

ARTICLE III

Standing Committees

SECTION 1. (a) The standing committees of the Board of Trustees shall be the Academic Affairs and Student Success Committee, Advancement and Public Affairs Committee, Audit Committee, Executive and Compensation Committee, Finance and Administration Committee, Health Affairs Committee, Trusteeship Committee, and Research, Outreach and Economic Development Committee.

Committee Charters

(b) Each standing committee shall develop and approve a committee charter detailing the committee's recurring activities in carrying out its responsibilities. The Trusteeship Committee shall review and approve committee charters and recommend them to the Board for final approval.

Special Committees

(c) In addition to the standing committees, the Chair or Vice Chair of the Board may appoint special committees for specific assignments. The chair of any special committee shall be designated at the time of appointment.

Composition of Standing Committees

SECTION 2. (a) The Executive and Compensation Committee shall be composed of the chairs of the other standing committees of the Board, the immediate past Vice Chair of the Board as an ex officio voting member, and the current Vice Chair of the Board as an ex officio voting member. The current Vice Chair of the Board shall serve as chair of the committee. The President of the University shall serve as an ex officio, non-voting member of the committee but shall not be counted for quorum purposes.

(b) The Health Affairs Committee shall be composed of the Vice Chair of the Board, the Chair of the Audit Committee, the Chair of the Finance and Administration Committee, and the Chair of the Trusteeship Committee, all of whom shall serve as ex officio voting members, and the President and the Executive Vice President of the University, both of whom shall serve as ex officio non-voting members of the committee but shall not be counted for quorum purposes. If one of the ex officio voting members is not the immediate past Vice Chair of the Board, the immediate past Vice Chair shall serve as an ex officio voting member of the committee. If one of the ex officio voting members is not from Shelby County or the Ninth Congressional

District, a Trustee from Shelby County or the Ninth Congressional District shall be appointed as a voting member of the Committee in accordance with subsection (b)(1) below. From time to time, the Vice Chair of the Board may recommend to the Board of Trustees that another Trustee with professional or business expertise that would be particularly beneficial to the Health Affairs Committee be appointed as an at-large voting member. The Chair of the Finance and Administration Committee shall serve as Chair of the Health Affairs Committee.

(b)(1) Except as otherwise provided in these Bylaws, the voting members of the standing committees shall be members of the Board of Trustees appointed by the Board upon the recommendation of the Vice Chair of the Board, with the advice and consent of the Trusteeship Committee. Each standing committee shall be composed of no less than three members of the Board of Trustees.

Notwithstanding any provision in this subsection to the contrary, the Audit Committee may be composed of one external member and two or more members of the Board of Trustees who satisfy the membership requirements established in Article III, Section 8 of these Bylaws. An external member must have extensive accounting, auditing, or financial management expertise. An external member may not serve as Chair of the Audit Committee.

(b)(2) Committee appointments shall be made at the annual meeting for a two-year term. The chair of each standing committee shall be designated by the Board for a two-year term upon the recommendation of the Vice Chair, with the advice and consent of the Trusteeship Committee. For good cause, such as the need to ensure continuity in Board leadership during a period of transition in Board membership or in the offices of Governor or President, the Board, on the recommendation of the Vice Chair, may extend the term of committee and committee chair appointments for up to one year beyond the two-year term. *(The immediately preceding sentence shall expire on May 31, 2011.)* Competencies and professional or business expertise of members and previous Board and committee experience of members, together with any special qualifications required by these bylaws for certain committees, will be considered in committee and chair appointments. No Trustee may serve more than two consecutive two-year terms as chair of a committee. If a vacancy

occurs in a committee or chair position prior to expiration of the two-year term, the Board shall appoint a Trustee to fill the remainder of the term, upon the recommendation of the Vice Chair, with the advice and consent of the Trusteeship Committee.

(b)(3) The Vice Chair of the Board shall be an ex officio, voting member of all standing committees and, except for the Audit Committee, shall be counted for quorum purposes.

(b)(4) The President of the University shall be an ex officio, non-voting member of all committees, except the Audit Committee, but shall not be counted for quorum purposes.

(b)(5) The faculty senate presidents and the student government association presidents shall serve as non-voting members of the Academic Affairs and Student Success Committee.

(b)(6) A representative of the professional staff of the Institute of Agriculture, the Institute of Public Service, and the Health Science Center shall be appointed by the Vice Chair of the Board, upon the recommendation of the President, as non-voting members of the Research, Outreach and Economic Development Committee.

**Meetings of
Standing
Committees**

Required

SECTION 3. (a) The Executive and Compensation Committee shall meet as often as necessary to carry out its responsibilities. All other standing committees shall meet at least three times annually.

Call

(b) A meeting of any standing or special committee may be called by the Chair of the Board, the Vice Chair of the Board, the President, the committee chair, or by the Secretary upon the written request of two members of the committee.

Notice

(c) Notice of all standing and special committee meetings, including the purpose of the meeting, shall be given to all committee members. Notice of meetings of the Executive and Compensation Committee, including the purpose of the meeting, shall be given to all members of the Board. Notice may be delivered by regular mail, electronic mail, or facsimile transmission. At least five (5) days' notice shall be given when feasible, but less notice may be given when there is a need for urgent action by the committee. If written notice is not feasible,

by reason of urgency or other exigent circumstance, notice may be given by telephone.

Agenda (d) An agenda shall accompany the notice of every meeting of a standing or special committee when feasible, but when not feasible, the notice shall state the purpose or purposes for which the meeting is called. The agenda shall list in outline form each matter to be considered at the meeting. Matters not set forth on the agenda or in the notice shall be considered only upon an affirmative vote of a majority of the entire committee.

Consent Agenda (e) In accordance with Article II, Section 8, of the Bylaws, items may be designated by the Vice Chair of the Board, in consultation with the President, the Secretary, and the committee chair, for a consent agenda of the Board. Consent agenda items shall be separately identified on the committee agenda, and before calling for a motion to approve, the committee chair shall ask if any member of the committee wants to remove an item from the consent agenda. Requests for clarification or other questions about an item on the consent agenda must be presented to the Secretary before the meeting. An item will not be removed from the consent agenda solely for clarification or other questions.

(e)(1) If any committee member asks that an item be removed from the consent agenda, the item will be separately considered and voted on by the committee. If the item is approved by the committee, it will be placed on the consent agenda for the full Board meeting.

(e)(2) If there is no request to remove an item from the consent agenda, the consent agenda shall be voted on by a single motion, and if the motion carries, all items will go forward to the consent agenda of the full Board meeting.

Quorum (f) A majority of the voting members of each standing or special committee shall constitute a quorum. In the absence of a quorum, those attending may adjourn the meeting until a quorum is present.

Open Meetings (g) Meetings of standing committees, and meetings of special committees authorized to make decisions for or recommendations to the Board, shall be open to the public except as authorized by a statutory or judicially recognized

exception to the Tennessee Open Meetings Act.

Minutes (h) Minutes shall be made of meetings of all standing committees and special committees authorized to make decisions for or recommendations to the Board, and the minutes shall be provided to all members of the committee. In accordance with Article II, Section 5(b) of these bylaws, minutes of the Executive and Compensation Committee shall be provided to all members of the Board.

**Executive and
Compensation
Committee**

SECTION 4. (a)(1) The Executive and Compensation Committee shall have power to approve the condemnation or purchase of properties when necessary between meetings of the Board; to approve conveyance of the University's interest in real property by sales in fee, easements, or rights of way when necessary between meetings of the Board; and to approve the acquisition of any interest in real property, including acquisition by gift or devise if the acquisition obligates the University or the State of Tennessee to expend state funds for capital improvements or continuing operating expenditures, when necessary between meetings of the Board.

(a)(2) The committee shall have power to act for the Board, in harmony with the general policies of the Board, to approve any other matter on which action is required before the next meeting of the Board. Before undertaking to act for the Board on such a matter, the committee must make a determination of necessity, and the facts and circumstances on which the determination is based must be reflected in the minutes of the meeting.

(b)(1) The committee shall recommend to the Board the initial compensation of the President. The committee shall review the President's compensation annually, taking into consideration the results of the President's annual performance review, and may recommend to the Board adjustments in the President's compensation.

(b)(2) The committee shall recommend to the Board the compensation of the other elected officers each year after their initial election.

(b)(3) The committee shall recommend to the Board the University's compensation plan and any benefit programs requiring Board approval.

**Trusteeship
Committee**

SECTION 5. (a) The Trusteeship Committee shall have the following purposes: (1) to stay informed about governance issues; (2) to propose implementation of governance best practices; and (3) to organize the working processes of the Board.

(b) The Trusteeship Committee's responsibilities shall include the following:

(1) Develop and recommend to the Board a statement of governance setting out the Board's role and fundamental principles of governance.

(2) Periodically review the Bylaws and recommend needed amendments;

(3) Recommend to the Board an effective committee structure and ensure each standing committee develops a charter for approval by the Board;

(4) Provide advice and consent to the Vice Chair of the Board on standing committee and chair appointments;

(5) Develop a self-evaluation process for the Board and for individual Trustees to be conducted periodically at the committee's discretion, but not less often than every three years;

(6) Develop and implement a process for evaluating the effectiveness of Board and committee meetings;

(7) Develop an effective orientation and continuing education process for the Board;

(8) Monitor, oversee, and review compliance with the Code of Ethics for Trustees;

(9) Develop a set of personal qualifications and core competencies for membership on the Board for approval by the Board and recommendation to each sitting Governor.

SECTION 6. (a) The Finance and Administration Committee shall formulate policies and recommend their adoption by the Board of Trustees in all matters relating to finance, business, and administration, including the investment of University funds.

**Finance and
Administration**

Committee

(b)(1) The Finance and Administration Committee shall approve and recommend to the Board guidelines governing the administration's submission of a proposed annual operating budget and appropriations request to state agencies and officials.

(b)(2) The Finance and Administration Committee shall approve and recommend to the Board the University's proposed capital outlay budgets and requests for capital outlay appropriations prior to their submission to other state agencies and officials.

(b)(3) The Finance and Administration Committee shall approve and recommend to the Board the final operating and capital outlay budgets for the next fiscal year after the General Assembly has enacted annual appropriations for the University.

(c) The Finance and Administration Committee shall approve and recommend tuition and fee rates for adoption by the Board.

(d) The Finance and Administration Committee shall approve and recommend to the Board the construction of specific buildings and other capital improvements.

(e) The Finance and Administration Committee shall approve and recommend to the Board the facilities master plan for each campus.

(f) The Finance and Administration Committee shall approve and recommend to the Board or to the Executive and Compensation Committee the acquisition of any interest in real property, including acquisition by gift or devise if the acquisition obligates the University or the State of Tennessee to expend state funds for capital improvements or continuing operating expenditures.

(g) The Finance and Administration Committee shall approve and recommend to the Board or to the Executive and Compensation Committee conveyance of the University's interest in real property by sale in fee, easement or right-of-way; provided, however, that in the case of an interest acquired by gift or devise, the President, upon recommendation of the appropriate vice president, shall have authority to approve the sale at or above the appraised value. All sales of real property acquired by gift or devise shall be reported annually to the

Finance and Administration Committee, which in turn shall report the sales to the Board of Trustees.

(h) All matters involving ordinary repairs, changes, adjustments and improvements for the purpose of putting and keeping in good condition the buildings, grounds and equipment of the University, wherever located, for their efficient use are committed to the University administration, subject to compliance with all applicable state laws and University policies.

(i) The Finance and Administration Committee shall approve and recommend to the Board any personnel policy matter requiring Board approval.

(j) The Finance and Administration Committee shall approve and recommend to the Board University rules required to be promulgated under the Tennessee Uniform Administrative Procedures Act, except rules governing student conduct, rights, and responsibilities, which shall be approved and recommended by the Academic Affairs and Student Success Committee.

**Academic Affairs
and
Student Success
Committee**

SECTION 7. The Academic Affairs and Student Success Committee shall approve and recommend to the Board the following:

(1) mission statements for The University of Tennessee System for each campus and institute of the University.

(2) strategic and long-range academic plans;

(3) proposals concerning the development of new academic programs and the significant revision of existing programs relating to instruction, research, and service;

(4) establishment of new academic organizations, such as major campuses, institutes, colleges or schools, and academic departments;

(5) evaluation of existing academic programs and their administrative structures;

(6) termination of programs and structures that no longer are needed;

- (7) admission, progression, retention, and graduation standards;
- (8) the University's policy on Academic Freedom, Responsibility, and Tenure, campus implementing procedures, and any other faculty personnel policy requiring Board approval;
- (9) proposals and any necessary policies concerning information technology;
- (10) proposals and any necessary policies concerning system-wide use of academic services including libraries and computer labs;
- (11) University rules concerning student conduct, rights, and responsibilities required to be promulgated under the Tennessee Uniform Administrative Procedures Act;
- (12) proposals and any necessary policies related to the non-academic aspects of student life, including student services and student conduct; and
- (13) proposals and any necessary policies related to campus enrollment and facilities capacity.

Audit Committee

SECTION 8. (a) All members of the Audit Committee shall be financially literate, meaning they shall be able to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement. At least one member of the Audit Committee shall have extensive accounting, auditing, or financial management expertise. There shall be no overlapping membership of the Audit Committee and the Finance and Administration Committee. The Vice Chair of the Board shall serve as an ex officio member of the Audit Committee but shall not be counted for quorum purposes. The President shall not serve as an ex officio member of the audit Committee but shall attend meetings if requested by the Chair.

(b) The purpose of the Audit Committee is to assist the Board of Trustees in fulfilling its oversight responsibilities for the following activities:

- (1) The integrity of the University's financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance.

(2) Review of the University's external audit by the Division of State Audit for the State of Tennessee; and

(3) Oversight and direction of the internal auditing function and any external auditors whom the committee may employ.

(c) The Audit Committee shall have the following powers and responsibilities:

(1) Conduct or authorize any investigation appropriate to fulfilling its purpose;

(2) Seek any information it requires from University officials and employees – all of whom are required to cooperate with the Audit Committee's requests – or external parties;

(3) Have direct access to University officials, State auditors, internal auditors, any external auditors, legal counsel, or others as necessary;

(4) Delegate authority to subcommittees, provided that decisions made under such delegation are presented to the full committee at its next scheduled meeting; and

(5) Review and approve the appointment, reassignment, demotion, or dismissal of the chief internal auditor;

(6) Ensure that the Chief Internal Auditor has direct and unrestricted access to the Chair of the Audit Committee and other members of the Audit Committee;

(7) Ensure that the Chief Internal Auditor's administrative reporting relationship fosters independence, and ensure that adequate resources in terms of staff and budget are provided to enable the internal audit department to perform its responsibilities effectively;

(8) Receive and review audit reports and other work prepared by the internal audit department;

(9) Establish procedures to allow information about questionable financial practices to be submitted anonymously by University employees; and establish procedures for handling anonymous submissions;

(10) Provide an open avenue of communication among the State

auditors, the internal audit department, senior management, and the Board of Trustees;

(11) Other powers and responsibilities as the Board of Trustees may prescribe from time to time.

**Advancement and
Public Affairs
Committee**

SECTION 9. The Advancement and Public Affairs Committee shall exercise oversight of programs related to private gifts to the University, alumni support of the University, public relations, and governmental relations. Responsibilities of the committee shall include:

(1) In consultation with the President, setting goals for private gifts to the University and assessing whether fundraising strategies are sufficient to meet those goals.

(2) Examining trends in private giving and, in consultation with the President, developing appropriate responses to those trends;

(3) Recommending to the Board any necessary policies related to private gifts;

(4) Recommending to the Board the naming of University buildings;

(5) Monitoring the effectiveness of the University's communications with the public, including alumni of the University, and the media;

(6) Ensuring adequate programs are in place for the advancement of the University's reputation and furtherance of its mission in the local, state, national, and international communities;

(7) Monitoring major state and federal legislation affecting the University; and

(8) Promoting effective communication between the University and public officials and leaders at the local, state and federal levels.

**Research,
Outreach and
Economic
Development
Committee**

SECTION 10. The Research, Outreach and Economic Development Committee shall monitor and promote the effectiveness of programs seeking to extend the University's fund of knowledge to the local, state, national and international communities, including programs in agriculture, university

extension, public service, continuing education, family medicine, social work, nursing, and other clinical or service programs. The committee shall also review and report to the Board concerning the University's role in promoting economic development for the state.

**Health Affairs
Committee**

SECTION 11. The Health Affairs Committee shall assist the Board in exercising oversight of the clinical activities of the Health Science Center. The committee shall review and recommend to the Board of Trustees or the Executive and Compensation Committee: (1) a strategic plan for the Health Science Center's statewide clinical activities; and (2) significant transactions related to the Health Science Center's statewide clinical activities including, but not limited to, acquisition or disposition of physician practices, hospitals, and other facilities or clinical and ancillary services; creation of faculty practice plans; and creation of or participation in joint ventures, corporations, or other legal entities.

**Chancellor's
Advisory Council**

SECTION 12. The Chancellor of each campus may appoint an advisory council composed of Trustees from the campus area, student and faculty representatives, and community representatives. The senior Trustee from the campus area shall serve as chair of the campus advisory council. The Chancellor shall convene the advisory council periodically for the purpose of informing the council and seeking its advice on campus matters. The President may also convene the advisory council for the purpose of seeking the council's advice on campus or university-wide matters. The chair of the advisory council may report on council activities at any stated meeting of the Board.

Athletics Boards

SECTION 13. Intercollegiate athletics, like all other programs offered by the University, are subject to the governance of the Board of Trustees. The Board of Trustees has established an Athletics Board for each campus of the University which offers intercollegiate athletics programs. These Boards shall serve in an advisory capacity with respect to intercollegiate athletics. Members of the Board of Trustees shall be appointed to the Athletics Boards in the same manner as Trustees are appointed to standing committees. Trustee members of the Athletics Boards, together with the University administration, shall maintain a liaison between the University's intercollegiate athletics programs and the Board of Trustees. Any change in the

structure or function of the Athletics Boards shall be subject to the approval of the Board of Trustees.