

MINUTES OF THE ANNUAL MEETING  
BOARD OF TRUSTEES  
THE UNIVERSITY OF TENNESSEE

June 17, 2009

The Annual Meeting of the Board of Trustees of The University of Tennessee was held at 1:30 p.m. EDT, Wednesday, June 17, 2009 in the Hollingsworth Auditorium, Ellington Plant Science Building, The University of Tennessee, Knoxville, Tennessee.

**I. CALL TO ORDER AND INVOCATION**

Vice Chair James L. Murphy called the meeting to order. Father Eric Andrews gave the invocation.

**II. ROLL CALL**

Secretary Catherine Mizell called the roll, and the following members were present:

Charles C. Anderson  
Anne Holt Blackburn  
William Y. Carroll  
George E. Cates  
Spruell Driver, Jr.  
Tyler S. Forrest  
John N. Foy  
D. Crawford Gallimore  
Monice Moore Hagler  
James E. Hall  
Douglas A. Horne  
Andrea J. Loughry  
James L. Murphy, III  
Verbie L. Prevost  
John D. Petersen  
Richard G. Rhoda  
Karl A. Schledwitz  
Jan F. Simek  
Don C. Stansberry  
Betty Ann Tanner  
Charles E. Wharton

The Secretary announced the presence of a quorum. Governor Bredesen, Commissioner Givens and Commissioner Webb were absent due to other commitments. Members of the administration, faculty, staff, and media were present. The meeting was also webcast for the convenience of the University community, the general public, and the media.

### **III. INTRODUCTIONS**

The Vice Chair welcomed all faculty and staff, members of the media and public, and everyone watching the meeting by the webcast. He recognized President Emeritus Ed Boling and President Emeritus Joe Johnson in attendance at the meeting.

### **IV. APPROVAL OF MINUTES OF PRIOR MEETINGS**

Trustee Carroll moved approval of the minutes of the February 27, 2009 meeting of the Board of Trustees as presented in the meeting materials. Trustee Talbott seconded the motion, and the motion carried unanimously.

### **V. ADOPTION OF HONORARY RESOLUTIONS**

The Vice Chair recognized Trustee Forrest to present a Resolution honoring Brittany McGruder for her service on the Board as a student Trustee for the past two years (Exhibit 1).

Trustee Forrest expressed his appreciation to Ms. McGruder for her mentorship and then recited the Resolution. Trustee Forrest moved adoption of the Resolution, Trustee Gallimore seconded the motion, and the Resolution was unanimously adopted.

Accepting the Resolution, Ms. McGruder expressed her appreciation for the camaraderie and dedication of the Trustees and their commitment to helping the University be the best it can be. She stated that she loved representing the students and thanked the Board for an amazing experience.

The Vice Chair reported that Dr. Schommer was not able to attend this meeting to make farewell remarks but will join the Board at the Fall meeting to do so. He asked for a motion to adopt the Resolution honoring Dr. Schommer (Exhibit 2). Trustee Schledwitz moved approval of the Resolution included in the meeting materials. Trustee Loughry seconded the motion, and it was unanimously adopted.

The Vice Chair reported that Trustee Prevost and Trustee Forrest assumed the voting faculty and voting student seats on the Board on June 1 and that the appointment of the non-voting faculty Trustee and non-voting student Trustee is still pending.

## **VI. PRESIDENT'S REPORT**

Dr. Simek stated that he wanted to concentrate his report on essentially one issue, the reorganization of the System administration. He noted that this is an issue he took as one of his primary tasks upon coming into office. He discussed his approach to rationalize the System administration and make it less expensive. He stated that the reorganization he would be discussing is the first stage of what will be a multi-stage process. He noted that there are a certain set of functions concentrated today in the System administration, and there needs to be careful consideration of where those functions should be. He stated that what he is presenting today is his best approximation of what the System administration should look like, given its current functions, and is offered as prelude for a conversation about what it should look like in the future. That conversation, he stated, needs to encompass all constituents to discuss what the University ought to look like structurally, organizationally, where various functions should be concentrated and administered, and how to get there from here. He noted that at the Trusteeship Committee meeting, the Committee discussed adding a fourth Board meeting in a workshop format, which is scheduled for August, where this issue could be discussed further.

Dr. Simek stated that he approached reorganization by asking members of the senior staff, including the Chancellors, for their views on the most efficient organization of the System administration, the number of Vice Presidents, and reporting relationships. He reported that the responses were almost unanimous, with most everyone recognizing the same problems and redundancies.

Dr. Simek referred to the organization chart presented at the meeting (Exhibit 30) and reiterated that the chart represents the first stage of the System administration reorganization. He noted that the Chancellors will continue to report directly to the President. He commented that he felt strongly about this direct reporting relationship because the Chancellors are in many respects the independent supervisors of the campuses, and their decisions about how the campuses operate should not be conditioned by ideas not directly linked to the President. The chart illustrates that UTSI will report to the Chancellor at UTK for its academic aspects, which is consistent with the fact that the academic programs at UTSI are UTK programs. He noted that there are aspects of what UTSI does that are outside the academic relationship with UTK, and to encourage those aspects to flourish, there will continue to be involvement of the chief research officer, the Executive Vice President.

Next he discussed each of the direct reports to the President and their areas of responsibility. He stated that questions remain about the best place for some of these functions to reside. He indicated that he will form three task forces to decide three remaining issues. The first issue relates to improving the diversity of the campuses and the System administration. He stated that having served the University for 25 years, he feels strongly that the right structure may be important to promoting diversity.

He stated that the second issue is determining the best place for IPS to reside. He stated that it may well be that there are organizational ways to enhance IPS and suggested that the reach of IPS might be extended with the state-wide activities of the Institute of Agriculture. The Institute of Agriculture already has in place an array of facilities and a history of involvement across the state. A second possibility might be to attach IPS to the Baker Center, which we hope will grow to great eminence and importance in the state. He stated that IPS could be the outreach arm of the Baker Center. He stated that the third task force will look at the long standing questions about where the UTK athletics program should report. It may be that the best place is through the System administration, but there may be reasons why it should reside in the Chancellor's office in Knoxville. He noted that the UTK Athletics Board is already an engaged entity that will have a perspective and be a helpful resource on this question. He noted that he does not have a resolution or personal agenda on any of those three issues. He stated that he wanted to find out what best practices are, engage the task forces with the constituents of those areas, and determine the best places within the University for these three areas. He stated that he anticipates that there will be changes for these three areas.

Dr. Simek discussed the vice presidencies eliminated from the organizational chart. He noted the new chart contains seven positions with the title of vice president titles compared to the previous fourteen. He reported that two positions were eliminated. The Vice President for Science and Technology was eliminated upon Thomas Zacharia's assuming the deputy director position at ORNL. He noted that the position was created to encourage the relationship between the lab and the University but is no longer necessary. He discussed the ongoing connectivity between the University administration and ORNL, noting that he, Dr. Millhorn, the Knoxville Chancellor, and certain deans sit on the UT-Battelle board.

The second position eliminated is the Vice President of Strategic Planning and Operations. He stated that there are better places for the activities of this position to reside. He stated that the strategic planning process should be focused in the academic area because the academic units must be engaged in the planning process. He reported that the operations held centrally by this vice presidency, such as the motor pool and graphic arts, would be more efficiently handled at the local level. He added that all the Chancellors are in agreement with taking on those tasks. He stated that some other functions, such as flight operations, will shift into the President's office, and that licensing will transfer to the Treasurer's Office. He added that the administration will look closely at purchasing to determine whether it should reside at the campus level, recognizing that certain aspects must be kept coherent with uniform practices.

In conclusion, he reported that the System administration has already reduced its budget by \$5.7 million this year. He noted that \$5 million of that will be returned to the

campuses through reduced System charges. He reiterated that the organizational chart is first step in streamlining the System administration. He stated that he tried to develop a structure that carries out what he thinks are the pivotal areas a System needs and establishes reporting lines needed at the System level for academic reporting, budget, and development coordination. He recognized, however, that the University leadership still needs to decide how much is in each box, how much stays with the System administration, and how much goes down to the campuses. He stated that the conversations the administration and Board will have in August need to establish a collective vision for the University. Dr. Simek then asked for any questions.

Trustee Talbott commented that there are still a lot of direct reports in this structure and asked whether anything will be done to minimize the effect of those several reports to enable the President to function effectively. Dr. Simek stated that at this time, because of his transitional role, he feels it is important to have both the Chancellors and the Vice Presidents reporting to him. He added that he believes the campuses are in very good hands and that his job in regard to the Chancellors is oversight and evaluation. He noted that the chart presented today may not be the ultimate structure after conversations are held regarding all of these activity sets. He added that as a department head at the University, he routinely juggled a lot of balls, so to speak, whereas in the business world, a straight line structure is not necessarily the best structure. Trustee Hagler asked about the effective date of the structure presented today. Dr. Simek stated that with the Board's endorsement, he intends to make the organizational chart effective immediately. Trustee Hagler recommended that athletics not appear above academics on the chart. Dr. Simek responded that the placement of athletics on the chart can be moved so it does not give the appearance of being higher in the structure simply because of where it appears on the page.

The Vice Chair called for a vote on the System administration organization chart. Trustee Stansberry moved approval of the System administration organization chart. Trustee Wharton seconded the motion, and it carried unanimously.

### **Making Opportunity Affordable Initiative, Lumina Foundation**

The Vice Chair recognized Trustee Rhoda to discuss the Lumina Foundation's Making Opportunity Affordable Initiative. Dr. Richard Rhoda stated that Tennessee is a part of this national initiative to increase college graduates even in the face of diminishing state resources. He explained that Making Opportunity Affordable is a multi-year initiative with a particular focus on two- and four-year public colleges and universities. He thanked Bonnie Yegidis and Trustee Loughry for their work on this initiative and for attending the conference the previous week. He discussed the premise for the initiative—getting more educated citizens to contribute to the economic and community development for the state and the nation to succeed in a global knowledge economy. Dr. Rhonda explained that in Tennessee, this means creating greater access to higher

education for more types of students, greater completion rates for those who enter higher education, and building the skills and credentialing those skills primarily at the baccalaureate level. He referred the Board to the handouts presented at the meeting (Exhibit 4). He stated that the idea of Making Education Affordable relates not just to what students can afford but also what the state can afford for higher education. Tennessee is not alone with difficulties in funding higher education. The initiative examines how the state can be more effective and efficient in increasing the access to higher education for its citizens. He stated that Tennessee is one of eleven states still in the running for an award (out of thirty-seven original applicants) and that five states will be selected by the Lumina Foundation and sister organizations. The award is \$2 million over four years, but the real prize is the expertise of these national organizations and the things that can lead to. He noted that Tennessee is one of the few states in both the American Diploma Project and the Making Opportunity Affordable Initiative.

Dr. Rhoda referred to the handouts for a discussion of policy alignments, specifically what can be done to line up policies and create an incentive for greater completion rates. He stated that he believes UT is ahead of the game as far as generating and reinvesting savings. All states need some help in how to educate and train citizens in more affordable ways, how to reach more students with fewer resources. He discussed the timeline and next set of benchmarks. He stated that there will be an announcement in the fall about the five states selected and a final announcement in January.

Trustee Loughry added that this is a joint endeavor between the Tennessee Higher Education Commission, the Tennessee Board of Regents, and The University of Tennessee. She stated that working on this grant is an example of how higher education institutions in Tennessee are working together to make it better for all citizens. The Vice Chair thanked Dr. Rhoda for his report and expressed his appreciation to Trustee Loughry for attending the conference.

## **VII. FY 2010 OPERATING BUDGET AND FEES**

The Chair recognized Dr. Simek to discuss the FY 2010 Operating Budget and Fees (Exhibit 5). Dr. Simek began by stating his belief that today UT is the best it's been in its history—with the best students we have ever had at each campus, the best faculty we have ever had, high level research, and increasing external funding levels at a dramatic pace—all of this happening during very difficult financial times. He noted that despite the remarkable progress we have made, the last two years have been very tough because of the economy which has put great stresses on state funding and UT deliverables. He stated that UT has confronted these challenges with direct and concerted action for almost two years, facing the reality of significant budget cuts without fear and without avoiding the issues. Each campus has been involved deeply

in the planning process and has as its goal changing the nature and structure of the institution in order to accommodate what can only be described as serious budget reductions while maintaining an upward trajectory.

The administration earlier came to the Board with a plan to implement deep budget cuts anticipated for the 2010 fiscal year. This plan came after severe cuts in the 2009 fiscal year--\$25 million recurring and \$17 million one- time cuts. The plans presented the reality of what a \$66 million reduction in the base budget of UT entailed. In the intervening months, the federal government has provided a stimulus package to restore, on a temporary basis for two years, most if not all of the funds that we had anticipated losing for the 2010 fiscal year. The University now has a grace period to accomplish the budget cuts. The budget cuts are the same, just as serious, but there is a longer period of time to implement them. This additional time has already given us an opportunity to make some modifications to the plans presented to the Board in February. For example, over twenty UTHSC programs were identified for elimination, but with the stimulus money in place and with the intervening time, the staff of UTHSC has worked very hard and found ways to realign nearly all of those programs. In some cases, entities in the community interested in maintaining the programs have provided alternative funding sources. For UT Knoxville, the closure of on-site instruction in Memphis for the Master of Science in Social Work was proposed in February. In the intervening months, a partnership has been worked out between the UTK College of Social Work and the University of Memphis to transition that program to the University of Memphis. The actual program cuts presented today are not as draconian as those presented in February because other accommodations were made to minimize damage to the University and its service to the people.

Dr. Simek emphasized that the stimulus funds are non-recurring money, available only for two years, and the University is constrained to uses permitted by the federal legislation and regulations. The funds cannot be used to fill permanent positions or for capital projects. In 2012, the University's budget will be \$66 million less, and consequently UT will have to be a different university, leaner and more efficient. He reported that the administration's collective philosophy is to focus on and preserve the core mission, and therefore budget cuts will focus for the most part, or as much as is possible, on the non-academic elements of the University, such as administration and support structures. In the end, there will have to be a reduced staff, and there will be job losses. The job losses will occur over a two year period, and the administration will do its best to achieve losses through attrition, to reassign staff when possible, and to provide assistance to staff in seeking work outside the University.

Dr. Simek then reviewed the overall FY 2010 budget recommendation combining unrestricted and restricted revenues. He noted that the tuition and fees line item includes the 7% and 9% increases proposed. He explained that the State Appropriation figures include the stimulus funds, and that the Other Revenues include grants and other programs funded by the state. Auxiliaries are enterprises, such as

housing and athletics at UT Knoxville that are self-funded through revenues. He then pointed to the FY 2010 unrestricted E&G Funds and line item expenditures, noting that the vast majority of these funds go into instruction and support. With respect to funding for operation and maintenance of the physical plant, he stated that the stimulus package does not provide much funding for capital, new construction or renovation. It does provide some funding for maintenance and for energy-related alteration, and the University has worked very hard to target those stimulus funds. He then discussed capital maintenance projects presented to the legislature and noted that each project was considered urgent at the various campuses/units.

Dr. Simek discussed the anticipated stimulus funds, known as ARRA (American Recovery and Reinvestment Act) and MOE (Maintenance of Effort) funds. He explained that states are required to use MOE funds to restore higher education budgets to 2008 levels. Once that has been done, a state can receive ARRA funds. He stated that UT anticipates getting back most of the approximately \$20 million reduced in 2008 and the expected cut of \$66 million. The 2008 budget cuts already implemented will be maintained, and those funds will go toward equipment, renovations, or maintenance permitted by the funds. He referred to the chart illustrating how the ARRA funds and MOE funds totaling \$93,188,200 will be used. He stated that there are no stimulus funds available for the System administration but that for employees within the System administration whose jobs will be eliminated, the administration will use Presidential discretionary funds to help bridge the transition over the next two years. He stated that the administration plans for a gradual descent over the next two years to prepare for the budget cuts. Elimination of jobs and services necessary to arrive at the \$420 million state appropriation level for the 2012 fiscal year will be accomplished over the next two years. He then discussed a pie chart illustrating the planned expenditure of 2010 ARRA and MOE funds by function. He noted that the vast majority of the funds will be used for academic support and instruction, with very little for institutional support.

Dr. Simek stated that there are still difficult choices in front of the University. He stated that in the budget plans presented in February, numerous job eliminations were outlined, and those eliminations are still on the table. He noted that because the stimulus funds have to be accounted for separately, the administration will actually have to shift employees whose jobs are funded by the stimulus money to a stimulus account. Altogether, the current plans estimate a reduction of about 500 jobs. Of those, approximately 300 employees will understand that they have a two-year window for their current position. There will be processes within human resources to find those employees other positions within the University or help than to find a job outside of the University. There will also be a natural rate of attrition that will help with the job losses.

Dr. Simek next discussed the FY 2010 proposed tuition increases and stated that the proposed increases are still far less than necessary to address the impact of budget



cuts. As an example, he explained that if the University tried to accommodate the budget cuts through tuition alone, the rate increase for UTK would be approximately 26%. He noted that on top of the budget cuts, each campus has been hit with fixed cost increases, especially for utilities. He stated that an 8% increase would be necessary at UTK to accommodate the fixed cost increases alone. He stated that the rate increases proposed are not excessive given the situation. He then discussed the rate increases proposed for the College of Medicine and its different units as well as special programs such as the Executive MBA, Physician MBA, and Professional MBA.

In conclusion, Dr. Simek recommended that the Board approve the proposed FY 2010 Operating Budget, Recommended Student Fees and Tuition, and the FY 2010 Compensation Guidelines.

The Vice Chair referred the Board to the proposed Resolution included in the meeting materials. Trustee Talbot moved approval of the Resolution approving the FY 2010 Operating Budget, FY 2010 Student Fees and Tuition, and FY 2010 Compensation Guidelines (Exhibit 6). Mr. Anderson seconded the motion. The Vice Chair called for any further discussion. He thanked Dr. Simek for all of his work in handling what has been a very difficult process since he was asked to assume the role of Interim President. The motion carried unanimously.

Trustee Cates commented that Trustees have heard many anecdotal stories of the difficulties of working through these terribly complex issues. He stated that the Board has now made a clear decision and asked that all the campuses see this as an unambiguous signal to get done what has been approved today.

## **VIII. ELECTION AND COMPENSATION OF UNIVERSITY OFFICERS**

The Vice Chair stated that Article IV of the Bylaws provides that the elected officers of the University will be elected initially and annually by the Board. The Resolution (Exhibit 7) included in the meeting materials provides that the individuals are being re-elected with the titles currently stated in the Bylaws or as subsequently amended. He stated that in light of Dr. Simek's discussion earlier regarding the reorganization of the System administration, the Bylaws will need to be amended to reflect those changes. Mr. Carroll moved adoption of the Resolution for the Election and Compensation of University Officers. Mr. Stansberry seconded the motion, and it carried unanimously.

## **IX. DEPARTMENT OF ENERGY SECURITY RESOLUTION**

The Vice Chair recognized the General Counsel, Catherine Mizell, to discuss the next item of business. Ms. Mizell stated that the Department of Energy, Department of Defense, and other federal agencies with which the University has contracts impacting national security require the Board to appoint a Managerial Group and delegate to that

group responsibility for negotiation, execution, and administration of U.S. Government contracts. Only members of the Managerial Group will receive security clearance and have access to classified information. She noted that the Board initially appointed a Managerial Group by Resolution adopted on December 11, 2001. A new Resolution is required annually to reflect changes in personnel (Exhibit 8). She stated that eight members of the managerial group are listed and that she is also required to list the members of the Board and indicate that they would not have access to classified information.

The Vice Chair called for a motion to approve the Department of Energy Security Resolution. Trustee Talbott approved the motion to approve the Department of Energy Security Resolution. Trustee Loughry seconded the motion, and it carried unanimously.

#### **X. ACTION ITEM FROM THE TRUSTEESHIP COMMITTEE**

The Vice Chair recognized Trustee Loughry, Chair of the Trusteeship Committee, to discuss the action item from the May 14, 2009 committee meeting. Trustee Loughry reported on the committee's discussion of a proposed Bylaw amendment concerning frequency of Board meetings (Exhibit 9). She stated that the Board has struggled for some time with finding ways to provide more time for discussion at Board meetings. She stated that the Trusteeship Committee is recommending that the Board approve a change to the Bylaws to allow more than three stated meetings annually. She noted that with the financial decisions that must be made over the next two years, the Board may need more meeting time.

The Vice Chair called for a motion. Trustee Loughry moved approval of the proposed Bylaw amendment concerning the frequency of Board meetings. Mr. Cates seconded the motion. The Vice Chair called for any discussion. Mr. Schledwitz stated that he is in favor of this amendment and understands that UT may be the only four-year University in the country meeting less than four times a year. He stated that he would encourage that fourth meeting to be held at a campus other than Knoxville so that the Trustees will visit every campus at least every two years. He stated that he feels that meeting on other campuses once every three years is too infrequent. He explained that a Trustee could serve half of their six year term without having visited a particular campus. He noted that he was not making this request part of the Bylaw change, but he would like to note and promote this preference. The Vice Chair asked for a roll call vote, and the motion carried unanimously.

#### **XI. ACTION ITEM FROM THE EXECUTIVE AND COMPENSATION COMMITTEE**

The Vice Chair referred the Board to the proposed regular meeting dates for 2010 (Exhibit 10). He stated that the Board will have a fourth meeting in 2010 on a date to

be selected in the future. Mr. Stansberry moved approval of the meeting dates for 2010. Mr. Driver seconded, and the motion carried unanimously.

## **XII. REPORT OF THE AUDIT COMMITTEE**

The Vice Chair called on Trustee Hall, Chair of the Audit Committee, to report on the May 7, 2009 meeting of the committee. Mr. Hall referred to the minutes from the May 7 meeting included in the meeting materials (Exhibit 11). He stated that the committee discussed the findings of the annual state audit report, reviewed the state's audit report on athletics' financial statements, discussed UT Research Financials, received a compliance update, reviewed exceptions to travel expenditures, housing exception report and discretionary expenditures, and discussed ECG's final report for UTMG. He invited each Trustee to attend the next meeting of the Audit Committee. The Vice Chair commended the committee for its work with the state auditors.

## **XIII. REPORT OF THE KNOXVILLE ATHLETICS BOARD**

The Vice Chair stated that the report from the Knoxville Athletics Board was provided to each Trustee electronically prior to the meeting (Exhibit 12). There were no comments or questions on the report.

## **XIV. CONSENT ITEMS**

The Vice Chair reminded the Trustees that each Trustee is invited to all Board committee meetings. He noted that each item on the consent agenda was reviewed fully by the appropriate committee. All items were recommended by the committees for approval as consent items.

The Vice Chair stated that there were some amendments to items on the consent agenda when discussed in committee: (1) Item (M) Real Property Transactions--the Finance and Administration Committee recommended that the Cherokee Farm Master Plan be approved but that the development guidelines be resubmitted for approval at a later date; and the Finance and Administration Committee recommended that the sale of the 940 Cherokee property be removed and not considered at this time. (2) Item (O) Extension of Differential Tuition Rate Program for Undergraduate Students from Contiguous Out-of-State Counties (UTC) was amended by the Academic Affairs and Student Success Committee to state that graduate programs in education and business would be added to the program for two years conditioned upon Dr. Simek being provided justification that the program would utilize existing capacity and not require additional costs.

The Vice Chair then asked for any requests to remove items from the consent agenda. Trustee Wharton requested removal of the approval for the Graduate Student

Differential Tuition Rate program at UTC from the consent agenda.

### **Extension of Differential Tuition Rate Program for Undergraduate Students from Contiguous Out-of-State Counties**

The Vice Chair asked Trustee Talbott, Chair of the Finance and Administration Committee, to discuss this item. Trustee Talbott clarified that the differential tuition rate for contiguous counties would be approved for an extension of one year for undergraduate programs and that for graduate programs in education and business, the program would be approved for a two-year pilot period. Trustee Talbott moved approval of the Extension of Differential Tuition Rate Program for Undergraduate Students from Contiguous Out-of-State Counties at UTC as amended by the Finance and Administration Committee. Trustee Foy seconded the motion. Trustee Wharton stated that it was his understanding that the first year of the undergraduate program did cost additional money. Trustee Foy stated that an additional cost of approximately \$30,000 was incurred for a marketing staff member. Trustee Wharton stated that he does not understand the underlying assumptions, and no analysis has been presented to the Board. He stated that he is comfortable with the decision to allow a review by Dr. Simek, but not comfortable with every other college at UTC being excluded. Trustee Wharton proposed that UTC faculty be included in this decision and that each college have the chance to be approved for participation in the program either by Dr. Simek or the Executive and Compensation Committee. Trustee Talbott noted that there is no issue with the undergraduate program being extended for one year.

The Vice Chair stated that Trustee Wharton has made a request to amend Trustee Talbott's motion to provide that the pilot program be expanded to include any graduate program that UTC can justify to Dr. Simek as satisfying the criteria prescribed by the Finance and Administration Committee—that is, the program has capacity to admit additional students without additional costs. The Vice Chair asked for a second to the amendment to the motion. Trustee Prevost seconded the amendment to the motion. The amendment was unanimously approved. The Vice Chair called for a vote on the motion as amended, and the motion carried unanimously.

Trustee Hall stated that he is satisfied with the modification made to the proposal regarding the Cherokee Farms Master Plan, but it is very important that the Finance and Administration Committee get full details on the development of that property before it moves forward. He stated that particularly in the area of energy efficiency and global warming and other areas the University is active in, he was disappointed in the presentation to the Finance and Administration Committee. The Vice Chair stated that the development guidelines would have to be reviewed and approved before any development can occur. The Vice Chair also reminded the Board that as the University moves forward with this each project, the administration will come back to

the Board, and the Board will have a lot of control over this process. Trustee Talbott stated that this will be a very important piece of property for the University, and the full Board as well as the Finance and Administration Committee should review the development guidelines. The Vice Chair stated that the guidelines would go to the Finance and Administration Committee for recommendation, but the full Board would have to approve those guidelines.

There being no further requests for removal from the consent agenda, the following items were submitted for approval by unanimous consent:

- A. Campus Strategic Plans and Proposed Revision of Mission Statements for the Health Science Center and the Institute of Agriculture (Exhibit 13)
- B. Program Consolidations and Discontinuances (Exhibit 14)
- C. Comprehensive Listing of Academic Programs (Exhibit 15)
- D. Proposals for Programs of Study Leading to the Degree of Bachelor of Science in Civil Engineering and Bachelor of Science in Chemical Engineering (UTC) (Exhibit 16)
- E. Revision of Undergraduate Admission Requirements (UTC) (Exhibit 17)
- F. Revision of UT Knoxville Faculty Handbook (Exhibit 18)
- G. Statement of Commitment to Graduate Medical Education (Graduate School of Medicine) (Exhibit 19)
- H. Tenure Recommendations (Exhibit 20)
- I. Authorization to Confer Degrees (Exhibit 21)
- J. Ratification of Quasi-Endowments (Exhibit 22)
- K. Distribution of UC Foundation Funds (Exhibit 23)
- L. Operating and Capital Plans for Senior Administrator Residences, FY2010 (Exhibit 24)
- M. Real Property Transactions (Exhibit 25)
  - a) Cherokee Farm Campus Master Plan
  - b) Sale of Gift Property
  - c) Sale of Milan 4-H Center

d) ~~———— Sale of 940 Cherokee Boulevard~~ WITHDRAWN

N. President Emeritus Agreements (Exhibit 26)

~~O. Extension of Differential Tuition Rate Program for Undergraduate Students from Contiguous Out-of-State Counties (UTC) (Exhibit 27)~~ REMOVED FROM CONSENT AGENDA

Trustee Driver moved approval of the consent agenda. The motion was duly seconded by Trustee Hagler and carried unanimously.

## **XV. OTHER BUSINESS**

The Vice Chair stated that there was no other business brought to his attention. Trustee Schledwitz stated that he would like to challenge the Chancellors to reach out to other Tennessee higher education schools to examine ways to share resources, end duplication, etc., to spread higher education dollars further within the state. Dr. Simek stated that the University has convened a joint task force with TBR made up of Chancellors, Provosts, and key academic personnel to discuss these issues. Trustee Schedwitz noted that it was not part of the Strategic Plan. Dr. Simek stated that it is on the administration's agenda, and the administration fully agrees that connectivity with sister schools is necessary and that redundancy is waste.

## **XVI. ANNOUNCEMENTS**

The Vice Chair made the following announcements:

The Knoxville campus has provided each Trustee with a DVD of the presentation of the Honorary Doctorate to Dolly Parton from the Knoxville Spring Commencement Ceremony. The Vice Chair stated that he attended the ceremony, and he highly recommended that the Board view the ceremony and Dolly's very inspirational speech. He thanked Chancellor Cheek and Margie Nichols for providing the DVD.

The Strategic Thinking Workshop has been scheduled for Tuesday, August 25, 2009 at a location to be determined.

The Executive and Compensation Committee of the Board will meet, Thursday, September 10, 2009, in Nashville.

The Fall meeting of the Board is scheduled for October 8-9, 2009 in Knoxville. The Winter meeting of the Board is schedule for February 25-26, 2010 in Martin.

## **XVII. ADJOURNMENT**

With no further business to come before the Board, Trustee Stansberry moved adjournment of the meeting. Trustee Carroll seconded the motion, and the motion carried unanimously.

Respectfully Submitted,

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Catherine S. Mizell, Secretary