

MINUTES OF THE ADVANCEMENT AND PUBLIC AFFAIRS COMMITTEE
BOARD OF TRUSTEES
THE UNIVERSITY OF TENNESSEE
June 20, 2006
Knoxville, Tennessee

The Advancement and Public Affairs Committee of the Board of Trustees of The University of Tennessee met at 1:00 p.m. (eastern standard time) on June 20, 2006 in Room 160 of the Plant Biotech Building, Knoxville, Tennessee.

I. CALL TO ORDER

Chair Susan Williams called the meeting to order.

II. ROLL CALL

The Chair called the roll of committee members. Those present were:

Mr. William Carroll
Mr. James A. Haslam II
Dr. John D. Petersen
Mr. Don Stansberry
Mr. James "Bucky" Wolford

III. APPROVAL OF MINUTES

The Chair referred the committee to the minutes from the March 15, 2006 meeting of the committee. A motion to approve the minutes was duly made, seconded and unanimously approved.

IV. REPORT BY PRESIDENT OF THE NATIONAL ALUMNI ASSOCIATION

Ms. Williams introduced UTNAA President Dean Skadberg. This is Mr. Skadberg's last report as President of the UTNAA.

Mr. Skadberg stated this has been a great year. He values the opportunity he has had to travel through the state as well as nationally in the role of President of the UTNAA. UT has solid leadership. Has experienced a record year in annual gifts. Spruell Driver is National Chair of Annual Giving program, which is up \$25 million in all gifts up to \$15,000. Done a great job in friend raising over the past year by campus alumni staff and chancellors. Has had a system-wide record number of events. Has had continuous involvement by the Petersens, staff, professors, coaches and athletic administration with the Big Orange Tailgate tours prior to the games, chapter meetings and Big Orange Caravans. Mr. Skadberg thanked Henry Nemcik, VP for Development and Alumni Affairs for being a strong advocate for Alumni Affairs. He assured Board of Trustees that the Alumni Association is committed to help the Board of Trustees.

V. REPORT BY VICE PRESIDENT FOR DEVELOPMENT & ALUMNI AFFAIRS

Mr. Nemcik thanked Dean Skadberg for his commitment, amount of time and dedication he has provided to the university. Mr. Nemcik welcomed Debbie Diddle as new President of the UTNAA.

Mr. Nemcik reviewed initiatives that are being implemented for campaign planning. Past history of planned giving has been low (6% of giving). Recently mailed out a planned giving brochure. Over 100 responses have been received as of June 20, 2006. Of those, 34 were interested in an estate plan or already have UT in their estate plans. We were only aware of about half of those that have UT in their estate plans. Will have two more mailings – will work with athletics and campuses on the mailings. We have currently moved into the 18th month of the campaign and 21% of gifts are planned gifts.

In order to communicate and provide better services to alumni, we identified an annual survey to be mailed out to alumni. We have just completed the first mailing (including e-mails). I am pleased to announce that 30,000 people have updated their record as a result of this survey and we anticipate this will be a savings and will allow additional commitments to UT at approximately \$100,000 per year. We plan to continue working to improve benefits associated with being an alumnus of this university.

Mr. Nemcik thanked the Board of Trustees leadership team – Jim Haslam, Andrea Loughry, Clayton McWhorter, John Thornton and Don Stansberry for volunteering to contact all Board members regarding participating in the campaign. And, of those who have been contacted, we have 100% participation. It is an honor to be part of an institution where the Board of Trustees not only has contributed time and talent but also treasure to the success of the institution.

VI. ANNUAL REPORT OF THE UT FOUNDATION

The report was given by Mr. Haslam, Chair of the UT Foundation, Inc. Gifts and pledges have grown from \$5 million to \$19 million. Mr. Haslam and Henry Nemcik continue to meet on a regular basis.

VII. NAMING OF FACILITIES

First item is to name the new basketball practice Pavilion the Larry F. Pratt Basketball Practice Pavilion. The pavilion will be located on the west side of the arena – lot 23 at Lake Loudoun Blvd. It will include two courts and office space. A motion to approve was duly made, seconded and unanimously approved.

The next item concerned the naming of the new softball stadium in honor of Sherri Lee. This stadium will be located on the west side of the soccer field. A motion to approve was duly made, seconded and unanimously approved.

VIII. REPORT BY VICE PRESIDENT FOR PUBLIC & GOVERNMENT RELATIONS

Hank Dye gave an update on his three areas: Government Relations, State Relations and Public Relations. The report began with Federal relations. He reported that there was talk between the House and Senate. Hank sees positive activity and is optimistically cautious. Funding may be in smaller numbers, but broader varieties. Our delegation in Washington, D.C. has been very supportive.

At the State level, it was a very busy, very high energy and very intense session from the beginning. Hank was pleased by outcome. The focus was to maximize appropriation while avoiding tuition caps. Hank greatly appreciates support from the Board of Trustees. He commented on Senator Jamie Woodson and the support she gave to UT. She showed great leadership and courage. Hank's staff is working on next years' strategy. The goal is to meet with leadership in December and make a case for the value of higher education and the need for support. We need to move past celebrating breaking even.

Media Relations has been very active and successful. Hank gave an update on the three marketing related initiatives that were discussed in March. The internal communications task force is progressing. We are halfway through survey activity on all the campuses and are learning a lot of good information. We are also continuing to develop the system-wide and campus website. There is a task force working on that. We are now awaiting design determinations. This is part of the external branding and the marketing initiative. We are working on final positioning with the Bohan Agency in Nashville and will launch it in the fall.

Susan Williams wanted to know if there were any specifics on what we're trying to accomplish on Federal level. Hank explained some of the specific project requests by the Appropriations Committee.

Ms. Williams also wanted to know the rationale behind the faculty receiving a 2% across the board raise, while the state employees received a 3% raise. Dr. John Petersen stated that it was not limited to the University and that the increase for K-12 education was also 2%. Knox County does not have the ability to increase teachers' salaries. In higher education we also have the issue of tuition. Mandated salaries always came from the legislature, but we have always had campuses and institutes look at budgets to determine how to best meet their needs. More than 70% of our budget is personnel costs. Based on this rationale, the decision was made to link the rate of increase to both educational systems. It was also stated that there are other sources of funding.

IX. OTHER BUSINESS

None stated.

X. ADJOURNMENT

With no other business to discuss, the meeting was adjourned.