelations/>.

VII. UPDATE ON THE CAMPAIGN FOR TENNESSEE

Scott Rabenold, Interim Vice President for Development and Alumni Affairs, recognized a couple of individuals in the audience. Mr. Kenny Blackburn is present representing the UT Development Council (UTDC). He serves on the council’s executive committee. The Development Council will be back in Chattanooga in April. The council has been instrumental in the success in the campaign and the executive committee is currently looking at how to expand the council. Mr. Blackburn also serves on the UT Foundation Board of Directors. Also in attendance are Mike and Carolyn Moss. Mr. Moss is current president of the UT Alumni Association (UTAA). In this role, he has logged well over 30,000 miles and closing in on about 100 nights in hotels this year on behalf of the university. He is in town for this meeting, then will be attending this evening the Hamilton County Alumni Chapter meeting. He will travel to Martin on Saturday. Mr. Rabenold thanks Mr. Blackburn and Mr. and Mrs. Moss for their service and commitment to the University of Tennessee.

Campaign Progress: There are ten months remaining in the campaign. January was a good month with over \$10 million being raised. This has brought the fundraising total to \$1.1 billion. He and his staff are beginning to think about what is next – entering into what is called interim campaign strategies. Clearly when this campaign is over, there will still remain unfunded priorities and new priorities that have been identified, and the staff will continue to be aggressive in fundraising. The staff also has been out with Dr. DiPietro introducing him to donors and at UTAA chapter meetings.

Campaign Expectancy Report: The blue bars indicate the projected cycle of the campaign. The numbers have exceeded the projections each year. Mr. Rabenold pointed out that on December 31, UT Chattanooga achieved their goal of over \$65 million, which is a great achievement. This is due to great leadership from UTC along with extraordinary volunteer leadership.

Calendar Year to Date Comparison – 2009 vs.2010: It measures two areas and shows that the campaign progress defined as gift commitments (pledges, deferred, or outright gifts) are up 16%; and that cash receipts are up 12%.

Planned Giving: A significant investment has been made in planned giving during this campaign. Questions are asked as to why planned giving is so important since those gifts come in the future. This is the only way that some donors are able to make a significant gift to the university. There was an impact in calendar year 2010. A total of 125 donors made their ultimate gift to the university totaling \$13 million through planned gifts.

Calendar Year 2011 Goals: In addition to the fundraising goals, Mr. Rabenold shared some of the operational goals:

- To ensure the successful completion of the campaign, the staff will continue to raise as much as possible during the last ten months of this campaign.
- Develop a strategy to celebrate the success of the campaign and communicate its impact. The University of Tennessee has accomplished what only 28 other institutions have done.
- Create strategies to ensure continued fundraising momentum post-campaign.

In an effort to enhance areas that ensure long-term successful fundraising, the following areas need to be reviewed to see how we can:

- Engage alumni via communication efforts, meaningful volunteer opportunities, and interaction with students, faculty and university leaders.
- Improve quality of alumni data in database (address, email, phone, employer, etc.).
- Increase number of donors annually.
- Increase identification of more leadership donor prospects.
- Review stewardship programs at the campus and system levels to thank donors for their investments in UT.

Staffing Requests for Fiscal Year 2012:

- UT Knoxville – Five (5) development officers
- UT Health Science Center – Five (5) development officers
- UT Institute of Agriculture - One (1) development officer
- UT Martin – One (1) development officer

VIII. UPDATE ON UT FOUNDATION PLAN

Mr. Rabenold gave a brief update and next steps of the UT Foundation plan:

- Legislation is in process. Hank Dye, Anthony Haynes, and staff have worked diligently, and hopefully this will be done by the spring.
- Execution of the Affiliation Agreement Contract with approval from the Attorney General's office.

- Draft and execute Employee Services Agreement between UT and UTFI to formalize employee leasing arrangement.
- Finalize UTFI policies and procedures and review by-laws.
- Develop a new foundation logo and communications plan to all alumni and prospective donors once all approvals are finalized.

In January, Trustee Horne flew several of the foundation board members and Dr. DiPietro to Bonita Springs, Florida, to attend an Association of Governing Boards (AGB) conference. Those who attended came away feeling that the University of Tennessee is very well organized with its foundation plan. This is a credit to the UT Foundations Study Committee and their work.

Dr. DiPietro commented that he was at UTC the day they exceeded their campaign goal. It was a development person who mentioned to Mr. Foy that UTC was close but needed some help in reaching their goal. Mr. Foy wrote the check that put them over the top.

IX. NAMING OF THE GOLF PRACTICE FACILITY AT UT KNOXVILLE

On behalf of the University of Tennessee, Knoxville Athletics, Dr. DiPietro asked the University of Tennessee Board of Trustees to approve the naming of the newly developed golf practice facility the Mack and Johnnie Day Practice Facility. The Days have been among the University of Tennessee's most generous philanthropists. Much of their support has been given to the UT Health Science Center Hamilton Eye Institute and the UT Knoxville golf programs.

President DiPietro moved approval of the naming of the golf facility; seconded by Trustee Schledwitz, and the naming was unanimously approved.

X. OTHER BUSINESS

No other business stated.

XI. ADJOURNMENT

With no other business stated, the meeting was adjourned.



 Scott Rabenold
 Interim Vice President for Development
 and Alumni Affairs



 Hank Dye
 Vice President for Public
 and Government Relations