

THE UNIVERSITY OF TENNESSEE  
BOARD OF TRUSTEES

MINUTES OF THE EXECUTIVE AND COMPENSATION COMMITTEE

May 13, 2013  
Nashville, Tennessee

The Executive and Compensation Committee of The University of Tennessee Board of Trustees met at 11:15 a.m. EDT, on Monday, May 13, 2013, in the offices of Bradley Arant Boult Cummings in Nashville, Tennessee.

**I. CALL TO ORDER**

Chair Don C. Stansberry, Jr., called the meeting to order.

**II. ROLL CALL**

Secretary Catherine S. Mizell called the roll, and the following members of the Executive and Compensation Committee were present:

Don C. Stansberry, Jr., Chair  
Charles C. Anderson  
George E. Cates  
Joseph A. DiPietro  
Spruell Driver, Jr.  
D. Crawford Gallimore  
James L. Murphy, III  
Charles E. Wharton

The Secretary announced the presence of a quorum of the Committee. Other Trustees and administrative staff were also present.

**III. MINUTES OF LAST MEETING**

Chair Stansberry asked for any corrections to the minutes of the February 28, 2013 meeting of the Committee. Trustee Gallimore moved approval of the minutes. Trustee Anderson seconded the motion, and it carried unanimously.

#### **IV. PRESIDENT'S REMARKS**

President DiPietro said he has been very engaged with the Governor's higher education working group. The group's thrust has been the "Drive to 55" by 2025, a lofty goal for the state, and various models for achieving that goal.

Dr. DiPietro reported that UTC had a record 1,300 graduates this month, while UTM and UTK graduated 850 and 3,800, respectively.

This year's state appropriations for the University, he noted, are the best during his six years with the University. State and higher education employees are slated to receive a 1.5% pay increase, and the state will continue to fund the 401(k) match. In exchange for a maximum 6% tuition increase, the legislature approved full funding of the Complete College Tennessee Act formula. UTIA and IPS will receive a 2% increase in funding. The College of Veterinary Medicine and the Health Science Center each received a 3.5% increase in funding. Capital funding was included for the Health Science Center, Knoxville, and Martin facilities. Educational programming funds were allocated at Knoxville and IPS. Research grants were funded for the supercomputer and pediatric disease programs in Memphis. An amendment at the end of the legislature's deliberation on the state budget requires UT Knoxville to prepare a report on use of student activity fees in the past year and proposed uses for the coming year. A subcommittee of the Senate Education Committee will hold a meeting on May 16 to consider student activity fees, proprietary schools and regional accreditation, and tuition increases.

Turning to recent staffing decisions, Dr. DiPietro reported that with the active involvement of UTC Chancellor-Elect Steve Angle, UTC has hired an athletic director and is completing negotiations to hire a provost so that the new Chancellor will have a full staff upon arrival in July. The President praised Dr. Grady Bogue for the outstanding job he has done in advancing UTC in the interim. And finally, he announced that Tonjanita Johnson, the new Vice President for Communications and Marketing, will start work in late June, and the UTRF Board will nominate Dave Washburn as the next president.

#### **V. PLANNING THE 2013 WORKSHOP**

Chair Stansberry reported that the Trusteeship Committee, which has been charged with planning the 2013 workshop, has concluded the workshop should focus on retention and graduation rates and the related subjects of summer

school and advising. Best practices will be researched and presented for discussion.

## **VI. TENTATIVE SCHEDULE AND AGENDA FOR THE ANNUAL MEETING**

Secretary Mizell informed the committee that Chancellor Arrington has graciously agreed to host the Annual Meeting of the Board on the agriculture campus, including a reception, with tours, and dinner. She noted that the tentative agenda for the Annual Meeting (Exhibit 1) reflects the March 1 Bylaw amendment authorizing use of a committee consent agenda to allow more time for discussion of substantive matters in the committees.

The Committee reviewed the tentative list of agenda items, with particular emphasis on the consent agenda for the Finance and Administration Committee and the Disclosure of Additional Revenue/Institutionally Funded Capital Projects for FY 2013-2014. Chair Stansberry and Trustee Anderson expressed some discomfort with this item being on the committee consent agenda. In response to a question from Trustee Murphy, CFO provided examples of projects funded through this method in the past. He also explained that when the Board approves the capital outlay budget each year at the Fall Meeting, it authorizes the President to approve additional institutionally funded projects identified after the Fall Meeting to allow those additional projects to be submitted to THEC in time for inclusion in the state budget for the next fiscal year.

Chair Stansberry asked for a report from the UT Knoxville campus on how differential tuition funds are being used. Chancellor Cheek said the annual audit of how the funds are used will be completed in time for a report at the Fall Meeting in October.

Chair Stansberry urged the committee chairs to review the tentative agenda carefully, including the items designated for the committee consent agenda, and to notify the administration of any items to be added to the committee agenda.

## **VII. MODIFICATION OF TERMS OF UTC CHANCELLOR APPOINTMENT TO REQUIRE RESIDING IN UNIVERSITY-LEASED RESIDENCE FOR A MAXIMUM OF ONE YEAR**

President DiPietro reminded the Committee that the compensation package for Dr. Steven R. Angle, Chancellor-Elect of The University of Tennessee at Chattanooga, included a monthly housing allowance of \$1,666.67 (\$20,000

annually) in recognition of his need to reside in housing suitable for carrying out his official responsibilities to entertain donors and other important University guests. Dr. DiPietro noted that the housing allowance was consistent not only with the Board's earlier determination to discontinue the practice of providing University-owned or -leased housing to the President and Chancellors, but also with Dr. Angle's desire to live in a personal residence. Dr. DiPietro explained, however, that in conversations subsequent to his election, it became evident that Dr. Angle would not be able to locate and move into a residence in Chattanooga suitable for carrying out his official responsibilities upon assuming office on July 1. Dr. DiPietro further explained that to avoid any delay in carrying out the important entertainment responsibilities of the Chancellor, he recommends that Dr. Angle be required to reside in the Chancellor's residence for a period beginning July 1 and ending no later than June 30, 2014 (Exhibit 2).

Trustee Wharton moved that the terms of Dr. Steven R. Angle's appointment as Chancellor of The University of Tennessee at Chattanooga be modified to provide that, in lieu of the previously approved monthly housing allowance, Dr. Angle be required to reside in the University-leased Chancellor's residence for a period beginning July 1, 2013 and ending no later than June 30, 2014, and that effective July 1, 2014, his compensation will include a monthly housing allowance of \$1,666.67. The motioned was seconded and carried unanimously.

#### **VIII. 2014 DATES FOR REGULAR BOARD MEETINGS AND A WORKSHOP**

The Secretary announced that after conducting conflict checks, the following dates are proposed for three regular meetings of the Board of Trustees and a workshop in 2014:

Winter Meeting, February 26-27, 2014 in Martin  
Annual Meeting, June 18-19, 2014 in Knoxville  
Workshop, September 9-10, 2014 (location to be determined)  
Fall Meeting, October 16-17, 2014 in Knoxville

She explained that the Fall Meeting date is tentative, pending release of the 2014 Volunteer football schedule. If a home football game is not scheduled for October 18, 2014, alternate Fall Meeting dates will be recommended.

Trustee Murphy moved approval of the 2014 dates for regular board meetings and a workshop. Trustee Gallimore seconded the motion, and it carried unanimously.

**IX. OTHER BUSINESS**

There was no other business to come before the Committee for action.

**X. ADJOURNMENT**

There being no further business to come before the Executive and Compensation Committee, the meeting was adjourned.

Respectfully Submitted,

  
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Catherine S. Mizell  
Secretary