

THE UNIVERSITY OF TENNESSEE  
BOARD OF TRUSTEES

MINUTES OF THE ADVANCEMENT AND PUBLIC AFFAIRS COMMITTEE

June 21, 2012  
Knoxville, Tennessee

The Advancement and Public Affairs Committee of The University of Tennessee Board of Trustees met at 10:45a.m. on Thursday, June 21, 2012, in the Hollingsworth Auditorium, Ellington Plant Sciences Building, Knoxville, Tennessee.

**I. CALL TO ORDER AND OPENING REMARKS BY COMMITTEE CHAIR**

Chair Charles Wharton called the meeting to order.

**II. ROLL CALL**

Johnnie Ray, Vice President for Development and Alumni Affairs and President and Chief Executive Officer of the UT Foundation, Inc., called the roll of committee members. Those present were:

Mr. Charles Wharton, Chair  
Ms. Anne Blackburn  
Dr. Joe DiPietro  
Mr. Doug Horne  
Mr. Karl Schledwitz  
Mr. Don Stansberry  
Mr. Tommy Whittaker

The Chair announced a quorum was present.

**III. MINUTES OF LAST MEETING**

Chair Wharton presented the minutes from February 29, 2012. Trustee Stansberry moved approval, and Trustee Blackburn seconded. The minutes were approved.

#### **IV. OPENING REMARKS BY COMMITTEE CHAIR**

Chair Wharton began by urging greater efforts in outreach to provide information to 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> graders on pursuing a college degree and reaching out to the parents of these students particularly in the more rural areas. Following discussion, the consensus of the Committee was that the administration should continue to pursue the most effective ways to communicate the value of higher education to pre-high school students and their parents.

#### **V. FEDERAL, STATE, AND MEDIA RELATIONS REPORT**

Hank Dye, Vice President for Public and Government Relations, gave an update on Federal Relations and encouraged the group to read written report included in the meeting materials (Exhibit 1), especially the Media Relations report. Dye introduced Anthony Haynes, Associate Vice President and Director of State Relations, for the State Relations report. Mr. Haynes summarized the report included in the meeting materials (Exhibit 1) and provided an update on activities of interest that occurred during the past legislative session.

The Committee thanked Mr. Dye for his years of service and commitment to the University and wished him well in his retirement.

#### **VI. ANNUAL REPORT OF THE UT DEVELOPMENT COUNCIL**

Ms. Janet McKinley, President of the UT Development Council, noted the following changes in the structure of the Development Council, reflecting the desire of the membership to be more involved in supporting and serving the University:

- There are now campus and institute committees that are basically staffed by council members. The members were placed based on their passion, experience and strengths. This is not at the expense of the system overall. Development staff is assigned to members so there is a relationship there and the council members hold each other accountable for what they are charged to do.
- The structure of the council now fits in with the overall plan of the university and they have the attention and focus on the campuses and institutes.

- The council is dedicated to the primary mission which is to be the fundraising arm of the UT Foundation. The mission is to give, serve and lead. Give of personal and private resources, serve as fundraising volunteers, and lead the philanthropic efforts at UT. The council has the responsibility to help the university achieve their missions around outreach, education, research and advocacy.

Ms. McKinley noted that she is impressed with Mr. Ray and the direction he is taking.

The next activity of the Development Council will be a fall leadership meeting October 18-20 during the UT/Alabama weekend. This will include the Women's Alliance and their Executive Board and the UTAA Board of Governors and their Executive Board. The UTFI Board of Directors and the Board of Trustees are invited to attend. This meeting will be dedicated to the new system strategic plan. RJ Valentino, from the Napa Group (the consulting group that assisted in the strategic plan development) will lead an interactive session with all those in attendance. He will take the group through the strategic plan and show where they need to be involved and how they can help at the system and campus level. The annual awards dinner will be held on Friday evening.

## **VII. ANNUAL REPORT OF THE UT ALUMNI ASSOCIATION**

Chair Wharton reported that he attended the UT Alumni Association (UTAA) meeting the previous weekend. Over the last several years under the direction of Lofton Stuart and the current and past presidents of the UTAA, there has been a complete reorganization of how the association operates. He congratulated Mr. Stuart, his staff and the volunteer leaders on how well they have done in restructuring the alumni association to operate as a business.

Last year, Trustee Horne asked the UTAA to review the term of the UTAA President. Kim Cross, current UTAA President, reported that Mr. Stuart assembled a group of volunteer leaders to evaluate this request. This group was comprised of current and former president's of the UTAA and included: Trustee Spruell Driver, Debbie Ingram, Ford Little, Leonard Hines, Dean Skadberg, Mike Moss, Kim Cross and Jennifer Stanley who is the incoming UTAA President and will take office July 1. The group looked at the role based on the bylaws set forth by the association's strategic plan in 2010. Currently, the presidential term is based on a three-year commitment. First year as president elect, second year as president and third year as chairman of annual giving. This volunteer officer

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will lead three Board of Governors meetings, attend Trustee meetings and various alumni programs, as well as attend various other campus events. Over the past two years on average, the UTAA President has attended over 65 events, spent 85 days in travel, and had over 50 overnight stays not to mention conference calls, e-mails, etc. that go along with this position.

After careful discussions, the unanimous recommendation of this volunteer group is to continue to follow the current bylaws and keep the term of the UTAA president to one year, and pending approval, this group proposes that the president-elect be invited to the Trustee meetings in the future giving that person an opportunity to be engaged with this group. During the next strategic planning process, one of the key initiatives will be to revisit the role, duties and term of the UTAA president. Trustee Horne expressed his concurrence with this proposed course of action.

#### **VIII. EASTRIDGE-COLE ENDOWED PROFESSORSHIP IN THORACIC ONCOLOGIC SURGERY**

Dr. Steve Schwab, UTHSC Chancellor outlined a proposal, approved by President DiPietro, to combine the earnings of two endowed professorships to fund a single professorship in thoracic oncologic surgery. The Dr. Charles Eastridge Professorship is held by the Community Foundation of Greater Memphis, and the Dr. Francis Cole Professorship is held by the Methodist Healthcare Foundation. Both foundations support the proposal, as do relatives and colleagues of Dr. Eastridge and Dr. Cole. The new professorship would be named the "Eastridge-Cole Professorship in Thoracic Oncologic Surgery."

Trustee Stansberry moved that the earnings of the Dr. Charles Eastridge Professorship and the Dr. Francis Cole Professorship be combined to fund the Eastridge-Cole Professorship in Thoracic Oncologic Surgery at the UT Health Science Center (Exhibit 2). The motion was seconded and carried unanimously. Chair Wharton thanked Chancellor Schwab for his work at the UT Health Science Center.

#### **IX. ANNUAL REPORT OF THE UC FOUNDATION**

Tom Griscom, Chair of the UC Foundation (UCF) Board of Directors thanked the UT Board of Trustees for inviting him to attend this meeting. He was with the Trustees several months ago as they were getting ready to adopt and put into

place a new affiliation agreement. Mr. Griscom is thankful to Chair Wharton for his hard work to make this happen and Trustees Foy and Hall for their support as well. Mr. Griscom especially thanked President DiPietro for his role.

Benchmarks have been hit all along the way from changing the mission statement of the UCF so it mirrors the new charge, to having put together a budget committee. For the first time, the UCF will have an actual budget showing where the money is going and how the foundation can make sure it is providing value back to the UTC campus. Looking ahead, the foundation manages some assets that hopefully can be moved off the foundation sheet and put them into a place where the resources can be invested back into the academic programs at UTC.

Mr. Griscom thanked the Trustees for giving the UCF the opportunity and time to put this agreement together. Going forward, the UTC alumni, Development Council, and development team will be working with the UCF to raise money to elevate the academic excellence at UT Chattanooga.

Chair Wharton thanked Mr. Griscom for coming and for being such an advocate for UT Chattanooga and higher education. Trustee Stansberry seconded and stated that what they have done at the UCF has set a new stage for opportunity for UTC. President DiPietro reiterated this new chapter could not have been done without Mr. Griscom from the standpoint of pulling together the Chattanooga community, and the president thanked the Trustees as well.

Bob Lyon serves as the UTC Vice Chancellor for Development and Alumni Affairs and UCF Executive Director. Mr. Lyon referred the committee to the UC Foundation Annual Report (Exhibit 3). He noted a couple of items as follows:

- UTC was pleased to conclude its efforts as part of the *Campaign for Tennessee* (and UTC's *Time to Achieve*) by posting \$12,654,177 in new gifts and pledges in calendar year 2011. Cash gifts received for 2011 totaled an exceptional \$7,083,071. The 2011 gift totals outpaced 2010 by a significant margin. Gifts and pledges from January 1 through May 31, 2012 total \$1,124,914.
- To demonstrate there is a return on investment and an expectation this year, there will be \$1 million returned to the foundation in excess on the project.

- The debt service ratios are being covered with no additional contributions needed.

Mr. Lyon closed by stating the UCF Trustees are extremely passionate about UTC and about Chattanooga in general which makes him a very lucky person to serve the university as executive director of the UCF.

## **X. ANNUAL REPORT OF THE UT FOUNDATION**

Johnnie Ray, UTFI President/CEO and Vice President for Development and Alumni Affairs for the UT System began by acknowledging Janet McKinley and Kim Cross for their extraordinary service. They are extremely capable of leading and understanding what the institution is trying to achieve. Even better news is that while Ms. McKinley and Ms. Cross are both exceptional people, they are not exceptions when it comes to the quality of volunteer leadership we have all across the system.

Mr. Ray referred the Committee to the UT Foundation (UTFI) Annual Report (Exhibit 4). It is very simple and straight forward and Mr. Ray will be happy to discuss if anyone has questions. Mr. Ray wanted to spend a bit of time reflecting a bit on the past year and then look ahead in a strategic way. His points were as follows:

- The university system was beneficiary of a successful campaign to be celebrated as a milestone and we have extensively. It is now time to get on with the agenda for the future. Literally, at this time last year, the foundation had one employee and a \$250,000 budget. Today, the UT System Foundation has 229 employees and a \$25 million budget.
- An enormous debt of gratitude is owed to Trustee Wharton, Foundation Board Chair Andrea Loughry and many others who devoted the energy required bringing the Foundation into what is now. It is a fully and highly functional state of being serving multiple universities and institutes.
- Searches have been completed for vice chancellors at the UT Health Science Center (UTHSC) and the Institute of Agriculture (UTIA) and within days of hiring a vice chancellor for UT Martin (UTM). Keith Barber, the new vice chancellor for UTIA is in attendance today and we welcome him to the UT family.

- The methodology for setting goals and evaluating the performance of individual fundraisers has been completely revamped.

For this year, the foundation is in the process of:

- Building the donor pipeline starting with a thorough data base scan for wealth and affinity indicators and then pushing several hundred new prospects out into the development officers' prospect portfolios for assessment and cultivation.
- Building a central foundation capacity to more vigorously pursue fundraising opportunities in the corporate and foundation sectors.
- Creating a central stewardship function that sets quality standards across the system.
- Re-orienting the foundation research function to discover and push at a more rapid pace more and more qualified new investor prospects into the hands of the field fundraisers to begin cultivation.
- Use phone bank and other means to raise unrestricted dollars for the campuses and institutes year round instead of the current half year.
- Will continue to extend more deeply into usage of social media to reach younger donors.
- Look at the administration of existing endowments and attempt to re-purpose those that are outdated and/or can no longer be used.
- We are completing the first full year of the UT Alumni Association Strategic plan and it has taken firm root and will pay large dividends.
- The Alumni Board of Governors has been reorganized from 78 members to a more dynamic heavily engaged Board of 32 members.
- This Board has approved a restructured alumni chapter program giving greater campus focus to chapter programming.
- Heavy emphasis is being placed on providing services to alumni not the least of which is a newly constituted and robust career services program.
- Completely rebranding and re-orienting the Fund for the Future to grow academic enrichment programs on all campuses.
- The single most critical thing the foundation must now do is to attach itself and calibrate all activities up against and supporting the new strategic plan.
- Must clarify the role of the Foundation to eliminate duplication, ambiguities, and to create economies of scale through our back office functions.
- Begin constructing the philanthropic marketing platform for all campuses, institutes, and the system as a whole, based on tightened and clearly

articulated priorities for elevating the competitive footing of each campus and institute.

- Identify elements of the strategic plan where philanthropy can legitimately play a role and construct a plan around each.
- Shift toward great autonomy but greater accountability for the vice chancellors to run their programs according to the unique histories, missions, constituencies, etc.
- It is understood that the ultimate system wide goal remains to get to \$200 million per year in steady state philanthropy.

Chair Wharton stated the UTHSC Foundation is moving forward. He wants to encourage the Memphis Trustees, Chancellor Schwab and King Rogers to be a resource available in terms of recruiting the very best directors for this foundation.

Mr. Ray and Chancellor Schwab conferred and agreed that the principal staff person to move this forward will be the new vice chancellor. That person has now been hired and things will begin to move quickly. The establishment of this foundation is a very strategic step in the advancement of the UTHSC.

Chair Wharton asked if this foundation can be up and running by the Trustee workshop scheduled in August. Chancellor Schwab answered yes. Chair Wharton also cautioned that there needs to be coordination to maximize fundraising across the system.

#### **XI. FY 2013 UT FOUNDATION OPERATING BUDGET**

Mr. Ray referred the Committee to the UTFI FY 2013 operating budget (Exhibit 5), presented for the Committee's information, and asked if the Committee had any questions. No questions were raised.

#### **XII. ANNUAL REPORT OF NAMING INTERIOR SPACES AND GROUNDS**

Mr. Ray referred the Committee to the Annual Report of Naming Interior Spaces and Grounds located (Exhibit 6), presented for the Committee's information, and asked if the Committee had any questions. No questions were raised.

#### **XIII. OTHER BUSINESS**

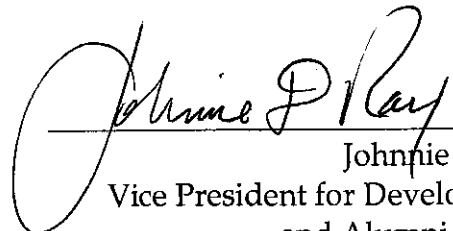
None stated.

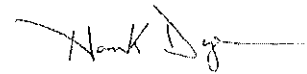


None stated.

**XIV. ADJOURNMENT**

With no other business, the meeting was adjourned.

  
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Johnnie D. Ray  
Vice President for Development  
and Alumni Affairs  
President/CEO, UT Foundation, Inc.



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Hank Dye  
Vice President for Public  
and Government Relations