

THE UNIVERSITY OF TENNESSEE  
BOARD OF TRUSTEES

MINUTES OF THE EXECUTIVE AND COMPENSATION COMMITTEE

August 30, 2016  
Nashville, Tennessee

The Executive and Compensation Committee of The University of Tennessee Board of Trustees met at 12:30 p.m. CDT on Tuesday, August 30, 2016, in the offices of Bradley Arant Boult Cummings at 1600 Division Street in Nashville, Tennessee.

**I. CALL TO ORDER**

Trustee Jubran, Vice Chair of the Board and Committee Chair, called the meeting to order.

**II. ROLL CALL**

The Secretary called the roll, and the following members of the Executive and Compensation Committee were present:

Joseph A. DiPietro  
Spruell Driver, Jr.  
D. Crawford Gallimore  
Vicky B. Gregg  
Raja J. Jubran  
James L. Murphy, III  
Sharon J. Miller Pryse

The Secretary announced the presence of a quorum. Trustees Anderson and Evans were unable to attend. Other Trustees and administrative staff were also present.

**III. MINUTES OF THE LAST MEETING**

Vice Chair Jubran called for any additions or corrections to the minutes of the June 22, 2016 meeting as presented in the meeting materials. Hearing none, Trustee Pryse moved approval of the minutes. Trustee Gallimore seconded, and the motion carried.

#### IV. PRESIDENT'S REPORT

Dr. DiPietro updated the Committee on current enrollment numbers, noting that they were better across the board than anticipated. UTK enrollment is at the highest level in more than thirty years. He then discussed three executive searches currently underway. The UT Martin Chancellor search is nearing completion with final interviews scheduled in the next two weeks. He reported that Haslam College of Business Dean Steve Mangum is chairing the UT Knoxville Chancellor Search committee, and they are beginning to gather a candidate list. The UTIA Chancellor search is similarly just getting underway. He announced that three finalists have been identified in the CFO search. He also informed the Committee of Dr. High's decision to retire in the summer.

Dr. DiPietro discussed the immediate need to move forward and fill the Executive Vice President /Chief Operating Officer position. He stated that with all of the moving parts created by the unusual number of senior level vacancies, he needs operational help now to reduce his work load. Additionally, he stated that in the most recent and previous performance reviews, the Board has recommended he reduce his direct reports. He stated that the suspended search failed to generate a good candidate pool, and another search would most likely not produce a candidate that could jump into the role immediately. He stated that he prefers someone who knows the University, has relationships already, and can hit the ground running. He recited the job description for the position and recommended promoting Dr. Tonjanita Johnson to the position on an interim basis immediately. Dr. DiPietro discussed his confidence in her ability to handle the promotion, her qualifications and her prior work experience including holding the position of Chief Deputy to the President at the State University of New York at Stony Brook. He stated that at the next meeting of the Committee he will present a revised System organization chart and a recommendation for a limited duration appointment for Dr. Tonjanita Johnson to the role of Executive Vice President and Chief Operational Officer. He explained that a limited duration appointment is reviewed annually and can be renewed for up to three years. Committee members expressed support for the President's proposal as an interim measure.

Dr. DiPietro discussed his impending appointment of an independent commission to review the Title IX resources and programs across the UT System as part of the settlement of a Title IX lawsuit against the University. He discussed the qualifications of members of the commission. The independent commission will have full authority to access all UT campuses as it reviews

existing programs and resources and gathers information to make its report and recommendations to ensure the UT System is well positioned to move positively ahead. He stated that the goal is for the commission to make its forward-looking report six months after its commencement.

**V. PROPOSED PERFORMANCE GOALS UNDER THE FY 2016-17 PERFORMANCE INCENTIVE PAYMENT PLAN FOR UNIVERSITY OFFICERS**

Vice Chair Jubran stated that on June 23, 2016, the Board of Trustees approved the FY 2016-17 Performance Incentive Payment Plan for University Officers. On the recommendation of the Executive and Compensation Committee, the Board deferred action on FY 2016-17 performance goals to allow Trustees additional time to study the proposed goals (Exhibit 1).

The Secretary stated that the proposed FY 2016-17 performance goals are included in the meeting materials and are submitted to the Committee for action at this meeting. A few corrections and clarifying modifications have been made to the version included in the June meeting materials. For example, for goals based on a 5-year average, the actual annual data and the estimated goal for FY 2016-17 in numeric terms (rather than as a percentage increase over the 5-year average) are shown as an indented table below the 5-year average data. These are not additional goals.

Vice Chair Jubran stated that if recommended by the Committee for approval, the FY 2016-17 performance goals will go forward to the full Board for final approval at the Fall Meeting on October 14. Trustee Wharton noted some anomalies in the goals, give that over a five-year period, in some cases it is possible for the goal to be lower than prior years. He said this could be capacity issues in part, and Dr. DiPietro added that on some campuses it is a much more challenging environment, and small percentage increases are more difficult. Vice Chair Jubran stated that the goals are aspirational but not unachievable. Trustee Driver said an understanding of the goals of aspirational peers would be helpful in assessing the proposed goals. Vice Chair Jubran responded that as we move through the process we will gather valuable insights and be able to make improvements for next year. He thanked the Trustees, and especially Trustee Wharton, for their detailed attention to the metrics throughout this process. Trustee Driver asked Sandy Jansen to discuss the metrics for UTHSC regarding RVU's versus work-RVUs. Ms. Jansen responded that this would allow us to compare "apples to apples" by going back and restating the prior year to work-RVU's.

Trustee Gregg moved that the Executive and Compensation Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED:

1. The proposed FY 2016-17 Performance Goals are approved, subject to the requirement that the base-year data used to establish the goals shall be audited by the University's Office of Audit and Compliance, and any revisions to the base-year data or goals resulting from the audit shall be submitted to the Executive and Compensation Committee for approval; and
2. The Executive and Compensation Committee is authorized to act on behalf of the Board to approve revisions to the base-year data or goals resulting from the audit or as otherwise deemed necessary in the judgment of the Committee, provided that any revisions shall be presented to the Board for ratification at the next regular meeting following the Committee's approval.

Trustee Pryse seconded, and the motion carried.

#### **VI. PRESIDENT'S RECOMMENDATION CONCERNING CHANCELLOR CHEEK'S TRANSITION TO FULL-TIME FACULTY STATUS**

Dr. DiPietro stated that under the Bylaws, the Executive and Compensation Committee is authorized to approve the title, compensation, and other terms and conditions of further employment of a Chancellor or other member of the senior administrative staff when he or she retires or otherwise leaves office if those terms and conditions were not approved by the Board at the time of initial employment (Exhibit 2). At the time of Chancellor Cheek's initial employment, the Board approved his returning to a full-time faculty position at 75% of his base salary as Chancellor. In recognition of Chancellor Cheek's outstanding accomplishments during his time in office, Dr. DiPietro recommended the following additional terms for his continued employment as a full-time faculty member: His title will be Distinguished Professor and Chancellor Emeritus. He will also receive the following tickets and parking permits for his personal use in attending athletic events at UT Knoxville: four tickets to a Neyland Stadium skybox other than the University Suite; four tickets to men's basketball games;

four tickets to women's basketball games; and two parking permits for football, men's basketball, and women's basketball. In response to a question from Trustee Gallimore, Dr. DiPietro confirmed that Chancellor Cheek's base pay upon returning to faculty at 75% of his final salary as Chancellor was negotiated when he was hired, and at the time this was a practice in the competitive market he came from. The Committee discussed not making this a standard practice. The Secretary noted the Bylaws provide that when certain senior officers leave office but continue employment with the University, the terms of the continued employment are subject to approval of this Committee. For a return to faculty, if the compensation is no more than the average salary of a full professor in the department, the Committee does not have to approve the compensation.

Trustee Driver moved that the Executive and Compensation Committee approve the President's recommendation concerning additional terms for Chancellor Cheek's transition to full-time faculty status.

Trustee Gregg seconded, and the motion carried.

## **VII. REVIEW OF A TENTATIVE SCHEDULE AND AGENDA FOR THE FALL MEETING**

Chair Jubran called the Committee's attention to the proposed schedule and agenda included in the meeting materials (Exhibit 3). He stated that it was a busy schedule due to all of the new subcommittees and committees that will meet. The Secretary noted that there will be a public rulemaking hearing at 8:30 a.m. on Thursday, October 13, on the proposed UT Knoxville Student Code of Conduct. This Committee will meet again on Friday, October 14. The Committee discussed the tentative schedule and agenda items for the meetings. The Committee also discussed an opportunity to tour ORNL's Manufacturing Demonstration Facility on Friday after the conclusion of the meetings.

## **VIII. REVISED COMMITTEE CHARTER**

Secretary Mizell stated that the meeting materials include a proposed revision of the Executive and Compensation Committee Charter to comply with Public Chapter 753 and the Amended and Restated Bylaws (Exhibit 4).

Trustee Murphy moved that the Committee approve the revised Executive and Compensation Committee Charter and recommend its final approval by the Trusteeship Committee. Trustee Pryse seconded, and the motion carried.

**IX. OTHER BUSINESS**

There was no other business to come before the Committee.

**X. ADJOURNMENT**

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

Respectfully Submitted,

  
Catherine S. Mizell, Secretary