

**MINUTES OF THE ADVANCEMENT AND PUBLIC AFFAIRS COMMITTEE  
BOARD OF TRUSTEES  
THE UNIVERSITY OF TENNESSEE  
February 26, 2010  
Martin, TN**

The Advancement and Public Affairs Committee of the Board of Trustees of The University of Tennessee met at 10:30 a.m. (central time) on February 26, 2010 in room 229 of the Boling University Center on the Campus of UT Martin, Tennessee.

**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. WELCOME AND OPENING REMARKS BY COMMITTEE CHAIR**

Chair Cates welcomed everyone to the meeting and thanked them for their attendance.

**IV. APPROVAL OF MINUTES OF LAST MEETING**

The Chair referred the Committee to the minutes from the October 8, 2009 meeting of the Committee. A correction was made to item VII that the report was given by the President of UT Development Council, not the President of the National Alumni Association. Another correction was made to item IX that ENG should be E & G. A motion to approve the minutes was duly made, seconded and unanimously approved.

**V. UPDATE ON FEDERAL, STATE, AND MEDIA RELATIONS**

Hank Dye, Vice President of Public and Government Relations, started his presentation be reintroducing the Federal Relations timeline for development and implementing of system federal priorities. Hank explained that Kurt Schlieter, Vice President and Director for Federal Relations, visited UT a few weeks ago and met with staff to go over priorities to submit for our federal asks. The federal priorities continue to be biomass/biofuels, environment/climate, materials science and UTHSC research. Looking back at FY10 funded appropriations, the total is around \$12 million, which is an average year for UT. Going in to FY11, we have about \$120 million in federal asks. It is very ambitious and we may not receive them all, but we will certainly work toward the majority.

Hank continued by presenting the state relations timeline for implementing key state legislative priorities and opportunities. Hank introduced two new staff members located in the Nashville office and described how much help it has been to Anthony Haynes, Associate Vice President and Director for State Relations. Hank then explained the strategic outlook for the state relations department, which includes inclusive outreach to the Alumni Legislative Council, the Chancellors, faculty, students and different alumni chapters. Hank also talked about expanding communications and announced that UT will be introducing a new government affairs website and it will be a one stop shop for the public.

Anthony Haynes began his presentation by reviewing the legislative calendar and discussing the upcoming budget hearings and UT Day on the Hill. Anthony briefly discussed the top issues and bills within the legislature, proprietary schools, guns on campus, full-time student hours, textbooks, academic credit/government service, immigration/admission, RIF, 20 hours and graduate medical education.

Hank then introduced Gina Stafford, Assistant Vice President and Director of Communications, to give an update on communications. Gina started with internal communication and explained the new news roundup, the HR website redesign and the internal HR restructure and the Interim President's most recent webcast. The News Roundup covers legislative updates and different campus news and is very user friendly. The redesigned HR website shared services model with East and West centers became effective January 2010. The webcast following the Governor's State of the State address discussed some aspects of the Governor's message and opportunities outlined for the University.

Gina then discussed several highlights from the different campuses regarding media coverage. Highlights from the media include the Biorefinery grand opening, UTC Wheelchair Tai Chi, UTHSC Mid-South Eye Bank, IPS NFA trains Crime Scene Investigators in Utah, UT Martin's new student recreation center and UT Knoxville handling a Widening Teacher Gap.

## **VI. UPDATE ON UT ALUMNI ASSOCIATION STRATEGIC PLAN**

Lofton Stuart began by introducing Dan Brown, President of the UT Alumni Association. While Mr. Brown is not giving a presentation, he did want to attend this Committee meeting. Mr. Stuart thanked Mr. Brown for the time, service and support he gives to the University.

The Alumni Affairs has instituted a strategic planning process. Lofton Stuart presented some preliminary data in this planning process which is one of the most important things the UT Alumni Association (UTAA) has done in its 170 year history. For the very first time this year, the UTAA has begun to ask alumni what is important, what the Association is doing right and what the Association is not doing. This will then be evaluated and a plan of action will be developed and will be implemented during the next decade. The idea of having a strategic plan began about 3 ½ years ago when Debbie Diddle was the President of the UTAA. It was determined the Association needed to begin the process of trying to do as intensive and extensive survey of alumni to come up with data that could used to begin to put together to come up with a strategic plan for the Association.

A questionnaire was sent out to all alumni on record in December 2009. A follow up was done three times. Mr. Stuart referred the Trustees to the UTAA Strategic Plan Statement of why the

Association is going through this process. There are also some other underlining facts. This is something that absolutely needed to be done. This needs to be a very intensive and comprehensive study. The UTAA is a very large alumni association of 320,000 living alumni spread throughout the world. Because alumni have never been asked for their opinion, UTAA needed to be sure to try to get input from as many as possible. It was also important to try to be as collaborative as possible. It was important to put together a committee that not only reflected the leadership of the organization but brought together representatives from each of the campuses that represented each aspect of the Alumni Association. It was also important to involve not only the active alumni but also those that have not been active and to ask them why they have not participated in the Association. When Mr. Stuart first took the job of Executive Director of the UTAA, his ultimate goal in this process was that before he leaves this position, he wanted to try to create a single Alumni Association and is hopeful this can be accomplished. The goal is not only to look at what our current needs are and how to accomplish that but how to work together as a system organization with campuses being able to provide the services our alumni wants provided.

When creating the UTAA Strategic Planning Steering Committee, types of individuals that represented the different areas of the university were identified. This group is an overall collaborative group of people representing every area of the university who are able to evaluate the data now being received and to come up with a strategic plan.

The Committee is about three quarters through the timeline. Data has been collected for the past few months, meetings have taken place, and the Committee had been talking with alumni groups. Next weekend, the UTAA Past Presidents will be coming to Knoxville and the consultant will be in town to interview them. The Steering Committee will meet next Thursday to begin taking the data and trying to dissect it and begin to development a plan. The Committee hopes to have a strategic plan finalized by the end of May and will present it to the UTAA Executive Committee to debate and discuss. They will then present the final plan to the full UTAA Board of Governors in June of this year. The Committee will then ask Dan Brown to present the final plan UT Board of Trustees at the June meeting to review and hopefully endorse at that time.

Not only has the survey been done, but several working groups/task forces have been given specific responsibilities to look at various areas of the Association. Five groups/task forces have presently completed their work. They are:

- Alumni programming: What we are doing, not doing what we can do better.
- Database Management: This is important for us to be able to reach our alums and to keep up with the 320,000 living alumni we have throughout the nation. It is an interesting fact that we make over 60,000 changes to our alumni records each year. Therefore, it is a job to keep up and make sure our information is accurate.
- Legislative Relations: We have a group of who has been studying legislative relations in which Spruell Driver has been a respected and influential member of that group.
- Marketing Segmentation: We have always treated our alumni pretty much the same way. What we are finding, we need to segment our market for programming and solicitation in the future.
- Financial Modeling: How to pay for the things that are getting ready to be recommended to the Alumni Board and the UT Board of Trustees.

The data is very preliminary but it has pointed out some things we probably felt we knew but also a few surprises. The company used to help us through this process has done consulting for strategic planning. They have worked with 140 other schools including The University of Tennessee. This survey was put together by 11 schools about four/five years ago to help determine not only the stratification level with what the Association is doing but their satisfaction level of how well they were trained as a student, how pleased they were at selecting the institution and how involved they have been as an alumni and the types of programming they would like to participate in. In order to save money and knowing there were a large number of e-mail addresses for alumni, the decision was made, as most of the other schools did, to do the preliminary study to everyone who had an e-mail address. There were approximately 130,000 e-mail addresses on the Alumni system. The response rate received from alums was 10.15%. In looking at the responses from all of the other schools, UT is right in the very middle of what those other response rates are. The fact that over 10,000 forms were received back from alums gave not only an overall effect but gave substantial numbers to break down into various other categories to share with campus chancellors and alumni directors with what individual feelings are of the alumni. Since surveys were sent to only those alumni with e-mail addresses, it was important to do a check that the numbers and responses were valid. The decision was made to send out at least 1,000 printed documents to alumni groups on each campus (for a total of 4,000). That data will be used to verify the data received from the 10,000 e-mails is truly valid data.

The consultant was asked to be helping breakdown the groups in various categories. The first is by era – how many responses from people in various years. The majority of the males who responded were from the WWII and Vietnam era, the majority of the females that responded were from the most recent graduates. Also a breakdown of degree obtained – how many received graduate degrees versus undergraduate degrees. The most who responded received an undergraduate degree. Alums were asked if they have made distributions to the university or are considering making contributions to the university. Over 40% say they have made a gift in the past and plan to increase their giving in the future. Alumni were how they truly feel about the institution, their experience as alum, their experience as a student and their decision about whether to attend the University of Tennessee. Over 90% of the responses indicated it was either a good decision or a great decision. Next, they were asked to describe their experience as alum. 70% either had a good or excellent experience. The challenge is to begin to bring their good experience over to an excellent experience. Next they were asked what best describes their current opinion of the University of Tennessee. And of those 90% who responded stated they had either a good or excellent opinion about the university. The next area to analyze is the area of communication. This is where to begin to make decisions on what is being done right and what is being done wrong.

Due to time constraints, Mr. Stuart gave a summation of the findings so far in this process.

- Feedback: Important to be sure to get feedback to our alumni on how the data will be used.
- There is a real opportunity to increase alumni engagement through Career Services. Something the Alumni Association has never done but has been coming back to time and time again on these surveys of an area they felt was important that is being done by the Association at this point.

- Additional emphasis in the area of regional programs. One of the surprises is that we were not contacting our alumni too much through e-mails and mailings. Alumni do not feel burdened by too much printed or e-mail correspondence from the university.
- Alumni communications should showcase academics and classes; skills and training that students get for their careers; relationship with faculty; how students get more exposure to new things than ever before; and examples and processes creating more collaboration, mentoring, and long-term relationships between students and their faculty.

Again, Dan Brown will bring back a full report to the Board of Trustees at the June meeting. Mr. Stuart and the UTAA appreciate the assistance the Trustees have given to the Association.

## VII. CAMPAIGN UPDATE

Henry Nemcik introduced David Shufflebarger, Managing Partner with Alexander Haas based in Atlanta. Mr. Shufflebarger has been a consultant with the University for the last 10 years. His contract was concluded in December 2009. He will provide his perspective of where we were, where we are and areas of improvement that need focus. Mr. Nemcik reported the campaign has been underway for five years and would like to inform the Board we are moving in on the \$1 billion goal and will probably achieve that goal before the next Board meeting. The university is about \$25 million away from that goal as of today.

Alexander Haas (AH) began their work with the university with the Eye Institute Campaign. AH also conducted feasibility studies for Knoxville Colleges of Business and Engineering and Athletics. They consulted on the *Step-Up Campaign* and *The Campaign for Tennessee*. Through the years, Mr. Shufflebarger has been the point consultant and has had eight other senior consultants involved in all of these campaigns.

The University of Tennessee was a pioneer in engaging volunteers. Dr. Andy Holt worked in developing the UT Development Council which has just celebrated its 50<sup>th</sup> anniversary. For those of us who broke into the alumni and development work in the late 60's, it really marked the modern advancement where it really started significantly with the University of Michigan's first campaign that started in the late 60s and ran into the 70s. It was a struggle but they pulled it off and it was a benchmark campaign for those of in public higher education. The second major campaign in America among public universities was the University of Tennessee's *Tennessee Tomorrow Campaign*. This campaign did not struggle and began with a \$35 goal and raised \$57 million. Fast forward to today, UT is getting ready to hit the \$1 billion mark with *The Campaign for Tennessee*. The university will join 28 other public universities that have raised \$1 billion in campaigns. Five of those 28 are in their second \$1 billion campaigns. Two are public institutions in the SEC – University of Kentucky and University of Arkansas.

Over the years, state universities have closed the gap with private universities. Major investments have occurred in public higher education in terms of investments in development and alumni programs. Another major trend is the evolution of university-related foundations in leadership roles. UT had mini campaigns in the 80s then prepared for *The 21<sup>st</sup> Century Campaign* in the 90s which raised \$433 million.

Since the last campaign, there have been some mini-campaigns going on at the Eye Institute, UTC Engineering, Baker Center and Athletics. The move forward into the current campaign was delayed with some presidential transitions which caused a slow down. Dr. Johnson was interim president at the time the feasibility study was launched for the current campaign. The study tested the goal of \$809 million and came back with a recommendation that was achievable if some large gifts were secured and a \$1 billion goal was achievable with some really large gifts secured. That study did not include athletics but was added at a later date. Looking at transitions, if you go back to January 2005, only one of the current chancellors was in office (UTC Chancellor). The current vice presidents for agriculture, public service, and space institute were not in place. Three key vice chancellors for development and alumni affairs at UTK, UTC and UTM have been in place during this time and provided continuity since January 2005. There have been very substantial transitions, as well with the Vice President for Development and Alumni Affairs and Executive Director of the Alumni Association. With Henry Nemcik's arrival, he brought some external perspective in identifying some key areas of focus and then a campaign plan was quickly ready to go. He worked with and launched the Campaign within a month of presidential approval after his arrival in September 2005 with some principles of doing this open with transparency and sophisticated reporting. There was a new focus on biographical data, metrics-driven fundraising, planned giving, alumni affairs and enhancing all system service functions.

For the first time, the Campaign included a solicitation of the UT Board of Trustees taking a leadership role. Clayton McWherter led that effort. The same was done with the UT Development Council. There was great volunteer leadership with Mr. and Mrs. Jim Haslam and Brenda Lawson and each campus had strong leadership in place as well as colleges. The *Family Campaign*, led by Dr. Joe Johnson, is something special to celebrate. At the public launch, it was announced that \$48.7 million has been raised from faculty and staff. Since that time, the number has grown to \$70.5 million. This is a major commitment from the faculty and staff. The *Family Campaign* was an effective coordination solicitation on all campuses. During the course of this current Campaign, athletics has risen to be among the very best in athletic philanthropy. Another special highlight is the eight leadership gifts making up \$195 million of the \$1 billion goal. Every development officer on every campus is stronger today than when the Campaign began. Planned Giving is one of the hallmarks. When Woody Henderson meets with the peer group in the SEC and now the ACC, he gets applause for what the University of Tennessee is doing. UT is believed to be the first public university to appoint a planned giving officer in 1969. Planned Giving has hit a grand slam in this Campaign. Advancement Services had some challenges prior to the Campaign but now has moved to a whole new level. As far as communications during this Campaign, UT has had some first class publications. Moved into new levels of prospect research with electronic screening but in addition, the university engaged a professional group of collaboration called Eduventures in advance research. Training was enhanced significantly with the engagement with a national group called Advancement Resources. Another strength is the development and alumni partnership.

Areas to improve would be the case for support grounded in the strategic plan. Good work has been done on each campus on this effort. There have been some strongly engaged volunteers but not enough. The university can move significantly forward in this effort. Stewardship was an area that was a bit of challenge. It is important to make sure gifts are used effectively. That is a key leadership function on the campuses for the chancellors, deans, provosts and departments to put into place. There are two foundations which for the most part are passive

and not active forces in the Campaign. The Board has appointed the Foundations Study Committee to look at ways to strengthen that role. A staffing plan, which had not been done before the Campaign, was developed during the course of the Campaign that shows the return on investment for the staffing. It is a challenge to fulfill that but this is an area where a rationale can be developed.

Benchmarking is imperfect at best. Campuses that have peers selected by THEC were used. It is tough to do this with UTHSC and Agriculture and there are none for IPS and Space Institute. Mr. Shufflebarger wanted to emphasize this data is snapshot data – it is annual cash data opposed to campaign data.

To show how UT measures among peer institutions, the following is a breakdown of the total giving average per year FY 05 – FY 09 per campus.

UT Chattanooga: \$6,444,596 (8<sup>th</sup> among 13 institutions)

UT Knoxville: \$87,978,956 (8<sup>th</sup> among 13 institutions)

UT Martin: \$2,853,719 (9<sup>th</sup> among 10 institutions)

UT Health Science Center: \$13,154,607 (2<sup>nd</sup> among 3 institutions)

UT Institute of Agriculture: No individual data for this, the Eduventures study done shows that Agriculture units contributed \$3 million to nearly \$18 million annually toward total fundraising results reported to CAE.

Mr. Shufflebarger is thankful for the opportunity and privilege to serve the University of Tennessee and salutes the university for the great job being done.

Mr. Cates appreciates this information. It is critical information and the Board will continue to hear of the need of investment in people because this is the future and the Board must find ways to invest in more development people.

The question was asked how quickly the decline was in state support in Virginia. According to national data, what was elevating Virginia was the role of endowment income. They had built the endowment significantly and they began to build other support such as annual giving, additional endowments and capital. They did a great job in capital. Part of the philosophy in Tennessee is that the state provides buildings because the university does not want to get into capital. When AH did the study, this is no longer viable. You have to be partners in philanthropy and buildings from our perspective. Virginia was actually slow to ramp up. Carolina got ahead in the 90s and started investing and that is what drove that impact of philanthropy taking a larger role. Tennessee can catch up – it is doable.

The Question was asked about raising money through a foundation or through development. The answer is that it is a partnership. The Foundation is a vehicle to raise money. The toughest thing for a President and Chancellor to do is to examine alumni and development. If there is a vehicle that would protect and sustain, a foundation is a vehicle to do it even if the staff are at the university. The Foundation may be reimbursing development or they could be foundation employees. The role of a foundation is a primary vehicle supporting funding for development and alumni.

**VIII. RENAMING WHITE AVENUE BUILDING AND WHITE AVENUE BIOLOGY ANNEX (UT KNOXVILLE) – CONSENT**

Dr. Simek presented a memorandum to the Committee at the request of the Knoxville campus to rename the White Avenue Building and the White Avenue Biology Annex on the Knoxville campus. The White Avenue Building is currently housing research operations. The proposal is to change the name to Blount Hall. The University was chartered as “Blount College” in 1794. The Charter was issued at Blount Mansion, the home of the Governor which still stands. Blount College ceased to exist December 3, 1807 with passage of an act by the legislature incorporating its assets into the newly established East Tennessee College. The White Avenue Biology Annex is currently under renovation and near completion. This facility will serve as swing space for research. The proposal is to change the name of this building to Senter Hall in recognition of Governor Dewitt Clinton Senter, who saved the Land Grant status of the institution.

A motion to approve the recommendation to present both of these name changes to the full Board was duly made, seconded and unanimously approved.

**IX. OTHER BUSINESS**

Karl Schledwitz stated that in six months there will be an election for the governor. This presents a great opportunity for the university. When looking at the UT Health Science Center, the THEC formula is very complex and unique for the medical school. It has its own challenges. The university has lost articulating those challenges in the political world in the past. This one opportunity that comes along every so often and he would like to encourage the Board to do what we did years ago which is to invite each gubernatorial candidate to come to the UT Health Science campus. This would be organized by Hank and the chancellor. The candidate would not only be shown the dilapidated buildings and would not just be asked them to support the campus, but there would be a specific agenda that says here are the inequities that exist with the medical school funding formula with THEC and here is specifically what we would like to ask each of you as candidates to pledge in support. If this could be done with a report made in June, he would be a happy camper.

**X. ADJOURNMENT**

With no other business stated, the meeting was adjourned.

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Mr. George E. Cates, Chair  
Advancement & Public Affairs Committee