

MINUTES OF THE SPECIAL MEETING

BOARD OF TRUSTEES

THE UNIVERSITY OF TENNESSEE

September 17, 2003
Knoxville, Tennessee

The special meeting of the Board of Trustees of The University of Tennessee was held at 1:00 p.m., Eastern Daylight Time, Thursday, September 17, 2003 in the Board Room, Andy Holt Tower, Knoxville, Tennessee.

I. CALL TO ORDER

Chairman Phil Bredesen called the meeting to order.

II.

ROLL CALL

The Secretary called the roll, and the following were present:

Governor Phil Bredesen

Mrs. Johnnie D. Amonette
Mrs. Barbara C. Castleman
Mr. F. Michael Combs
Commissioner Ken Givens
Mr. Waymon L. Hickman

Dr. Rhynette N. Hurd

Mr. Jerry L. Jackson

Dr. Joseph E. Johnson
Mr. D. Lynn Johnson

Mrs. Andrea J. Loughry

Mr. James L. Murphy, III

Mr. John H. Pontius
Mrs. Susan Richardson-Williams
Commissioner Lana C. Seivers
Mr. William B. Stokely, III
Ms. Carol L. White
Mr. James L. "Bucky" Wolford

The Secretary announced the presence of a quorum.

III. PRESIDENTIAL SEARCH PROCESS

Governor Phil Bredesen said the specific reason the meeting was called was to talk about the process for searching for a new president and how it might be conducted. He said there is more at stake in the process than simply recruiting another president. Governor Bredesen said the credibility of the University as well as the credibility of the Board of Trustees are issues that must be addressed.

The Governor referred to the Statement of Guiding Principles (Exhibit 1) which was distributed to Board members prior to the meeting and which he said would serve as guidelines for the Board in the recruitment of a president. Governor Bredesen said he would go through each section of the Statement and seek input from the Trustees to ensure the document would provide the basic guidance necessary for the search process.

I. Principle of Openness

Governor Bredesen said the first section refers to the fact the process will be an

open one with an effort made to seek female and minority candidates and that there be a public evaluation process through which all candidates must proceed. He opened the floor for discussion for the first section of the Statement.

Trustees Lynn Johnson, Jerry Jackson and Susan Williams voiced support of the open, one-track process.

Mr. Jackson said although Trustees found in previous searches that some potential candidates would not apply in an open search, the risk is worth taking in this case.

Mrs. Williams said anyone who sincerely wants to be the President of The University of Tennessee will be willing to become a public candidate for the position.

Mr. William B. Stokely, III, said he hoped the Board would not be going from one extreme to the other by asking that every potential candidate be a public candidate. He said two searches ago, the Board eliminated looking within the institution and looked for sitting presidents. Mr. Stokely said the plan being proposed goes almost completely in reverse, virtually eliminating any sitting president who has a reluctance to go public with his or her candidacy. He asked if a mechanism might be put in place to keep such candidates by providing a less public forum.

Dr. Joseph E. Johnson said there will inherently be some reluctance on the part some candidates to go public if they are in a position in which they are happy. He said it important that the search not be a passive one. The Board cannot afford to advertise the position and wait for applications to come in. There must be the pursuit of some people in terms of encouraging them to become candidates. Dr. Johnson said that running a totally open process is important based on the University's recent history, but as a result a few potential candidates might not seek the job.

Ms. Carol White said the biggest concern of the students is the lack of student representation on the Search Committee. Ms. White said as far as the open process is concerned, the Board may limit itself but for the sake of the University, its students and its faculty at this particular time, reassuring the faculty and students that they have a voice is critical.

Mr. Jackson said that with all the University has been through, there may be some difficulty in finding viable candidates because of the potential of intense scrutiny.

Mrs. Williams said candidates who really want the position will be willing to come forward. She said the UT Presidency is a great opportunity for the right person.

Mrs. Williams said the search must be open, and anyone who wants the job must be willing to put their name in the public as a candidate.

Governor Bredesen said the Board of Trustees faces a unique situation during this search because there is much confidence-building to be done. He said while some candidates will be unwilling to become candidates in an open process, the University's present situation makes openness imperative.

Mr. James Murphy said more than just selecting a president is at stake in the process. He said restoring confidence in The University of Tennessee, its Board of Trustees and its processes is of utmost importance. He said he agrees that the right person will want the job of president and will come to the Board asking to be hired. Mr. Murphy said the Board, the Search Committee and the Advisory Council will have to be proactive in identifying candidates and if the process does not provide suitable candidates, the search for additional candidates can begin anew.

Mrs. Andrea Loughry said that someone willing to become a candidate in the public process will be someone who can stand the media scrutiny.

Mrs. Williams agreed saying, that anyone who becomes a public candidate must be willing for all the skeletons in their closet to be made public.

Dr. Rhynette Hurd said that while she fully endorses the open search, she is always concerned with absolutes. She expressed her hope that problems would not arise from saying the Board absolutely would not entertain a candidate who did not want his name to become public.

Governor Bredesen said a paragraph at the end of the Statement allows the Board to get back together at the end of the search if results are not satisfactory and seek additional candidates.

Mr. D. Lynn Johnson moved adoption of the Principle of Openness contained in the State of Guiding Principles. Mrs. Susan R. Williams seconded, and the motion carried unanimously.

II. Establishment of a Search Committee

Governor Bredesen said a Search Committee and a Search Advisory Council will be appointed to work together in the selection of a President of The University of Tennessee. He said the proposed Search Committee would include five trustees, the student trustee and two recommended members of the faculty. Governor Bredesen said the method for choosing the faculty members is to be determined.

Mr. Murphy said a Bylaw change would be required if representatives from constituencies other than trustees and faculty were allowed to serve on the

presidential search committee. He said that by appointing both a Search Committee and a Search Advisory Council, representation from a wide variety of constituencies is possible without a Bylaw revision. Mr. Murphy said it is necessary to look at both groups together to some extent to avoid the overlap of responsibilities and at the same time stress the importance of input from both groups.

Dr. Johnson said the importance of the role of the Search Advisory Council is clearly essential to the process since all candidates must go through the Council for screening, evaluation and review.

Governor Bredesen asked for input from the faculty and student perspective from Trustees Michael Combs and Carol White.

Mr. Combs expressed support of the design of the Search Committee and the Advisory Council but questioned how Committee and Council members from the faculty would be selected.

Governor Bredesen requested the four faculty senates come up with two or three candidates from which he could appoint. A similar process would be followed for student selection.

Ms. White said students on all campuses agree that an additional student on the search committee would provide students a stronger voice in the search process. Ms. White moved to increase the student representation on the Presidential Search committee to two. Commissioner Lana Seivers seconded.

Mr. Murphy asked if the Bylaws allow for the addition of a second student to the Search Committee without a Bylaws revision and whether amendment to the Bylaws requires notice.

Ms. Mizell said a Bylaws revision would be required to change the composition of the Search Committee to include anyone other than Trustees and faculty. The student Trustee represents the study body by serving on the Committee as a Trustee. Ms. Mizell said five days' notice is required to place a proposed Bylaws amendment on the Board agenda.

Mrs. Williams suggested that Ms. White advise the students that they would receive considerable input through the Advisory Council.

Ms. White said there will be something formal coming forth from the students concerning their representation on the Search Committee.

Mr. Murphy said from his personal standpoint the Board needs to have the students' confidence. Part of the process of enabling the Advisory Council is to recognize that such representation is the only way to get the confidence of the students, the alumni and the faculty.

Because of the necessity of a Bylaws change and a requirement of notice, Ms. White withdrew her previous motion.

Mrs. Castleman noted that the composition of the Search Committee includes eight voting members which could lend itself to a tie vote on any decision coming before it. Mrs. Castleman made a motion that the Vice Chairman of the Board serve as a tie breaker if needed. Mrs. Susan R. Williams seconded, and the motion carried unanimously.

Mrs. Castleman said the make up of the Search Committee does not specify which areas of the State will be represented by the appointed members. She expressed concern that a previous search did not include anyone from northwest Tennessee and her hope that this Search Committee would include a representative from the Martin campus area.

Mr. D. Lynn Johnson made the motion to approved the section from the Statement of Guiding Principles on the Establishment of a Search Committee with the modification allowing the Vice Chairman of the Board to serve as a tie breaker if needed. Dr. Joseph E. Johnson seconded, and the motion carried unanimously.

III. Establishment of a Search Advisory Council

Governor Bredesen said the Search Advisory Council is intended to be a body that is broadly representative without the necessity of Bylaws changes to make it representative. He said the Council would do front end work and recommend four to six candidates to the Search Committee. He said all candidates must go through the Advisory Council.

Mr. Jim Murphy said having the Council consider all candidates is essential for obtaining the confidence of all constituent groups.

Mr. Waymon Hickman said the last paragraph in the Statement of Guiding Principles specifies there will be no bypassing of the Council thereby ensuring that those who serve on the Council will have an opportunity to review each and every candidate to be considered for the president's position.

Dr. Hurd said the representation of a variety of constituents is good, but hopefully the charge for that Council state the individuals are not there as partisan groups or

special interests for their campuses or for their constituencies. They are there to represent the best interests of The University of Tennessee.

Governor Bredesen said he received an e-mail from Becky Peterson, Chair of The University of Tennessee Exempt Staff Council, requesting that exempt staff members be included on the Search Committee.

Mr. Combs asked if the Governor received a similar request from non-exempt staff.

Governor Bredesen said he had received nothing similar from the non-exempt staff at the University.

Mr. Murphy said there are a number of different constituent groups that might also want to be included on the Advisory Council, but including a representative of each group is difficult when trying to maintain a Council with a workable number of members.

Mrs. Loughry said perhaps the Search Advisory Council could be charged with getting input for all the different stakeholders. She said it would be unwieldy to place a representative from every group on the Council.

Mr. Combs moved the addition of one representative from the exempt staff to the Search Advisory Council. Dr. Rhynette Hurd seconded.

Dr. Hurd said staff have a unique perspective that none of the other representatives on the Council might have. She said with regard to the size of the Council, a division into subcommittees would provide the Council with groups of a workable size.

In response to a question about the selection process of an exempt staff representative on the Council, Governor Bredesen said the Exempt Staff Council should forward to Clayton McWhorter or him three to five names from which the selection could be made.

The motion carried with Mr. Jerry Jackson opposing.

As a point of clarification, Dr. Hurd said the original request coming from the exempt staff requested representation on the Search Committee, but the motion approved representation on the Advisory Council. Governor Bredesen agreed explaining the addition to the Search Committee would require a Bylaws change similar to the one necessary to add a student to the Search Committee.

Mr. Lynn Johnson made the motion to approve the establishment of the Search Advisory Council. Mr. James L. Murphy seconded, and the motion carried.

III. Conduct of the Search

Governor Bredesen said the section on Conduct of the Search addresses questions such as subcommittees, timetable, criteria, consultants, compensation package in advance, support staff, presidential performance standards and transition plans.

Mr. Johnson asked about the timetable since at the last meeting there was discussion about the need to allow time to reestablish the reputation of the University and the credibility of the Board. He expressed his concern with rushing to judgment.

Governor Bredesen said the average CEO search is three and one half months therefore a seven month process seems adequately long. Some consideration was also given to the original agreement with Dr. Johnson in which he agreed he was willing to serve for a short period of time. Governor Bredesen said the timetable is open for discussion.

Dr. Johnson said one of the most revealing things to him from having served almost a month as Interim President is the impact of having five presidents in four years. He said there are many sound goals and objectives to be considered. Dr. Johnson said there are major positions that need to be filled, and there may be one or two dismissals that should be made. He said the most important thing for the future of the University is to get a president who is going to be in place for a while and who can get the University back on track. Dr. Johnson said he sees a great need for somebody to come in and make some major decisions. He said he is concerned with all the change that has been done, which should not be changed by an interim president. Dr. Johnson said the Board must determine the time frame for the search, but from his perspective the University needs someone who is going to serve as president for a while to bring the kind of stability that is needed.

Mr. Hickman agreed with Dr. Johnson's assessment.

Governor Bredesen said subcommittees described in the Conduct of the Search will provide structure to the process.

Mr. Combs asked whether the statement of characteristics and qualifications referenced in the duties of the Criteria, Advertising and Recruitment subcommittee would include the duties of the president or whether there was somewhere a more defined job description.

Governor Bredesen said the CEO has the fundamental, overall responsibility for the operation of the institution. He said the job description is somewhat self explanatory

but the institution's needs must be defined in terms of its direction and the personality characteristics of candidates.

Governor Bredesen asked for input from the Board on setting out the compensation package in advance.

Mr. Murphy said the recommendation of a pay package in advance is important in terms of credibility of the Board. He said the University cannot afford to get into a bidding war for a president. It must establish what it is willing to provide and stick with it. Mr. Murphy said such an approach might be ill advised except the bar was set extremely high with the compensation package that was provided for Dr. Shumaker. He said some realistic expectations need to be put in place, perhaps with a range provided.

Mr. Johnson asked if the ultimate intent is to set a dollar amount and include as a part of the package the house, car, etc. or is it to define a salary range plus extras. He said it seemed as though a level which the Board did not plan to exceed might be more appropriate.

Governor Bredesen said if a range is provided, candidates will ask for compensation on the high end of the range.

Mr. Johnson asked if there had been any consideration of the source of funds for the president's compensation. He expressed concern about the off line funding that was provided to the previous president from the UT Foundation. Mr. Johnson said University alumni should not be expected to pay the salary of the University president from gifts.

Governor Bredesen said there had been no discussion of that point but that Foundation funds should be used for purposes other than salaries.

Mrs. Williams said the entire compensation package being offered to candidates and the source of that compensation should be made public.

Mrs. Castleman said as a Trustee she received questions about the size of the president's compensation package. She said the salary should be lowered dramatically since the president will no longer be serving in the dual role as president and chancellor of the campus in Knoxville.

Governor Bredesen said the specifics of the compensation package will be defined by the Search Committee and recommended to the full Board. Any desired changes

to the compensation package can be made by the full Board.

Governor Bredesen said the committees will obviously need support staff with a budget that will be prepared by the chair of the Search Committee and submitted to the Finance and Administration Committee for approval. He said the question of a consultant is also addressed briefly under the Conduct of the Search. Governor Bredesen said the Search Committee will recommend the advisability of using a consultant to the Board at its meeting in October. He said if the Board deems it advisable, proposals from consultants will be received by the Search Committee and evaluated. The Search Committee will select the consultant based on their research.

Mr. Lynn Johnson moved approval of Conduct of the Search. Mr. James L. Murphy seconded, and the motion carried unanimously.

IV. Final Evaluation and Selection

Governor Bredesen said the section on Final Evaluation and Selection indicates the Search Committee will identify four to six candidates and recommend three of them to the Board for consideration. The Search Committee has the option to reject candidates. Governor Bredesen said the Board will make the final appointment decision and may decide that none of the candidates is appropriate and request that the Search Committee and Advisory Council pursue other candidates.

Mr. Murphy said in order for the Board to retain its authority and control, the Search Committee has been asked to provide the names of at least three candidates without ranking for the Board's consideration.

Mr. James L. Wolford made a motion to add an option to retain a firm to do a background search on the final three to five candidates.

Governor Bredesen said he had no objection to the motion, but the responsibility of the Due Diligence and Interview Planning subcommittee includes background checks.

Governor Bredesen called for a second to Mr. Wolford's motion. The motion failed for lack of a second.

Governor Bredesen said depending on the nature of the final candidates, the Board might decide to do what was suggested by Mr. Wolford before appointing a President.

Mr. Stokely asked Governor Bredesen if he envisions the committee work being done in private since confidential information about the candidates will be

discussed.

Ms. Mizell said all meetings would have to be open.

Governor Bredesen said if the Board is committed to the open process, which has down sides, the Board must be committed to it one hundred percent.

Mr. Murphy moved approval of the section on Final Evaluation and Selection. Mrs. Susan Williams seconded, and the motion carried unanimously.

IV. OTHER BUSINESS

Naming of the Presidential Search Committee

Governor Bredesen said he would like to get from the Faculty Senates a list of six people from which he could choose two to serve on the Search Committee. He named Trustees to the Search Committee as follows:

Andrea Loughry, Chair
Jerry Jackson
Rhynette Hurd
Don Stansberry
Bill Stokely
Carol White

VI. ADJOURNMENT

Mr. James L. Murphy made the motion to adjourn. Mr. Lynn Johnson seconded, and the motion carried unanimously.

Respectfully submitted,

Catherine S. Mizell

Vice President, General Counsel and Secretary

