

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE ADVANCEMENT AND PUBLIC AFFAIRS COMMITTEE

February 27, 2014
Martin, Tennessee

The Advancement and Public Affairs Committee of The University of Tennessee Board of Trustees met at 10:30 a.m. CST, Thursday, February 27, 2014 in the University Center Ballroom on the campus of The University of Tennessee at Martin.

I. CALL TO ORDER

Chair Charles Wharton called the meeting to order.

II. ROLL CALL

Mr. Anthony Haynes, Vice President for Government Relations and Advocacy called the roll of Committee members. Those present were:

Charles Wharton, Chair
Joe DiPietro
Brian Ferguson
Brad Lampley
Sharon Miller Pryse
Karl Schledwitz

The Chair announced the presence of a quorum.

III. CONSENT AGENDA

Chair Wharton called for a motion to approve the minutes. Trustee Schledwitz moved approval, Trustee Lampley seconded, and the motion carried.

IV. GOVERNMENT RELATIONS REPORT

Mr. Haynes presented updates on activities in which Government Relations and Advocacy staff have been working since the fall Board meeting.

- A successful UT Visibility Day in DC was held on November 20, 2013. The focus was on having UT Chancellors meet with federal and agency officials to advance the growth of partnerships between UT and these offices and agencies.
- During Volunteer Leadership Weekend in Knoxville, staff members led a workshop on government relations and advocacy.
- Associate Director Carey Whitworth served on an advocacy panel during the 2013 annual meeting of AASCU Government Relations representatives.
- Successful regional meetings with President DiPietro and area legislative representatives were held across the state. Local trustees and alumni also attended these meetings.
- The 2014 Advocacy Council/Alumni Legislative Council meeting was held on February 8 in Nashville.
- The annual UT Day on the Hill held on February 18 was another successful legislative event, highlighted by the appearance of former Vol football star Inky Johnson as the luncheon speaker.

Mr. Haynes reported that the federal government passed a budget and that we now have an appropriations framework. Additionally, the Farm Bill was passed.

With the Tennessee General Assembly's return in January, UT staff are focusing on the issues of articulation pathways, tuition, lottery, undocumented students preference, UT's sunset, the controversy about the so called "Sex Week" event at the Knoxville campus, student fees and how they are used. Mr. Haynes reported that a proposed resolution is in discussion.

With regard to students and a proposed resolution, Trustee Pryse asked about the "opt in" part of the resolution and if it would be better if students could "opt

out" rather than "opt in." President DiPietro indicated that the policymakers probably prefer the "opt in."

Trustee Lampley stated that he is in Legislative Plaza much of the time during the legislative session and that "Sex Week" is the issue everyone wants to talk about when it comes to UT. He added that Vice President Haynes, President DiPietro, and all the staff have been responsive to the issues and concerns raised and said that this is a credit to the work that President DiPietro, Mr. Haynes and his staff and others are doing.

V. COMMUNICATIONS AND MARKETING REPORT

Dr. Tonja Johnson, Vice President of Communications and Marketing, reported the communications team has been very busy supporting President DiPietro on legislative issues. This team has also been heavily engaged in media relations work associated with addressing the system's position on state and national policies that impact national higher education.

Since the last board meeting, Dr. Johnson has had the opportunity to convene all of the statewide communicators in a day-long session. She will again convene a two-day working retreat with this same group in June. In January she engaged her staff in a facilitated planning retreat to develop goals and priorities for 2014.

Dr. Johnson, with Interim CIO James Perry, is in the process of finalizing the setup for an emergency off-campus communications headquarters which will help establish operations outside of the administration building.

The *Tennessee Alumnus* magazine has been undergoing a steady transformation over the last six years. In October a new designer was hired. Operations have been enhanced to be more effective and efficient in the production schedule. A new *Alumnus* blog has been added and many of the online aspects of the magazine have been enhanced.

The www.tennessee.edu website (which debuted in 2008) is currently undergoing a comprehensive redesign. The next steps are to research the traffic and users of the site, and establish objectives that recognize the goals of the system-wide strategic plan.

Plans for the Coming Months:

- A more formal mission and vision statement of the Communications and Marketing division.
- More clearly articulated functions for both the communications and marketing areas.
- More formal communications and marketing plans that will be updated annually to address the goals and objectives of the University's system communications and marketing program as well as a multi-year communications and marketing plan that will be developed in collaboration with the statewide marketing and communications advisory committee.
- More measurable progress in the development of the redesigned and realigned www.tennessee.edu website, finalization of system emergency communications plan, and then develop an effective set of metrics for measuring the effectiveness and impact of our marketing and communications office.

In closing, Dr. Johnson pointed out that the University has some outstanding communications and marketing programs at all campuses with exceptional leadership. They are being recognized nationally and internationally and are demonstrating the impact that marketing and communications efforts have on important campus projects and initiatives.

The efforts of Dr. Johnson and her staff at the system communications and marketing level are integrated with the campuses' and the institutes' efforts to improve branding, marketing and communications.

Referring to an audit report item on the difficulty student applicants had finding various types of information on the website, Trustee Pryse asked Dr. Johnson if her group would address this issue. President DiPietro responded that the issue has been corrected. He explained that there was a finding in the Sunset Audit regarding the transfer pathways created in conjunction with TBR. Links to the transfer pathways are now on the home pages of all the undergraduate campuses.

VI. DEVELOPMENT AND ALUMNI AFFAIRS REPORT

Mr. King Rogers, Chair of the UT Foundation Board of Directors, gave an overview on the Foundation with some successes and challenges (Exhibit 1).

When the UT System entered into an affiliation agreement with UT Foundation (UTFI) in 2011, the Foundation had only one employee and an annual budget of \$25,000. The day after the agreement was signed, the UTFI and Alumni Association had an annual budget of \$25 million and more than 200 employees transferred over to the Foundation.

The primary reason for an interdependent Foundation was to increase the development and alumni affairs staff and to increase private gift support to the university by an additional \$100 million per year by 2020. The goal was to hire 60 additional development officers over a five year period.

The original fundraising goal was adjusted downward because of the economic down turn. As of January 1, 2014, the Foundation has 37 new positions, including 24 new development officers and 13 positions that will support development functions and increase alumni engagement.

Mr. Rogers asked the Trustees to help with names of alumni, friends and supporters of the university for the development staff.

Development, Alumni and Fundraising Highlights:

- As of December 31, 2013 over \$111 million has been raised, \$40 million ahead of this time last year.
- The Foundation is to raise funds to support the university's strategic plan.
- New ways of reaching donors are being developed. A crowd funding website where a donor can make a contribution to a specific project has been developed. UTK completed the Big Orange Give, an initiative which raised over \$250,000 in 125 hours and helped the campus attract new donors and bring back lapsed donors.
- Data integrity has been enhanced to ensure good information on alumni and donors on record and to identify new donors for all of the campuses and institutes.
- Annual giving dollars have increased as well as total donors.

Current State of the Foundation:

- The original affiliation agreement between the Foundation and the University stated the funding model would be re-evaluated bi-annually. With the Foundation reaching its second year, discussions are ongoing with President DiPietro and the Chancellors to solidify the funding model shortly.
- The Foundation looks to the Association of Governing Boards for best practices. They represent about 80% of the large university foundations. Many of these foundations have a fee or an assessment on gifts and the UTFI may have to consider this.

Trustee Ferguson asked Dr. Johnson if her area is working with the Foundation on what is necessary to get the right branding and marketing for fundraising. Dr. Johnson said that working with the Foundation and the Communications Committee is needed to market big ideas and brand the university.

President DiPietro reiterated the importance of identifying new donor prospects. The marketing strategy has historically been done by telephone and mail. Last year the annual giving phone campaign by the Knoxville campus resulted in about \$1 million and 7,000 new names.

Chair Wharton reiterated the University has been handicapped by the limited number of donor calls. The University just received its first corporate grant from the Gates Foundation. The Foundation has been completely dependent on the University for funding and has been under the legislative jurisdiction. Now, as an interdependent foundation, more avenues are available.

President DiPietro noted a funding issue in that short term interest rates have been historically low. The Foundation was originally predicated on historical short term interest rates. It was assumed that the rates would not go below three percent but they did. Further, the Affinity Credit Card revenue has ended. We must develop additional revenue or trim back the Foundation's budget.

Mr. Rogers reiterated there are two changes that have taken place that are helping the Foundation identify more potential donors. There are nine regional development officers and the UTAA has 350,000 alums nationwide. The Foundation will add development officers as it can but the regional officers can make a significant impact.

VII. NAMING OF THE CORPORATE GOVERNANCE CENTER, COLLEGE OF BUSINESS ADMINISTRATION, UT KNOXVILLE

President DiPietro made the motion that the Corporate Governance Center in the College of Business Administration at UT Knoxville be named the "C. Warren Neel Corporate Governance Center" (Exhibit 2). Trustee Lampley moved approval, Trustee Pryse seconded, and the motion carried.

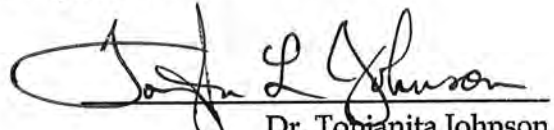
VIII. OTHER BUSINESS


Chair Wharton encouraged support for Anthony Haynes, President DiPietro and the Chancellors with legislators and those who support higher education.

Chair Wharton thanked Dr. Tom Rakes and the UT Martin campus for hosting the Trustees.

IX. ADJOURNMENT

With no other business, the meeting was adjourned.


Dr. Tonjanita Johnson
Vice President for Communications
and Marketing


Mr. Anthony Haynes
Vice President for Government
Relations and Advocacy


Mr. Lofton Stuart
Interim Vice President for
Development and Alumni Affairs
Interim President/CEO, UT Foundation