

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE FALL MEETING
October 9, 2015
Knoxville, Tennessee

The Fall Meeting of The University of Tennessee Board of Trustees was held at 1:00 p.m. EDT, on Friday, October 9, 2015, in Hollingsworth Auditorium on the campus of the Institute of Agriculture in Knoxville, Tennessee.

I. CALL TO ORDER AND INVOCATION

Raja J. Jubran, Vice Chair of the Board, called the meeting to order. Reverend Heather Godsey of the Wesley Foundation, offered the invocation.

II. ROLL CALL

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

Raja J. Jubran, Vice Chair
Charles C. Anderson, Jr.
Jalen K. Blue
Shannon A. Brown
George E. Cates
Russ Deaton
Joseph A. DiPietro
Brian W. Donavant
Spruell Driver, Jr.
William Evans
John N. Foy
D. Crawford Gallimore
David A. Golden
Vicky B. Gregg
Julius T. Johnson
Brad A. Lampley
James L. Murphy III
Candice McQueen
Sharon Miller Pryse
Rhedona Rose
John D. Tickle
Julia T. Wells
Charles E. Wharton
Tommy G. Whittaker

The Secretary announced the presence of a quorum. Governor Haslam was unable to attend the meeting. Members of the administrative staff and media representatives were present. The meeting was also webcast for the convenience of the University community, the general public, and the media.

III. INTRODUCTIONS

On behalf of the Board, Vice Chair Jubran thanked Chancellor Cheek for hosting a reception and dinner in the Haslam Business Building on the Knoxville Campus. He also expressed his appreciation to Mr. Brian Ferguson for his service to the Board as Trustee as Vice Chair and his leadership and guidance with the performance-based variable compensation plan that will be voted on at this meeting. He hoped Mr. Ferguson would be able to join the Board at a future date to receive a formal resolution.

Vice Chair Jubran next introduced ex officio Trustee Candice McQueen, the Commissioner of Education, and newly appointed Trustee John D. Tickle from the First Congressional District, and presented both with a Trustee lapel pin.

IV. ADOPTION OF HONORARY RESOLUTIONS

The Vice Chair recognized Trustee Cates, who presented a Resolution honoring Dr. Thad Wilson for his service as a Faculty Trustee (Exhibit 1). Trustee Cates referred the Trustees to the Resolution in the meeting materials and thanked Dr. Wilson for his perspective and contributions to the Board as a Trustee and faculty member at UTHSC. Trustee Cates moved adoption of the Resolution, the motion was seconded by Trustee Murphy, and the Resolution was adopted unanimously. Trustee Cates presented Dr. Wilson with a copy of the Resolution and a framed photograph of the Board of Trustees. In accepting the Resolution, Dr. Wilson thanked Trustee Cates and the Board. He stated that everyone in this room has the institution at heart, and although there are differences of opinion, we are fortunate to have a president that listens to all sides. He stated that he deeply appreciates the time he spent serving the University as a Trustee and the friendships he made on the Board. Dr. DiPietro thanked Dr. Wilson for his sentiments and expressed his appreciation for his service.

Dr. DiPietro presented a Resolution honoring Chief Financial Officer Butch Peccolo (Exhibit 2), expressing his sincere appreciation for Mr. Peccolo's excellent work and counsel while serving on his senior staff. After reciting the Resolution, Dr. DiPietro moved its adoption. The motion was seconded by Trustee Anderson, and the Resolution was adopted unanimously. Mr. Peccolo received a standing ovation from the Board and meeting attendees. He thanked the Board and prior Boards for their support and friendship. He thanked his prior mentors including Brodie Baines, Ely Fly, Ed Boling and Joe Johnson, and

all of his colleagues, the dedicated people he has stood shoulder to shoulder with on a daily basis to do the work of the University. Lastly he thanked his wife Dulcie and daughters Jessica and Meredith for their support.

Dr. DiPietro presented a Resolution honoring Lofton K. Stuart, Jr. (Exhibit 3), noting Mr. Stuart's exceptional four decades of service to the University. Known to UT alumni across Tennessee and around the world, Lofton is recognized immediately for his smile and bow ties. After reciting the Resolution, Dr. DiPietro moved adoption of the Resolution. The motion was seconded by Trustee Anderson, and the Resolution was adopted unanimously. Mr. Stuart received a standing ovation from the Board and meeting attendees. He thanked the Board, Dr. DiPietro, and other administrators for the trust they placed in him and the opportunity to work with wonderful mentors like Dr. Simek, Dr. Joe Johnson and others, and to serve UT for the past 43 years. He said he would be watching from the sidelines and cheering every day.

V. PRESIDENT'S REPORT

Dr. DiPietro began by noting that he was privileged to be selected by the Board to serve as president five years ago this month, and he continues to feel privileged to be part of the incredible story of progress unfolding at UT. He reported that the System is making great strides in fulfilling its mission and long-term vision.

Dr. DiPietro said the data he would be presenting in his report reflects System achievements as outlined in progress reports already provided to the Board and the outcomes referenced reflect goals set for him, as President by the Board for fiscal years 2012-13 through 2014-15 (Exhibit 4). He reported that overall, of the 20 objective metrics outlined for the System, goals were achieved at a rate of 95% or better on 15 of the 20 metrics and more than 100% on 13 of those 15 metrics. Of the remaining five metrics, the rate of achievement was 83-85% of goal in three areas, and results for the final two metrics demonstrate a need to rethink existing efforts and be more innovative and creative in addressing challenges in these areas.

Turning to the subject of Expanding Research Capabilities, Dr. DiPietro specifically addressing two categories that did not achieve goal: (1) Research/Sponsored Projects (Restricted) Expenditures Reported to THEC and (2) Restricted and Unrestricted Research Expenditures Reported to NSF. In 2009 and 2010, UT received federal stimulus money for research. Most of these funds were reported as research expenditures in '12 and '13, which overstated our "true" research expenditures. He noted that if stimulus funding had been excluding from the totals, research expenditures reported to THEC would have increased by 5%, which would have resulted in 98% of goal achievement. He added that goals were exceeded for increases in research and sponsored programs proposals, revenue for license agreements, and number of invention disclosures.

He next discussed the category of Effectiveness and Efficiency. He noted that the weak spots speak directly to why it was important for him to lead the charge to address concerns about the University's unsustainable business model. In the majority of the seven areas in this category, performance was strong, but the goal of keeping the net cost of tuition and fees at 32% or below was not met. And although tuition and fees as a per cent of the peer average was above the Board's target of 81%, tuition and fees at all UT campuses still registered below peer averages.

Dr. DiPietro reported that system-wide, 98% of goal was achieved for increasing the six-year freshman graduation rate. The goals of a 2% increase in retention of full-time new freshmen and total number of degrees awarded in the academic year were achieved. The retention rate is up 2.2%, and number of degrees is up by 4%. He attributed these successes to a number of factors, including: strategic initiatives to recruit and retain more diverse and talented students; enhancing campus advising and mentoring programs; attracting and retaining preeminent faculty; and investing in the student living and learning experience, including enhancements to academic and residential facilities, and implementation of state-of-the-art technology.

Discussing Outreach and Engagement, he reported that data demonstrate significant success in these efforts. The number of participants in outreach and engagement activities increased by more than 13%, achieving 109% of the goal. The number of patient billings and Vet Med clients increased 34% and 50%, respectively; and the overall number of alumni who donated over the three-year period increased by 17.5%.

Concerning Advocacy and Leadership goals, he stated that along with progress in communications and marketing, success in developing a statewide advocacy network has been outstanding and is crucial to raising awareness of issues of critical political importance across the state.

Finally, Dr. DiPietro reported that the System fully met eight of nine subjective goals during the review period.

He stated that analyzing these effectiveness and accountability outcomes has enhanced awareness of the following areas where improvement is needed and where challenges are anticipated:

- Research Challenges
 - Research funding will continue to be more and more competitive.
 - It will require more entrepreneurial efforts and an aggressive focus on developing new private sector partnerships.
 - It will also require greater focus on hiring top-notch researchers with capacity to secure additional research dollars.

- Closing the Market Salary Gap
 - Progress has been made, but the gap will continue to increase without consistent funding across the board.
 - The University is committed to seeking that funding and to reducing the salary gap by 15% annually for the next five (5) years.

- Keeping Tuition and Fees Manageable
 - State appropriations were favorable this year and allowed the University to keep increases to a minimum, but keeping tuition and fees manageable will be a challenge without continued and appropriate State support.

- Addressing Leadership Needs/Succession Planning
 - He stated that he has been fortunate in filling important leadership positions at the System level in recent years, but we now face a time of change and transition. Pending retirements and the desire to retain existing team members will be a major focus as we try to maintain operational continuity in the midst of change for the System.

- Carrying out the BAG Initiative
 - He is pleased with the sense of ownership the Chancellors have taken in addressing the recommendations of the Budget Advisory Group (BAG). The BAG initiative we will address further at the Board workshop in November.

Dr. DiPietro said making the kind of progress achieved over the past three years takes serious teamwork and commitment. It requires tremendous focus on the part of the Chancellors, faculty, staff, students and System Administration. It also requires the support of the Board, alumni, policymakers and other partners across the state. He expressed his appreciation to the Board for their commitment to the University and their support of these initiatives.

Dr. DiPietro said one important lesson to be learned from this exercise in goal setting and accountability is that we must not take our eyes off our mission of seeking long-term sustainability for this outstanding University. As a complex, statewide enterprise, we will always face distractions, barriers and challenges that threaten to derail us. But our focus has to be consistent, and our students, personnel, mission and effectiveness outcomes must remain a priority. Every day we must get up thinking how do we enhance education, how do we expand research, how do we reach more people through outreach and how can we be more effective and efficient.

In closing, Dr. DiPietro said what keeps him focused are people like Charles Arnold, an employee in the Institute of Agriculture, and the level of commitment and gratitude he brings to his work. He then reaffirmed his commitment to the work ahead so that

members of the UT community, like Charles Arnold, can continue to provide for their families and pursue quality educational opportunities that lead them closer to the fulfillment of their goals and dreams. Working toward the achievement of new goals and objectives set by the Board, System and campus administrators will remain diligent and provide leadership that lives up to the expectations of the Board and our constituents when they think of a premier System of higher education. The people of Tennessee deserve nothing less.

VI. ACTION ITEMS FROM THE EXECUTIVE AND COMPENSATION COMMITTEE

Vice Chair Jubran, Chair of the Executive and Compensation Committee, reported items considered and approved at the September 9, 2015 and October 8, 2015 Committee meetings.

A. FY 2015-16 Compensation for University Officers Reporting to the President

Vice Chair Jubran asked the University Officers and other Senior Administrators to exit the meeting. Dr. DiPietro explained that the following currently filled positions are designated by the Bylaws as elected officers of the University (University Officers):

Chancellors

Executive Vice President/Vice President for Research and Economic Development
General Counsel and Secretary

Treasurer (designated by the Board as Chief Financial Officer)

Vice President for Development and Alumni Affairs

These University Officers were re-elected at the Annual Meeting on June 25, 2015, but any increase in their compensation was deferred pending completion of analysis of market data and development of a variable compensation plan. Compensation increases for the staff vice presidents and other senior staff who are not elected by the Board were implemented by the President as of July 1, 2015.

As in the past, the System Budget Office calculated a salary pool for all senior administrators reporting to the President. A description of the salary pool and the methodology for calculating the pool is included in the meeting materials, along with the schedule of proposed compensation.

For the University Officers reporting to him, President DiPietro recommends the FY 2015-16 compensation as presented at this meeting, retroactive to July 1, 2015 (Exhibit 5). At its September 9, 2015 meeting, the Executive and Compensation Committee approved the President's recommendation. Therefore, on behalf of the Committee, Vice Chair Jubran moved adoption of the following Resolution:

RESOLVED: That the proposed FY 2015-16 compensation for University Officers reporting to the President be approved and effective retroactively to July 1, 2015.

The motion was seconded by Trustee Murphy, and the motion carried unanimously.

B. FY 2015-16 Compensation for Other Senior Administrators

Vice Chair Jubran recognized Dr. DiPietro to present this item and noted that it was for information only and did not require any action. Dr. DiPietro stated that the increases in compensation for senior administrators who are not elected officers are included in the meeting materials (Exhibit 6). He reported that the increases were effective July 1, 2015.

C. Compensation for President DiPietro over the New Four-Year Term of His Employment Agreement, FY 2015-19

Vice Chair Jubran asked the senior administrators to return to the meeting. He asked the Board if any member would like to request that Dr. DiPietro leave the meeting while his compensation was discussed, and no request was made.

Vice Chair Jubran reported that at its September 9, 2015 meeting, the Executive and Compensation Committee approved proposed terms of compensation for President DiPietro over the new four-year term of his employment agreement, with the further recommendation that the Board authorize the Vice Chair to execute an amendment to Dr. DiPietro's employment agreement to incorporate the new compensation terms (Exhibit 7). Therefore, on behalf of the Committee, Vice Chair Jubran moved adoption of the following Resolution:

RESOLVED: That the proposed terms of compensation for President DiPietro over the new four-year term of his employment agreement be approved; and that the Board authorize the Vice Chair to execute an amendment to the employment agreement to incorporate the new terms of compensation.

Trustee Anderson seconded the motion, and the Vice Chair called for any discussion.

Trustee Murphy referred to the report of the external consultant who assisted with Dr. DiPietro's comprehensive performance review and said it was one of the best performance reviews he had ever seen for a university president. Trustee Murphy said providing additional compensation for Dr. DiPietro is well warranted not only for his past efforts, but also for his efforts in taking on this long term vision for the University

with many difficult decisions to be made. Trustee Wharton added that he greatly appreciates Dr. DiPietro and the Chancellors making a commitment to the goal of closing the salary gap for faculty and staff by 15% a year. Vice Chair Jubran said he believes Dr. DiPietro is prepared to lead this University to achieve its goals over the next four-year period and that he is committed to the task, as challenging as it is. There was no further discussion, and the motion carried unanimously.

Because there have been three prior amendments to the original employment agreement, the following motion was made, seconded, and carried:

That the Vice Chair also be authorized to execute a new employment agreement (instead of a fourth amendment), if he deems it appropriate, modifying the original agreement to incorporate the new compensation terms and any still effective terms included in previously executed amendments.

D. Evaluation of Performance and Determination of Retention Payments under the Performance and Retention Plan, FY 2013-2015

Vice Chair Jubran stated that when the Performance and Retention Plan was approved, strict goals were established, and the participants have been working toward those goals, as Dr. DiPietro discussed in his report. The team has largely accomplished those goals, which he observed is highly commendable given the constraints they faced. He emphasized that most of the goals were objective in nature, and the Audit and Compliance Committee has reviewed all of the performance data.

Vice Chair Jubran then reported that at its meeting on October 8, 2015, which was attended by most Trustees, the Executive and Compensation Committee considered and approved the three-year retention payment proposed for each participant in the Plan (Exhibit 8). Therefore, on behalf of the Committee, Vice Chair Jubran moved adoption of the following Resolutions:

- 1. RESOLVED: That the Board of Trustees approve a three-year retention payment to President DiPietro in the amount of \$62,100 per year for a total of \$186,301 for all three years as long as he remains in active service as President on the date payment is to be made, except as otherwise provided in the Performance and Retention Plan, and subject to the conditions stated in the meeting materials concerning recalculation of the objective scores and retention payments based on final FY 2015 Restricted and Unrestricted Research Expenditures Reported to NSF.**

Trustee Anderson seconded the motion, and it carried unanimously.

2. **RESOLVED:** That the Board of Trustees determine that the performance of Chancellor Angle during the one-year period from July 1, 2014 through June 30, 2015 has been more than satisfactory and approve a one-year retention payment to him in the amount of \$36,259 as long as he remains in active service as Chancellor on the date payment is to be made, except as otherwise provided in the Performance and Retention Plan, and subject to the conditions stated in the meeting materials concerning recalculation of the objective scores and retention payments based on final FY 2015 Restricted and Unrestricted Research Expenditures Reported to NSF.

Trustee Gregg seconded the motion, and it carried unanimously.

3. **RESOLVED:** That the Board of Trustees approve a three-year retention payment to Chancellor Arrington in the amount of \$30,877 per year for a total of \$92,661 for all three years as long as he remains in active service as Chancellor on the date payment is to be made, except as otherwise provided in the Performance and Retention Plan, and subject to the conditions stated in the meeting materials concerning recalculation of the objective scores and retention payments based on final FY 2015 Restricted and Unrestricted Research Expenditures Reported to NSF.

Trustee Wharton seconded the motion, and it carried unanimously.

4. **RESOLVED:** That the Board of Trustees approve a three-year retention payment to Chancellor Cheek in the amount of \$52,699 per year for a total of \$158,098 for all three years as long as he remains in active service as Chancellor on the date payment is to be made, except as otherwise provided in the Performance and Retention Plan, and subject to the conditions stated in the meeting materials concerning recalculation of the objective scores and retention payments based on final FY 2015 Restricted and Unrestricted Research Expenditures Reported to NSF.

Trustee Driver seconded the motion, and it carried unanimously.

5. **RESOLVED:** That the Board of Trustees approve a three-year retention payment to Chancellor Schwab in the amount of \$75,076 per year for a total of \$225,227 for all three years as long as he remains in active service as Chancellor on the date payment is to be made, except as otherwise provided in the Performance and Retention Plan, and subject to the conditions stated in the meeting materials concerning recalculation of the objective scores and retention payments based on final FY 2015 Restricted and Unrestricted Research Expenditures Reported to NSF.

Trustee Anderson seconded the motion, and it carried unanimously.

6. **RESOLVED:** That the Board of Trustees approve a three-year retention payment to Executive Vice President Millhorn in the amount of \$37,159 per year for a total of \$111,477 for all three years as long as he remains in active service as Executive Vice President on the date payment is to be made, except as otherwise provided in the Performance and Retention Plan, and subject to the conditions stated in the meeting materials concerning recalculation of the objective scores and retention payments based on final FY 2015 Restricted and Unrestricted Research Expenditures Reported to NSF.

Trustee Cates seconded the motion, and it carried unanimously.

E. Proposal for a Performance-Based Variable Compensation Plan for University Officers

Vice Chair Jubran reported that the Executive and Compensation Committee approved a new Performance-Based Variable Compensation Plan (Exhibit 9) at its meeting on October 8, 2015, with most Trustees in attendance. He noted that the goals for FY 2015-16 appear as Exhibit 1 to the Plan and will be approved upon adoption of the Plan. Therefore, acting on behalf of the Committee, Vice Chair Jubran moved adoption of the following Resolution:

RESOLVED:

1. That the Performance and Retention Plan adopted by the Board on March 1, 2013 be terminated, provided that provisions concerning payment of a Board-approved retention payment for FY 2013-15 shall remain in effect until the payment has been made, including any increase or decrease in the retention payment based on the audited recalculation of the objective scores and retention payments after final data is available for FY 2015 Restricted and Unrestricted Research Expenditures Reported to NSF; and
2. That the proposed Performance-Based Variable Compensation Plan and proposed quantitative and additional goals for FY 2015-2016 be approved as presented in the meeting materials, subject to the requirement that the base year data used to establish the goals for the FY 2015-16 performance period shall be audited by the University's Office of Audit and Compliance and that any revisions to the base year data or goals resulting from the audit shall be submitted to the Executive and Compensation Committee for approval; and
3. That the Executive and Compensation Committee is authorized to act on behalf of the Board to approve revisions to the base year data or goals resulting from the audit or as otherwise deemed necessary in the judgment of the Committee, subject to the requirement that any revisions to the base year data or goals shall

be presented to the Board for ratification at the next regular meeting of the Board.

Trustee Murphy seconded the motion, and it carried unanimously.

VII. ACTION ITEMS FROM FINANCE AND ADMINISTRATION COMMITTEE

A. Amendment of the Rule on the Use of University Property

Committee Chair Anderson noted that at the February 2015 Board meeting, the Board approved an amendment to the University's Rule on Use of University Property dealing with the issuance, appeal, and enforcement of a no-trespass notice. He stated that the Joint Government Operations Committee of the General Assembly has requested that the Rule be further amended to provide additional clarification of no-trespass notices.

Chair Anderson reported that at its meeting on October 8, 2015, the Finance and Administration Committee considered and approved proposed amendments to Section .05 to address the concerns of the legislative committee (Exhibit 10). Therefore, on behalf of the Committee, Chair Anderson moved adoption of the following Resolution:

RESOLVED: That the Board of Trustees adopt the amendment of Chapter 1720-02-12 of the Rules of The University of Tennessee as presented in the meeting materials to be effective after completion of the rulemaking procedures under the Uniform Administrative Procedures Act.

Trustee Murphy seconded the motion. A roll call vote was taken, and the motion carried.

VIII. ACTION ITEM FROM ACADEMIC AFFAIRS AND STUDENT SUCCESS COMMITTEE

A. Proposed Student Code of Conduct for UT Knoxville

Committee Chair Gregg reported that at its October 9, 2015 meeting, the Academic Affairs and Student Success Committee approved the proposed Student Code of Conduct for the University of Tennessee, Knoxville as presented in the meeting materials (Exhibit 11). Therefore, on behalf of the Committee, Chair Gregg moved adoption of the following Resolution:

RESOLVED: That the Board of Trustees adopt the amendment of Chapter 1720-01-02 of the Rules of The University of Tennessee as presented in the meeting materials to be effective after completion of the rulemaking procedures under the Uniform Administrative Procedures Act.

Trustee Lampley seconded the motion, and Vice Chair Jubran called for discussion.

Trustee Murphy said the Committee had asked for information on the outcome of student conduct cases at UT Knoxville over that past couple of years to be provided before the Board vote on the proposed Code. Vice Chair Jubran then recognized Dr. Vince Carilli, Vice Chancellor for Student Life at UT Knoxville, to provide the requested information.

Dr. Carilli first noted that Trustee Lampley has also requested information regarding efforts to improve Greek life on the Knoxville campus. Dr. Carilli said Melissa Shivers, Associate Vice Chancellor and Dean of Students, has provided information about efforts over the past year and future initiatives, which will be distributed to the Trustees.

Dr. Carilli then presented data on student conduct cases at UT Knoxville requested by the Committee (Exhibit 12). For the period 2012-2015, the total number of cases, the total number of student disciplinary board hearings, and the total number of administrative procedures act hearings were presented, together with information about outcomes (responsible, not responsible/withdrawn, pending, or resolution agreement). Next, for the period 2012-2015, the total number of sexual assault investigations, sexual hearings (before the student disciplinary board or in an APA hearing), and sexual assault hearing outcomes (broken down by student disciplinary board or APA hearing) were presented.

Noting that student disciplinary board hearings are conducted by students, Trustee Murphy observed that students tend to find their peers responsible. Dr. Carilli agreed but said adding staff members and faculty members will provide different perspectives and a better board. Adding faculty and staff member to the board also helps from a year-to-year consistency perspective. Trustee Murphy asked Dr. Carilli to discuss the training process for students, faculty and staff coming on the student disciplinary board. Dr. Carilli said student members currently attend a comprehensive day and a half training process. Under the new Code, a similar training process would be used for student, faculty, and staff members of the disciplinary board.

Trustee Evans noted that sexual assault numbers are trending higher over time from 2012 to 2015. He asked Dr. Carilli if this was a reflection of greater awareness and vigilance on the part of the institution, leadership, and students as opposed to a change in what is happening on campus. Dr. Carilli responded that it was and added that he sees educating students about this issue as one of the most important responsibilities of the Division of Student Life. He said the Division has spent a great deal of time and effort and added some new positions to raise the awareness level. The subject is addressed with all students in the student orientation process. In addition, the Center

for Health Education and Wellness is devoted almost exclusively to this topic. Some of the data collected between 2013 and 2014 reveal that the level of awareness increased from 60% to 81%. The more aware students are, the more apt they are to report and move through the process. This is a positive trend because national research finds that matters of sexual assault are some of the most under-reported crimes or violations. As awareness increases, the number of reports will increase.

Trustee Lampley observed that the standard of proof is not changing from the existing rule. Dr. Carilli confirmed that the standard under the existing rule is preponderance of the evidence. Matthew Scoggins, Deputy General Counsel, added that the "Dear Colleague" letter issued by the U.S. Department of Education's Office for Civil Rights (OCR) in 2011 says institutions must use the preponderance of evidence standard in all sexual discrimination cases, not just sexual assault cases. UT Knoxville is undergoing an audit now by OCR on its handling of sexual assault cases, and every institution that has been through such an audit has ultimately signed a resolution agreement agreeing to adhere to the preponderance of evidence standard as they investigate and resolve sexual assault cases. Although the OCR letter is not law, it becomes law, in effect, for an institution with respect to the preponderance of evidence standard when the institution signs a resolution agreement to adhere to that standard as a condition of accepting federal funding.

Vice Chair Jubran referred to Chancellor Cheek's comments at the Committee meeting about the large number on constituents involved in the process of revising the Student Conduct of Code and the summary presented of the many improvements in the Code. He noted that the student representatives on the Academic Affairs and Student Success Committee confirmed that their recommendations were considered in the final document. He stated that it is very important for the Board to know that this has been very thoroughly vetted across the campus to get to this point.

Trustee Murphy said one of the most telling comments in the Committee meeting was by the UT Knoxville SGA President, who said there was a great deal of student involvement, with many students on both sides of this issue, which is to be expected with a complicated issue such as this. Vice Chair Jubran added that the SGA President from UTC had noted the importance of improvements such as amnesty, non-delay and expulsion. Trustee Pryse commented that the Board should recognize that this will be a work in progress and urged the administration to monitor national trends in this area closely to ensure the Code is kept up-to-date. Dr. Carilli agreed that that as a general rule, the Code needs to be revisited every few years to make sure it evolves as best practices evolve.

Dr. DiPietro thanked Chancellor Cheek and Dr. Carilli for taking time to gather and review incredible amounts of feedback before presenting the Code for approval.

There being no further discussion, a roll call vote was taken on the motion to adopt the Resolution stated above, and the motion carried.

IX. REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE

Trustee Gallimore reported on the meetings of the Audit and Compliance Committee since the last Board meeting.

He reported that the Committee continues to provide oversight of the work conducted to improve the IT security posture of the University. At the August meeting, the Committee heard updates from the CIOs at UT Knoxville, the Health Science Center, UT Martin, and UT Chattanooga. The CIOs and security teams are working to mature IT security across the system. The Committee plans to continue to request written reports and annual in-person updates from each CIO to monitor progress.

In addition to the information received from the CIOs, the IT audit team has begun following up on the status of management's actions in relation to the external assessment and will provide an update to the Committee at the December 2015 meeting. Institutional Compliance efforts continue to have a positive impact on the UT System.

At its last meeting, the Committee received a report on efforts by the Health Science Center to strengthen its compliance program. During its compliance risk assessment, the campus developed 56 plans of action to address compliance risks. Of those, 19 plans have been completed and 37 are in progress. As might be expected, many of the plans take time to implement as the campus works to mitigate risks. As part of their work, the Health Science Center Institutional Compliance office, which reports to the Vice Chancellor for Finance and Operations, plans to ensure proper training is available to all faculty, staff, and students, and is implementing a campus-wide database of procedures.

During the compliance update, the Committee was provided information on the progress being made on UT's sexual misconduct policies and procedures, UT's HIPAA designation and policy, and the implementation of corrective action plans at UT Knoxville, UT Martin, and the Institute of Agriculture to address compliance issues identified in their risk assessments.

The Institutional Compliance team has also worked with UT Chattanooga in forming a compliance committee, identifying responsible parties for regulations, and conducting a compliance risk assessment.

Finally, the Audit and Compliance team is working to implement an anonymous compliance hotline, which will be launched in November.

Chair Gallimore reported that the internal audit team recently underwent an external quality assurance review as required by professional standards. The external team found the office “generally conforms” to the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics. “Generally conforms” is the top rating an internal audit team can receive. He offered congratulations to the office for maintaining these high standards, and the Board gave a round of applause to Sandy Jansen, Executive Director, Office of Audit and Compliance and her team.

In closing, Chair Gallimore noted that the Audit and Compliance Committee welcomes its new members, Sharon Pryse and Brad Lampley.

X. CONSENT AGENDA

The Vice Chair directed the Board’s attention to the Consent Agenda. He noted that Item S. is a required housekeeping item in view of the December 30 retirement of Treasurer and CFO Peccolo. He called for any requests to remove items from the Consent Agenda. Hearing none, the Vice Chair called for a motion to approve the Consent Agenda, consisting of the following items:

- A. Minutes of the Last Meeting
- B. Ratification of Vice Chair’s Appointment of Standing Committees, Committee Chairs, and Trustee Members of the Athletic Boards (Exhibit 13)
- C. FY 2015 Annual Flight Operations Report (Exhibit 14)
- D. President Emeritus Agreement with Dr. Joseph E. Johnson (Exhibit 15)
- E. Melrose Avenue/Melrose Place Easement (Exhibit 16)
- F. Fee Sale and Easement to TDOT, Alcoa Highway and Maloney Road (Exhibit 17)
- G. Easement to KUB at Alcoa Highway and Maloney Road (Exhibit 18)
- H. Property Disposal (Exhibit 19)
- I. FY 2016 UTM Voluntary Retirement Incentive Program (Exhibit 20)
- J. FY 2016-17 Operating Budget Appropriations Request for Non-Formula Units (Exhibit 21)
- K. FY 2016-17 Capital Outlays and Capital Maintenance Projects (Exhibit 22)

- L. FY 2016-17 Revenue/Institutionally Funded Projects (Exhibit 23)
- M. UT Knoxville Honorary Doctor of Fine Arts Degree, Robin Klehr Avia (Exhibit 24)
- N. UT Knoxville Honorary Doctor of Business Degree, Fred Smith (Exhibit 25)
- O. Grant of Tenure to Dr. Paul Dalhaimer (Exhibit 26)
- P. Grant of Tenure to UT Knoxville Faculty Members under Expedited Procedures (Exhibit 27)
- Q. Proposal for Program of Study Leading to the Degree of Masters of Laws in United States Business Law at UT Knoxville (Exhibit 28)
- R. Annual Report to the General Assembly (Exhibit 29)
- S. Resolution Authorizing Interim Treasurer's Signature on University Checks (Exhibit 30)

Trustee Anderson moved approval of the Consent Agenda, Trustee Wells seconded, and the motion carried unanimously.

XI. 2015-2016 Scheduled Meetings and Workshop

Vice Chair Jubran announced that the 2015-2016 Scheduled Meetings and Workshop were included in the meeting materials and could be found on the Board of Trustees website and in Diligent. He also acknowledged and thanked President Emeritus Jan Simek for his attendance at the meeting.

XII. ADJOURNMENT

With no further business to come before the Board, the meeting was adjourned.

Respectfully Submitted,


Catherine S. Mizell, Secretary