

THE UNIVERSITY OF TENNESSEE  
BOARD OF TRUSTEES

MINUTES OF THE TRUSTEESHIP COMMITTEE

December 16, 2011  
Nashville, Tennessee

The Trusteeship Committee of the Board of Trustees of The University of Tennessee met at 11:00 a.m. CST on Friday, December 16, 2011, in the offices of Bradley Arant Boult Cummings in Nashville, Tennessee.

**I. CALL TO ORDER**

James L. Murphy, III, Chair, called the meeting to order.

**II. ROLL CALL**

Catherine S. Mizell, Secretary, called the roll, and the following members were present:

Joseph A. DiPietro  
D. Crawford Gallimore  
James L. Murphy, III  
Don C. Stansberry, Jr.

The Secretary announced the presence of a quorum of the Committee. Trustee James E. Hall and members of the administrative staff were also present.

**III. OPENING REMARKS BY COMMITTEE CHAIR**

Chair Murphy welcomed the Committee's newest member, Crawford Gallimore and welcomed back Don Stansberry, who once served as Chair of the Committee.

**IV. APPROVAL OF MINUTES OF PRIOR MEETING**

Chair Murphy called for corrections or additions to the minutes of the June 22, 2011 meeting of the Trusteeship Committee. There being no corrections or additions, Trustee Stansberry moved approval of the minutes, and Trustee Gallimore seconded. The motion carried unanimously.

**V. PRELIMINARY REVIEW AND DISCUSSION OF A BYLAW AMENDMENT TO CREATE A HEALTH AFFAIRS COMMITTEE AS A STANDING COMMITTEE**

## OF THE BOARD

Chair Murphy asked Dr. DiPietro to present the proposal to create a Health Affairs Committee (Exhibit 1). Dr. DiPietro explained that in October 2009, the Bylaws were amended to allow the Vice Chair to appoint a Health Affairs Advisory Board. Due in part to the difficulty of securing regular attendance by members of the large Health Affairs Advisory Board, it has not been as effective as desired. In addition, the significant financial implications of future health care delivery transactions require more direct engagement by the Board of Trustees. Dr. DiPietro said he supports the proposal to create a Health Affairs Committee as a standing committee of the Board of Trustees to promote more effective and transparent communications about these significant transactions.

Chancellor Schwab added his endorsement of a committee of the Board dedicated to the Health Science Center. He noted that there currently is more revenue in the two faculty practice plans ( 501(c)(3) corporations) than in state appropriations, tuition, and research combined. These organizations are the source of the only discretionary money available to the Health Science Center, and future growth depends on several additional clinical practice plans and hospitals. He explained that ventures presenting financial risks for the Health Science are likely in the future, and the Board will want a specific committee overseeing those ventures.

Chair Murphy asked whether the Health Affairs Advisory Board would still exist as a mechanism to have a broader group involved. Chancellor Schwab responded that because attendance has been such an issue, he does not plan to keep the Health Affairs Advisory Board active. Ms. Mizell explained that the meeting materials include only language concerning creation of the Health Affairs Committee but that the final Bylaw amendments, to be presented at the next meeting of the Committee, will also include repeal of the current language concerning the Health Affairs Advisory Board.

Dr. DiPietro said he and Chancellor Schwab have concluded that an additional ex-officio, non-voting member should be the Executive Vice President. Chancellor Schwab will staff the committee, and Dr. DiPietro will be engaged as President, but the Executive Vice President's research knowledge will be beneficial in future revenue-generating negotiations. Chair Murphy stated he is in agreement with the recommendation of Dr. DiPietro and Chancellor Schwab, especially in light of the entrepreneurial types of ventures taking place at the Health Science Center.

For the next meeting of the Committee, the Secretary will prepare the final Bylaw amendments to create the Health Affairs Committee and to repeal the current

provisions concerning the Health Affairs Advisory Board. If approved by the Committee, the proposed Bylaw amendments will go forward to the full Board at the Winter Meeting on February 29, 2012.

## **VI. REVIEW OF BOARD AND INDIVIDUAL TRUSTEE SELF-ASSESSMENT INSTRUMENTS**

Chair Murphy called on Ms. Mizell to address the Trustee assessment instruments (Exhibit 2). She explained that the next Board self-assessment must be completed by March 2013 and that the biannual professional development requirement approved by the Board in June 2011 on the recommendation of the Trusteeship Committee must be added to the Individual Trustee Self-Assessment form. She called the Committee's attention to the sample self-assessment form obtained from the Association of Governing Boards (AGB), noting that it uses a rating scale of 1 to 5 rather than 1 to 3. The Committee discussed advantages and disadvantages of a broader rating scale but did not reach a conclusion to change the current 3-point scale.

In response to a question about how the results of the self-assessment have been used, Ms. Mizell explained that responses have been submitted directly to the Chair of the Trusteeship Committee, who has provided an aggregate summary to the Committee and the Board. Weaknesses have been noted, and the Trustees have been encouraged to improve in those areas.

Discussion then turned to opportunities available for Trustees to comply with the new professional development requirement. Ms. Mizell explained that when the requirement was presented at the June 2011 meeting, the Chair of the Trusteeship Committee suggested the requirement would be satisfied by participation in a Board workshop focusing on a higher education topic, attending the AGB annual conference or other AGB-sponsored programs, or summarizing a particularly interesting higher education article for the Secretary to post for the full Board.

With respect to attending the AGB annual conference, Chair Murphy suggested that the University might consider paying the registration fee for a couple of Trustees to attend each year, with the Trustees being responsible for their own travel expenses. Ms. Mizell expressed her view that if cost were not a factor, the Vice Chair of the Board, the President, and the Chair of the Trusteeship Committee should attend the AGB annual conference each year. However, the Board's budget is currently insufficient for that cost. Dr. DiPietro then suggested he might have discretionary funds available for the annual conference. Ms. Mizell noted that the 2012 conference will be held in Washington, D.C. in April. Trustee Murphy suggested that when the

Vice Chair is unable to attend, another committee chair should attend in his or her place; and if the Trusteeship Chair is unable to attend, another member of Trusteeship should attend in his or her place.

Trustee Stansberry asked Ms. Mizell to forward information about the AGB annual conference to Trustees, to remind them about the professional development requirement, and to provide information about other professional development opportunities, including relevant AGB webinars. Chair Murphy urged the staff to facilitate professional development opportunities as much as possible. Dr. DiPietro suggested a link on the Board's webpage for AGB's upcoming events, as well as periodic e-mail notifications. Trustee Stansberry mentioned the value of the daily news summary. Chair Murphy commented that news clips related to higher education, not specifically UT, are also beneficial. Ms. Mizell referred to AGB's free downloadable publications, and Chair Murphy suggested making Trustees aware of their availability.

For the next meeting, Ms. Mizell will prepare some revisions to the self-assessment forms for the Committee's consideration. The Committee will then decide when to conduct the self-assessment.

## **VII. REVIEW OF POLICY ON PRESIDENTIAL PERFORMANCE REVIEWS**

Ms. Mizell explained that she placed the Policy on Presidential Performance Reviews (Exhibit 3) on the agenda to determine if any revisions are warranted before Dr. DiPietro's first annual performance review. The policy was revised in 2007 to provide for two members of the Executive and Compensation Committee to participate in the annual performance review process along with the Vice Chair of the Board. Chair Murphy explained that the Chair of Trusteeship and Chair of Audit participate with the Vice Chair in interviewing the President's Staff, and the Vice Chair makes a report to the full Board. The two committee chairs can make a separate report to the Board if they do not concur in the Vice Chair's report.

Ms. Mizell called the Committee's attention to the copy of the presidential assessment form used by the Association of Governing Boards. Trustee Stansberry noted that this form might be useful in developing questions for the President's Staff interview process.

The discussion yielded consensus that revisions to the Policy on Presidential Performance Reviews are not needed. Ms. Mizell will contact the Vice Chair and the President early in 2012 to begin the annual performance review process.

**VIII. DISCUSSION OF PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR TRUSTEES**

Chair Murphy stated that professional development opportunities for Trustees had been sufficiently addressed in the earlier discussion of the Board self-assessment process.

**IX. SETTING 2012 MEETING DATES FOR THE TRUSTEESHIP COMMITTEE**

Chair Murphy pointed out that the proposed 2012 meeting dates of the Trusteeship Committee (Exhibit 4) coincide with the dates for Executive and Compensation Committee meetings.

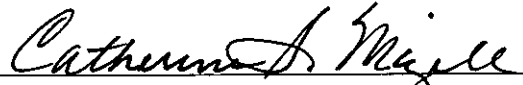
Trustee Stansberry moved approval of January 27, May 15, and October 2, 2012 for Trusteeship Committee meetings in Nashville. Trustee Gallimore seconded, and the motion carried unanimously.

**X. OTHER BUSINESS**

Chair Murphy called for any other business to come before the Committee. There was none.

**XI. ADJOURNMENT**

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

  
Catherine S. Mizell, Secretary