

**MINUTES OF THE ADVANCEMENT AND PUBLIC AFFAIRS COMMITTEE
BOARD OF TRUSTEES
THE UNIVERSITY OF TENNESSEE
March 11, 2008
Knoxville, Tennessee**

The Advancement and Public Affairs Committee of the Board of Trustees of The University of Tennessee met at 12:00 p.m. (eastern daylight time) on March 11, 2008 in Chattanooga Room A of the University Center, Chattanooga, Tennessee.

I. CALL TO ORDER

Chair Spruell Driver called the meeting to order.

II. ROLL CALL

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

Mr. Charles Anderson
Mrs. Barbara Castleman
Mr. Spruell Driver
Mr. James Hall
Ms. Andrea Loughry
Dr. John D. Petersen
Mr. Charles Wharton

III. APPROVAL OF MINUTES

The Chair referred the committee to the minutes from the November 8, 2007 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

Debbie Ingram, President of the UT Alumni Association gave a report of the Association activities. The message follows the theme "Education Changes Lives." Alumni are helping to address the strategic plan of the university especially with student success and student access. Alumni chapters are hosting dinner in their areas for high school juniors to attracting the best and brightest to our university. The recent event in Knox County had over 650 people in attendance. The Hamilton County dinner was last week with over 450 people in attendance.

The UTAA provides over a half million dollars in scholarships to great students. This year, the Association has revised the awards process allowing campuses to direct those scholarships that provide for those students in most need of the scholarships. In addition, some of the UTAA Chapters are providing scholarships from their particular county. Shelby and Davidson counties have already endowed scholarships for student in their areas and other chapters are going to follow.

At the direction of Mr. Charles Wharton, interim Chancellor Simek from UTK, President Mary Lou Apple from Motlow, and UTAA representatives visited surrounding counties to speak to students about the importance of higher education. This program is having a tremendous effect on these rural high schools by encouraging these students.

The UTAA is also working towards outreach. Over 97,000 people participated in UT alumni sponsored events. Our chapters hosted over 500 social events. Reunions are frequently held such as pharmacy and dentistry.

In closing, Dr. Ingram thanked the members of the Board of Trustees for their leadership and support. The UTAA is committed to work with the Board, administration and staff to promote the University of Tennessee and do all they can to help change a generation of Tennessee families.

V. NAMING OF COLLEGE OF VETERINARY MEDICINE SMALL ANIMAL HOSPITAL

On behalf of the Institute of Agriculture, Dr. Petersen asked the Board of Trustees to consider naming the UT College of Veterinary Medicine Small Animal Hospital located on the UT campus in Knoxville, TN in honor of Mr. and Mrs. John D. Tickle. The college intends to use the gift to cover costs of the Small Animal Hospital expansion currently under construction. The Tickle's are willing to have the building named in their honor in hopes it will motivate others to contribute to The Campaign for Tennessee. Dr. Petersen requested the approval to name the facility now known as the UT CVM Small Animal Hospital to the John and Ann Tickle Small Animal Hospital. A motion to approve the recommendation to present to the full Board was duly made by Mr. Hall, seconded by Mr. Wharton and unanimously approved.

Note: before Hank Dye gave his report, Dr. Jan Simek came forward to introduce some special guests that were in attendance. Dr. Simek wanted to recognize Jane and Lowry Kline for their campaign leadership and their generous gift to the UTK School of Music. The gift will help to transform the program. They are both graduates of UT. They live in Lookout Mountain. Jane has said, "Lowry and I always surround ourselves with music at all times. When I think about all the music in our lives I cannot replace it. Lowry and I were both scholarship students and never forgot how helpful that was to us and has been a priority to us in our thinking." Their gift is timely as the Music School is getting ready to begin construction. Dr. Simek wanted to thank the Lowry's for their gift. Mr. Lowry stated it was their privilege to be able to give to the School of Music. They are excited about the direction of the university.

VI. REPORT ON STATE LEGISLATIVE ACTIVITY AND BUDGET OUTLOOK

The order of events was changed so Anthony Haynes, Director of State Relations, could get back to the legislative committee meeting in Nashville, TN. Hank Dye, V.P. for Public and Government Relations, introduced Kurt Schlieter, Director of Federal Relations and Anthony Haynes. They will both be making brief presentations with updates in their areas.

Kurt Schlieter started the presentation by walking through the process he uses to arrive at making UT's Federal asks. It is an inclusive process involving all campuses and institutes and it works very well. It is a year round effort, but the main focus is September – March. Kurt looks at ways to identify opportunities and look for partnerships. Afterwards, he sits down with Dr. Petersen, Dr. Millhorn and Hank Dye to review the requests. For FY 2007-2008 the priority list is narrowed down to 13 requests.

Anthony Haynes followed up with an update of what is going on in Nashville. The legislative session is about half way through and all of the bills are coming out and being presented. The state of Tennessee is in a pretty serious budget situation and Anthony feels that we will be fighting very hard for the 2% state employee salary increase. There is not much new money for capital projects because of the budget situation. Anthony explained the importance of the upcoming elections because of the seats that are up for grabs in the House and Senate. Anthony will continue to forward the Friday Briefs to the members of the Board and most of the President's staff.

Chair Spruell Driver asked Hank Dye to discuss the third annual UT Day on the Hill which took place on February 27, 2008. Hank stressed the importance of the event and how well it went this year. Good contact was made and important things are happening.

A question was asked by a Board member if there was evidence of any tax reform bubble up again. Anthony responded that there hasn't been any new news since the latest budget numbers came out.

Another question was asked by a member of the Board on the subject of downloading. Recently an article ran that indicated another university joining UT and Vanderbilt in the efforts to provide the service of legal downloading to students. As more join this program, what is the benefit to UT if there is any? Anthony Haynes responded that it is illegal and a federal crime and by joining efforts, we are changing the culture of a generation and managing the network better.

Another question was asked by a member of the Board regarding downloading. The University is put in the position as enforcer of this agreement, what is the anticipated cost to the University? Anthony responded that there isn't a cost. The purpose is to educate the students. When the software finds out about illegal downloading, the student is given a warning and if they continue to do it, they are brought to the Dean's office and will be further reprimanded.

VII. MEDIA RELATIONS REPORT

Hank Dye encouraged the group to study the report in the Board notebook on media activities. There was a lot of media coverage from October 2007 – December 2007. There were about 1600 mentions of the University of Tennessee and the majority of it was positive.

VIII. REVIEW OF 2008-2009 ALUMNI PROGRAM INITIATIVES

Henry Nemcik stated that the university has been in *The Campaign for Tennessee* for about three and a half years. The Trustees receive reports on the activities of the campaign. We continue to make great progress. We appreciate the generous support from our alumni and friends throughout the entire system. We have 37 days until the campaign launch which is April 17 so please mark on your calendars. We are very excited. *The Campaign for Tennessee* is a seven-year effort that will end on December 31, 2011. We are making great progress but the fundraising gets more difficult as the campaign progresses. We still have work to do and lots of people to involve.

We are in the process of analyzing significant changes in processes in alumni affairs. Lofton Stuart will cover that and Henry Nemcik will ask Charles Wharton to talk more about the campaign plan.

Lofton Stuart began with an observation that the university truly has very strong alumni program. There are two reasons for this. First is the fact UTAA has superb volunteers. Mr. Stuart wanted to recognize Dr. Debbie Ingram who has served well as President of the UTAA this past year. The other reason that has helped the Association have so much success is having professional staff members. Not only in the central office in Knoxville but on all campuses. Lofton invited two of the alumni directors to talk about the great things that are happening on their two campuses. In the absence of Jayne Holder, Director, Assistant Director, Patrick Miles is here to report from UTC.

Pat welcomed everyone to Chattanooga. Patrick has been with UTC alumni affairs for about one year. He has seen a lot of things change in part due to the great alumni volunteers of UTC. UTC has a very strong Board of Directors who are very eager and active in supporting the campus strategic plan and also the vision for leadership in the UTAA. The UTC Board supports the idea of visiting rural area schools and want to participate. Another big initiative for UTC is communication. UTC had noticed a challenge in communicating with their alumni. UTC has about 44,000 living alums across the world and only have about 12,000 email address. This is the sole source of communication at this time. UTC does not have an alumni directory so they rely heavily on their electronic communication to relay their story and news. So, the alumni office updated their website in the fall to keep alumni engaged (and keep it updated almost daily). It has generated more interest and potential for support. Along with this, is the rise of social networking. This is key to help our alumni stay connected to us and to each other. Lastly, the focus is also on young alumni. UTC is creating a new program called UTC GOLD Alumni (Grads of Last Decade). UTC has had several recent grads in their 40s, 50s and 60s which the term young alumni might not fit. The Student Alumni Program is active and had been on campus since 1974 and has just created an open enrollment. These are some of things UTC is focusing on.

Representing UT Martin is Charley Deal, Assistant Vice Chancellor for Alumni Affairs. Charley began by thanking the Board for allowing him to talk a little bit about UT Martin. UTM is looking at students before they get to campus to have senior send off parties for alumni to invite these students into their home to have dinner with them and talk about their

experience at UT Martin and how to get involved with organizations on campus. On move-in day UTM has the legacy lunch in the Library hosted by alumni for the students. The second phase is when they have lived the collegiate experience, they go to the very last class and UTM has the Grand Finale day. Roughly 400 - 600 people come out for this which is for graduating seniors only. This gives UTM a chance to say thank you for choosing UTM and thanks you for choosing the University of Tennessee and here is what our alumni association has to offer you and what you can expect from your alumni association. Last, UTM wants their alums to come back after they leave. Last year, the Board of Trustees changed the purpose of the UTM Chancellor's residence. That allows UTM to use that as the Alumni center. UTM thanks the Board for their support.

Lofton wanted to mention some major initiatives within the system office. There are four major initiatives the UTAA is focusing on for this year. First is a strategic planning committee set up for the Association which will be appointed before Debbie Ingram leaves her term as President. For the first time, will be looking at a strategic plan for our alumni and give us some direction over the next decade. Second is the reorganization of the annual giving program. For many years the annual giving program has had what was called a single ask system. Once you gave a gift to the Association or to the university, for the next 12 months, you were never asked to consider making another gift. Most of the colleagues out in the private sector have said the best givers are those that have made a gift. So, beginning in July, UTAA will begin with a multiple ask annual giving program. Will be asking those who have made gift to the university in the past to consider making another gift to help support very specific programs at the university. One of those being the Alumni Association and the alumni offices themselves will be asking donors to join a Leadership Annual Giving Society of making an annual gift of at least \$1,000 and up to \$10,000 a year in support of alumni programming and Lofton's goal over the next two years is to raise at least a million dollars for this leadership program in order for the Association to help support additional programs for the Association and offices throughout the state. Third is a greater emphasis on marketing and communications program. Working with Harris Direct in finding more ways for alumni to be in contact each other. Henry and others are looking at some web management and data base systems that will help the Association manage their alumni and contacts throughout the nation. UTAA is also looking at ways to try to provide additional services to alumni. UTAA is currently in the process of signing a contract with insurance company that will provide home, life and accident insurance through group rates to the Alumni Association which should be in place by first of July. Will be looking at various ways to provide unique opportunities for the alumni to participate in their alumni program. Finally, looking at the reorganization of the alumni chapter program. This is one of the strongest programs within the Association but one that needs a little fine tuning. Will be placing more emphasis on trying to strengthen instate alumni chapters knowing how important they are in the legislative relations area and student recruitment area. Will be concentrating on putting additional resources and manpower into come of the very strong alumni chapters. This is a very exciting time and the UTAA appreciates the support of the Board of Trustees and Lofton encourages the Board to visit them at any time.

IX. ENDORSEMENT OF CAMPAIGN PLAN

Henry Nemcik called on Charles Wharton to review the campaign plan. There was a committee assigned to work with the development office to put together the campaign plan. That committee was comprised of the following: Jim Haslam, Brenda Lawson, Dee Haslam, Laura Morris, Debby Ingram, Dr. Sarah Gardial and Charles Wharton. The plan established basic fundraising principles, assumptions and definitions for which the university-wide fundraising program can be developed. A timetable for key activities required for the campaign was established and it outlined the core plan for the campaign including organizational structure (volunteer and professional). The campaign operational principles consisted of the following:

- System-wide campaign
- The campaign will last seven years (January 1, 2005 – December 31, 2011).
- Public announcement of the campaign goal of \$1 billion will be announced at the campaign launch event (scheduled for April 2008).
- Funds raised through this campaign will supplement, but in no way supplant the operating and capital support the university receives from the State of Tennessee.
- All former students and friends of the university – whether or not they are major gift prospects – will be given the opportunity to participate in the campaign.

One of the things Henry and his group have done differently with this campaign is the university is going to them with a specific proposal. We are more successful going to people with a proposal for a specific amount.

What counts in the campaign from January 1, 2005 – December 31, 2011. Current gifts and matching gifts, pledges, planned gifts, trusts/funds held by others, private grants and reach backs. Henry iterated that no reach backs have been counted in the campaign numbers as of this date. These numbers will be held and added to the campaign totals at the end of the campaign. The components of the goal amount are 30% for planned gifts, 5% for private grants and 65% for gifts & pledges. The total of the campus working goals is \$1 billion. It is broken down as follows:

Agriculture Institute (\$85,000,000)	Chattanooga (\$65,000,000)
HSC – Medical Center (\$50,000,000)	HSC – Memphis (\$130,000,000)
Knoxville (\$610,000,000)	Martin (\$40,000,000)
System (\$20,000,000)	

X. REVIEW OF UT FOUNDATION, INC. GIFT ANNUITY PROGRAM

There are a lot of reasons for a program such as this. You have to have financial capacity at a Foundation to be able to put together a reserve fund for the gift annuity program. The UT Foundation was established in 2001 so it has taken some time to accumulate the \$500,000 reserves fund. We have a variety of things we offer donors to make gifts to the university such as trusts, insurance programs, out right gifts, long-term pledges, etc. One of the things we have been unable to offer was a gift annuity. There were some donors we visited that

would only make a gift annuity gift. We were giving up an opportunity to maximize our program. It is estimated that we will allow donors an opportunity to invest several million dollars a year over the next few years in this program. This program is different from other programs. With this, we are pledging the assets of the Foundation towards meeting the obligation we are making. You have to be at least 60 years of age with a minimum of \$25,000. We are starting with \$500,000 in the reserve fund. Our goal is to build the reserve fund to several million. This is an exciting program and we are pleased to offer it on behalf of the UT system

XI. OTHER BUSINESS

None stated.

XII. ADJOURNMENT

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

Respectfully Submitted,

Henry Nemcik, Vice President Development and
Alumni Affairs