

MINUTES OF THE SPECIAL MEETING

BOARD OF TRUSTEES

THE UNIVERSITY OF TENNESSEE

May 7, 1999
Knoxville, Tennessee

The special meeting of the Board of Trustees of The University of Tennessee was held at 9:00 a.m., Friday, May 7, 1999 in the Board Room, Andy Holt Tower, The University of Tennessee, Knoxville. Mr. William B. Sansom, Vice Chairman of the Board, presided. Commissioner Dan Wheeler gave the invocation.

The Secretary called the roll and the following were present:

Mrs. Johnnie Amonette
Mrs. Barbara Castleman
Mr. B. C. "Scooter" Clippard
Mr. Charles Coffey
Mr. Roger W. Dickson
Ms. Emily Graham
Mr. James A. Haslam, II
Mr. Jerry Jackson
Mr. E. Carl Johnson
Dr. Joseph E. Johnson
Mr. Thomas E. Kerney
Mr. Frank J. Kinser
Mr. R. Clayton McWhorter
Mr. Arnold Perl
Dr. Richard Rhoda
Mr. William B. Sansom
Mrs. Lucy Y. Shaw
Commissioner Dan Wheeler
Mrs. Susan Williams

The Secretary announced that a quorum was present.

Also present were Emeritus Trustee Dr. Frank Bowyer; Dr. Margaret Perry, Chair of the Presidential Search Advisory Committee; Dr. Janet Greenwood, representative of the Heidrick and Struggles search firm; General Counsel and Secretary Beauchamp E. Brogan; Deputy General Counsel Catherine Mizell; Executive Director John Clark; Faculty Senate President Mark Miller; Assistant Secretary Linda Logan, and members of the news media.

Mr. Sansom thanked Dr. Margaret Perry for the many hours she has given to the search process. He also thanked the members of the Advisory Committee. He said the Advisory Committee put together the bullet points setting forth the kind of person the University should seek to become its President and worked diligently throughout the search process.

Mr. Sansom said Dr. Janet Greenwood of the search firm of Heidrick & Struggles has worked with the Search Committee throughout the search process bringing forth names of individuals who might become candidates for the position of president. He thanked Dr. Greenwood for her input.

Mr. Sansom said in January lists of names were produced and advertisements were run announcing the position and soliciting candidates. He asked General Counsel Beauchamp E. Brogan to comment on the process.

Mr. Brogan said at the December 10, 1998 Search Committee meeting in Knoxville, the Search Committee adopted a Plan to Attract African American candidates in compliance with the Stipulation of Settlement in the Geier case. The University of Tennessee has adhered fully to that Stipulation of Settlement. Following the December 10 meeting, Mr. Sansom mailed out over his signature in excess of five hundred letters requesting nominations and applications of African-American candidates. The position announcement was approved by the Search Committee and advertised according to the Plan. The Board has been kept advised throughout the Search process. Mr. Brogan said after the Search Committee met on May 1, 1999 and selected four candidates to be invited for interviews, resumes of those candidates were sent via Federal Express to each member of the Board.

Mr. Sansom said contacts were begun with possible candidates in late January and early February. Jim Haslam and Margaret Perry started the process of cultivating and encouraging prospects. Contacts were made throughout the United States seeking candidates for the position of President. Mr. Sansom said Heidrick & Struggles provided a list of all land-grant institution and research institution presidents from across the country, as well as a list of private institution presidents. Mr. Sansom says there is a group of people who would enter the search if they were given the assurance the position was theirs, which could not be done. He said during the process Search Committee members were reassured that the presidency of The University of Tennessee is an attractive job. He asked Dr. Janet Greenwood to explain the process from Heidrick & Struggles perspective.

Dr. Greenwood thanked the Board for the opportunity to work on the search for President of The University of Tennessee. When the search was begun, the search firm started by identifying a list of all of the presidents, chancellors, vice presidents for academic affairs and provosts of all the research universities in America, which included the land-grant and flagship institutions. The list became very small quickly because approximately one-third of the list had been at their institution only two to three years. Another twenty percent or so had not had the opportunity to demonstrate any significant accomplishments. Dr. Greenwood said after moving aside those serving as provosts and vice presidents for academic affairs because of lack of experience in the number one position, the list was down to about twenty or so individuals. Some of those individuals had an interest in making a move but only to a private institution. Dr. Greenwood said UT's is the first search in which she has been involved where everyone who was asked to have a conversation with the search firm agreed to do so. All individuals who were contacted wanted to talk with search firm representatives or UT representatives, either as a potential prospect or as a source to recommend others. There was a tremendous amount of outreach. Dr. Greenwood said that as the process came nearer its conclusion there were

approximately eleven individuals from some of the top institutions in America who would not go forward without a guarantee, which could not be given. She said that needs to be understood because there are very specific examples of a president working at another position and losing a major opportunity with a donor in one situation a donor pulled back a \$5 million gift because the president looked at a job at his alma mater. There are other examples where institutions have lost legislative funding. Presidents, first and foremost, do not want to put their institutions at risk and they will not take that risk. Dr. Greenwood said there were quite a few who were highly interested in The University of Tennessee's position who would not go forward because of the timing of donor cultivation or because of legislative activities. A very fine group agreed to go forward, however. Two of the group have specific experience leading research universities. Two had positions as leaders in regional public America Association of State Colleges and Universities institutions. UT ended up with four candidates who are very well known in the marketplace.

Mr. Sansom asked Dr. Margaret Perry to describe the function and activities of the Advisory Committee.

Dr. Margaret Perry, Chair of the Presidential Search Advisory Committee, thanked the Committee members for the time they gave to the search process. She said the faculty and students were pleased to be a part of the search. The Committee felt very much involved in the development of the job description, in soliciting applicants and nominations, and checking out potential candidates. Some Advisory Committee members were present for all of the meetings with the candidates. Some had to come and go so there was not a consistent group in all meetings, but there was a group who represented the Advisory Committee in each meeting. Dr. Perry said the Advisory Committee did not make a recommendation to the Search Committee. There was not consensus on a candidate. The Advisory Committee brought all three candidates back to the Search Committee with the statement that the Advisory Committee appreciated the opportunity to offer input. The Advisory Committee also made the statement that the Search Committee should make the final decision and that the decision should be made from the three candidates who had been interviewed. Dr. Perry said the Committee listed the specific strengths of each of the candidates. There was good support for the person who will be recommended by the Search Committee. There were a number of phone calls made between faculty members at UT and Marshall, and those calls resulted in some of the statements listed as strengths of Dr. Gilley. Faculty at Marshall responded by saying that Dr. Gilley makes tough decisions, is a good leader, can deal with issues, and is a strategic planner. Dr. Perry said the Board should know there was a great deal of support from the Advisory Committee for Dr. Gilley although that did not necessarily come through in the press reports. She said that the majority, not the consensus, believed Dr. Emert was the strongest of the three candidates.

Mr. Sansom thanked the Search Committee for their efforts and help. He said many Search Committee members had previous schedules that had to be changed dramatically in order to fully participate in meetings. Mr. Sansom said what Dr. Perry said is true. Unless an individual went through all the meetings, or at least enough of them to visit with each candidate, it was difficult to determine the strengths of each. Mr. Sansom said the Search Committee and the consultants were trying to determine how to bring the search to a conclusion before the students and faculty left for the summer. He said the input of those groups of individuals was

important. He thanked all those who found it necessary to make schedule changes in order to make the process work.

Recommendation of Dr. J. Wade Gilley, 20th President of The University of Tennessee. Mr. Sansom said the Search Committee recommends that the Board elect Dr. J. Wade Gilley as President of The University of Tennessee. Mr. Sansom called the Board's attention to a letter which was distributed to each Trustee. He asked General Counsel Beach Brogan to address the letter.

Mr. Brogan said the letter to the Attorney General from Messrs. Barrett and Dinkins was received the preceding afternoon. He said he had numerous phone calls with the Attorney General since the beginning of the week regarding the search process and how the search was proceeding in view of the innuendoes and threats made by attorney George Barrett.

Mr. Carl Johnson suggested that Mr. Brogan explain the letter for those members of the Board who were participating by conference phone call from Memphis and Nashville.

Mr. Brogan said the letter to the Attorney General from Mr. Barrett reads as follows:

"This letter is being written to contest the manner in which the search committee recommended Mr. Gilley . . .

The letter goes on to say that it is Mr. Barrett's opinion, and he so advised the Attorney General, after the search process started that Mr. Gilley was the inside candidate. Mr. Brogan said Mr. Barrett goes on and makes many inaccurate statements in the letter to the effect that Dr. Walker was not added until the very last minute and then only on the urging of Mr. Barrett and others, which is totally untrue. His request is this:

. . . that you advise the board in person not to ratify this selection, but (that the Board) review the actions of the search committee and select Dr. Walker as the president of the University of Tennessee.

Mr. Brogan said General Summers refuses to do that. He said the office of the Attorney General advised Mr. Barrett before the close of day May 6, 1999 that the Attorney General was of the opinion that the General Counsel and the Search Committee had conducted a proper search and that it was up to the Board to do what it wished with Mr. Barrett's request. Mr. Brogan said that as the General Counsel of The University of Tennessee and based on what he heard in the meetings of the various candidates, there were no comments indicating that Dr. Gilley had the inside track. Some of the members of the Search Committee had never met Dr. Gilley prior to the interviews. He said he and the Attorney General are of the opinion that the Stipulation of Settlement in the Geier case has been carried out. Mr. Brogan said he was also of the opinion that all the candidates had an equal chance and were treated fairly. Mr. Brogan said he talked with Dr. Walker after the meeting of the Search Committee recommending Dr. Gilley and Dr. Walker said he thought Dr. Gilley would be a great president. Dr. Walker said he felt the process had been fair, that he had been treated fairly and the process worked. Mr. Brogan said in talking with the Attorney General he suggested Mr. Barrett talk with Dr. Walker, which Mr.

Barrett had not done before writing the letter.

Clayton McWhorter said he also talked with Dr. Walker and received the same response as that expressed by Mr. Brogan.

Mr. Sansom said that as soon as the Search Committee recommendation was completed, the first two phone calls he placed were to Jim Walker and George Emert. He said they could not have been more gracious in their responses.

Mr. Dickson said the correspondence in question had received more time than it should have received, but he personally reviewed the correspondence and the Geier Stipulation of Settlement and the process was fair and equitable and was in complete compliance with not only the spirit of the Geier settlement agreement, but with the letter of the Geier settlement agreement. With that Mr. Dickson suggested the Board move on with the action at hand.

Mr. Sansom said a recommendation was before the Board for consideration. He invited comments from the Search Committee.

Mrs. Amonette said as an individual Search Committee member she entered the proceedings with a totally open mind and no preconceived ideas of one candidate over another. She said her contention from the beginning was that the search was open. She said she had previous commitments in Memphis on two of the interviewing days, but she realized after beginning the process on Monday she could not make an informed or fair decision unless she attended all sessions for all candidates, so she rearranged her schedule. Mrs. Amonette said the decision was the right one, the process was fair, and it worked. She said the University was very fortunate to have three outstanding candidates to be interviewed. All three presented well. Mrs. Amonette said she was especially impressed with the depth of Dr. Gilley's experiences. He has been involved in several campuses which have included a medical school and a law school which was personally very important to her. He served as Secretary of Education in Virginia and in that position had the opportunity to see an appropriations budget from both sides -- as an educator and also from the legislative perspective. In today's climate that is valuable experience. Dr. Gilley understands the importance of a good relationship between business and education. He serves on a business higher education forum made up of university CEO's and very prestigious leaders of business. Mrs. Amonette said as she mentioned on Wednesday in the Search Committee meeting, one of the things she likes most about Dr. Gilley is the apparent balance in his professional life. He is a brilliant man who has written books on higher education, understands and articulates the connection between the economy in the state and its university but at the same time is in the classroom as a professor. Mrs. Amonette said those are a few of the reasons she supports Dr. Gilley for President of The University of Tennessee. He is the right person at this time for The University of Tennessee.

Mrs. Castleman said she has a great admiration and respect for the Search Committee. She was unable to attend the interviews and did not have the opportunity to meet the candidates. She asked Search Committee members why they felt Dr. Gilley is the individual who should be the next President of The University of Tennessee especially when the Advisory Committee mentioned Dr. Emert.

Mr. Sansom said Susan Williams, Scooter Clippard and Charles Coffey spent time in some of the sessions with the candidates. He asked Mr. Perl for his comments.

Mr. Arnold Perl said in the Search Committee meeting each of the Committee members spoke to the reasons they preferred Dr. Gilley over the other candidates. He said in terms of the motion he made in the Search Committee meeting recommending Dr. Gilley he spoke of those reasons, and as expressed in a letter from an individual who formerly was at The University of Tennessee, but who is now at Marshall University, he said he found that Dr. Gilley has demonstrated experience and service as both Secretary of Education of the State of Virginia, as Executive Vice President at George Mason University, and most recently as President of Marshall University, found him to be a visionary, a change agent, and someone who has a clear sense of direction. He has been a staunch supporter of student scholarships, technological growth, has been influential in raising overall faculty salaries and is also very politically astute. Dr. Gilley was appointed by the Governor to a very significant commission as chairman, and he has been very effective in working with the legislature to get significantly greater funding for Marshall University. He is a person who has strong convictions, but he listens to others points of view. He develops a plan and works the plan and is not afraid of making hard decisions. In addition, he spoke in Search Committee interviews of Marshall being an interactive university, interacting with the community and the greater needs of the state, the community and tri-state area in which Marshall University operates. Mr. Perl said when looking at the charter and the mandate of a land-grant university, of teaching, of research and community service, Dr. Gilley has not only spoken to those but has demonstrated leadership in all three of those. Mr. Perl said he was most interested in not looking for someone who had demonstrated experience as a manager, but someone who had demonstrated experience as a leader, someone who would take The University of Tennessee to the highest possible level as an institution, a public institution that Board members and others could be proud of for the twenty-first century. Rankings are not everything but Dr. Gilley at Marshall has succeeded in moving Marshall considerably above where the rankings were before he assumed the office of President. President Johnson at a Board meeting within the last year spoke about the opportunities available at The University of Tennessee to do things in the next century that should be done, not only for people within the University but for the State of Tennessee. He spoke about how there is a relationship between The University of Tennessee, the flagship institution, and the State of Tennessee. The interests are inseparable. The State of Tennessee can only be great if The University of Tennessee is great, and conversely the State of Tennessee must make a commitment to make The University of Tennessee better in the future and the kind of University its citizens want it to be. Mr. Perl said, in sum, the leader being sought was best exemplified by the demonstrated experience and articulated vision offered by Dr. Gilley. He said he came away from all of the interviews believing that the future of The University of Tennessee could be a very, very bright one with the selection of Dr. Wade Gilley as the next president of The University of Tennessee.

Mr. Sansom thanked Mr. Perl for his comments and invited those of other Trustees and Search Committee members.

Mr. Roger Dickson said one of the things that most impressed him about Dr. Gilley was the breadth of his experience. He has been involved in a med school, a law school, and a multi-

campus university. Mr. Dickson said Dr. Gilley's resume shows he has been successful everywhere he has been. He articulated to the Search Committee during the morning session on Wednesday what should be repeated by Board members every time the opportunity arises to tell those in Nashville and the general public. He said to be an outstanding state, the state university must be great. Mr. Dickson said that message needs to be taken forward and that is how the future needs to be approached for The University of Tennessee. He said UT is a very good university. He said Dr. Gilley understands what it takes to be a great university and the people in the State should be made aware of what The University of Tennessee aspires to be. Mr. Dickson said Dr. Gilley is the person who can take UT from its present level to being a great university.

Mr. Clayton McWhorter said most individuals are aware that he nominated Dr. Walker. He was a good candidate, a qualified individual. He assured Board members that the Search Committee went through very intense review. He said he is of the opinion that the decision was not made until all the interviews were completed and all the information that had been provided and digested. It was three tiring days. Mr. McWhorter said he would not repeat the comments already made by other Search Committee members, but said he concurs with the remarks and came to the same conclusion.

Mrs. Lucy Shaw said the process was grueling. There were times when the three days of interviews were agonizing, but she said in the end as she thought about it perhaps the finest feeling of all was the feeling of having worked with people who were so intensely committed to doing the right thing, which is what made it agonizing. It would not have been that way if the Search Committee had not thought what was being done was not of major, major consequence not only for the students and faculty of the University but for the State of Tennessee as well. Each member had that feeling and the commitment level was high. Mrs. Shaw said she felt very good having had an opportunity to participate. She expressed her deep appreciation for the tremendous work done by Bill Sansom, Jim Haslam, Margaret Perry and the members of the Advisory Committee. Mrs. Shaw said she did not want to be redundant because her colleagues have well stated what Dr. Gilley brings to the table, but for her personally her chief concern in looking at who was selected was to keep in mind the university is a multi-billion dollar organization, not a small business. The search was for a leader, not a manager. She said her concern was for demonstrated capacities. Dr. Gilley demonstrated that. Dr. Gilley is quite brilliant, well written, well researched. He is someone who has written on a challenge that faces UT and that is how to balance athletics and academics. He has written about the management of the leadership in higher education for the 90's and certainly understands what it takes for the next millennium. Mrs. Shaw said she is very pleased with the selection of Dr. Gilley. She stressed it was not done without excessive deliberation. She said she will be very happy in the future to say she had something to do with the selection of Dr. Gilley.

Mr. Sansom said working with the members of the Search Committee has been a pleasure. He thanked them for their efforts.

Mr. Jim Haslam said Lucy Shaw summed it up. Everyone on the Search Committee was dedicated to doing the right thing for this great University and had a goal of choosing a person who could make a great university even greater. He said all three candidates were excellent and eminently qualified. The process was a grueling three days but Dr. Gilley is a proven

administrator with a great track record. Mr. Haslam said he believes that Dr. Wade Gilley has the experience necessary and will make tough decisions in order to lead The University of Tennessee into the 21st century. The Search Committee has made an outstanding choice and Mr. Haslam said he is personally pleased to recommend Dr. Gilley to the entire Board.

Mr. Sansom said during the search process each candidate had two hours with the Search Committee, two hours with the Advisory Committee and back with two hours with the Search Committee. The candidates also had meetings with the President's Staff and the general public in open forums. Mr. Sansom said the Search Committee split up during their final dinner with the Advisory Committee in order to get the varying thoughts of the Advisory Committee members. Everyone agreed three good candidates were considered. The process would have been easier if one candidate had been far ahead of the others, but that situation did not exist. The Advisory Committee listed strengths of each candidate and sent those to the Search Committee and recommended that the Search Committee make a decision from the candidates that were presented.

Mr. Jerry Jackson said he was out of the country and unable to attend the meetings. He said the candidates appeared to be good ones and he trusted the group who made the recommendation. He asked if there were positives possessed by Dr. Gilley that made him the choice above the other candidates, who also possessed many positive characteristics.

Mr. Sansom said the Search Committee members in their previous comments conveyed their belief that the breadth of experience of the law school and the medical school and the proven track record were the determining factors.

Mr. Frank Kinser said he was unable to be in attendance for the sessions but was thankful for the involvement of the Chancellors who brought information about the process and the candidates back to those in their campus communities. Dr. Bill Stacy was impressed with the process and is very happy with the decision.

Dr. Jan Greenwood responded to the questions from Mrs. Castleman and Mr. Jackson. She said in looking at the three candidates who were interviewed, as well as others who were considered, there are several points that stand out as points of distinction specifically relating to Mr. Haslam's comments relative to results and accomplishments. Specifically, in looking at Dr. Gilley's track record on the personal side there is a style that is described as one of substance and results. It is not a style of walking into a room, being a big flash, being outwardly charismatic. It is a style that has worked very well for Dr. Gilley over the years. It has led to results because it has built trust and confidence. Looking at his background, Dr. Gilley has had direct experience in community colleges, the regional public institutions, metropolitan institutions, research institutions and has been Secretary of Education, which is not only over the public institutions but also deals with the private institutions in Virginia. In addition, when Dr. Gilley went to Marshall he went in with a situation that is commonly called a "turn-around." Marshall had a budget deficit, the legislature had not agreed to bail them out and Dr. Gilley had to go in and make some very tough decisions very quickly. Those are not always decisions that bring about popularity. As a result, however, Dr. Gilley has been successful in moving Marshall forward. Dr. Greenwood said if you look at Dr. Gilley's fundraising track record, the largest gift

he has received is \$20 million. As you look at the wonderful history of George Mason University and how it moved from being a regional public to a national institution, references show that Dr. Gilley was the key person, the visionary, the leader, the driver behind that development. Specifically, that was done in a way that he attracted groups of eminent scholars to the University which led to their getting a group of renowned economic folks who then led to getting a Nobel Prize in economics for George Mason University. Dr. Greenwood said with legislators Dr. Gilley gets high marks, with the Huntington community there is great enthusiasm and reverence, in the region he gets high marks, in health care he has been able to get hands on with health care issues and he has done a great deal for the faculty. Dr. Greenwood said in talking with Frank Mathews, the publisher of *Black Issues in Higher Education*, Dr. Gilley is seen as a person of extraordinary vision who sees issues and frames them in way that others in higher education have a hard time figuring out. Dr. Gilley is also described by Mathews as a person who understands and has a commitment far beyond others in affirmative action in higher education. Dr. Gilley has done more to elevate the university's position with the West Virginia legislature and key power constituents in the state than any other president in West Virginia has been able to do. He has more women administrators than any other school in the state. Minority numbers have increased. Dr. Greenwood said the thing that is the theme throughout Dr. Gilley's career is a person of vision, leadership, knowing how to put it together, getting results, and driving it forward.

Mrs. Susan Williams said she was able to attend at least one of the three sessions with each of the candidates and felt it was very important to be able to do so in order to vote and to make comments. Three distinguished candidates were brought forward and of those three, Dr. Gilley is the most qualified for President of The University of Tennessee. Mrs. Williams said from her own comfort level, she said it is important that the Advisory Committee asked that a selection be made from the candidates presented. She said she is fine with the decision and feels the Board needs to move forward with its selection.

Mr. Brogan said that as a point of order the *Bylaws* of the Board of Trustees provide that the number of nominees to be presented by the Board shall be determined by the Board upon the recommendation of the Search Committee. The Search Committee voted on April 30, 1999 to recommend to the Board that the Board accept a single candidate, Dr. Gilley. Mr. Brogan said before a motion is made as to who is to be accepted, the Board first must vote on the recommendation of the Search Committee to accept one candidate.

Motion to Accept One Candidate. Mr. Charles Coffey made a motion to accept one candidate. The motion was seconded by Mr. Tom Kerney and carried unanimously.

Motion to Elect Dr. Wade Gilley as President of The University of Tennessee. Mr. Arnold Perl made a motion that Dr. Wade Gilley be elected by the Board as the next President of The University of Tennessee. The motion was seconded by Mr. James A. Haslam, II and unanimously carried.

Comments by Dr. Joseph E. Johnson. Dr. Johnson said when selecting new leaders it is a challenging process and the Advisory Committee and the Search Committee have been involved in the process. He said it is interesting to sit on the sidelines and watch the process take place

and watch those involved reach a level of confidence and feel good about the results. He thanked the Board for moving through the process in a sane, sensible way and seeking to bring someone into The University of Tennessee who has the ability to move it forward and make it better than it is today. Dr. Johnson said he would be happy to work with Dr. Gilley. He said he and his staff would work to make the transition for Dr. Gilley as easy and productive as possible.

Mr. Sansom said Dr. Wade Gilley will be the next President of The University, assuming he accepts the offer.

Mr. Jackson asked when it is anticipated Dr. Gilley will assume office.

Mr. Sansom said Dr. Gilley said he would accept the offer if extended to him and he would be available to assume the office August 1, 1999. He said he needed from the Board authority to negotiate a contract with Dr. Gilley. Mr. Sansom said it is his recommendation that a contract be drawn.

Motion to Negotiate a Contract with Dr. Wade Gilley. Mr. James A. Haslam, II made a motion that the Board extend authority to the Vice Chairman to negotiate a contract with Dr. Wade Gilley and bring it back to the Executive Committee for final approval. The motion was seconded by Messrs. Roger Dickson and Clayton McWhorter and carried unanimously.

There being no further action to come before the Board, the meeting was adjourned at 10:30 a.m.

Beauchamp E. Brogan
Secretary