

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE EXECUTIVE AND COMPENSATION COMMITTEE

September 10, 2014
Nashville, Tennessee

The Executive and Compensation Committee of The University of Tennessee Board of Trustees met at 7:30 a.m. CDT on Wednesday, September 10, 2014, in Ed Jones Auditorium at the Ellington Agricultural Center in Nashville, Tennessee.

I. CALL TO ORDER

Chair Ferguson called the meeting to order and asked the Secretary to call the roll.

II. ROLL CALL

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

J. Brian Ferguson, Chair
Charles C. Anderson
George E. Cates
Joseph A. DiPietro
D. Crawford Gallimore
Vicky B. Gregg
James L. Murphy, III
Charles E. Wharton

The Secretary announced the presence of a quorum. Other Trustees, members of the administrative staff, and media representatives were also present.

III. MINUTES OF LAST MEETING

Chair Ferguson called for a motion to approve the June 18, 2014 minutes as presented in the meeting materials. Trustee Wharton moved approval, Trustee Cates seconded, and the motion carried unanimously.

IV. PRESIDENT'S REMARKS

President DiPietro reported on fall enrollment data, noting that UT Martin's fall enrollment is slightly down; UT Knoxville has the largest freshman class in decades; and UT Chattanooga's enrollment is about the same as last year. After commenting on new construction activities on the campuses, the President deferred further remarks until the workshop following the meeting.

V. COMPREHENSIVE PRESIDENTIAL PERFORMANCE REVIEW, 2011-2013

Vice Chair Ferguson reminded the Board that this is the first comprehensive performance review conducted on a University of Tennessee president. As required by the Board's Policy on Presidential Performance Reviews, the Vice Chair retained an external advisor, Dr. Terrance MacTaggart, Senior Fellow with the Association of Governing Boards, to assist with the review. The Vice Chair then asked Dr. MacTaggart to offer a brief summary of the report of his interviews with Trustees and representatives of various constituencies.

Dr. MacTaggart said that trust and stability were the consistent themes he heard in the course of interviewing some seventy individuals. He also said that the consistent praise he heard for President DiPietro far exceeded anything he had heard in conducting many previous presidential performance reviews. Dr. MacTaggart made the following suggestions for the President's continued success: (1) reduce the President's direct reports by at least 50 percent; (2) allow the incumbent Executive Vice President to focus exclusively on the research enterprise and establish a true second-in-command who has the respect of the University and can speak and act for the President on a variety of matters; (3) engage in systematic succession planning, especially at senior levels; (4) work to speed up the decision making process; and (5) seek guidance from an experienced communications coach to enhance effectiveness in addressing large audiences.

Finally, Dr. MacTaggart suggested the Board and administration consider launching a systematic, comprehensive initiative to reposition UT as one of the most important instruments for a brighter economic and educational future for Tennesseans. He noted that such an initiative would involve not only public communications, advocacy, and fundraising, but also internal efficiencies and reallocations. The current business model, programs, and staffing patterns need a fundamental review to identify which programs and services are most important, which should be sustained, and which should be reduced or eliminated. Embracing a change strategy sooner rather than later will engender

far less difficulty.

Dr. MacTaggart concluded by stating that President DiPietro is a remarkable leader who has earned the trust and confidence of Tennesseans, and he is certainly the right person to lead this complex and important university in positive new directions through realignment.

Trustee Gallimore moved that the Executive and Compensation Committee recommend the following to the Board of Trustees:

1. Approval of Dr. MacTaggart's Report of a Comprehensive Presidential Performance Review of President Joseph A. DiPietro (Exhibit 1);
2. Approval of the goal of pursuing a systematic and comprehensive initiative to address unfavorable financial realities and trends by aligning the University with the state's most compelling economic and educational needs and priorities; and
3. Approval of an extension of the term of President DiPietro's employment agreement through June 30, 2019.

The motion was seconded by Trustee Wharton, who also initiated a discussion about how the initiative would be developed and accomplished. The Vice Chair said the workshop following the meeting would focus on that subject, and at the end of the day, the President and his team would be charged with developing a plan. Trustee Cates expressed concern that strategies have been presented to the Board for approval without active involvement of the Board in their development. The Vice Chair concurred that the most successful strategies are those marked by inclusiveness. Following the discussion, the Vice Chair called for a vote on the motion, and it carried unanimously.

VI. TENTATIVE SCHEDULE AND AGENDA FOR THE FALL MEETING

Vice Chair Ferguson presented the tentative schedule and agenda for the October 2-3 Fall Board meeting in Knoxville (Exhibit 2). There were no suggested revisions.

VII. EXECUTIVE AND COMPENSATION COMMITTEE MEETING DATES IN 2015

Vice Chair Ferguson proposed January 20 and May 19 as Executive and

Compensation Committee meeting dates in 2015.

Trustee Murphy moved that the proposed dates for the first two Executive and Compensation Committee meetings in 2015 be approved (Exhibit 3). Trustee Gregg seconded, and the motion carried.

VIII. OTHER BUSINESS

There was no other business to come before the Committee for action.

IX. ADJOURNMENT

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

Respectfully Submitted,


Catherine S. Mizell, Secretary