

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES
WINTER MEETING

1:30 p.m. EST
Friday
March 1, 2013

Tennessee Room
University Center
Chattanooga, Tennessee

ORDER OF BUSINESS

- I. Call to Order and Invocation
- II. Roll Call
- III. Introductions
- IV. Minutes of Last Meeting **Tab 1**
- V. President’s Report **Tab 2**
- VI. Action Items from the Executive and Compensation Committee
 - A. Election and Compensation of UTC Chancellor..... **Tab 3**
 - B. Performance and Retention Plan for Executive Officers **Tab 4**
 - C. Performance Goals for Executive Officers..... **Tab 5**
 - D. Retention Amounts for Executive Officers..... **Tab 6**
- VII. Action Items from the Trusteeship Committee
 - A. Bylaw Amendments on the Consent Agenda – **Roll Call Vote**..... **Tab 7**
 - B. Bylaw Amendment to Revise the Composition of the Health Affairs Committee – **Roll Call Vote**..... **Tab 8**
- VIII. Action Item from the Finance and Administration Committee
 - A. UTC Differential Tuition Proposal for Business, Engineering, and Nursing **Tab 9**

- IX. Action Item from the Health Affairs Committee
 - A. UT Methodist Physicians, LLC (UTMP) – Fourth Amendment to 2009 Addendum A to the Amended and Restated Master Affiliation Agreement with Methodist Healthcare-Methodist Hospitals **Tab 10**
- X. Report of the Audit Committee
- XI. Consent Items
 - A. FY 2013 Revised Operating Budget **Tab 11**
 - B. Real Property Transactions
 - 1. KUB Substation Easements (UTK)..... **Tab 12**
 - 2. Cumberland Avenue Easements (UTK) **Tab 13**
 - C. Rating Scale for Annual Performance Reviews of Tenured Faculty and Minor Clarifying Revisions to the Tenure Policy **Tab 14**
 - D. Revision of UT Knoxville Faculty Handbook Concerning the Rating Scale for Annual Performance Reviews **Tab 15**
 - E. Grant of Tenure to a UT Knoxville Faculty Member under Expedited Procedures..... **Tab 16**
 - F. Honorary Doctor of Laws Degree, UTK **Tab 17**
 - G. Honorary Doctor of Humane and Musical Letters Degree, UTK **Tab 18**
 - H. Honorary Bachelor’s Degree in Community Service, UTC **Tab 19**
 - I. Revised Undergraduate Admission Requirements for UT Martin..... **Tab 20**
 - J. Modifying the Name of the John Tickle Engineering Building (UTK)..... **Tab 21**
 - K. Modifying the Name of the Frank H. McClung Museum (UTK) **Tab 22**
 - L. ~~Renaming the Panhellenic Building as Thorpe Hall (UTK)~~DEFERRED. **Tab 23**
 - M. Renaming the Former Student Health Center as Temple Hall (UTK) **Tab 24**
 - N. Naming a New Residence Hall as the Fred D. Brown Jr. Residence Hall (UTK)..... **Tab 25**

O. Naming the Football Practice Facility as the Anderson Training Center (UTK)..... **Tab 26**

P. Revised Resolution on Organization and Mission of the UT Knoxville Athletics Board **Tab 27**

Q. Revision of the Health Affairs Committee Charter **Tab 28**

R. Revision of the Statement of Governance Principles **Tab 29**

S. Revised Dates for 2013 Summer Workshop **Tab 30**

XII. Other Business

XIII. Announcements

May 13, 2013: Trusteeship Committee, Nashville
Executive and Compensation Committee, Nashville
Health Affairs Committee, Nashville
Audit Committee, Nashville

June 19-20, 2013: Board of Trustees, Annual Meeting, Knoxville

Sept 5-6, 2013: Board of Trustees, Summer Workshop (TBD)

Sept 10, 2013: Trusteeship Committee, Nashville
Executive and Compensation Committee, Nashville
Health Affairs Committee, Nashville

Oct 17-18, 2013: Board of Trustees, Fall Meeting, Knoxville

Scheduled meetings of the Board and its committees are posted on the Board of Trustees website: <http://bot.tennessee.edu/>

XIV. Adjournment

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

November 9, 2012

The Fall Meeting of The University of Tennessee Board of Trustees was held at 1:00 p.m. EST, Friday, November 9, 2012, in Hollingsworth Auditorium on the campus of The University of Tennessee Institute of Agriculture in Knoxville, Tennessee.

I. CALL TO ORDER AND INVOCATION

Mr. Don C. Stansberry, Jr., Vice Chair of the Board, called the meeting to order and announced that Governor Haslam had asked him to chair the meeting. Krystal Barnes, Associate Chaplain at Advent House, offered the invocation.

II. ROLL CALL

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

William E. Haslam, Chair
Don C. Stansberry, Jr., Vice Chair
Charles C. Anderson
Anne Holt Blackburn
George E. Cates
Joseph A. DiPietro
Spruell Driver, Jr.
J. Brian Ferguson
Teresa K. Fowler
John N. Foy
D. Crawford Gallimore
Vicky B. Gregg
Monice Moore Hagler
Douglas A. Horne
Julius T. Johnson
Raja J. Jubran
James L. Murphy, III
Richard G. Rhoda
Karl A. Schledwitz
Shalin N. Shah
Victoria S. Steinberg
Betty Ann Tanner
Charles E. Wharton

Tommy G. Whittaker
Janet M. Wilbert

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

III. INTRODUCTIONS

Vice Chair Stansberry welcomed President Emeritus Jan Simek. He also welcomed new Trustees Vicky Gregg and Raja Jubran and presented each a Trustee lapel pin.

IV. APPROVAL OF MINUTES OF PRIOR MEETING

Trustee Ferguson moved approval of the minutes of the June 21, 2012 meeting of the Board of Trustees as presented in the meeting materials. Trustee Anderson seconded the motion, and the motion carried unanimously.

V. ADOPTION OF HONORARY RESOLUTIONS

The Vice Chair recognized Trustee John Foy, who presented the Resolution honoring Roger Brown for his service as Chancellor of UT Chattanooga (Exhibit 1). Trustee Foy moved adoption of the Resolution. The motion was seconded by Trustee Cates and adopted unanimously. Trustee Foy presented Dr. Brown with a framed copy of the Resolution and a copy of the Resolution honoring his wife, Carolyn Thompson, which had been adopted at the Board's February meeting. Chancellor Brown thanked the Board and administration for the privilege he had to serve The University of Tennessee at Chattanooga and the opportunity to remain engaged.

Trustee Foy presented and moved adoption of the Resolution honoring Trustee Emeritus James E. Hall for his service as a Trustee (Exhibit 2). Trustee Driver seconded the motion, and the Resolution was unanimously adopted. Trustee Foy presented Mr. Hall with a copy of the Resolution and a framed photo of the Board of Trustees. In accepting the Resolution, Mr. Hall thanked his wife Annie for supporting him during his term on the Board and throughout his career. He also thanked Trustee Emerita Andrea Loughry, and Trustees Jim Murphy and Don Stansberry for their leadership as Vice Chair during his term. He complimented Governor Haslam on appointing Vicky Gregg as the new Trustee from Chattanooga, and he thanked Waymon Hickman, Mark Paganelli, and the Audit Committee members for their service to the Committee while he was Chair. Mr. Hall urged the Trustees to stay engaged and focused in their service to the University and to remain open to change during this dynamic time for higher education.

VI. GOVERNOR'S REMARKS

Governor Haslam began by thanking Jim Hall and Roger Brown for their service to The University of Tennessee and the state. He said the state continues to dive deeper into higher education seeking ways to help. He agreed with Trustee Emeritus Hall that the state of higher education is currently dynamic, and he commented on the positive impact of The University of Tennessee across the state and the fundamental part it plays in the economy of the state. With respect to state revenues, the Governor noted that sales tax revenue outperformed expectations by approximately 3% as of June 30, 2012, and although it continues to be above expectations, it is beginning to decline.

The Governor reiterated that the state's focus for higher education is threefold: more Tennesseans with a degree; an affordable price for higher education,; and producing graduates the employment market needs. The state is working to form a tighter alignment between higher education and the market and strategically budgeting capital dollars for the future.

Vice Chair Stansberry thanked Governor Haslam for his continued support of higher education and The University of Tennessee.

VII. PRESIDENT'S REPORT

President DiPietro expressed his appreciation to Governor Haslam for looking at higher education positively and advocating for the University. He thanked Roger Brown for his excellent service as Chancellor of UTC and announced that the title of Chancellor Emeritus has been conferred on him. Dr. DiPietro also thanked Trustee Emeritus Jim Hall for his excellent service as a Trustee and as Chair of the Audit Committee and for always being concerned that the University does the right thing. The President called the Trustees' attention to the Annual Report to the General Assembly, which was reviewed in the Advancement and Public Affairs Committee and moved to the consent agenda for Board approval. He highlighted the 7% increase in bachelor's degrees awarded by the UT System last year, which exceeds the goal of the state's master plan for higher education. He noted that the University monitors trends in workforce needs and develops new programs in response to those needs, citing the new Veterinary Technology program at UT Martin and the new Physician Assistant program at the Health Science Center. He also highlighted the record increase in invention disclosures last year through the UT Research Foundation. He said that the University's discovery activities impact the lives of Tennesseans in a positive way, which is part of the University's land grant mission.

President DiPietro then noted that this is the 150th anniversary of the Morrill Act, the federal land grant statute. He explained that the Morrill Act was designed to provide greater access higher education and to provide training in agricultural sciences and engineering. The Knoxville campus and the Institute of Agriculture in Knoxville are sited on the land grant made 150 years ago under the Morrill Act. President DiPietro noted that land grant institutions throughout the country are generally the flagships in their states with outstanding programs to educate, discover, and connect, just like The University of Tennessee. He then described ways in which the University, collectively, is uniquely connected to the citizens of Tennessee, touching their lives by providing solutions to problems. He noted that in this way the UT System is a unique system in Tennessee, with a presence in all ninety-five counties and facilities across the state. The University's plan for the future, reflected in the System Administrative Strategic Plan, is directly correlated to the land grant mission.

VIII. STRATEGIC PLAN IMPLEMENTATION UPDATE AND DASHBOARD PRESENTATION

President DiPietro provided an update on implementation of the System Administration Strategic Plan by reference to the Plan's website. He explained that Phase I implementation will be completed on December 12, and then Phase II will begin immediately. The President also reviewed the dashboard indicators for the five strategic goals and the Complete College Tennessee Act. He commended the collaboration and teamwork of institutional research officers in making this data accessible. He then introduced a video, "Educate, Discover, Connect."

IX. UT KNOXVILLE TOP-25 UPDATE

Chancellor Cheek first recognized Professor Dan Simberloff, Director of the Institute of Biological Invasions and outstanding faculty member in the Department of Ecology and evolutionary Biology at UT Knoxville. Chancellor Cheek announced that Professor Simberloff, a world-renowned scholar, has been elected as a member of the National Academy of Sciences. Professor Simberloff spoke briefly about his research investigating biological invasions.

Chancellor Cheek presented an update of Knoxville's Top-25 initiative (Exhibit 3). He reported that the campus is achieving progress, and asked for the Trustees' continuing support of the Top-25 Journey.

X. RATIFICATION OF VICE CHAIR'S COMMITTEE AND COMMITTEE CHAIR APPOINTMENTS

Vice Chair Stansberry presented the committee and committee chair appointments he had made, pursuant to the Board's authorization at the June 20, 2012 meeting, in response to changes in composition of the Board. He noted that in addition to appointing new Trustees Vicky Gregg and Raja Jubran to various committees, he reassigned Betty Ann Tanner from Research, Outreach, and Economic Development to Trusteeship and reassigned Tommy Whittaker from Academic Affairs and Student Success to Audit. He also called the Board's attention to the following new chair appointments are: Charlie Anderson, Chair of Finance and Administration and Chair of Health Affairs; and Crawford Gallimore, Chair of Audit. The Vice Chair explained that the term of these appointments will run through June 2013, at which point new two-year appointments will be presented to the Board for approval.

The Vice Chair further explained that in accordance with the Bylaws of the UT Research Foundation, he has appointed Vicky Gregg and Karl Schledwitz to the two non-voting seats designated for Trustees on the UTRF Board of Directors.

Trustee Murphy moved that the Board ratify the committee and committee chair appointments made by the Vice Chair (Exhibit 4). Trustee Driver seconded the motion, and it carried unanimously.

XI. ACTION ITEM FROM THE EXECUTIVE AND COMPENSATION COMMITTEE: FY 2012-13 MERIT INCREASE TO BASE SALARY OF PRESIDENT DIPIETRO

The Vice Chair presented the recommendation of the Executive and Compensation Committee that a merit increase of 3.5% be made to the President's base salary, retroactive to July 1, 2012, bringing his base salary to \$445,567.50 (Exhibit 5).

Trustee Wharton moved that a merit increase of 3.5% to the base salary of President DiPietro be approved, increasing the base salary from \$430,500 to \$445,567.50, retroactive to July 1, 2012; and that the Vice Chair be authorized to execute an amendment to Dr. DiPietro's current employment agreement to incorporate the change in his base salary. Trustee Driver seconded the motion, and it carried unanimously.

XII. ACTION ITEM FROM THE FINANCE AND ADMINISTRATION COMMITTEE: REVISED TUAPA RULE ON LIBRARY FINES AT UTC

Finance and Administration Committee Chair Charlie Anderson presented the Committee's recommendation to approve the proposed revision of UTC library fines. Because these rules involve a fine, Tennessee law requires that the rules be promulgated in accordance with the Tennessee Uniform Administrative Act (TUAPA), which includes the requirement of approval by the Board of Trustees pursuant to roll call vote.

A motion was duly made and seconded that the revised TUAPA rule on library fines at UTC be approved as presented in the meeting materials (Exhibit 6). The Secretary conducted a roll call vote, and the motion carried unanimously.

XIII. REPORT OF THE AUDIT COMMITTEE

Trustee Gallimore summarized the Internal Audit Department's progress on the 2012 audit plan. He reported that 19 audit reports, 2 investigations, 35 procurement card reports, and 47 equipment reports have been issued. The Institutional Compliance Office has worked with UT Knoxville to prepare a compliance plan addressing both environmental health and safety and sponsored projects accounting. The plans are under review by members of the Chancellor's cabinet.

Internal Audit has been working with Human Resources and other UT system administration offices on an awareness campaign to communicate the revised Code of Conduct and increase employee understanding of the expectations. The Code sets the expectation that employees behave ethically and in compliance with laws, regulations, contractual obligations, and University policies.

The Executive Director is preparing the annual audit plan for 2013. This plan is being developed to include required audits—engagements required either by state law, agreements with management, and/or required by contract. The required audits include the Complete College Tennessee Act, the departmental self-assessment of controls, the audits of the President and Chancellors, radio stations, and procurement card and equipment audits.

In addition to the required audits, standards require the Executive Director to establish risk-based plans to determine the priorities of the Internal Audit activity, consistent with the organization's goals. The Executive Director is currently working through an annual risk assessment process to plan engagements for 2013.

Trustee Gallimore reported that the Internal Audit Department is now fully staffed. He thanked Executive Director Sandy Jansen and the Internal Audit staff for their excellent work and announced that the next Audit Committee meeting will be in Nashville on December 18, 2012.

XIV. CONSENT ITEMS

The Vice Chair noted that all items on the consent agenda have been fully discussed and recommended by the appropriate committees and asked for any requests to remove items from the consent agenda. There being none, he called for a motion to approve the following items on the consent agenda:

- A. 2013 Fall Meeting Date (Exhibit 7)
- B. Use of UHS Proceeds to Fund Fee Waivers for Leased Employees and their Spouses and Dependents (Exhibit 8)
- C. FY 2013-14 Operating Budget Appropriations Request (Exhibit 9)
- D. FY 2013-14 Capital Outlay and Capital Maintenance Projects (Exhibit 10)
- E. FY 2013-14 Revenue/Institutionally Funded Projects (Exhibit 11)
- F. Grant of Permanent Utility Easements to Tuckaleechee Utility District for the Benefit of the University's Dairy Farm (Exhibit 12)
- G. Quitclaim of Haywood County Property to the Tennessee Department of Transportation (Exhibit 13)
- H. Dissolution of John C. Hodges Trusts and Transfer of Funds to an Endowment (Exhibit 14)
- I. Modification of Administrative Provisions for the Caesar and Edith Stair Music Education Fund (Exhibit 15)
- J. FY 2012 Annual Flight Operations Report (Exhibit 16)
- K. Program of Study Leading to Master of Medical Science - Physician Assistant (Exhibit 17)
- L. Honorary Doctor of Engineering Degree, UT Knoxville (Exhibit 18)

M. Annual Report to the General Assembly (Exhibit 19)

N. Amendment of the UT-UTFI Affiliation and Services Agreement to Change the Reporting Line for Athletics Development Personnel at UT Knoxville (Exhibit 20)

Trustee Wharton moved approval of all items on the consent agenda, and Trustee Driver seconded the motion. The motion carried unanimously.

XV. OTHER BUSINESS

Vice Chair Stansberry stated that no other business had been brought to his attention.

XVI. ANNOUNCEMENTS

The Secretary called the Board's attention to upcoming committee meetings and to the regular meeting dates for the Board in 2013.

The Vice Chair then thanked Chancellor Cheek for hosting the reception at the Min Kao Building. The Secretary recognized Rachael LeBlanc and Mike Gregory for coordinating the meeting logistics. She thanked Ashley Cole and Karen Simsen of UT Knoxville for helping with logistics, Jeff Loveday and Dennis McCrosky for sound, Justin Johnson for webcasting, and Zak Mayton and Robin Wisecarver for technology support.

XVII. ADJOURNMENT

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

Respectfully Submitted,

Catherine S. Mizell, Secretary

defining the
FUTURE
THE SYSTEM STRATEGIC PLAN



President's Report



defining the
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Enhancing Educational Excellence



defining the
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Enhancing Educational Excellence

Implementation Update

- Distance education
- Collaboration



defining the
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Enhancing Educational Excellence

Governor's Budget

- CCTA formula funding
- Tuition increase at 6 percent or below



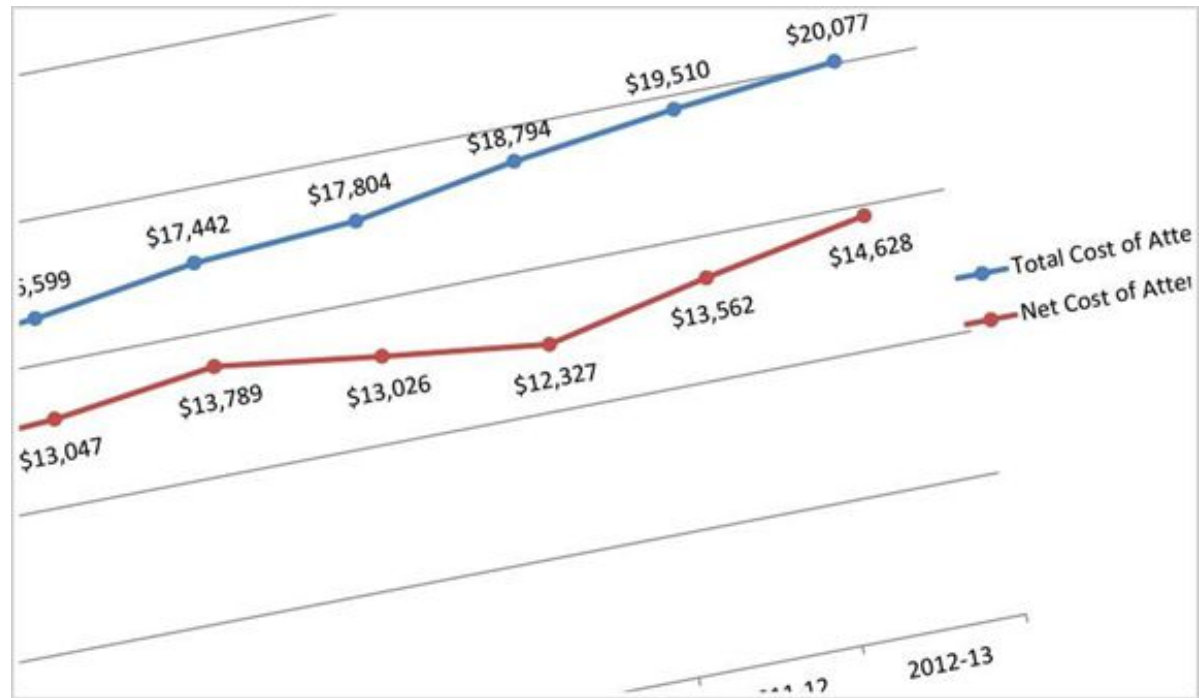
defining the
FUTURE
THE SYSTEM STRATEGIC PLAN



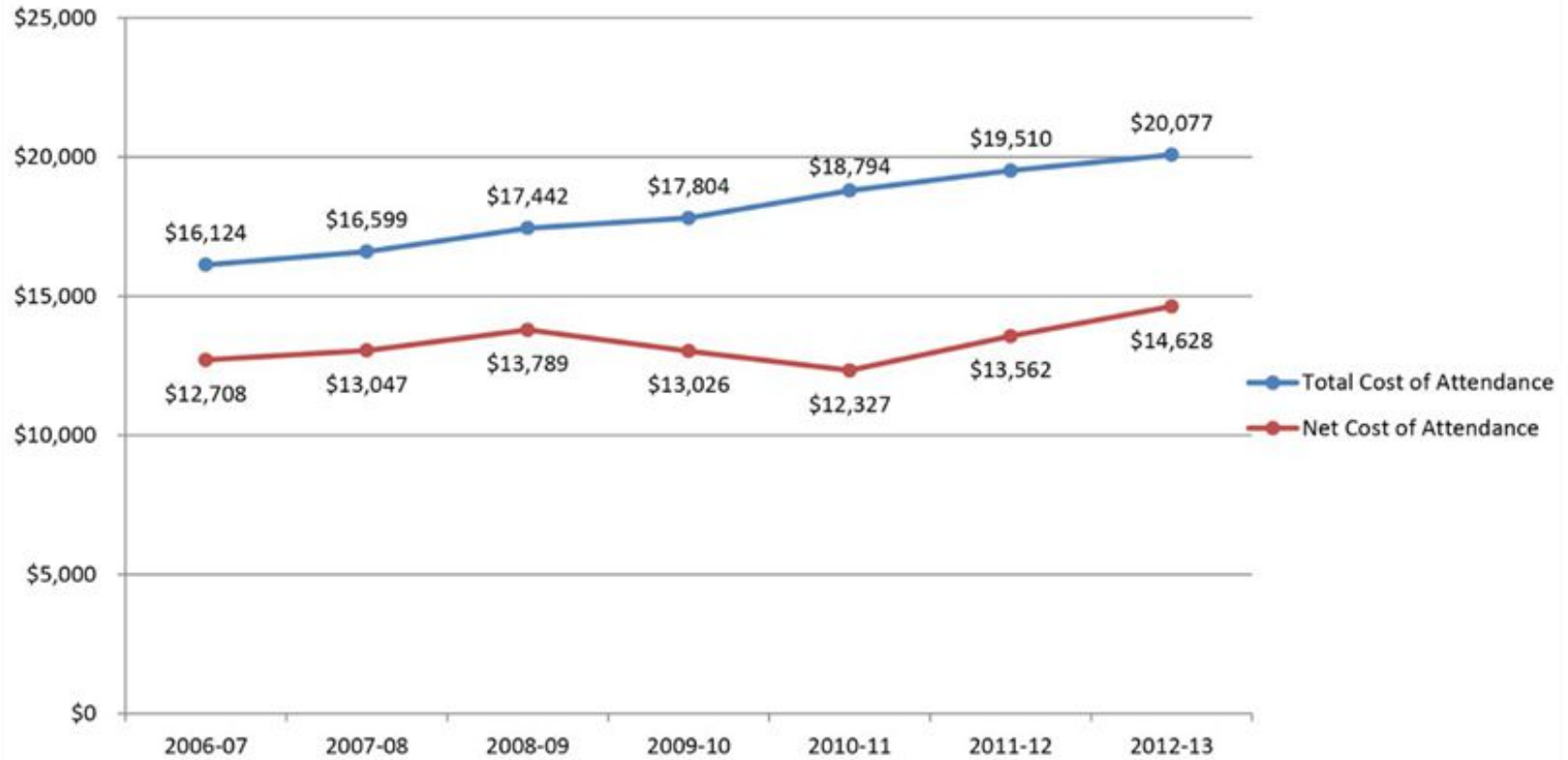
Enhancing Educational Excellence

Governor's Budget

- Cost of attendance
- UT Knoxville engineering pilot program



NET COST OF ATTENDANCE for UTC (Total Cost of Attendance for an Undergraduate Minus Average Grant/Scholarship)



* Cost based on living in residence hall

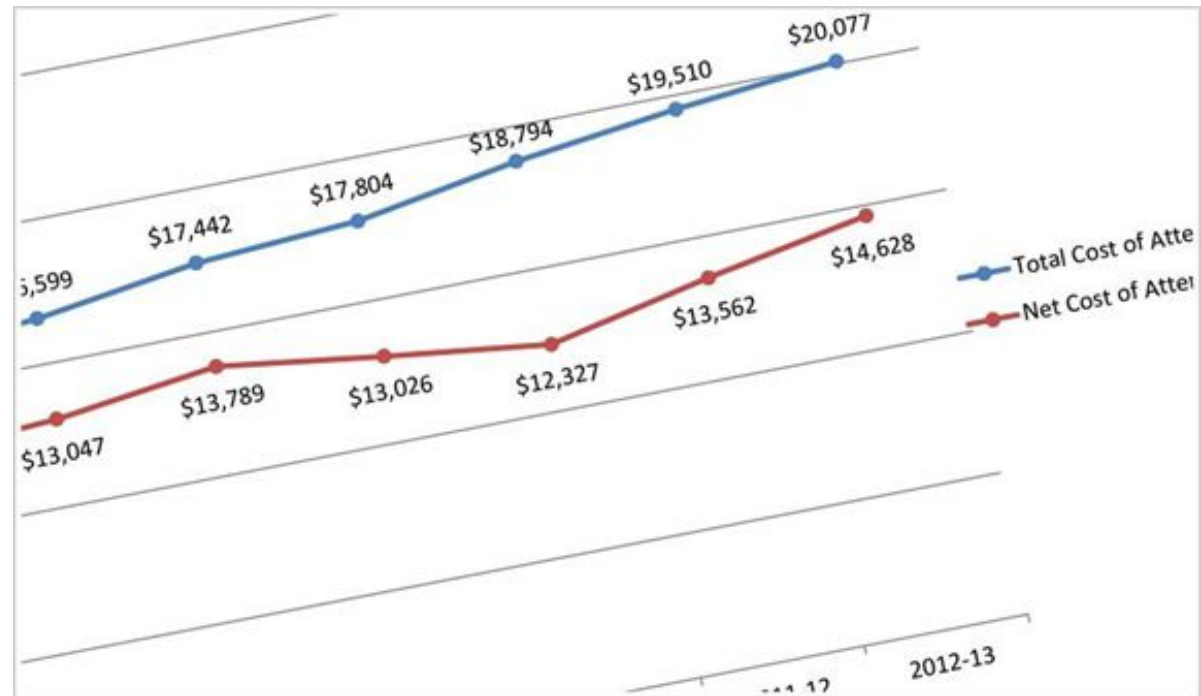
defining the
FUTURE
THE SYSTEM STRATEGIC PLAN



Enhancing Educational Excellence

Governor's Budget

- Cost of attendance
- UT Knoxville engineering program



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THE SYSTEM STRATEGIC PLAN



Enhancing Educational Excellence

Educate. Discover. Connect.

- UT Knoxville and UT Martin: Princeton Review's best value colleges for 2013



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Expanding Research Capacities



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Expanding Research Capacities

Implementation Update

- System Research Committee
- Industry Advisory Council



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Expanding Research Capacities

Governor's Budget

- Supercomputer funding
- St. Jude-UTHSC funding



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Expanding Research Capacities

Educate. **Discover.** Connect.

- Rx100 – radiation exposure drug
- iCare – electronic health record



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Fostering Outreach and Engagement



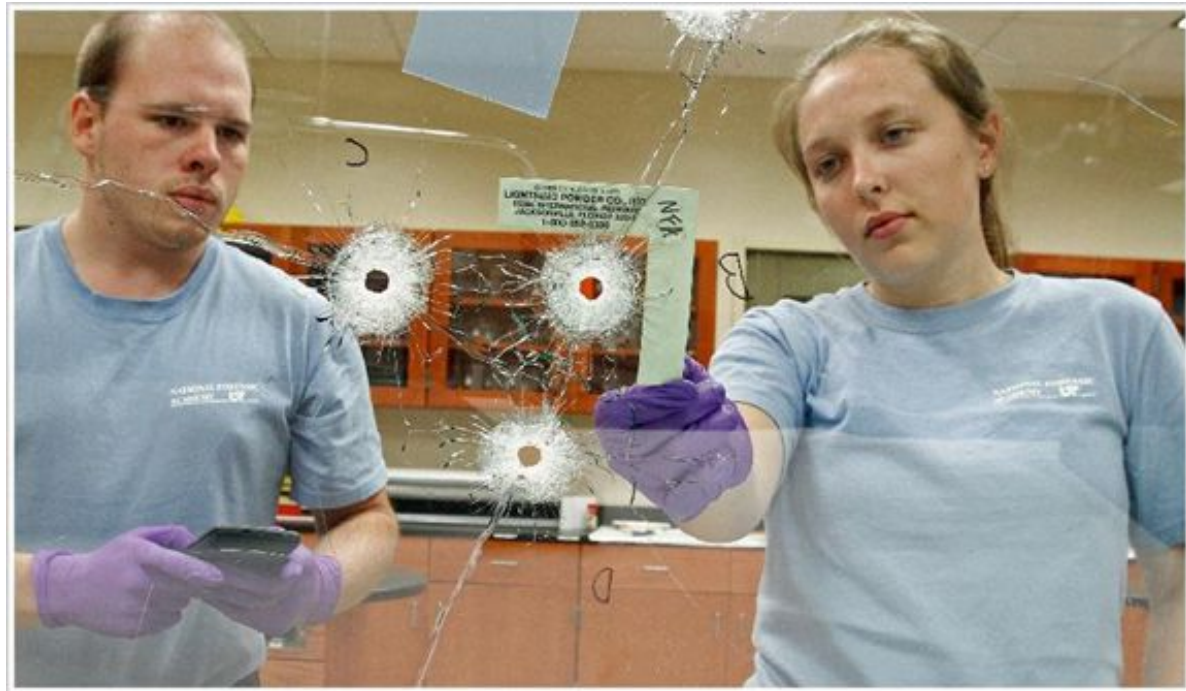
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Fostering Outreach and Engagement

Implementation Update

- Defined metrics
- Data collection methods



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Fostering Outreach and Engagement

Governor's Budget

- Non-formula unit funding
- Estimated cost of increase would be \$2.7M



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Fostering Outreach and Engagement

Educate. Discover. **Connect.**

- 4-H plans in West Tennessee
- National Give Kids a Smile Day
- Certified Municipal Finance Officer program



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Ensuring Effectiveness and Efficiency



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Ensuring Effectiveness and Efficiency

Implementation Update

- Identify needs
- Provide coordination



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Ensuring Effectiveness and Efficiency

Governor's Budget

- UT Knoxville Steam Plant conversion from coal to gas: \$24M



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Ensuring Effectiveness and Efficiency

Educate. Discover. Connect.

- Automated travel reimbursement
- Flexible spending account



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THE SYSTEM STRATEGIC PLAN



Advocating for the University of Tennessee



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Advocating for UT

Implementation Update

- System-wide committee
- Working group on higher ed



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Advocating for UT

Governor's Budget

- 1.5% pay increase for employees



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Advocating for UT

Educate. Discover. **Connect.**

- UT advocates at work



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Educate. Discover. Connect.



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 28, 2013

COMMITTEE: Executive and Compensation

CAMPUS/UNIT: UTC

ITEM: Election and Compensation of UTC Chancellor

RECOMMENDATION: Approval

PRESENTED BY: Joseph A. DiPietro, President

President DiPietro recommends the election of Dr. Steven R. Angle as the next Chancellor of The University of Tennessee at Chattanooga, effective July 1, 2013, with the following compensation:

Base Salary: \$24,250 per month

Expense Allowance: \$583.33 per month

Housing Allowance: \$1666.67 per month

Moving Allowance: \$20,000

Dr. Angle holds a Ph.D. in Organic Chemistry from the University of California, Irvine, an M.S. in Organic Chemistry from the University of California, Los Angeles, and a B.A. in Chemistry from the University of California, Irvine. Since August 2012, he has been serving as Senior Vice President at Wright State University in Ohio. From March 2007 to August 2012, he served as Provost (chief academic and operating officer) at Wright State. Dr. Angle's full curriculum vitae follows.

MOTION:

That the President's recommendation for the election and compensation of Dr. Steven R. Angle as the next Chancellor of The University of Tennessee at Chattanooga, effective July 1, 2013, be approved.

Steven Roger Angle

Senior Vice President and Professor of Chemistry
Wright State University, Dayton, Ohio 45435
steven.angle@wright.edu
Phone: 937-775-4250 (office)

Home Address:
1836 von Hovel Court
Bellbrook, Ohio 45305
937-654-3485 (cell)

EDUCATION

- University of California, Irvine, Ph.D. (Organic Chemistry), 1984.
Dissertation: "*Studies Toward the Total Synthesis of Strychnos Alkaloids.*"
Research Advisor - Larry E. Overman.
- University of California, Los Angeles, M.S. (Organic Chemistry), 1981.
Thesis: "*Studies Toward the Total Synthesis of Quassin.*"
Research Advisor - Robert V. Stevens (deceased).
- University of California, Irvine, B.A. (Chemistry), 1978.

PROFESSIONAL EXPERIENCE

Senior Vice President and Professor, Wright State University and Executive in Residence at the Ohio Board of Regents; August 2012 to present.

Responsibilities: Lead the startup of new on-line degree programs and implement new RCM budget model at Wright State; at Ohio Board of Regents lead the development of "Complete College Ohio" a plan to increase college completion rates in Ohio and develop additional outcome-based metrics for allocation of state funding to the 14 public universities in Ohio.

Provost and Professor, Wright State University, Dayton, Ohio; March 2007 to July 2012.

Responsibilities: Chief academic and operating officer for the 19,700 student university; manage university budget (\$442M); direct reports included the vice presidents and deans (including medicine); oversee operation of the WSU Lake Campus in Celina Ohio.

Major Accomplishments: Led transition to Responsibility Centered Management (RCM) budget model; led conversion from quarters to semesters; oversaw the process to select University System of Ohio Centers of Excellence; hired ten senior administrators (VP/Dean); resolved chronic budget deficits for several administrative units.

Dean, College of Natural and Agricultural Sciences and Director, Agricultural and Natural Resources Program at the University of California, Riverside; June 2001- March 2007. Interim Dean and Director; July 2000 - June 2001.

Responsibilities: As dean, lead all college operations, strategic planning, and budget process. As Director, oversaw operations on the Riverside branch of the UC Agricultural Experiment Station (AES), farms, natural reserves, outreach efforts, and activities of 25 CE Specialists.

Major Accomplishments: Increased grant awards from \$18M to \$65M; initiated programs to foster student success and undergraduate research programs; hired over 100 faculty; dealt with major budget reductions; redesigned process for allocating AES resources. Led strategic planning that built the case for four new state-funded academic buildings (>\$150M).

Associate Dean for Physical and Mathematical Sciences, College of Natural and Agricultural Sciences, University of California, Riverside; 1997-2000.

Responsibilities: Oversaw operations of five departments and two research centers.

Professor of Chemistry, University of California, Riverside; 1994-2007.

Associate Professor; 1991-1994. Assistant Professor; 1986-1991.

Postdoctoral Research Associate, University of Wisconsin, Madison; 1984-1986.

Research Advisor - Barry M. Trost, Department of Chemistry.

Vice President, Angle and Babbage Office Equipment, Inc.; 1981-1982.

HONORS

- Fellow of the American Association for the Advancement of Science (1999).
- Alfred P. Sloan Foundation Research Fellow (1993-1997).
- University of California, Riverside, Distinguished Teaching Award (1991).
- American Cyanamid Faculty Award (1991).
- University of California President's Fellowship, UC Irvine (1977-78).
- University of California, Irvine, Alumni Assn. Award for Undergraduate Research (1978).

ADMINISTRATIVE EXPERIENCE AT WRIGHT STATE UNIVERSITY, DAYTON OHIO Provost and Professor of Chemistry; March 2007 to July 2012

Background on the University. Wright State University has approximately 19,700 students with 18,304 students (fall 2011 official head count) on the Dayton campus within the colleges of Liberal Arts, Education and Human Services, Engineering and Computer Science, Nursing and Health, Science and Mathematics, the Raj Sooin College of Business, the School of Professional Psychology, and the Boonshoft School of Medicine. WSU offers 91 undergraduate degree programs and 76 graduate/professional degree programs (including 5 Ph.D., Psy.D., DNP, and M.D.). Graduate and professional students comprise 21% of student enrollment. Wright State University, Lake Campus is located in Celina, Ohio, approximately 70 miles north of Dayton and has an enrollment of 1471 students (fall 2011 head count). WSU Lake Campus offers 2 year and 4 year degree programs, as well as selected graduate degrees. WSU ended the 2011-12 academic year with over \$100M in research and sponsored programs awards and the adopted campus budget was \$442M.

Selected Accomplishments, Wright State University:

- Directed campus budget reduction process over a four year period 2008-11. We did not take across the board cuts; each unit was given a target based on their functions and ability to deal with reductions. Meetings with individual deans/vice presidents, and their chief budget staff were a key part of this process. State funding was reduced by over \$25M (26%) while enrollment increased more than 15%.
- Chair of the committee to update and revitalize the university strategic plan, mission, vision, values and goals (2007-08).
- Oversaw the increase of research and sponsored programs awards from \$64M in 2006 to over \$100M in 2012.
- Successfully recruited key campus leadership, including: Vice President for Multicultural Affairs and Community Engagement (2012), Vice President Budget and Finance (2012), Vice President for Research (2012), Dean of Science and Math (2011), Dean of Nursing (2011), Vice President of Advancement (2010), Dean of the Graduate School (2010), Associate Vice President of Communications and Marketing (2009), Dean of the School of Professional Psychology (2008), and Dean of the WSU Lake Campus (2008, 2011).
- Provided leadership to address issues on WSU Lake Campus including: declining enrollment, weak leadership, decreasing community support, faculty-staff conflicts (2007-08).
- Led the reorganization of campus educational technology units to improve customer service and reduce the budget (2009-10).

Selected Accomplishments at Wright State University, continued:

- Initiated a “Teaching Innovation Grant Program” to assist faculty in adopting new teaching pedagogies and incorporating technology into their on-line and in person courses (2011-12).
- Initiated an “Undergraduate Recruiting Award Program” to incentivize academic colleges to work with central admissions staff in attracting new students to Wright State (2011).
- Held discussions with Federal (Congressional and Senate) and State General Assembly representatives and their staff in Washington DC and Ohio to garner support for WSU initiatives.
- Central administration lead on Wright State University National Center for Medical Readiness (2007 to 2012). Working with Emergency Medicine faculty we secured funding and a site for training first responders to disasters along with emergency department physicians. Worked closely with our Senate and Congressional representatives and consulted with House Homeland Security authorization and appropriations committees to gain support for WSU membership in the National Disaster Preparedness Consortium.
- Worked closely with elected and appointed local and state officials to take ownership of a former cement plant as the site for our National Center for Medical Readiness. Obtained state and federal funding (>\$3M) to clean up contamination in the soil and ground water prior to accepting the gift of property.
- Established a new position, vice-president for multicultural affairs and community engagement, who will report to the provost (2011/12). Working with an outside consultant we developed a plan to advance diversity and better align campus activities, groups, and organizations.
- Participated in the planning retreat for a consortium NSF-Advance grant (WSU lead institution with the University of Dayton, Air Force Institute of Technology, and Central State University as partners) to increase the representation of women faculty in science and engineering (2011). WSU is now working to use the infrastructure of this program to help address ethnic diversity in our science and engineering faculty.
- Campus administrative lead on WSU Sports Medicine Building, a 75,000 sq.ft. on campus building financed and built by our WSU physician practice plan. This facility which opened in June of 2012 will allow our faculty and students in athletic training to be located in the same building as physical therapy services, clinical research in related areas, and the orthopedic physicians they already work with on a routine basis.
- Worked with a faculty member to establish the Institute for Defense Studies and Education. The IDSE was formed to capitalize on the proximity of Wright Patterson Air Force Base to the campus and our connections to the Department of Defense (DOD). It is completely self-supporting and has generated a significant positive margin which is being used to broaden offerings to include professional master degree programs.
- Participated in establishment, set-up, and on-going operation of the Dayton Regional STEM School, a WSU affiliated “Charter” School for grades 6-12.
- Along with an Emergency Medicine faculty member, participated in the founding of the Food and Agricultural Protection Training Consortium (FAPTC) in partnership with the University of Mississippi, LSU, Michigan State, UC Davis, the University of Tennessee, and Iowa State University (2010-11).

Selected Accomplishments at Wright State University, continued:

- Signed exchange agreements with two universities in Taiwan and four universities in China during visits summer 2010. These agreements have brought over 100 fee paying students to WSU thus far.
- Made six new visits to Chinese Universities and two return visits in summer 2011. Signed four agreements that have already resulted in 12 students committed to attend WSU fall 2012.
- Participated in the grand opening of the Wright College at Dalian Institute of Science and Technology, Dalian China (summer 2011).
- Worked with engineering faculty to develop an operational plan for a joint WSU-Dalian Institute of Science and Technology campus in China.
- My wife and I represented Wright State University at the 50th Anniversary of the Kake Group of Institutions, Okayama, Japan (November 2011).
- Worked with the deans of WSU Lake Campus and the dean of the College of Food, Agricultural, and Environmental Sciences at The Ohio State University to offer a two-year degree in agriculture at the WSU Lake Campus (2010-2012).
- Organized a study group on current issues in public higher education for the cabinet and council of deans lead by the former chancellor of the University System of Ohio; monthly meetings spring quarter 2011. Issues raised in *Academically Adrift* were highlighted in the discussions.
- Organized day-long discussion on current issues in public higher education for Board of Trustees' Retreat that included the cabinet and council of deans. Areas of focus included learning outcomes, accountability, and economic impact (2011).
- Key Note Address Annual Meeting of Association for University Regional Campuses of Ohio (AURCO); "The Future of Regional Campuses in Ohio" April 8, 2011.

ADMINISTRATIVE EXPERIENCE AT THE UNIVERSITY OF CALIFORNIA, RIVERSIDE
Dean, College of Natural and Agricultural Sciences and Director, Agricultural and Natural Resources Program, 2001-2007; Interim Dean and Director 2000-2001.

Background on UCR, the College, and the Experiment Station. UCR grew from approximately 10,000 students in 2000 to nearly 17,000 students in 2007. The College of Natural and Agricultural Sciences (CNAS) at UC Riverside had over 4600 students, 265 faculty, and consisted of 13 academic departments comprising the physical, mathematical, biological and agricultural sciences, several organized research units, and eight of the UC's Natural Reserves. I was the first permanent Dean of the College who did not hold an appointment in the Agriculture Experiment Station. The University of California Agricultural Experiment Station is a state-wide organization that includes offices and facilities on the three UC campuses that are part of the land grant system of universities and colleges (Berkeley, Davis, and Riverside). CNAS was the home of the Riverside Branch of the UC Agricultural Experiment Station (AES). The College had a state general fund budget of \$54M per year with \$20M for the agricultural programs and \$34M for the non-agricultural parts of the college.

Reporting Relationship of the Dean and Director. I formally reported to the Executive Vice Chancellor and Provost at UC Riverside for the academic portion of the college and to the Vice President for Agriculture and Natural Resources (in Oakland) for the Agricultural Experiment Station portion of my appointment.

UC Riverside Budget Experience. The State of California went through several difficult budget years during my term as Dean. Our college budget was cut by over \$6.4M (11% overall) from 2001 to 2002, forcing me to make some very tough decisions. As much as possible, I used the budget reductions to make constructive changes that would have been impossible during good budget times. For example, I worked with my associate Dean for the Agricultural Experiment Station (AES) and Department Chairs to completely revise the allocation of AES resources to faculty. We moved from an entitlement based system, where every faculty member received funding for all or part of a staff research associate, to one where funding was allocated by a competitive grant program that was peer reviewed by UCR faculty on a cycle consistent with Hatch Project (Federal Ag funding) renewals. This was a huge change, but with a mandated 20% cut to our AES programs, we had to make fundamental changes to the budget, not simply make across the board cuts. The final structure for resource allocation was developed by our Department Chairs working as partners with the Dean's office.

Selected Accomplishments, UC Riverside:

- Hired over 100 faculty, including one member of the National Academy of Sciences.
- Hosted a two day tour of southern California agriculture for staff members of representatives on the House agriculture committee and both the House and Senate appropriations committees.
- Hosted lunches and information meetings with federal representatives (Congress and Senate) and their staff to seek support for, and an understanding of, college programs and our needs.
- Visited legislators in the state capital to keep them apprised of the needs of California agriculture and the needs of our campuses (UCB, UCD, and UCR).
- Initiated the CNAS Dean's Summer Fellowship Program, providing funding for the salary of 16 students from across the college to do research in faculty laboratories over the summer. I held a weekly brown-bag lunch where the students presented their research and we discussed topics relating to science, education, and successful careers (2004-2007).
- Initiated CNAS Scholars Undergraduate Research Program. Twenty to forty students who had just finished their freshman year met once per week with a CNAS Associate Dean during the 10 week summer research program.
- Initiated CNAS Annual Undergraduate Research Symposium. Undergraduate students doing research in the college presented their research in a 20 minute oral presentation or poster format. The audience included the donors providing funding for undergraduate research to allow them to meet "their student" and hear about the exciting research that was accomplished.
- Initiated the Freshman Scholars Program. In examining the success of our freshmen students it became apparent that the successful completion of Chemistry 1ABC was a key to matriculation to the sophomore year in CNAS; we had a D/F rate of 30-40% in this course. In an attempt to address this problem, we initiated a pilot program for 200 freshmen students called the Freshmen Scholars Program. Students in this program participated in a discussion section and two peer lead study sections per week. Each student received one additional unit for Chemistry 1A, 1B, and 1C (5 rather than the normal 4 units). We were able to reduce the D/F rate for the cohort in our program to less than 3% of total students in Chemistry 1 and 14% for the cohort in this section – a significant impact.

Selected Accomplishments at UC Riverside, continued:

- Initiated Freshman Advising Seminars. Faculty participation in the advising/mentoring of undergraduates was not wide-spread; we had an outstanding group of staff advisors, but contact with faculty advisors for career-type advising/mentoring was limited. In an effort to address this, we instituted the Freshman Advising/Mentoring Seminar, a one unit class which met one hour per week for the fall quarter. This class matched freshmen up with a faculty academic advisor/mentor to discuss how to study for college courses, career opportunities in their area of study, other issues relating to the transition to college, and a discussion of where their academic field was going and what types of careers people do with that major. The faculty member then continued as the student's faculty advisor/mentor as long as the student was in the college (in addition to advising provided by professional staff). The first year we had a pilot program involving 100 students, by the third year nearly 80% of the 1200 incoming freshmen were participating in this program.
- Began a major genomics institute, which included establishing a center for plant cell biology, hiring a founding director, and obtaining funding for a new building (\$50M) to house these research efforts.
- Revitalized the Institute for Geophysics and Planetary Physics by hiring a new Director and selectively investing resources.

Administrative Philosophy

I have been fortunate to be associated with great institutions and supported by gifted people. Success as a dean, provost, and president requires a team effort with a collective commitment to quality and success. A university is not just an assembly of buildings; a university is people: students, faculty, staff, alumni, and friends. Whatever success I have enjoyed is the result of the efforts of many talented people working toward a set of common goals.

SELECTED UNIVERSITY AND COMMUNITY SERVICEWright State University

- Chair, President's Cabinet (2007 to 2012).
- Chair, Council of Deans (2007 to 2012).
- Member, Core Committee for Development of WSU Master Space Plan (2010-2011).
- Chair, Task Force on Student Success and Community Engagement (2009-2010).
- Chair Strategic Planning Committee (2007-2008).

University System of Ohio (USO)

- Member, Provosts Group Ohio Inter-University Council (2007 to 2012).
- Member, USO Educational Technology Committee (2009 to present).
- Member Ohio-Link Advisory Board (2011 to present).
- Member, Search Committee Ohio-Link Executive Director (2010).
- Member, Ohio-Link Board of Directors (2007-2009).

National

- Member, Association of Public and Land-grant Universities (APLU) Committee on Academic Affairs (2007 to 2012).
- Member, American Association of State Colleges and Universities (AACSU) Chief Academic Officers (2007 to 2012).
- Member, University Leadership Council, Washington D.C. (2008 to 2012).
- Participant Executive Leadership Academy; American Academic Leadership Institute (2011-2012).
- Advisory Board for Public Purpose, the magazine of the American Association of State Colleges and Universities (AACSU) (2012 to present)

Community

- Member Premier Health Partners (PHP) Executive Planning Committee to address a possible closer WSU School of Medicine-PHP relationship (2011 to 2012).
- Member Board of Trustees Dayton Chamber of Commerce (2011 to present).
- Member, Board of Directors United Way of Greater Dayton (2008-2011).
- Member, Dayton Council on World Affairs (2007 to 2012).
- Member, Sustainability Board, Nursing Institute of West Central Ohio (2007 to present).
- Member, Miami Valley (Ohio) Higher Education Consortium (2007 to 2012).
- Member City of Riverside CEO Forum, a group organized to bring high tech companies to Riverside (2004-2007).

University of California System

- Member, UC System-wide Task Force on Science and Mathematics Initiative, Training Teachers in Science and Mathematics Education (2005-2007).
- Member, University of California President's Agriculture Advisory Commission (2004-2007).
- Member, Executive Council, Division of Agriculture and Natural Resources, University of California (2000-2007).
- Member, University of California Cancer Research Coordinating Committee Grant Review Panel (1999-2003).
- Member, UC System-wide Committee on Graduate Student Enrollment and Affirmative Action (1995-1996).

University of California Riverside Space and Building Committee Service

- Member, UC Riverside Capital Project Coordination Committee (2004-2007).
- Member, UC Riverside West Campus Area Study Group (2004-2005).
- Member, Materials Science and Engineering Building Executive Planning Committee (2002-2007).
- Member, Science Laboratory Building Committee (1999-2002).
- Member, CNAS Dean's Executive Space Planning Committee (1998-2000).

University of California Riverside Space and Building Committee Service, continued

- Member, CNAS Dean's Space Transition Committee (1998-2000).
- Member, Science Laboratory Building Committee (1998-1999).
- Member, Physical Sciences 1 Building Committee (1998-1999).
- Member, Building Committee, Pierce Hall (1997-1999).

University of California Riverside Academic (Faculty) Senate Committees:

- Chair, Committee on Distinguished Teaching (1996-1997).
- Member, Committee on Distinguished Teaching (1994-1996).
- Member, University Extension Committee (1987-1989).

University of California Riverside Campus

- Member, Community College – UC Riverside Coordination Team (2006-2007).
- Member, Staff Climate Survey Steering Committee (2006).
- Faculty Mentor, California Alliance for Minority Participation in Science (2005-2007).
- Member, Campus Enrollment Task Force: Increasing the Applicant Pool and Undergraduate Enrollment (2005).
- Member, Campus Revenue – FTE Task Force: Resources for Success (2005).
- Member, Campus Task Force on Media and Marketing (2005-2006).
- Member, Campus Task Force on Student Success (2005-2006).
- Member, UC Riverside Committee on Immigration and Visa status for Faculty and Visiting Scholars (2004-2005).
- Member, UC Riverside Health Sciences Planning Group (2004-2006).
- Chair, Search Committee for Associate Vice Chancellor Marketing and Communications (2003).
- Member, UC Riverside Foundation Board of Trustees (2000-2007).
- Member, Search Committee, CNAS Facilities Planner (1999).
- Member, Advisory Board Mesa Schools Program (1998-2002).
- *Ex Officio* Member, Analytical Chemistry Instrumentation Facility (1997-2000).
- Member, Search Committee for Director of Health and Safety (1997).
- Member, College Committee to establish a Biotech Research Center at UC Riverside (1996).
- Member, Search Committee for CNAS Dean (1996-1997).
- Member, Committee to Reorganize Purchasing and Acquisitions at UCR (1994-1995).
- Member, Campus Recharge Committee (1990-1994).
- Chancellor's Advisory Committee on Hazardous Materials (1990-1992; 1994-1995).
- Member, Campus Board of Review (1989-1992).

Department of Chemistry, University of California Riverside

- Member, Senior Inorganic Chemistry Search Committee (1997-1998).
- Member, Organic Chemistry Faculty Search Committee (1996-1997).
- Graduate Advisor, Admissions (1995-1997).
- Member, Graduate Admissions Committee; December (1988-1997).
- Chair, Atmospheric Chemistry Faculty Search Committee (1995-1996).
- Member, Department Safety Committee (1994-1997).
- Member, College Executive Committee (1993-1994).
- Undergraduate Advisor, Department of Chemistry (1987-1988).

SELECTED ACADEMIC ACCOMPLISHMENTS AND EXPERIENCE

A Complete Academic Résumé is Available upon Request

Research Interests

Organic synthesis, development of new synthesis methodologies and strategies; bioorganic chemistry and biomimetic synthesis.

Professional Memberships

- American Chemical Society, Divisions of Organic Chemistry and Medicinal Chemistry.
- American Association for the Advancement of Science.

Research Publications; 1979 to present, 55 Total

55. S. R. Angle, I. Choi, F. S. Tham "Stereoselective Synthesis of 3-Alkyl-2-aryltetrahydrofuran-4-ols: Total Synthesis of (+/-)-Paulownin" *Journal of Organic Chemistry* **2008**, *73*, 6268-6278.
54. S. R. Angle, I. Choi "Regioselective and Stereoselective Synthesis of Tetrahydrofurans from a Functionalized Allylic Silane and an Aldehyde via Formal [3+2]-Cycloaddition Reaction" *Tetrahedron Letters* **2008**, *49*, 6245-6249.
53. S. R. Angle, M. Kim "General Approach to 3-n-Butyl-5-alkylindolizidines: Total Synthesis of (-)-Indolizidine 195B" *Journal of Organic Chemistry* **2007**, *72*, 8791-8796.
52. S. R. Angle, D. Bensa and D. S. Belanger "New Access to Indolizidine and Pyrrolizidine Alkaloids from an Enantiopure Proline: Total Synthesis of (-)-Lentiginosine and (1*R*,2*R*,7*aR*)-Dihydroxypyrrolizidine" *Journal of Organic Chemistry* **2007**, *72*, 5592-5597.
51. S. R. Angle, X. L. Qian, A. A. Pletnev, J. Chinn "General Synthesis of Pyrroloquinolizidines: Synthesis of an Unnatural Homologue of the Pyrroloindolizidine Myrmecarin Alkaloid 215B" *Journal of Organic Chemistry* **2007**, *72*, 2015-2020.

50. S. R. Angle, D. S. Belanger "Stereoselective Synthesis of 3-Hydroxyproline Benzyl Esters from *N*-Protected β -Aminoaldehydes and Benzyl Diazoacetate" *Journal of Organic Chemistry* **2004**, 69, 4361-4368.
49. S. R. Angle, D. S. Belanger, N. A. El-Said "Stereoselective Synthesis of Tetrahydropyrans via Formal [4+2]-Cycloaddition: A Comparison of Allylsilane and Crotylsilane" *Journal of Organic Chemistry*, **2002**, 67, 7699-7705.
48. S. R. Angle, N. A. El-Said "Stereoselective Synthesis of Tetrahydrofurans via Formal [3+2]-Cycloaddition of Aldehydes and Allylsilanes. Formal Total Synthesis of the Muscarine Alkaloids (-)-Allomuscarine and (+)-Epimuscarine" *Journal of the American Chemical Society* **2002**, 124, 3608-3613.
47. S. R. Angle, S. Z. Shaw "Stereoselective Synthesis of 3-Hydroxy-2-Sulfonyltetrahydrofurans from β -(Triethylsilyloxy)aldehydes and *p*-Tolylsulfonyldiazomethane" *Tetrahedron* **2001**, 57, 5227-5232.
46. S. R. Angle, K. Chann "Stereoselective Synthesis of Tetrahydrofurans: Reactions of Protected β -Hydroxy Ketones and Benzyl Diazoacetate" *Tetrahedron Letters* **2001**, 42, 1819-1822.
45. S. R. Angle, S. L. White "Stereoselective Synthesis of 4-Aryl-2-(benzyloxy)carbonyl-3-hydroxy Tetrahydrofurans from Aryl Epoxides" *Tetrahedron Letters* **2000**, 41, 8059-8062.
44. S. R. Angle, M. L. Neitzel "A Simple Method for the Synthesis of Substituted Benzylic Ketones: Homologation of Aldehydes via the in Situ Generation of Aryldiazomethanes from Aromatic Aldehydes" *Journal of Organic Chemistry* **2000**, 65, 6458-6461.
43. S. R. Angle, M. L. Neitzel "Stereoselective Synthesis of 3-Hydroxy-2-Aryltetrahydrofurans from β -Triethylsilyloxyaldehydes and Aryl Diazomethanes" *Journal of Organic Chemistry* **1999**, 64, 8754-8757.
42. S. R. Angle, N. A. El-Said "Stereoselective Synthesis of Tetrahydropyrans via a Formal [4+2]-Cycloaddition of Allylsilanes" *Journal of the American Chemical Society*, **1999**, 121, 10211-10212.
41. S. R. Angle, D. S. Bernier, K. Chann, D. E. Jones, M. Kim, M. Neitzel, S. L. White "Stereoselective Synthesis of 2,3,4-Trisubstituted Tetrahydrofurans" *Tetrahedron Letters* **1998**, 38, 8195-8198.
40. S. R. Angle, R. M. Henry "Studies Toward the Synthesis of (+)-Palustrine: The First Asymmetric Synthesis of (-)-Methyl Palustramic Acid" *Journal of Organic Chemistry*, **1998**, 63, 7490-7497.
39. S. R. Angle, D. S. Bernier, N. A. El-Said, D. E. Jones, S. Z. Shaw "Synthesis of Tetrahydrofurans from β -Hydroxyaldehydes: Optimization of the Alcohol Protecting Group" *Tetrahedron Letters* **1998**, 38, 3919-3922.
38. S. R. Angle, T. Wada "An Approach to the Narciclasine Alkaloids via a Quinone Methide Initiated Cyclization Reaction" *Tetrahedron Letters* **1997**, 38, 7955-7958.

37. S. R. Angle, R. M. Henry "The Synthesis of Enantiopure Indolizidine Alkaloids from α -Amino Acids: Total Synthesis of (-)-Indolizidine 167B" *Journal of Organic Chemistry* **1997**, 62, 8549-8552.
36. S. R. Angle, J. D. Rainier, C. Woytowicz "Synthesis and Chemistry of Quinone Methide Models for the Anthracycline Antitumor Antibiotics" *Journal of Organic Chemistry* **1997**, 62, 5884-5892.
35. S. R. Angle, J. P. Boyce "A Formal Total Synthesis of (\pm)- γ -Lycorane" *Tetrahedron Letters* **1995**, 36, 6185-6188.
34. S. R. Angle, G. P. Wei, Y. K. Ko, K. Kubo "Stereoselective Synthesis of Tetrahydrofurans via the Lewis Acid Promoted Reaction of β -Benzyloxy Aldehydes and Ethyl Diazoacetate" *Journal of the American Chemical Society* **1995**, 117, 8041-8042.
33. S. R. Angle, D. O. Arnaiz, R. P. Frutos, M. S. Louie, H. L. Mattson-Arnaiz, J. D. Rainier, K. D. Turnbull, W. Yang "Carbon—Carbon Bond Formation *via* Quinone Methide Initiated Cyclization Reactions" *Journal of Organic Chemistry* **1994**, 59, 6322-6337.
32. S. R. Angle, J. P. Boyce "Formal [3+3]- and [3+2]-Cycloadditions of Allylsilanes with Benzylic Cations." *Tetrahedron Letters* **1994**, 35, 6461-6464.
31. S. R. Angle, M. A. Hossain "Mechanism of *para*-Quinone Methide Initiated Cyclization Reactions Terminated by Alkenes: 1,2- vs 1,3-Hydrogen Migration." *Tetrahedron Letters* **1994**, 35, 4519-4522.
30. S. R. Angle, J. G. Breitenbucher "Recent Progress in the Synthesis of Piperidine and Indolizidine Alkaloids" in *Studies in Natural Products Chemistry; Stereoselective Synthesis (Part J)*, A.-U.-Rahman Ed., Elsevier Science Publishers, Amsterdam; 1995; p 453-502.
29. S. R. Angle, R. P. Frutos "Stereoselective Synthesis of 1-Aryl-4a-Methyloctahydrophenanthrenes" *Journal of Organic Chemistry* **1993**, 58, 7918-7922.
28. S. R. Angle, H. L. Mattson-Arnaiz "Carbon—Carbon Bond Formation *via* Benzylic Cation Initiated Cyclization Reactions" in *Advances in Carbocation Chemistry, Volume 2*, (1995), J. Coxon Ed., JAI Press, Inc., Greenwich, Connecticut; pp 1-40.
27. S. R. Angle, K. D. Turnbull "Synthesis of Neolignans via a Proposed Biosynthetic Intermediate. Total Synthesis of (\pm)-Futoenone" *Journal of Organic Chemistry* **1993**, 58, 5360-5369.
26. S. R. Angle, R. P. Frutos "Intramolecular Formal [3+2] Cycloaddition of Alkenes and Benzylic Cations. Stereoselective Synthesis of 1,2,3,4,4a,9a-Hexahydrofluorenes" *Journal of Organic Chemistry* **1993**, 58, 5135-5144.
25. S. R. Angle, M. S. Louie "Quinone Methide Initiated Cyclization Reactions: Studies Toward the Synthesis of (+)-Pancratistatin" *Tetrahedron Letters* **1993**, 34, 4751-4754.

24. S. R. Angle, J. G. Breitenbucher "A General Route for the Synthesis of Enantiopure Indolizidine Alkaloids from β -Amino Acids. Total Synthesis of (+)-Monomorine" *Tetrahedron Letters* **1993**, 34, 3985-3988.
23. S. R. Angle, J. M. Fevig, S. D. Knight, R. W. Marquis, Jr., L. E. Overman "The Aza-Cope-Mannich Approach to *Strychnos* Alkaloids. Short Stereocontrolled Syntheses of (\pm)-Dehydrotubifoline and (\pm)-Akuammicine" *Journal of the American Chemical Society* **1993**, 115, 3966-3976.
22. S. R. Angle, R. P. Frutos "Cyclization Reactions Terminated by Enamides and Encarbamates" *Journal of the Chemical Society, Chemical Communications* **1993**, 171-172.
21. S. R. Angle, W. Yang "pH Dependent Stability and Reactivity of a Thiol-Quinone Methide Adduct" *Tetrahedron Letters* **1992**, 33, 6089-6092.
20. S. R. Angle, J. D. Rainier "Reductive Cyclization of Quinone Methides" *Journal of Organic Chemistry* **1992**, 57, 6883-6890.
19. S. R. Angle, D. O. Arnaiz "Formal [3+2]-Cycloaddition of Benzylic Cations and Alkenes" *Journal of Organic Chemistry* **1992**, 57, 5937-5947.
18. S. R. Angle, H. L. Mattson-Arnaiz "A Facile 1,3-Hydride Transfer in a Cycloheptyl Cation" *Journal of the American Chemical Society* **1992**, 114, 9782-9786.
17. S. R. Angle, J. G. Breitenbucher, D O. Arnaiz "An Efficient Stereoselective Synthesis of $\Delta^{4,5}$ -Pipelicolic Esters" *Journal of Organic Chemistry* **1992**, 57, 5947-5955.
16. S. R. Angle, W. Yang "Nucleophilic Addition of 2'-Deoxynucleosides to the *ortho*-Quinone Methides 10-(Acetyloxy)- and 10-Methoxy-3,4-Dihydro-9(2*H*)-Anthracenone" *Journal of Organic Chemistry* **1992**, 57, 1092-1097.
15. S. R. Angle, D. O. Arnaiz "Synthesis of 1,2-Dihydronaphthalenes and Spiro[4.5]Deca-3,6,9-Trienones from Benzylic Alcohols" *Tetrahedron Letters* **1991**, 32, 2327-2330.
14. S. R. Angle, M. S. Louie "A Systematic Study of Benzyl Cation Initiated Cyclization Reactions" *Journal of Organic Chemistry* **1991**, 56, 2853-2866.
13. S. R. Angle, D. O. Arnaiz "Synthesis of Dihydro-1*H*-Indenes via a Formal 3+2 Cycloaddition of *para*-Quinone Methides and Styrenes" *Journal of Organic Chemistry* **1990**, 55, 3708-3710.
12. S. R. Angle, K. D. Turnbull "Chemistry of a Quinone Methide Proposed to be an Intermediate in neo-Lignan Biosynthesis" *Journal of the American Chemical Society* **1990**, 112, 3698-3700.
11. S. R. Angle, W. Yang "Synthesis and Chemistry of a Quinone Methide Model for Anthracycline Antitumor Antibiotics" *Journal of the American Chemical Society* **1990**, 112, 4524-4528.

10. S. R. Angle, M. S. Louie "Cationic Cyclization Reactions Initiated by Stabilized Benzyl Cations" *Tetrahedron Letters* **1989**, 30, 5741-5744.
9. S. R. Angle, M. S. Louie, H. L. Mattson, W. Yang "*para*-Quinone Methide Initiated Intra-Molecular Electrophilic Substitution Reactions" *Tetrahedron Letters* **1989**, 30, 1193-1196.
8. S. R. Angle, D. O. Arnaiz "Stereoselective Synthesis of Substituted Pipecolic Acids" *Tetrahedron Letters* **1989**, 30, 515-518.
7. S. R. Angle, K. D. Turnbull "*para*-Quinone Methide Initiated Cyclization Reactions" *Journal of the American Chemical Society* **1989**, 111, 1136-1138.
6. B. M. Trost, J. K. Lynch, S. R. Angle "Asymmetric *cis*-Hydroxylation via Epoxidation-Carbonylation: A Formal Synthesis of (+)-Citereoviral" *Tetrahedron Letters* **1987**, 28, 375-378.
5. R. V. Stevens, S. R. Angle, K. Kloc, K. F. Mac, K. N. Trueblood, Y. Liu "Quassinoids. 2. A New Approach to the BCD Ring System" *Journal of Organic Chemistry* **1986**, 51, 4347-4353.
4. B. M. Trost, J. M. Balkovec, S. R. Angle "Synthesis of 4-Methylene-1-Cyclopentenes" *Tetrahedron Letters* **1986**, 27, 1445-1448.
3. B. M. Trost, S. R. Angle "Pd Mediated Cleavage of Allyl Epoxides with Retention of Stereochemistry: A *cis*-Hydroxylation Equivalent" *Journal of the American Chemical Society* **1985**, 107, 6123-6125.
2. L. E. Overman, S. R. Angle "Synthesis Applications of Cationic Aza-Cope Rearrangements. Stereocontrolled Synthesis of Hexahydro[2,3-d]-Carbazoles" *Journal of Organic Chemistry* **1985**, 50, 4021-4028.
1. L. E. Overman, S. Tsuobi, S. R. Angle "4-Methylene-4,5-Dihydrooxazoles: Isolation, Properties, and Use for the Preparation of Substituted Oxazoles" *Journal of Organic Chemistry* **1979**, 44, 2323-2325.

Research Grants (Steven R. Angle, Principal Investigator)

American Chemical Society - The Petroleum Research Fund (18936-G1). September 1987 to August 1989; "*Stereoselective Synthesis of Optically Active Tetrahydropyridines from Readily Available α -Amino Acids*" Total award (direct costs) for two years: \$18,000.

Cancer Research Coordinating Committee of the University of California. July 1988 to June 1989; "*DNA - Adriamycin Interactions: A Model Study*" Total award (direct costs): \$24,000.

National Institutes of Health; Institute of General Medicine (GM 39354, 01 to 03). July 1988 to June 1991; "*Synthesis and Chemistry of Quinone and Semiquinone Methides*" Total award approved for three years (direct costs): \$221,196.

Elsa U. Pardee Foundation August 1989 to July 1991; "*Total Synthesis of the Anticancer Compound Pancreatistin*" Total award approved for two years: \$71,530; direct costs: \$57,224.

National Institutes of Health Biomedical Research Support Grant Small Instrumentation Program 1989-90 Purchase of Electrochemical equipment.

Total award: \$12,098.

Cancer Research Coordinating Committee of the University of California. July 1989 to June 1990; "*Synthesis of Podophyllotoxin*"

Total award (direct costs): \$25,000.

National Institutes of Health; Institute of General Medicine (GM 39354, 04 to 06). August 1991 to July 1994; "*Synthesis and Chemistry of Quinone and Semiquinone Methides*"

Direct costs approved (includes a supplement for a minority graduate research assistant):

Total direct costs: \$384,293.

American Chemical Society - The Petroleum Research Fund (PRF 25740 AC1). September 1992 to August 1994; "*Enantioselective Synthesis of Pipecolic Acids*" Total award (direct costs) for two years: \$40,000.

American Chemical Society - The Petroleum Research Fund (PRF 25740 AC1-SF93). Supplement for visiting faculty from La Sierra University, Dr. Roy Kryger. May 1993 to August 1993; "*Enantioselective Synthesis of Pipecolic Acids*" Total award (direct costs): \$5,000.

A. P. Sloan Foundation Fellowship Grant September 1993 to August 1997; no specific project; Total award (direct costs) for two years: \$30,000.

National Science Foundation (CHE-9528266). 1 January 1996 to 31 December 1999; "*1,1-Carbon Dipole Based Annulation Methodology*" Total award (direct costs): \$319,000.

Showa Denko KK; September 1994 to September 1996; no specific project (donated to support the research of Mr. Tetsuo Wada, a Showa Denko employee on leave in the Angle Laboratory); Total award for two years: \$40,000 plus salary and benefits for Mr. Wada.

Takeda Pharmaceuticals, Japan; September 1994 to September 1995; The salary and benefits of Dr. Keji Kubo was paid to allow him to work for one year in the Angle Laboratory. No specific Project.

Selected Research Presentations; 1983-present, 142 total

S. R. Angle "*Development and Application of New Synthesis Methodology*" Invited Seminar, Gilead Sciences Inc., Foster City, California; November 15, 2004.

S. R. Angle "*Development and Application of New Synthesis Methodology*" Invited Seminar, Department of Chemistry, University of Florida, Gainesville, Florida; February 21, 2001.

S. R. Angle "*Development of New Methods for Heterocycle Synthesis*" Invited Talk, Gordon Research Conference on Heterocyclic Chemistry, Newport, Rhode Island, June 1999.

S. R. Angle "*Development and Application of New Synthesis Methodology*" Invited Seminar, Amgen, Inc., Thousand Oaks, California; October 16, 1996.

S. R. Angle "*Recent Developments in Stereoselective Synthesis*" Invited talk at the symposium for the ACS Award for Creative Work in Synthetic Organic Chemistry, 209th ACS National Meeting, Anaheim, California; April 2-6, 1995; Abstract ORGN 171.

S. R. Angle "*Quinone Methide Chemistry*" Invited Talk, Gordon Research Conference on Reactions and Processes, New Hampton, New Hampshire; July 16-22, 1994.

S. R. Angle "*Quinone Methides: Synthesis, Chemistry and Biological Activity*" Invited seminar, Pfizer Pharmaceuticals, Canteberry, Kent, UK; June 11, 1992.

S. R. Angle "*Quinone Methides: Synthesis, Chemistry and Biological Activity*" Invited seminar, The UpJohn Company; Kalamazoo, Michigan; October 22, 1990.

Instruction and Teaching

- Formal Classroom Teaching. Undergraduate organic chemistry (UCR Chemistry 112ABC), organic chemistry graduate organic courses (UCR Chemistry 211ABC), special topic graduate courses (UCR Chemistry 215A/B, 241), Careers in Chemistry (UCR Chemistry 191). Freshman Seminars at UCR and WSU.
- Major Professor to 21 Ph.D. students 1986-2007.
- Advisor and mentor to 9 postdoctoral scholars 1992-2007.
- Mentor to 25 undergraduate students who carried out research in the Angle Laboratory 1986-2007.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 28, 2013

COMMITTEE: Executive and Compensation

ITEM: **Performance and Retention Plan**

RECOMMENDATION: Approval

PRESENTED BY: Don C. Stansberry, Jr., Vice Chair of the Board
Joseph A. DiPietro, President

At its October 2, 2012 meeting, the Executive and Compensation Committee approved an earlier version of the Performance and Retention Plan for executive officers of the University. Several technical and clarifying revisions have been made to the Plan document since then, and the new version is presented for approval. Upon approval of the Plan, performance goals and retention amounts for each Participant will also be presented for approval.

Motion:

That the Performance and Retention Plan for executive officers of the University be approved as revised on the recommendation of the Executive and Compensation Committee and as presented in the final meeting materials.

The University of Tennessee Performance and Retention Plan

I. Objectives of the Plan

The objectives of the Performance and Retention Plan (Plan) are to:

- Motivate and reward achievement of strategic performance goals
- Reinforce UT system values, mission, and strategic goals
- Promote accountability and excellence at the chief executive level
- Encourage retention of high performing chief executive officers

II. Participants in the Plan

- A. Participants in the Plan will be the President and Executive Vice President of The University of Tennessee System and the Chancellors of The University of Tennessee at Chattanooga, The University of Tennessee Health Science Center, The University of Tennessee Institute of Agriculture, The University of Tennessee, Knoxville, and The University of Tennessee at Martin (hereinafter sometimes referred to individually as “Participant” and collectively as “Participants”).”
- B. A person newly hired or promoted into the position of President, Executive Vice President, or Chancellor will begin participation in the Plan effective July 1 of the year following the date of hire or promotion.

III. Provisions of the Plan

A. Retention Period

1. A retention period will be established for each Participant by the Board of Trustees upon the recommendation of the Executive and Compensation Committee. The initial retention period for each Participant will be at least three years, from July 1 of the first year through June 30 of the final year; provided, however, that for all original Participants, the first retention period under the Plan will be from July 1, 2012 through June 30, 2015.
2. After a Participant has completed an initial retention period of at least three years, subsequent retention periods for that Participant will be at least two years, from July 1 of the first year through June 30 of the final year.

B. Retention Amount

1. Prior to the beginning of the retention period, a retention amount will be established for each Participant by the Board of Trustees upon the recommendation of the Executive and Compensation Committee; provided, however, that for the initial retention period from

July 1, 2012 through June 30, 2015, the retention amount will be established for all Participants at the meeting of the Board of Trustees at which the Plan is approved.

2. The retention amount will not exceed the sum of fifteen percent (15%) of the base salary of the Participant as of July 1 of the first year of the retention period, multiplied by the number of years in the retention period.
3. No part of the retention amount will vest in the Participant prior to the date on which payment is to be made of an amount approved ~~a determination~~ by the Board of Trustees ~~to make a retention payment to the Participant~~ in accordance with the provisions of paragraph E. or paragraph G.2 below.

C. Strategic Performance Goals

1. No later than April 1 of the year in which a retention period is to begin on July 1, the Participant will prepare a written proposal outlining strategic performance goals he/she will seek to achieve by June 30 of the final year of the retention period; provided, however, that for the first retention period under the Plan (July 1, 2012 through June 30, 2015), the Participants will propose strategic goals no later than ninety (90) days prior to the meeting of the Board of Trustees at which the Plan is approved.
2. A person newly hired or promoted into the position of President, Executive Vice President, or Chancellor will propose strategic performance goals no later than April 1 of the year following the date of hire or promotion.
3. Strategic performance goals will relate directly to the campus and/or system strategic plan, will be aspirational but realistic, and will include both qualitative and quantitative metrics that are clearly defined and readily evaluated.
4. The President will submit his/her proposed strategic performance goals to the Vice Chair of the Board of Trustees for review, and then the Vice Chair and the President will meet to discuss the proposed goals. Other Participants will submit their proposed strategic performance goals to the President for review, and then the President and the Participant will meet to discuss the proposed goals.
5. After approval by the Vice Chair or President, as applicable, the proposed strategic performance goals will be recommended by the Vice Chair or President, as applicable, to the Executive and Compensation Committee of the Board of Trustees. The Executive and Compensation Committee will approve or modify the proposed strategic performance goals and establish a weight for each goal.
6. As approved or modified by the Executive and Compensation Committee, proposed strategic performance goals and their weights will be forwarded to the Board of Trustees for final action.

D. Evaluation of Performance at the End of the Retention Period

1. No later than thirty (30) days after the end of the retention period, the President will submit to the Vice Chair, and the other Participants will submit to the President, a self-evaluation of his/her performance with respect to the approved strategic performance goals.
2. The Vice Chair or President, as applicable, will prepare a written evaluation of the Participant's performance with respect to the strategic performance goals and provide it to the Participant in advance of a meeting.
3. The Vice Chair or President, as applicable, will prepare a written recommendation to the Executive and Compensation Committee concerning the Participant's performance with respect to the strategic performance goals, including a recommendation as to whether the previously established retention amount, or some portion of the retention amount, should be made to the Participant.

E. Performance and Retention Payment

1. The Executive and Compensation Committee will approve or modify the recommendation concerning whether the Participant has achieved or made progress toward achievement of the strategic performance goals and whether the Participant should receive the previously established retention amount, or some portion of the retention amount. The Executive and Compensation Committee will forward its recommendation to the Board of Trustees for final action.
- ~~2. To be eligible for payment of the retention amount, the Participant must be in active service as President, Executive Vice President, or Chancellor on the last day of the retention period.~~
- ~~3.2. If the amount approved by the Board of Trustees, the retention amount, will be paid to the Participant within thirty (30) days of the Board of Trustees' action approving the payment, provided that payment will be made only if the Participant is in active service as President, Executive Vice President, or Chancellor on the date payment is to be made, provided that, except as otherwise provided in paragraphs E.3.(1), E.3.(2), E.3.(4), and E.3.(5) concerning termination of the Participant's employment for medical reasons or by reason of death.~~
- ~~4.3. If the Participant's employment with the University terminates, voluntarily or involuntarily, prior to the end of the retention period date on which an amount approved by the Board of Trustees is to be paid, he/she will not receive any portion of the retention amount except as provided below:~~

- (1) If the Participant voluntarily terminates employment prior to the end of the retention period for medical reasons duly documented by a physician, the Participant will receive a pro rata portion of the retention amount if the Board of Trustees determines that his/her performance with respect to the strategic performance goals was more than satisfactory during the completed portion of the retention period.
- (2) If termination of employment is by reason of death of the Participant prior to the end of the retention period, a pro rata portion of the retention amount will be paid to the executor or administrator of his/her estate if the Board of Trustees determines that the performance of the Participant with respect to the strategic performance goals was more than satisfactory during the completed portion of the retention period.
- (3) The pro rata portion to be paid under paragraphs E.3.(1) and E.3.(2) will be calculated on a monthly basis, using the number of full months from the beginning of the retention period to the termination date as the numerator and the total number of months in the retention period as the denominator.
 - i. If the Board of Trustees approves payment of a pro rata portion is to be paid because termination was for medical reasons prior to the end of the retention period, the payment will be made within thirty (30) days of the ~~termination date~~ Board's action approving the payment.
 - ii. If the Board of Trustees approves payment of a pro rata portion is to be paid upon the because termination was by reason of death of the Participant prior to the end of the retention period, the payment will be made within thirty (30) days of the date on which satisfactory proof of letters testamentary or letters of administration issued by a court of competent jurisdiction is provided to the University.
- (4) If the Participant's employment with the University terminates by reason of death or for medical reasons documented by a physician after the end of the retention period but before the Board of Trustees has approved payment of all or any portion of the retention amount, the retention amount subsequently approved by the Board will be paid to the executor or administrator of his/her estate within thirty (30) days of the date on which satisfactory proof of letters testamentary or letters of administration issued by a court of competent jurisdiction is provided to the University.
- (5) If the Participant's employment is terminated by the University for gross misconduct after the end of the retention period but before the Board of Trustees has approved payment of all or any portion of the retention amount, he/she will not receive any portion of the retention amount. If the Participant's employment with the University terminates by reason of death or for medical reasons documented by a physician after the Board of Trustees has approved payment of

all or any portion of the retention amount but before payment has been made, the amount approved will be paid to the executor or administrator of his/her estate within thirty (30) days of the date on which satisfactory proof of letters testamentary or letters of administration issued by a court of competent jurisdiction is provided to the University.

F. Funding of the Plan

Funding for all payments under the Plan will be the responsibility of the respective campus or system budgetary unit.

G. Amendment, Suspension, and Termination of the Plan

1. The Board of Trustees reserves the right to amend, suspend, or terminate the Plan at any time.
2. If the Plan is terminated before the end of a retention period, the Participant will receive a pro rata portion of any established retention amount, if the following conditions are satisfied:
 - a. The Board of Trustees determines that the performance of the Participant with respect to the strategic performance goals was more than satisfactory from the beginning of the retention period through the date of termination of the Plan; and
 - b. The Participant remains in active service as President, Executive Vice President, or Chancellor on the date of the Board's determination under paragraph G.2.a.
3. If the Participant is entitled to receive a pro rata portion of a retention amount under paragraph G.2, the pro rata amount will be calculated on a monthly basis, using the number of full months from the beginning of the retention period to the date of termination of the Plan as the numerator and the total number of months in the retention period as the denominator. The pro rata portion will be paid to the Participant within thirty (30) days of the Board's determination under paragraph G.2.a.

H. General Provisions

1. If a Participant receives an unsatisfactory rating in any annual performance review, his/her participation in the Plan will terminate automatically, and the Participant will not receive any payment under the Plan.
2. Neither the Plan nor any payment under the Plan shall be construed to confer any right to continued employment with The University of Tennessee. All Participants serve at the pleasure of the Board of Trustees, subject to the terms of any written contract of employment.

3. Neither the Plan nor any payment under the Plan shall be construed to create a trust or to create in any Participant, or in his/her personal representative or beneficiary, a security interest or other interest in any assets of The University of Tennessee.
4. All payments under the Plan are subject to all reporting, deductions, and withholdings required by applicable law or University policy, as amended, enacted, or adopted from time to time, including but not limited to deduction for debts owed to the University.
5. Under no circumstances will any payment be made under the Plan later than two and a half months after the end of the calendar year in which the Board of Trustees decides to make a payment.
6. Participants will bear sole responsibility for any and all direct or indirect tax consequences of payments under the Plan. The University makes no representations as to the tax treatment of payments under the Plan, and Participants are responsible for seeking advice as to the tax consequences of the Plan from their personal tax advisors.
7. To the extent any part of the Plan fails to comply with any applicable state or federal law or regulation, that part of the Plan shall not be effective.

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3. Neither the Plan nor any payment under the Plan shall be construed to create a trust or to create in any Participant, or in his/her personal representative or beneficiary, a security interest or other interest in any assets of The University of Tennessee.
4. All payments under the Plan are subject to all reporting, deductions, and withholdings required by applicable law or University policy, as amended, enacted, or adopted from time to time, including but not limited to deduction for debts owed to the University.

5. Under no circumstances will any payment be made under the Plan later than two and a half months after the end of the calendar year in which the Board of Trustees decides to make a payment.
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7. To the extent any part of the Plan fails to comply with any applicable state or federal law or regulation, that part of the Plan shall not be effective.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 28, 2013

COMMITTEE: Executive and Compensation

ITEM: **Performance Goals for Executive Officers**

RECOMMENDATION: Approval

PRESENTED BY: Don C. Stansberry, Jr., Vice Chair of the Board
Joseph A. DiPietro, President

Under the Performance and Retention Plan for executive officers of the University, the Executive and Compensation Committee must recommend to the Board the performance goals the Participants will seek to achieve by June 30 of the final year of the retention period.

At its January 28, 2013 meeting, the Committee approved the proposed goals for recommendation to the Board, subject to the addition of athletics performance and financial goals in the Subjective Goals for the Chancellors, where applicable; and subject to the addition of improvement in employee satisfaction in the Subjective Goals for all Participants; and further subject to the revised goals being submitted to the Committee at the next meeting.

The performance goals, as revised at the request of the Executive and Compensation Committee, are presented in the following documents.

MOTION:

That the performance goals for Participants in the Performance and Retention Plan for executive officers be approved.

Executive Officer Performance & Retention Plan Goals

Last 3 Years		Base Year FY12	Chancellors' Goals			Exec. VP's Goals			President's Goal		
3-Yr Avg.	% Change		3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight

(N,I,H = Normal, Intermediate, High)
(Weights for UTC are from Interim Chancellor).

Enhancing Educational Excellence

1 Six-Year Freshman Graduation Rate

	UT System	54.7%	2.5%	55.6%					NA	NA	NA	2.0%	57.6%	H
	UTK	63.3%	5.6%	66.1%	2.9%	69.0%	H							
	UTC	38.4%	0.6%	38.2%	(2.0%)	40.2%	(H)							
	UTM	47.8%	1.1%	48.9%	2.0%	50.9%	H							
	UTIA*				2.0%		I							

* Students in UTIA are included in UTK data

2 Freshman Retention

	UT System	77.9%	-0.2%	77.4%					NA	NA	NA	2.0%	79.4%	H
	UTK	85.1%	-1.6%	84.6%	1.0%	85.6%	H							
	UTC	68.0%	0.1%	67.4%	(3.0%)	70.4%	(H)							
	UTM	72.0%	1.3%	70.7%	2.0%	72.7%	H							
	UTIA				2.0%		I							

* Students in UTIA are included in UTK data

3 Total Degrees Awarded (Summer/Fall/Spring)

	UT System	10,507	9.1%	11,058					NA	NA	NA	2.0%	11,279	H
	UTK	6,583	8.5%	6,885	1.0%	6,954	H							
	UTC	1,954	16.6%	2,140	(5.9%)	2,266	(H)							
	UTM	1,202	9.3%	1,265	3.0%	1,303	H							
	UTHSC	1,061	0.1%	1,072	3.0%	1,104	N							
	UTIA	337	45.5%	419	3.0%	419	I							

UTHSC includes Graduate Medical Education Residents/ Fellows and Non GME program graduation recipients

5

Executive Officer Performance & Retention Plan Goals

Last 3 Years		Base Year FY12	Chancellors' Goals			Exec. VP's Goals			President's Goal		
3-Yr Avg.	% Change		3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight
			(N,I,H = Normal, Intermediate, High) <i>(Weights for UTC are from Interim Chancellor).</i>			(N,I,H = Normal, Intermediate, High)			(N,I,H = Normal, Intermediate, High)		

Expand Research Capacities

5 Research and Sponsored Projects (Restricted) Expenditures (in \$millions) Reported to THEC

	UT System	\$434.50	20.8%	\$465.00				7.5%	\$500	H	7.5%	\$500	H
	UTK	\$161.39	14.1%	\$167.30	6.0%	\$177.34	H	Contingent upon federal budget			Contingent upon federal budget		
	UTC	\$11.78	5.9%	\$12.44	(2.0%)	\$12.68	(I)						
	UTM	\$3.98	-28.5%	\$3.33	5.0%	\$3.49	N						
	UTHSC	\$190.69	13.8%	\$201.07	10.0%	\$221.17	H						
	UTIA	\$41.80	8.8%	\$43.23	7.5%	\$46.48	H						

6 Research (Restricted and Unrestricted) Expenditures Reported to NSF (in \$millions)

	UT System	\$321.41	11.5%	\$338.60				7.5%	\$364	H	7.5%	\$364	H
	UTK	\$165.96	19.3%	\$179.76	5.0%	\$188.75	H	Contingent upon federal budget			Contingent upon federal budget		
	UTC	\$10.30	1.4%	\$10.90	(.5%)	\$10.95	(I)						
	UTM	\$0.99	-51.1%	\$0.57	5.0%	\$0.60	N						
	UTHSC	\$80.29	-5.1%	\$77.75	10.0%	\$85.53	H						
	UTIA	\$63.87	17.6%	\$69.62	6.0%	\$73.80	H						

7 Research and Sponsored Program Proposals

	UT System	3,194	-2.9%	3,106				6.0%	3,292	H	6.0%	3,292	H
	UTK	1,536	1.1%	1,550	3.0%	1,597	H						
	UTC	133	57.6%	156	(10.0%)	172	(I)						
	UTM	69	-27.9%	49	5.0%	51	N						
	UTHSC	746	-33.1%	581	20.0%	697	H						
	UTIA	676	20.0%	727	6.0%	771	H						

8 Number of Disclosures (Inventions)

				3-Yr Avg									
	UT System	107	61.8%	107				5.0%	112	H	5.0%	112	H
	UTK	39	65.5%	39	5.0%	41	H						
	UTC	4	166.7%	4	(25.0%)	5	(I)						
	UTM	0.33	-	0	-		N						
	UTHSC	28	-15.6%	28	3.0%	29	I						
	UTIA	36	140.0%	36	5.0%	37	H						

9 Revenue From Executed License Agreements (3-Yr Avg in \$Thousands)

	UT System	\$1,436	3.3%	\$1,436				3.0%	1,479	H	3.0%	1,479	I
	UTK	\$730	-11.9%	\$730	3.0%	\$752	I						
	UTC	\$5	-	\$5	(20.0%)	\$6	(I)						
	UTM	\$0	-	\$0	-		N						
	UTHSC	\$456	-33.1%	\$456	3.0%	\$469	I						
	UTIA	\$246	193.3%	\$246	3.0%	\$253	H						

Executive Officer Performance & Retention Plan Goals

Last 3 Years		Base Year FY12	Chancellors' Goals			Exec. VP's Goals			President's Goal		
3-Yr Avg.	% Change		3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight

(N,I,H = Normal, Intermediate, High)
(Weights for UTC are from Interim Chancellor).

Engage in Outreach and Service

10 Number of Participants in all Outreach and Engagement Activities

	UT System	4,892,607	-8.2%	4,683,913				4.0%	4,871,270	I	4.0%	4,871,270	N
	UTK	17,954	70.1%	22,612	4.0%	23,516	N						
	UTC	5,349	45.1%	6,334	(3.0%)	6,524	(N)						
	UTM	2,936	-6.2%	2,638	5.0%	2,770	N						
	UTHSC	40,226	4.4%	41,097	increase		N						
	UTIA	3,431,869	-8.6%	4,467,718	7.5%	4,802,797	H						

Includes both Non-Credit programs and direct contacts in Extension, Ag Science, and IPS

11 Number of Patient Billings or Clients Served

	UT System												
	UTHSC (Billings)	\$334.13	11.0%	\$353.01	30.0%	\$458.91	H	30.0%	\$458.91	N	30.0%	\$458.91	I
	UTHSC (RVUs)	1,896,121	14.1%	2,021,304	30.0%	2,627,695	H	30.0%	2,627,695	N	30.0%	2,627,695	I
	Vet Med (Clients)	127,799	6.4%	130,859	3.0%	134,785	I	3.0%	134,785	N	3.0%	134,785	I

Billings are charges for clinical patient services provided by UTHSC faculty; Billings \$ in millions

RVU = Relative Value Units (number of billable medical procedures); RVUs do not include Dentistry, Pharmacy, Nursing, Allied Health

12 Number of Alumni Who Donate

	UT System	32,323	-9.8%	30,619				3.0%	31,538	NA	3.0%	31,538	N
	UTK	21,509	-9.1%	20,356	3.0%	20,967	N						
	UTC	2,997	-14.9%	2,823	(5.0%)	2,964	(N)						
	UTM	2,368	-4.7%	2,313	5.0%	2,429	I						
	UTHSC	3,951	-11.8%	3,713	0.5%	3,732	N						
	UTIA	1,536	-11.5%	1,453	3.0%	1,497	N						

Executive Officer Performance & Retention Plan Goals

Last 3 Years		Base Year FY12	Chancellors' Goals			Exec. VP's Goals			President's Goal		
3-Yr Avg.	% Change		3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight
			(N,I,H = Normal, Intermediate, High) <i>(Weights for UTC are from Interim Chancellor).</i>			(N,I,H = Normal, Intermediate, High)			(N,I,H = Normal, Intermediate, High)		

Increase Effectiveness and Efficiency

13 Fundraising Progress *

	UT System	\$156,590	-15.7%	\$148,998				NA	NA	NA	4.0%	\$154,958	H
	UTK	\$105,427	-8.3%	\$104,782	3.0%	\$107,926	H						
	UTC	\$10,059	-18.6%	\$8,657	(6.0%)	\$9,176	(H)						
	UTM	\$5,472	-65.6%	\$3,045	5.0%	\$3,198	H						
	UTHSC	\$22,649	-62.8%	\$12,879	10.0%	\$14,167	H						
	UTIA	\$11,179	191.9%	\$18,800	3.0%	\$19,364	H						

* Includes new gifts, pledges, and bequests; UTK does not include CASNR and Vet Med

16 Unrestricted E&G Expense per Student FTE (in 2012 \$)

	UT System	\$24,005	2.7%	\$24,366				NA	NA	NA	0.0%	\$24,366	H
	UTK (incl VetMed)	\$20,736	7.5%	\$21,434	0.0%	\$21,434	H						
	UTC	\$12,261	0.5%	\$12,231	(1.0%)	\$12,353	(H)						
	UTM	\$11,982	0.5%	\$12,019	0.0%	\$12,019	H						
	UTHSC	\$73,396	6.5%	\$77,066	2.0%	\$78,607	H						

17 Unrestricted E&G Expense per Degrees Awarded (in 2012 \$)

	UT System	\$101,105	-3.7%	\$98,130							0.5%	\$98,621	H
	UTK (incl VetMed)	\$79,029	0.3%	\$78,099	0.0%	\$78,099	H						
	UTC	\$59,300	-6.7%	\$56,291	(1.0%)	\$61,920	H						
	UTM	\$68,242	-6.3%	\$65,052	1.5%	\$66,027	H						
	UTHSC	\$274,044	4.1%	\$276,153	2.0%	\$281,676	H						

18 Net Cost of Tuition and Fees. (Average percentage of total cost of tuition and mandatory fees that an undergraduate pays after subtracting financial aid grants and scholarships)

	UT System	22.2%	3.7%	26.8% \$2,051							5.0%	31.8%	H
	UTK	30.8%	5.2%	35.2% \$2,953	5.0%	40.2%	N						
	UTC	6.8%	-4.1%	11.5% \$770	(5.0%)	16.5%	H						
	UTM	14.3%	8.2%	19.9% \$1,335	5.0%	24.9%	H						

19 Tuition and Mandatory Fees as a Percent of Gap Peer Average

	UT System	81.9%	7.0%	86.3% \$7,621							-0.5%	85.8%	H
	UTK	75.4%	7.9%	80.4% \$8,396	-1.0%	79.4%	H						
	UTC	93.3%	7.6%	98.7% \$6,718	0.0%	98.7%	H						
	UTM	95.1%	0.6%	95.5% \$6,718	0.0%	9.5%	H						

20 E&G Expense Per Direct Service Contact (in 2012 \$)

	UTIA	\$21.62	-1.8%	\$21.93	0.0%	\$21.93	H				0.0%	\$21.93	H

Executive Officer Performance & Retention Plan Goals

Last 3 Years		Base Year FY12	Chancellors' Goals			Exec. VP's Goals			President's Goal		
3-Yr Avg.	% Change		3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight
			(N,I,H = Normal, Intermediate, High) <i>(Weights for UTC are from Interim Chancellor).</i>			(N,I,H = Normal, Intermediate, High)			(N,I,H = Normal, Intermediate, High)		

21 Capital Maintenance Funded (\$ in millions)

	3-Yr Avg.	% Change	FY12	3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight	3-Yr Incr	Goal	Weight
UT System	\$16.37	447.4%	\$23.92				7.5%	\$25.71	N	7.5%	\$25.71	N
UTK	\$5.42	35.7%	\$4.75	7.5%	\$5.11	N						
UTC	\$4.02	-	\$7.45	(7.5%)	\$8.01	(N)						
UTM	\$2.94	328.6%	\$3.75	34.0%	\$5.02	N						
UTHSC	\$2.05	-	\$3.13	Enhance		N						
UTIA	\$1.95	-	\$4.84	7.5%	\$5.20	N						

5

Advocate for the UT System

- 22 * Implement a collaborative System marketing/communications plan that advances the brand position of the UT System and each of its campuses and institutes.
- 23 * Provide a UT System platform that will enable and support campus and institute efforts to promote and advance the visibility of faculty and faculty expertise within the UT System.
- 24 * Develop and implement a communication plan in conjunction with campus leadership to enhance the promotion of outreach and engagement activities at campuses and institutes.

Executive Officer Performance & Retention Plan Goals

Additional Goals for President DiPietro

- * Establish a development strategy for the Cherokee Farm Campus.
- * Explore best practices from other university system structures and determine possible application to UT.
- * Develop an "Employer of Choice" model for UT.
- * Demonstrate improvement in employee satisfaction on the Employee Engagement Survey to facilitate recruiting and retaining a diverse employee base (i.e.: compensation, work balance, training, and sense of community.)
- * Complete GAP analyses for UT Martin and UTIA.
- * Fill current vacancies on the President's Staff.
- * Reduce the gap in freshmen six-year graduation rates between minority and multi-racial students and the total.
- * Bring faculty and staff salaries closer to the median of the peer group.
- * Increase the amount of capital funding to support renovation and new construction needs.

Additional Goals for Executive Vice President Millhorn

- * Facilitate the appointment of three Governor Chairs over next three years
- * Establish a development framework for Cherokee Farm and secure commitment for one privately funded building
- * Continue to oversee management of ORNL
 - Increase joint faculty from 112 to 130 over next 3 years
 - Develop and implement recompetition plan for M&O contract at ORNL
- * Manage the NSF TN-Score program at UT and Vanderbilt
- * Demonstrate improvement in employee satisfaction on the Employee Engagement Survey to facilitate recruiting and retaining a diverse employee base (i.e.: compensation, work balance, training, and sense of community.)

Executive Officer Performance & Retention Plan Goals

Additional Goals for Chancellor Cheek at UT Knoxville

- * Recruit, develop, educate, and graduate a nationally competitive and diverse body of undergraduate, graduate, and professional students
- * Attract and retain stellar, diverse faculty and staff who will proudly represent our campus, execute our mission, embrace our vision, exemplify our values, and collaborate to realize our strategic priorities
- * Continue strengthening partnerships with ORNL, Y-12, other institutions and institutes within the University of Tennessee System, and other academic and industry partners
- * Develop and implement total compensation market analysis (salary + benefits) of all full-time employees and implement strategies/policies to address the salary gaps and other issues identified
- * Continue to build positive relationships with students, faculty, staff, alumni, other stakeholders, donors, and governmental officials
- * Advocate to the President and the Board of Trustees for the University of Tennessee, Knoxville's unique needs as we implement plans to become a Top 25 university
- * Continually improve the resource base to achieve campus priorities by carefully balancing state revenues, tuition, and private funding, and by embracing stewardship of our campus infrastructure and a culture that values sustainability
- * Reduce the gap in freshmen six-year graduation rates between minority and multi-racial students and the total.
- * Bring faculty and staff salaries closer to the median of the peer group.
- * Increase the amount of capital funding to support renovation and new construction needs.
- * Implement a plan to achieve the goal of becoming a national competitive athletic program that emphasizes comprehensive excellence in both academics and athletics, financial sustainability, focus on student-athletes, reduction of debt, and development of a substantial financial reserve fund.
- * Demonstrate improvement in employee satisfaction on the Employee Engagement Survey to facilitate recruiting and retaining a diverse employee base (i.e.: compensation, work balance, training, and sense of community.)

Additional Goals for Chancellor Schwab at UT Health Science Center

Administration

- * Increase the amount of capital funding to support renovation and new construction needs.
- * Increase academic payments from partner organizations
- * Demonstrate improvement in employee satisfaction on the Employee Engagement Survey to facilitate recruiting and retaining a diverse employee base (i.e.: compensation, work balance, training, and sense of community.)

Education

- * Increase the number of GME (Graduate Medical Education) programs
- * Maintain quality as demonstrated by >90% graduation rate and >90% first time board pass rate

Clinical Care

- * Increase national reputation of Clinical Practice
 - a. *US News Rank of Hospitals and Clinical Programs*

Executive Officer Performance & Retention Plan Goals

Additional Goals for Chancellor Rakes at UT Martin

- * Demonstrate improvement in employee satisfaction on the Employee Engagement Survey to facilitate recruiting and retaining a diverse employee base (i.e.: compensation, work balance, training, and sense of community.)
- * Maintain competitive rankings as reflected by external surveys and assessment of student engagement.
- * Increase enrollment for credit and non-credit programs.
- * Explore new funding models for appropriate allocation of tuition and fees, state and donor support, self-generated revenues, and improved operational and management efficiencies.
- * Expand initiatives for student involvement in innovative leadership, applied and internship experiences to support preparation for career opportunities and graduate school placement.
- * Reduce the gap in freshmen six-year graduation rates between minority and multi-racial students and the total.
- * Bring faculty and staff salaries closer to the median of the peer group.
- * Increase the amount of capital funding to support renovation and new construction needs.
- * Implement a plan to achieve the goal of becoming a competitive athletic program that emphasizes comprehensive excellence in both academics and athletics, financial sustainability, focus on student-athletes, reduction of debt, and development of a substantial financial reserve fund.

Additional Goals for Chancellor Arrington at the Institute of Agriculture

- * Build positive relationships with UTIA stakeholders, donors, students, and faculty and government officials.
- * Complete total compensation market analysis (salary and benefits) of all UTIA employees. Develop strategies for addressing identified issues.
- * Develop actions to address/enhance diversity of UTIA faculty and staff.
- * Review facility needs throughout UTIA and develop priorities.
- * Strengthen integration between the four UTIA units
- * Establish three UTIA Regional Advisory Councils.
- * Advocate to the System and Legislature the unique needs of UTIA.
- * Reduce the gap in freshmen six-year graduation rates between minority and multi-racial students and the total.
- * Bring faculty and staff salaries closer to the median of the peer group.
- * Increase the amount of capital funding to support renovation and new construction needs.
- * Demonstrate improvement in employee satisfaction on the Employee Engagement Survey to facilitate recruiting and retaining a diverse employee base (i.e.: compensation, work balance, training, and sense of community.)

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 28, 2013

COMMITTEE: Executive and Compensation

ITEM: **Retention Amounts for Executive Officers**

RECOMMENDATION: Approval

PRESENTED BY: Don C. Stansberry, Jr., Vice Chair of the Board
Joseph A. DiPietro, President

Under the Performance and Retention Plan for executive officers of the University, the Executive and Compensation Committee must recommend to the Board a retention amount for each Participant not exceeding “the sum of fifteen percent (15%) of the base salary of the Participant as of July 1 of the first year of the retention period, multiplied by the number of years in the retention period.” According to the Plan, the initial retention period for all original Participants will be three years, from July 1, 2012 through June 30, 2015.

The proposed retention amount for President DiPietro (approved by the Vice Chair) and the proposed retention amounts for the other Participants (approved by the President) are presented in the following document.

MOTION:

That the proposed retention amounts for Participants in the Performance and Retention Plan for executive officers be approved.

Retention Amounts for Executive Officers

Section III.B.2. of the Performance and Retention Plan provides as follows: “The retention amount will not exceed the sum of fifteen (15%) of the base salary of the Participant as of July 1 of the first year of the retention period, multiplied by the number of years in the retention period.”

Name	Retention Period (Yrs)	Base Salary as of July 1, 2012	15% of Base Salary	Retention Amount
Chancellor Cheek	3	\$394,956.00	\$59,243.40	\$177,730.20
EVP Millhorn	3	\$323,368.20	\$48,505.23	\$145,515.69
Chancellor Schwab	3	\$546,000.00	\$81,900.00	\$245,700.00
Chancellor Rakes	3	\$224,873.04	\$33,730.96	\$101,192.87
Chancellor Arrington	3	\$285,525.00	\$42,828.75	\$128,486.25
President DiPietro	3	\$445,567.50	\$66,835.13	\$200,505.38

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Trusteeship

ITEM: **Bylaw Amendments Concerning the Consent Agenda**

RECOMMENDATION: Approval

At the May 15, 2012 meeting of the Trusteeship Committee, the Committee discussed the need to provide more time on committee and full Board agenda for consideration of matters related to the System Administration Strategic Plan. The Committee asked the Secretary to draft amendments to the Bylaws to allow greater use of the consent agenda to maximize the allotment of time for discussion and action on strategic priorities.

At its December 18, 2012 meeting, the Committee reviewed and approved the following proposed amendments allowing routine and non-controversial items to be voted on or received for information by unanimous consent in both the committee and the full Board. Further, any item discussed and unanimously approved in committee may be designated for the consent agenda in the full Board meeting. Any Trustee may still request that an item be removed from the consent agenda in both the committee and the full Board if he or she disagrees with the item or believes it requires discussion. Requests for clarification or questions about a consent item must be presented to the Secretary before the meeting and, standing alone, will not serve as a reason for removal of an item from the consent agenda.

MOTION:

That the proposed Bylaw Amendments Concerning the Consent Agenda be adopted.

PROPOSED BYLAW AMENDMENTS CONCERNING THE CONSENT AGENDA

Proposed Amendment

ARTICLE II, SECTION 8. The Vice Chair of the Board, in consultation with the President, the Secretary, and committee chairs, may designate items to be approved, or received for information, by unanimous consent of the Board. Only items that are routine in nature or noncontroversial shall be designated for unanimous consent; provided, however, that any item unanimously approved by a committee may be designated by the Vice Chair, in consultation with the President, the Secretary, and committee chair, for unanimous consent at the full Board meeting. The following are examples of items that ~~may~~will routinely be designated for unanimous consent on both the committee agenda and the full Board agenda: approval of minutes, approval of signatory authority for bank and investment accounts; sale of gift property at or above the appraised value; grant of easements and rights-of-way; ratification of quasi-endowments; and authorization to confer degrees.

Items designated for unanimous consent shall be separately identified on the Board agenda as a consent agenda and shall be voted on by a single motion. Full information about each item on the consent agenda shall be provided to the Board in advance of the meeting. Any member of the Board may remove an item from the consent agenda by notifying the Secretary prior to the meeting. Before calling for a motion to approve the consent agenda, the Chair or Vice eChair shall announce any items that have been removed from the consent agenda and ask if there are other items to be removed. Requests for clarification or other questions about an item on the consent agenda must be presented to the Secretary before the meeting. An item will not be removed from the consent agenda solely for clarification or other questions.

Proposed Amendment

ARTICLE III, SECTION 3(e).

(e) In accordance with Article II, Section 8, of the Bylaws, items may be designated by the Vice Chair of the Board, in consultation with the President, the Secretary, and the committee chair, for a consent agenda of the Board. Consent agenda items shall be separately identified on the committee agenda, and before calling for a motion to approve, the committee chair shall ask if any member of the committee wants to remove an item from the consent agenda. ~~Although designated for action by unanimous consent of the full Board, each item on the consent agenda shall be separately considered and voted on by the committee.~~ Requests for clarification or other questions about an item on the consent agenda must be presented to the Secretary before the meeting. An item will not be removed from the consent agenda solely for clarification or other questions.

(1) If any committee member asks that an item be removed from the consent agenda, the item will be separately considered and voted on by the committee. If the item is approved by the committee, it will be placed on the consent agenda for the full Board meeting.

(2) If there is no request to remove an item from the consent agenda, the consent agenda shall be voted on by a single motion, and if the motion carries, all items will go forward to the consent agenda of the full Board meeting.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Trusteeship

ITEM: **Bylaw Amendment to Revise the Composition of the Health Affairs Committee**

RECOMMENDATION: Approval

At its January 28, 2013 meeting, the Trusteeship Committee reviewed and approved the following proposed Bylaw amendment allowing the Vice Chair, from time to time, to recommend appointment to the Health Affairs Committee of an at-large voting member with professional or business expertise particularly beneficial to the Committee.

MOTION:

That the proposed Bylaw Amendment to Revise the Composition of the Health Affairs Committee be adopted.

**BYLAW AMENDMENT
TO REVISE THE COMPOSITION OF THE
HEALTH AFFAIRS COMMITTEE**

Amend Article III, Section 2, subsection (b), by adding a new sentence underlined in the text below:

(b) The Health Affairs Committee shall be composed of the Vice Chair of the Board, the Chair of the Audit Committee, the Chair of the Finance and Administration Committee, and the Chair of the Trusteeship Committee, all of whom shall serve as ex officio voting members, and the President and the Executive Vice President of the University, both of whom shall serve as ex officio non-voting members of the committee but shall not be counted for quorum purposes. If one of the ex officio voting members is not the immediate past Vice Chair of the Board, the immediate past Vice Chair shall serve as an ex officio voting member of the committee. If one of the ex officio voting members is not from Shelby County or the Ninth Congressional District, a Trustee from Shelby County or the Ninth Congressional District shall be appointed as a voting member of the Committee in accordance with subsection (b)(1) below. From time to time, the Vice Chair of the Board may recommend to the Board of Trustees that another Trustee with professional or business expertise that would be particularly beneficial to the Health Affairs Committee be appointed as an at-large voting member. The Chair of the Finance and Administration Committee shall serve as Chair of the Health Affairs Committee.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 28, 2013

COMMITTEE: Finance and Administration

CAMPUS/UNIT: UTC

ITEM: **UTC Differential Tuition Proposal for Business, Engineering, and Nursing**

RECOMMENDATION: Approval

PRESENTED BY: Grady E. Bogue, Interim Chancellor, UTC

A differential tuition proposal for all courses in Business, Engineering, and Nursing at UTC is outlined in the following materials.

MOTION:

1. That The University of Tennessee at Chattanooga be authorized to implement a differential tuition model for Business, Engineering, and Nursing as described in the meeting materials, beginning with the 2013-14 academic year; and
2. That the proposed FY 2014 operating budget for UTC be developed and presented to the Board of Trustees incorporating a \$50.00 per student credit hour differential tuition for courses in Business, Engineering, and Nursing; and
3. That the differential tuition will increase in future years at the same rate as any future increases in tuition (in-state maintenance fees) at UTC.



**DIFFERENTIAL TUITION PROPOSAL
for
ENGINEERING, NURSING, AND BUSINESS
The University of Tennessee at Chattanooga**

February 28, 2013

EXECUTIVE SUMMARY

A differential tuition of \$50/SCH is being proposed for courses in business, engineering, and nursing at The University of Tennessee Chattanooga effective for the 2013-2014 academic year. These are high cost disciplines, and the funds will be deployed to strengthen academic advising/student support services, acquire new faculty required to meet and maintain full accreditation in each field and to meet growing enrollment demands without overusing part time faculty, underwrite student financial aid for low income and other students who may encounter difficulty meeting the new fee requirement. Students in all three programs have been consulted on this policy change and endorse it. A record of meetings with students is found in each proposal.

A financial summary for all three program areas is found in the second page of this Executive Summary, and a full outline of anticipated revenues and expenditures for each field is found in the individual proposals. Revenue generated from “differential tuition” will be subject to university financial oversight and management accountability/audit. The review and reporting for the use of these funds will follow normal university budget and financial planning policy. The primary oversight for the use of differential tuition revenues shall be the responsibility of the Deans of the three programs and subject to review of the Provost, as Chief Academic Officer. Year-end unexpended revenues shall be subject to review of the Executive Vice Chancellor, the Provost and the Chancellor.

Differential tuition is a policy practice already adopted at The University of Tennessee Knoxville, many UTC peer institutions (see full proposals) and under review for adoption by universities in the Board of Regents System. For engineering and nursing, the financial impact on students is half of the proposed \$50/SCH, as a current \$25/SCH course fee is being terminated for those two disciplines. For business, the fee will be implemented over a two-year period, \$25/SCH for each year as a means of lessening the impact for students.

Finally, deploying the differential tuition in these three fields will allow the University to use projected funds for new faculty positions that had been proposed for all new faculty needs now to be used in other disciplines across the University in such fields as the arts and sciences and social sciences.

**The University of Tennessee at Chattanooga
Financial Summary for Proposed Differential Tuition
for Fiscal Year 2013-2014**

College	Current Credit Hour Fee	Proposed Credit Hour Fee	Estimated Annual Gross Revenue	Estimated Additional Gross Revenue	Need Based Scholarships	Net College Revenue	Annual Increase per Student	Total Cost per Student
Business	\$0	\$50 ¹	\$1,824,050	\$1,824,050	\$182,405	\$1,732,850	\$600/\$1,300 ²	\$3,350 ³
Engineering	\$25	\$50	\$778,900	\$389,450	\$75,000	\$703,900	\$600	\$2,400
Nursing	\$25	\$50	\$519,300	\$410,820	\$51,930	\$467,370	\$820 ⁴	\$3,284 ⁴

	Applies to Courses	Credit Hour Cap	Automatic Increases
Business	Undergraduate and Graduate	None	Proportionate to Tuition Maintenance
Engineering	Undergraduate and Graduate	None	Proportionate to Tuition Maintenance
Nursing	Undergraduate and Graduate	None	Proportionate to Tuition Maintenance

¹ Phased in over two years.

² \$600 in sophomore year and \$1,300 in junior and senior years

³ \$3,350 for undergraduate business majors; \$750 - \$1,050 for business minors depending on program of study

⁴ Averaged Undergraduate/Graduate



**University of Tennessee at Chattanooga
College of Business
Differential Tuition Proposal
January 2013**

The College of Business (COB) proposes a differential tuition for all undergraduate and graduate credit hours taught in the College beginning in the 2013-2014 academic year. Differential tuition is needed to fund critical student support services expected as part of a professional college with over 1,700 undergraduate students and 300 graduate students and to support additional targeted faculty hires. Our accrediting body, AACSB International - The Association to Advance Collegiate Schools of Business - has specific standards related to providing student services such as academic advising and career advising, and specific standards related to faculty qualifications needed to support the College's degree offerings. Differential tuition will ensure that we continue to meet AACSB standards, enrich the student experience, and enhance the overall educational quality of the College of Business at the University of Tennessee at Chattanooga. Differential tuition will also allow the COB to invest in critical services needed to increase retention rates and graduation rates in the College.

Key Details of the Proposal

1. All undergraduate and graduate students will be charged a \$50 per credit hour differential tuition for all classes taken in the College of Business (classes with the prefix ACC, BUS, ETR, FIN, MGT, and MKT). This differential tuition is in addition to the standard program tuition and fees.
2. The \$50 per credit hour differential tuition will be phased in over two years. Students will be charged a \$25 per student credit hour differential tuition in the 2013/2014 academic year. This will be increased to \$50 per student credit hour starting in fall of 2014 and going forward.
3. The differential tuition will be charged for all undergraduate business courses regardless of the level (i.e., 1000, 2000, 3000, or 4000) and all graduate business courses at the 5000 level.
4. The differential tuition will increase at the same rate as any future UTC tuition increases.
5. The UTC Bursar's Office will credit the differential tuition collected from students to a College of Business income account with oversight provided by the Provost. Surplus program revenues at the end of the fiscal year will be carried over to the next fiscal year for continued program support unless they are needed to ensure a balanced institutional budget at the end of the year as required by law.

6. An annual report will be created that summarizes the spending of the revenue generated from the differential tuition. The report will be reviewed by the UT-Chattanooga Executive Vice President for Finance, the Provost, and the Chancellor, and will be available for students to review.

Projected Revenue from Differential Tuition

The College of Business generated a total of 36,481 student credit hours (31,225 undergraduate student credit hours and 5,256 graduate credit hours) the previous year including the Summer 2011, Fall 2011, and Spring 2012 semesters (see Table 1 below). This level of enrollment would produce total revenue of \$1,824,050 assuming a charge of \$50 per student credit hour.

Table 1
UTC College of Business
SCH from the Previous Three Semesters

<u>Level/Semester</u>	<u>SCH</u>
Undergraduate	
Summer 2011	2,968
Fall 2011	14,255
Spring 2012	14,002
Graduate	
Summer 2011	1,252
Fall 2011	2,255
Spring 2012	1,749
<u>Total</u>	<u>36,481</u>

Student Cost of Differential Tuition

Total cost of differential tuition for students across all COB programs is included in Table 2. Undergraduate business majors take approximately 67 hours of business courses in their undergraduate degree program. Therefore, the typical student would pay approximately \$3,350 in differential tuition across the undergraduate program. For the student taking a typical full load, the differential tuition will equate to an additional \$150 in the freshman year, \$600 in the sophomore year, \$1,350 in the junior year, and \$1,250 in the senior year. Actual amounts may be more or less depending on the major and the specific courses that the student selects.

MBA graduate students take from 36 hours to 48 hours depending on their background. Therefore, MBA students would pay a total of \$1,800-\$2,400 in differential tuition across the graduate program. Students in the Master of Accountancy program take 30 hours of business courses which would result in a total of \$1,500 in differential tuition across the program.

The amount of differential tuition for business minors will vary depending on the minor and the specific courses that students select. For most students who minor in business, differential tuition will range from \$750 to \$1,050 in total for the courses taken in the College of Business in support of a business minor. Table 3 shows the impact of differential tuition on the cost for students for a given semester for each of the programs in the COB.

Table 2
Total Cost of Differential Tuition across UTC COB Programs

<u>Program</u>	<u>Approximate Total Cost across the Program</u>
BSBA	\$ 3,350
MBA	\$ 1,800 – \$ 2,400
MACC	\$ 1,500
Minors	\$ 750 - \$ 1,050

Table 3
Cost for a Typical Semester across UTC COB Programs Before and After Differential Tuition

Program	Current Tuition/Fees For a Typical Semester	Proposed Tuition/Fees For a Typical Semester with Differential Tuition
BSBA*	\$3,606.00	\$4,206.00
MBA**	\$4,175.00	\$4,625.00
MACC**	\$4,175.00	\$4,625.00
Minors***	\$3,606.00	\$3,756.00

* Assumes an upper level business major taking a total of 15 hours with 12 hours of business courses.
 ** Assumes an MBA and MACC student taking 9 hours of graduate business courses.
 *** Assumes an undergraduate student minoring in business taking a total of 15 hours with one business course.

Projected First and Second Year Budgets

Table 4 below presents first and second year budgets showing anticipated revenue and expenses. The first year revenue is \$ 912,025 and is based on the first year of the phased in differential tuition of \$25 per SCH and the second year revenue is \$ 1,824,050 based on the second year differential tuition of \$50 per SCH. Additional information of the expenses listed in the table below can be found in the next section.

Table 4
Anticipated First and Second Year Budgets

Item	Year 1	Year 2
Revenue		
36,481 SCH @ \$25 Year 1 and \$ 50 Year 2	\$ 912,025	\$ 1, 824,050
Expenses		
Academic Advisors	\$ 0	\$ 150,000
Career Development Center	\$ 300,000	\$ 300,000
Program and Facilities Enrichment	\$ 50,000	\$ 200,000
Additional Full-time Faculty	\$ 470,822	\$ 951,645
Scholarships	\$ 91,203	\$ 182,405
Student Clubs	\$ 0	\$ 40,000
<i>Total Expenses</i>	<i>\$ 912,025</i>	<i>\$ 1,824,050</i>

Projected Uses of Funds Generated from Differential Tuition

The rationale for differential tuition is to provide additional student focused services and academic program enhancements that we cannot currently offer students given the current level of funding. The College of Business will invest the funds to provide higher levels of academic advising, support the development of a career services center, enrich the educational program offerings, and hire new faculty to support understaffed academic programs. College of Business students will realize the benefits of differential tuition through targeted investments in areas that directly impact student academic and professional success. The differential tuition plan is also aligned with the strategic priorities of the College to provide enriched academic experiences, value added academic programs, and professional services. Since the use of funds is directed to enhance academic programs and support non-academic services we anticipate a high impact return through higher graduation rates and increased student satisfaction and retention.

An oversight committee consisting of students and faculty will be created to review the annual spending of the revenue generated from the differential tuition to ensure that all of the spending is for projects that impact students. The funds will also be subject to an annual audit by the campus consistent with University policy.

Academic Advisors (\$150,000)

University policy requires students to visit with an academic advisor each semester. Until this past year the College of Business provided one academic advisor for approximately 1,750 undergraduate students, or a 1,750:1 ratio. The average ratio for peer institutions is approximately 300:1. Two additional advisors were added in fiscal year 2013 bringing our ratio to 583:1. Advisors serve a number of important roles that directly affect student retention and graduation success such as counseling students on academic major and ensuring that students stay on track for graduation. Advisors are also the frontline in identifying at risk students and directing them to other university services that can intervene to facilitate academic success. The differential tuition would be used to support hiring two additional full-time advisors for the college and one administrative assistant to support the academic advisors.

Career Development Center (\$300,000)

The College has plans to develop a Career Development Center. The Career Development Center would have a Career Development Counselor and an Internship Coordinator. Career advising and counseling is important for assisting students with job placement by graduation. The Career Development Counselor would work directly with organizations in facilitating the recruitment of UTC business graduates and would host business job fairs on campus. While most AACSB business schools provide career services to their students, the College of Business at UTC currently provides no career services for undergraduate or graduate students. Internships are a critical component of the COB curriculum and give students the opportunity to apply business skills that were learned in a classroom to real-world problems. An Internship Coordinator is needed for the College to establish relationships with local businesses, to identify internship opportunities, and to grow the number of internships so that more students can participate in this important program. An Internship Coordinator is also needed to monitor and evaluate students currently enrolled in an internship. The differential tuition would support the Career Development Counselor, Internship Coordinator, Administrative Assistant, and program costs.

Program and Facilities Enrichment (\$200,000)

The differential tuition would also be used to establish a pool of funds that the College of Business could use to fund continuous upgrades to academic program and facilities. This fund would be used to upgrade computer labs, software, classroom technology, the Bloomberg lab (which has current annual costs of approximately \$80,000), student meeting spaces, classroom physical spaces, and other facility upgrades necessary to provide a high-quality business education. In meetings with students about the differential tuition proposal inadequate facilities, outdated computer labs, and classroom technology were often cited by students as one of the biggest needs for the College.

Additional Full-Time Faculty (\$951,645)

The College of Business is currently understaffed and needs to hire additional full-time academically qualified faculty to exceed the minimum standards set forth by AACSB and to offer an education consistent with our peers. Table 5 shows enrollment trends in the COB over the past five years through Fall of 2012, and Table 6 shows FTE faculty over that same period. A more meaningful analysis represented in Table 7 shows that a disproportionate amount of our undergraduate COB credit hours are taught by part-time faculty (adjunct faculty on less than a one year appointment) relative to our 17 peer schools. In addition, as shown in Table 8, our undergraduate student/faculty ratio has increased from 25.8 in 2007/2008 to 30.0 in 2011/2012 (compared to the average of our 17 peers of 19.7 in 2007/2008 and 21.6 in 2011/2012). The shortage of full-time faculty is compounded by the fact that the opportunity to hire new faculty as a result of retirements and attrition is made difficult because former faculty member salaries do not cover the salary expense of new faculty. This deficiency results in having to collapse multiple faculty positions into fewer new hires to cover the additional salary expense, thus shrinking the faculty available to teach courses.

**Table 5
UTC COB and UTC Enrollment Data**

	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012
UTC College of Business	2,224	2,249	2,048	2,021	2,057
UTC Overall	9,807	10,576	10,781	11,438	11,660

**Table 6
UTC COB FTE Faculty**

	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012
UTC College of Business	48.9	50.4	51.2	52.7	50.9

Table 7
Percent Undergraduate SCHs Taught by Part Time Faculty at UTC COB and its 17 Peer Schools *

University	% SCHs by Part-Time Faculty 2007-2008	% SCHs by Part-Time Faculty 2008-2009	% SCHs by Part-Time Faculty 2009-2010	% SCHs by Part-Time Faculty 2010-2011	% SCHs by Part-Time Faculty 2011-2012
Univ. of Tennessee at Chattanooga	17.4	26.7	29.7	33.0	39.8
Average of 17 Peer Schools	14.3	13.6	9.6	11.1	13.2

* Data based on AACSB's comprehensive data source Data Direct.

Table 8
Undergraduate Student Faculty Ratio at UTC COB and its 17 Peer Schools *

University	Student/ Faculty Ratio 2007-2008	Student/ Faculty Ratio 2008-2009	Student/ Faculty Ratio 2009-2010	Student/ Faculty Ratio 2010-2011	Student/ Faculty Ratio 2011-2012
Univ. of Tennessee at Chattanooga	25.8	27.5	25.6	30.5	30.0
Average of 17 Peer Schools	19.7	21.0	21.4	22.0	21.6

* Data based on AACSB's comprehensive data source Data Direct.

The data in Tables 7 and 8 indicate that the COB at UTC would need 8.6 additional full-time faculty members to meet the peer average percent of SCH taught by part-time faculty and 22 new faculty FTEs to meet the peer average student/faculty ratio. Because of other critical needs in the COB, e.g. advising, facility upgrades, only a portion of differential tuition will be available to address the severe faculty shortage in the COB. The money allocated from differential tuition would allow the COB to hire approximately 6 additional faculty members.

Scholarships (\$182,405)

If differential tuition is shown to have a negative impact on minority and at risk students, up to 10% of the differential tuition will be used to fund scholarships to support at need students. The COB will also seek to raise additional scholarships to support all students. At need students will be identified as students with family incomes below a certain level as determined by UTC.

Student Clubs (\$40,000)

The College of Business has a number of student clubs that are designed to give students the opportunity to learn more about their career field, to meet with individuals working in their profession, to gain leadership experience, and to participate in the national organization that sponsors their local chapter. The student clubs receive very little financial support which limits the programs and services that they offer students. We would like to provide \$5,000 to each club to support their efforts and increase the participation of all students in these professional clubs.

Projected Effects of Differential Tuition

Potential Impact on Overall Student Enrollment

With demand for business degrees expected to continue to have above average growth and the relative price inelasticity of the market for business education, the proposed differential tuition is not anticipated to have a negative impact on COB enrollments at UTC. Business schools at the University of Tennessee at Knoxville, University of Memphis, Tennessee Technological University, East Tennessee State University, and Middle Tennessee State University have all implemented differential tuition at the undergraduate and graduate level as shown in Table 9. Table 9 also shows current tuition and fees at UTC relative to other Tennessee State schools. Table 10 shows those schools that have implemented differential tuition at the 17 peer institutions identified by the Huron Group's gap analysis study of UTC becoming a top five master's university in the south, along with current tuition and fees. The proposed differential tuition will bring us in line with the program costs of other Tennessee schools and peer institutions.

Potential Impact on Minority and at Risk Student Enrollment

Although overall student enrollment is not expected to decline as a result of differential tuition, there is the concern that differential tuition might negatively impact minority and at risk student enrollment. All members of the Southern Deans Association were asked via email for feedback regarding the impact differential tuition had on overall student enrollment and the impact on minority and at-risk students. The responses indicated that enrollment at schools that implemented differential tuition did not decline. In fact, in some instances deans stated that enrollment grew as a result of the addition of value added services that the differential tuition funded. In no instance did deans indicate that differential tuition had a negative impact on minority or at-risk students.

If differential tuition is shown to have a negative impact on minority and at risk students, the COB has a limited number of scholarships awarded each year which may be reallocated to support students with financial need. In addition, up to 5% of the differential tuition will be earmarked for scholarships to support at need students. The COB is also committed to raising additional scholarship funding to cover differential tuition for those students in need. At need students will be identified as students with family incomes below a certain level as determined by UTC. The COB also has established a Dean's Excellence Fund that is supported through annual contributions from members of the Dean's Advisory Board. Based on the current Advisory Board size the total annual amount collected is \$32,500 some of which can be redirected to support scholarships for students in need.

Table 9
Differential Tuition/Fees at Other Tennessee Universities *

University	Undergraduate COB Differential Tuition/Fee	Graduate COB Differential Tuition/Fee	In-State Undergraduate Tuition/Fee**	In-State Graduate Tuition/Fee**	Comments
Univ. of Tennessee at Chattanooga	No	No	3,606.00	4,175.00	
East Tennessee State Univ.	Yes	Yes	3,873.50	4,139.50	\$25 per SCH for UG and G students
Middle Tennessee State Univ.	Yes	Yes	4,121.00	4,230.00	\$25 per SCH for UG and G students
Tennessee Technological Univ.	Yes	Yes	3,875.00	4,048.00	\$25 per SCH for UG and G students
Univ. of Memphis	Yes	Yes	4,642.00	4,861.00	\$35 per SCH for UG and G students
Univ. of Tennessee at Knoxville	Yes	Yes	5,446.00	10,640.00	UG \$60 per SCH; MBA (FT) Flat fee of \$14,400 for the program

* Based on 2012/2013 undergraduate tuition and fees listed on each school's website.

** In-state tuition and total differential tuition assumes a student takes a total of 15 undergraduate hours or 9 graduate hours in the business school.

Table 10
Differential Tuition/Fees at UTC's 17 Peer Institutions *

University	Undergraduate COB Differential Tuition/Fee	Graduate COB Differential Tuition/Fee	In-State Undergraduate COB Tuition/Fee **	In-State Graduate COB Tuition/Fee **	Comments
University of Tennessee at Chattanooga	No	No	3,606.00	4,175.00	
Appalachian State Univ.	No	No	3,144.50	3,278.50	
Auburn Univ.-Montgomery	No	No	3,963.00	2,985.00	
College of Charleston	No	Yes	4,959.00	5,455.00	MBA fee of \$13,000 in addition to regular tuition
Louisiana Tech Univ.	Yes	Yes	2,149.00	2,314.00	\$40 fee for UG and G students
Missouri State Univ.	Yes	Yes	3,771.00	2,466.00	UG \$25/SCH; G \$32/SCH
Murray State Univ.	No	No	3,420.00	3,897.00	
Northern Kentucky Univ.	No	Yes	3,936.00	4,716.00	COB graduate tuition \$72/SCH more than regular tuition
Tennessee Technological Univ.	Yes	Yes	3,875.00	4,048.00	\$25/SCH for UG and G
Univ. of Missouri-St. Louis	Yes	Yes	5,251.20	3,948.18	UG \$39.60/SCH; G \$37.00/SCH
Univ. of Nebraska-Omaha	Yes	No	3,676.90	2,742.10	All BSBA students \$5 fee and select courses have \$25 course fee
Univ. of North Carolina-Charlotte	No	Yes	2,936.50	5,674.50	COB graduate students pay an extra \$2,500 for 9+ hours
Univ. of North Carolina-Wilmington	No	Yes	3,099.35	3,572.49	Full time MBA students pay \$404.77 more than regular tuition
Univ. of North Florida	No	No	3,117.45	4,347.54	
Univ. of West Florida	No	No	3,119.25	3,177.63	
Western Carolina Univ.	No	No	3,778.50	3,870.00	
Western Kentucky Univ.	No	Yes	4,042.00	4,185.00	\$60 per course fee for graduate courses
Winthrop Univ.	No	No	6,513.00	4,734.00	

* Based on 2012/2013 undergraduate and graduate tuition and fees listed on each school's website.

** In-state tuition and total differential tuition assumes a student takes a total of 15 undergraduate hours or 9 graduate hours in the business school.

Student Response to Differential Tuition

Administrators from the COB met with five different student groups to discuss the differential tuition proposal. The first meeting was with members of the Student Business Leadership Council on April 2, 2012. The second meeting was with officers from six student clubs in the COB and was held on April 9, 2012. The third meeting was on October 30, 2012 with our SGA representatives and COB students. Finally, all COB majors were invited to attend two different open-forums on November 19 and November 28, 2012 to discuss the differential tuition proposal (an additional town hall meeting will be held early in the spring semester). COB administrators described the amount and the proposed uses of the differential tuition in each meeting. In all five sessions, there was consensus among students in support of the differential tuition for the COB. Even those students that expressed concerns over an additional fee agreed it was necessary to support the needs of the COB. Key conclusions from the meetings with students are as follows:

- Students were supportive of the differential tuition as long as it was used to provide value added student services and to enhance the educational quality of the COB.
- The proposed uses of the differential tuition included in this document were strongly supported by the students.
- Students wanted representation on an oversight board that would review the expenditures on an annual basis to ensure that the differential tuition was used for projects that impacted students.
- Students supported the creation of an annual report that would be available to students and that summarized the expenditures resulting from the differential tuition.

Conclusion

The proposed differential tuition will provide much needed resources to begin to address several problems in the COB. Differential tuition will allow us to invest in student focused services and academic program enhancements that are essential to providing a high quality business education and meeting AACSB accrediting standards. It will allow the COB to provide high quality academic advising and career services to students, improve the quality of our academic programs through additional faculty hires and instructional upgrades, and enhance the overall academic reputation of the College. We believe that the benefits from implementing differential tuition outweigh the costs when you consider that our total program costs are in line with other schools in the state, region, and peer group.

Differential Tuition Proposal
College of Engineering and Computer Science
University of Tennessee at Chattanooga
January 2013

The College of Engineering and Computer Science (CECS) at the University of Tennessee at Chattanooga (UTC) has seen rapid growth in both majors and graduates since 2007. At the same time, the focus of the College has moved to “relevance and engagement” as a strategy, in support of the UTC Strategic Plan as an engaged metropolitan University. Many of our efforts at the undergraduate level focus on workforce development, supporting the growing diverse economy of the Chattanooga region. Much of our research is focused on applied problem solving, directly supporting companies and organizations in the region. Our College has over a dozen efforts in Science, Technology, Engineering, and Math that help sustain a pipeline of potential students that will become the future employees of our partners.

We currently have a \$25 per credit hour course fee, for all courses, capped at 8 hours. Due to costs associated with our growth, this is proven to be insufficient. We have no other funding source to sustain the current situation.

We are proposing to replace that fee with differential tuition of \$50 per credit hour (uncapped) to reflect the cost of educating quality engineers, technicians, and computer scientists to support the workforce needs of our region. The proposed funds would be dedicated to the purposes noted here, flowing into a separate account with oversight provided by the Provost.

Key Details of the Proposal

1. All undergraduate and graduate students will be charged a \$50 per credit hour differential tuition for all classes taken in the College of Engineering and Computer Science. This differential tuition is in addition to the standard program tuition and fees. The current \$25 per credit hour course fee will be removed. The differential tuition will increase at the same rate as any future UTC tuition increases.
2. Funds generated are considered revenue funds and are built into the normal budgeting process. The UTC Bursar's Office will credit the differential tuition collected from students to a College of Engineering and Computer Science income account with oversight provided by the Provost. Surplus program revenues at the end of the fiscal year are expected to be carried over in the CECS account to the next fiscal year for continued program support. Dean will coordinate additional oversight, with review consisting of the Council of Student Leaders and Department Heads for annual spending of the revenue generated from the differential.
3. An annual report will be created that summarizes the spending of the revenue generated from the differential tuition. This report will be publicly available and forwarded to the Provost and the Executive Vice Chancellor for Finance.

Projected Revenue from Differential Tuition

The College of Engineering and Computer Science generated a total of 15,578 student credit hours (7,342 fall 2011, 7,280 spring 2012, and 956 summer 2011). For the fall 2012 semester, 8197 credit hours were produced. This shows a year-to-year increase of at least 10% for successive falls. Spring and summer have been significantly higher. This level of enrollment would conservatively (assuming fixed FY11 data) produce total revenue of \$778,900 assuming a charge of \$50 per student credit hour.

Table 1
UTC College of Engineering and Computer Science
SCH from the Previous Three Semesters

<u>Level/Semester</u>	<u>SCH</u>
Undergraduate	
Summer 2011	702
Fall 2011	6,150
Spring 2012	5,980
Graduate	
Summer 2011	254
Fall 2011	1,192
Spring 2012	1,300
Total	15,578

Undergraduate CECS majors take a minimum of 48 credits to meet accreditation (ABET). Specific majors take more hours in their undergraduate degree program, which typically totals a little more than 80 hours. Therefore, the typical student would pay just over \$4,000 in differential tuition across the undergraduate program. Previously, course fees were capped at 8 hours for a maximum of \$200 per semester; with students often taking 10-12 semesters to graduate (many students work in internships and average just over 7 credits per semester) for a difference of about \$2,400 over the program. In the course catalog, programs to graduate in 4 years have students taking from 4 hours (freshman) to 18 hours (junior) within the College in a given curriculum semester; resulting fees would be from \$200 to \$900, respectively. For the student taking an average 7 credit hours current load in the major, the differential tuition will equate to \$350 or an additional \$150 from the previous course fee. Actual amounts may be more or less depending on the major and the specific courses that the student selects.

Graduate students average just under 6 credit hours (many work full time) per semester and complete 33 to 36 hours for a MS degree. Thus, the cost will go from the current course fee at \$150 average to \$300 average. Current in-state graduate tuition costs for 6 hours is \$2751, plus course fees.

Projected Use of Funds Generated from Differential Tuition

The table below summarizes the proposed funds.

Anticipated First Year Budget		
Item	Specifics	Amount
Estimated Revenue	15578 SCH x \$50/SCH	\$778,900
Proposed Budget		
Additional Faculty	3 tenure track, 1 lecturer/adjunct	\$350,100
Additional Staff	2 full time, 1 part time	\$119,800
Programatic Support	build dept budgets & equipment	\$230,000
Scholarships	10% set aside for need	\$79,000
	Total	\$778,900

The rationale for differential tuition is to provide additional student focused services and academic program enhancements. Specifically, the College will use the differential tuition to support several threads of funding need. The first would directly support the quality and growth of academic programs, and be distributed based on the average of percentage of credit hours produced and percentage of graduates produced. Currently, departments in the College have no consistent budget basis beyond historical practice. The intent of these funds is to directly incentivize departments in support of behavior consistent with the Complete College efforts. Due to the advanced technology required in our academic programs, the College has become a testbed for advanced computer applications. Thus, a portion of the funds would be dedicated to underwrite funding our computer replacement cycle commitment to ABET. A portion of funds would support those growing initiatives that require people not yet on the State budget (the faculty and staff in the items below). The balance would be used to provide seed funds for College-wide initiatives (STEM, Energy and Sustainability, SmartGrid, Manufacturing), to augment our recruitment efforts and to provide gap scholarships for those put at risk by the differential tuition, to support workshops for professional development, and to enhance our efforts in student engagement that support our employers and our community. Since the use of funds is directed to enhance academic programs and support non-academic services, we anticipate a high impact return through higher graduation rates and increased student satisfaction and retention.

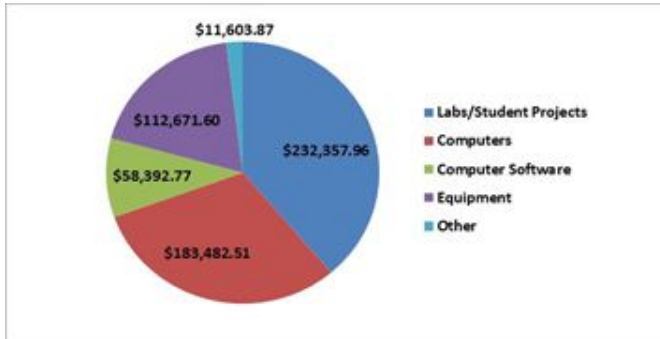
Background

Our College has evolved to support a different niche than some others in the University of Tennessee System. Our College is tightly bound to our employer base in the Chattanooga area – with a focus on workforce development. The employers of our graduates work closely with us to help us in evolving curricula, supporting laboratories, hiring our students, and working with us to train and retrain their workforce. Many of our students work in internships and cooperative education with local/regional companies. Most of our industry partners have a significant percentage of their technical workforce from UTC. Rather than curiosity driven research, which comprises much of the research at some Carnegie Research institutions, a very high percentage of research from our College goes directly into application at companies. Several years back, 5th

Street in Chattanooga, running along the edge of campus, needed repaving. Neither the City, nor the University, had the money for the project. The College worked with a materials producer and the City, to get donated materials and paving services – our students in Civil Engineering did the engineering to support the project. So much expertise has been gathered here, in a series of cost-saving collaborative projects with the City of Chattanooga, that 2 visits have been made by representatives of former Soviet republics to Chattanooga, sponsored by the US State Department, to learn about the latest innovations in paving. Our regional companies, like Astec, have worked with us on warm-mix asphalt and roller compacted concrete, to create a Civil Materials Infrastructure Laboratory here at UTC – that is dedicated to being a resource to industry and government. The students from this lab are highly sought after by industry, because of their sophisticated and current knowledge. We have a broad spectrum of companies working with us on what is termed “smart grid” in power, internet, and telecommunication applications.

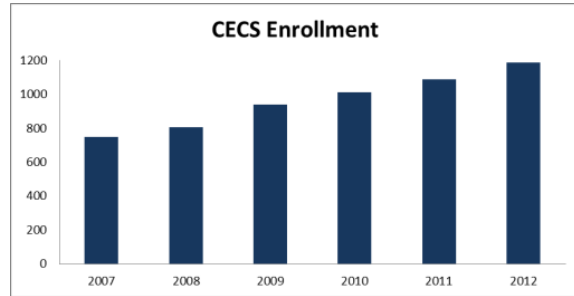
Our ETAP/TVA Lab was used twice this summer for week-long industry training workshops, it is also used to educate Electrical Engineering students on sophisticated power simulation of complex plant or system circuitry; the same lab also serves as a resource for training TVA Engineers and Contractors, and serves as a resource for the entire southeast US for collaborative workshops for neighboring utilities, including TVA. TVA claims that students taking courses in this lab take 6 months less to train as new hires. UTC co-hosted the National Council on Competitiveness with Alstom, a summer ago – much of the focus was on successful public/private partnerships in Chattanooga. In supporting Volkswagen and Alstom, we have slowly, within our very limited resources, begun to modify our various curricula to be more responsive to their needs, especially in Mechanical, in Industrial Engineering, and in Engineering Management. We have revamped our Manufacturing course, hiring Jan Evans as Cranston Pierce Director; Jan is an expert who taught Komatsu lean manufacturing, when they set up operations here. We are about half way through modifying our engineering shop area, to function in educating engineering and technology students on mechatronics and welding; we have 2 staff members - a graduate engineer and a mechatronics expert helping educate our students in these essential areas to Alstom and VW. We have a strong alignment with the Associated General Contractors of East Tennessee in our Construction Management program; after an initial gift that helped establish a 2+2 program in collaboration with Chattanooga State, some members have also helped us in teaching and other resources.

The resources to educate quality engineers, technicians, and computer scientists have been costly. The College of Engineering and Computer Science at UTC instituted a general course fee of \$25 per hour (\$200 maximum) in the fall semester of 2010. The pie chart shows how all those funds have been spent through FY 2011-12. Prior to that time, approximately \$14,000 of annual lab fee income was used to cover anticipated expenses of about \$396,000 per year. The fee was anticipated to generate about \$228,000 per year to help offset this expense. Some of this expense was expected

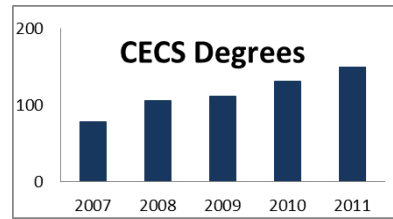


to be met by gifts; however, our accreditation (ABET) requires a steady source of income to show institutional commitment for programs. The College is currently committed to a 3-year computer replacement cycle to ABET, with the approved fees primarily covering this cost. Despite the actual fee income generated of about \$150,000 per regular semester, we are significantly short (about \$100,000/year) on covering items for which the fee is appropriate due to growing needs. We are also short on covering support personnel, which were not supported by that fee.

The College of Engineering and Computer Science is currently understaffed in critical areas, such as in lab instructors. We need to hire additional faculty and staff to exceed the minimum standards set forth by ABET. The funds provided from differential tuition would provide the necessary funding so that the College could hire full time academically qualified faculty/staff and full time professionally qualified one-year faculty/staff in key areas.



Specifically, we have currently: (1) hired a mechatronics person (to support student projects) that was an accreditation need; (2) picked up the University Cooperative Education function without State funding; (3) added to our manufacturing staff with an expert lecturer; (4) added 2 visiting faculty that cover specific critical areas due to a 58.3% growth in enrollment (92.3% growth in graduation through FY2011) over 6 years; (5) added extensive adjunct faculty. The table below summarizes the trend in tenured and tenure-track faculty since 2007. While enrollment has grown, we have not staffed this growth with full time faculty, but rather with temporary and adjunct faculty.



	2007	2008	2009	2010	2011	2012
Tenure/T Track Faculty	28.42	26.17	28	31	30.5	28.5

Some adjunct faculty bring specific industry expertise to the classroom; however, most typically do not give quality advisement to students or participate in applied research in support of our partners. In Electrical Engineering, we have had to hire up to 9 adjunct faculty to cover the growth in enrollment. These 5 categories above directly support our growth and our efforts with Volkswagen, Alstom, TVA, EPB, and others – indeed the first 2 items are being partially funded this year with VW Partnership funds, which would not be considered sustainable by our accreditation body.

Faculty and Staff Support

Marginal increases in faculty and staff would be initiated by these funds of \$350,100 for faculty and \$119,800 for staff support as shown. Both these numbers include benefits. Since a number of current faculty are past the age of normal retirement, this would allow us time to transition in responding to industry needs. Some of the faculty and staff shown are currently temporary, or are funded through temporary funds. The table below shows the direct impact to staffing of the College.

	Proposed	Benefit
Tenure Faculty Track	3.5	
Engineering	1.5	Core engineering growth and specific needs for workforce
Engineering Technology	1	Degree production increased by 400% since 2007
Computer Science	1	SCH increased 38% fall to fall, indicating enrollment surge
Funded Staff	2.5	
Cooperative Education	1	Position supports recruiting, coop/intern, advising student groups, and supporting industry need (current VW funds)
Advising	1	Position is new, to support retention goals
Mechatronics	0.5	Position supports accreditation need (current VW funds)

In Science, Technology, Engineering, and Mathematics (STEM), we have at least 15 programs that we work with; the major ones are: the only statewide University Affiliate for Project Lead the Way (teaching the teachers), UTeaChattanooga (ABET accredited Engineering, and CS participation in UTeach replication, currently the only ones in the US), and participation in state curriculum through TVA on energy and power (also with teachers). This is important for establishing the pipeline of potential incoming students. The College has no full time recruiter for high schools or community colleges. We have no staff member to assist faculty in taking care of those students that need minimal advising, so that the faculty can focus on the truly needy cases.

Our unique Director of Workforce Development and STEM Initiatives illustrates our efforts to satisfy these needs of the College with less than ideal funding. That position, currently funded from gifts and grants, combines coordinating traditional Cooperative Education/Internships, enhancing K-12 outreach (recruiting and coordinating the many STEM initiatives of the College), and growing industry interaction by enhancing student organizations' collaboration with companies.

Programmatic Support

As noted above, we already have commitments to academic programs, partly funded through the current \$25/SCH fee. The \$230,000 would partly replace this amount. It would be allocated based on Complete College performance.

Scholarship Support

Ten percent of the expected funds generated will be planned to take care of potential funding hardships created by this change. This amount is expected to be \$79,000 in the first year.

Projected Effects of Differential Tuition

Demand for our graduates, especially from EE and ME, appears to be limited only by our ability to deliver in those programs. Civil Engineering has also grown significantly, from a specialty under general Engineering in 2006 to about 140 undergraduates. CS enrollment has been fairly flat, but demand for graduates is extremely high according to CIOs in the Chattanooga Technology Council and is expected to be higher still, according to THEC projections. We have over a dozen K-12 STEM outreach projects to help strengthen the pipeline of incoming students to meet the future career needs in the region. We have worked very hard with Chattanooga State and Cleveland State for maximum articulation and a true 2+2 BS program in Construction Management. We have also seen significant growth (205%) in graduate programs in the College over the past 5 years. We expect to extend that growth.

Note that in the recent THEC study of salaries among all graduates from Tennessee Colleges and Universities, our graduates ranked as the highest non-health (3rd and 4th overall) average starting salaries at \$56,504 per year for Engineering and \$55,861 per year for Engineering Technology. According the May 2010 Bureau of Labor Statistics (BLS) report for the Chattanooga metropolitan region, Engineering mean annual earnings are between \$80,210 (Civil) and \$88,390 (EE). Similarly, for CS professions the mean annual salaries were between \$59,340 (Programmers) and \$74,820 (Software Developers). The mean annual salary for all professions was \$38,240 according to the BLS. The potential of loans or costs being detrimental is thus expected to be much less than for some degrees. All our programs are high-demand and growing. We believe that the programs can sustain these differential tuition increases without suffering significant drops in enrollments, as shown during the increase in fees. We are sensitive to keeping costs to a minimum, to not price our programs outside the realm of affordability. The impact toward needy students was initially assessed as minimal, since not all available scholarship funds are utilized currently. However, the growth in enrollment has begun to erode this situation, so that scholarship funds will be set aside to minimize impact to needy students. The University of Tennessee at Chattanooga has reduced costs as enrollment grew. According to Planning and Institutional Research, current average UTC per credit hour costs are 88.3% of the costs in FY 2007. Although the College of Engineering and Computer Science cost to educate student is much greater than the UTC average, our cost per credit hour is currently 68.8% of the FY 2007 cost. Now, we are at the point of losing momentum, if we do not increase resources.

UTC College of Engineering and Computer Science versus Peers

There is substantial data on differential tuition in major universities, and the proposed fee is in-line with available data. There is a 2008 study by G. R. Nelson on over 160 universities. There is a much-publicized Cornell Higher Education Research Group study on over 140 universities. However, there is much less public data on predominately Masters universities. We have sought peer numbers both through our Planning and Institutional Research and through calling or contacting those 17 universities used in our peer group in the gap analysis to move us to a Top 5 Masters University in the South (data through the Huron Group). Only 4 universities have data for both Engineering and Computer Science; 3 (University of West Florida, University of North Carolina - Charlotte, and Western Kentucky) have programmatic differential tuition in some form, with a range of fees up to \$375 a semester. Tennessee Tech Computer Science is not listed with Engineering; however the website indicates a per ENGR credit hour fee of \$20. The table below summarizes the undergraduate tuition and fees, the graduate tuition and fees, and comments related to the variety of ways the peer group information is assembled. It should be noted that College of Engineering and Computer Science curricula vary from 120 SCH for CS to 128 SCH for Engineering due to accreditation requirements. For 128 credit hours, a student must average 16 hours a semester to graduate in 8 semesters, and will take as noted above, a little over 80 hours in the College on average (about 10 a semester on average to finish in 4 years). The comments below are based on this projected course load.

University	UG Tuition/ Fees Per SCH	Grad Tuition/ Fees Per SCH	Comments - Based on Standard UG CECS Course Load
Appalachian State University	262	364	Computer Science only, no differential
Auburn University at Montgomery	268	332	Pre-Engineering, cyber systems only, \$250/hr for 4 SCH
College of Charleston	413	455	Does not have Engineering or Computer Science
Louisiana Tech University	186	257	Fixed differential, flat \$77
Missouri State University ¹	408	NA	No differential
Murray State University	285	433	\$285/hr for 4 SCH
Nebraska Omaha	283	337	\$40/SCH differential
Northern Kentucky University	328	452	Informatics, Engr Technology - differential fees, but not given
Tennessee Tech University	310	424	\$20/hr fee, plus \$46/hr for 4 SCH
UNC Charlotte	245	353	Fixed differential, flat \$100
UNC Wilmington ³	258	353	Costs vary due to percent taken though NC State
University of Missouri–St. Louis ²	266	349	\$67/SCH differential, plus \$266/hr for 4 SCH
University of North Florida	208	483	\$208/hr for 4 SCH
University of Tennessee - Chattanooga	317 (342*)	485 (514*)	\$50/SCH (\$25 increase - 8 max) differential - 10 SCH average
University of West Florida	208	353	\$148 flat fee, \$15-25 per course, plus \$208/hr for 4 SCH
Western Carolina University	315	430	\$150 flat fee
Western Kentucky University	353	467	\$375 flat fee
Winthrop University	543	697	Computer Science only, no differential
¹ Joint ENGR program with Missouri University of Science and Technology			
² Joint program with Washington University			
³ Joint program with NC State University			
*Proposed here			

As shown in the table above to more clearly show the effect, the table below is provided.

Differential Effect	UG Before	UG After	Grad Before	Grad After
University of Tennessee - Chattanooga	317	342	485	514

Student/Stakeholder Response to Differential Tuition

The Dean of Engineering and Computer Science and the Director of Workforce Development and STEM Initiatives met with the College Council of Student Leaders on December 6, 2011. The students unanimously supported the differential tuition as posed for the items above. The proposed differential tuition was subsequently discussed at the College Department Heads meeting and is strongly supported. Later, in April 2012, the Dean also discussed the proposal with Advisory Board for the College, and has their support. This fall, the Dean discussed the differential tuition with our district representatives in Student Government. The CECS Council of Students Leaders, which is comprised of the elected leadership of all student organizations within the College, met again on October 31, 2012 to discuss the updated proposal. There were suggestions that funds be set aside to support scholarships, which not only provide gap support for needy students, but also support leadership development from the freshman level for CECS students. A commitment was made, that within the workforce development funds, an investment would be made on scholarships with a recurring limit of 5-10% of the overall funds, until gift funds can cover this expense. A quorum being present in the October meeting, a vote was held and the proposal was supported unanimously. Finally, we are committed to continuing a dialog with the students on how the funds are planned, and how they are actually spent. It is our intent to be sure all stakeholders of the College are fully informed, and that we provide good stewardship of the funds.

**The University of Tennessee at Chattanooga
College of Health, Education and Professional Studies
School of Nursing**

**PROPOSAL FOR A PROGRAM-BASED DIFFERENTIAL TUITION PLAN
FOR SCHOOL OF NURSING PROGRAMS**

The UTC School of Nursing (SON) proposes a differential tuition plan for all graduate and undergraduate courses to fully support current and future enrollment increases and elevated program costs in the SON. This would apply only to nursing courses. The plan is congruent with differential tuition plans specified by other departments at UTC.

There are over 800 pre-nursing and Bachelor of Science in Nursing (BSN) students and over 115 Master's of Science (MSN) and Doctorate of Nursing Practice (DNP) students in the SON. Schools of Nursing are moving to increase their enrollments to meet current and future projected nursing shortages. Rapid changes in health care require that Tennessee be prepared adequately to meet Advanced Practice nursing shortage projections. Our goal with tuition differential funds is to meet the demand while maintaining a high quality program.

Professional programs including nursing require prescriptive and specific pedagogies that incur higher costs per credit hour than other disciplines campus-wide. It is common for professional nursing students to pay differential tuition for nursing courses.

KEY DETAILS OF THE PROPOSAL

1. All undergraduate and graduate students will be charged a \$50 per credit hour differential tuition for all classes taken in the School of Nursing. This differential tuition is in addition to the standard program tuition and fees. The current \$25 per credit hour course fee presently paid by MSN students will be terminated.
2. To offset the impact on students adversely affected, ten percent (10%) of the funds realized from the differential tuition revenue will be distributed each year for need-based scholarships.
3. The differential tuition will increase at the same rate as any future UTC tuition increases.
4. The UTC Bursar's Office will credit the differential tuition collected from students to a School of Nursing income account with oversight provided by the Provost.

PROJECTED REVENUE FROM DIFFERENTIAL TUITION

The School of Nursing generated a total of 10,386 student credit hours (7,156 undergraduate student credit hours and 3,230 graduate credit hours) the previous year, including the Summer 2011, Fall 2011 and Spring 2012 semesters (see table below). This level of enrollment would produce total revenue of \$519,300.

SON SCH from the Previous Three Semesters

Level/Semester	SCH
Undergraduate	
Summer 2011	822
Fall 2011	3,340
Spring 2012	2,994
Graduate	
Summer 2011	1,099
Fall 2011	1,103
Spring 2012	1,028
TOTAL	10,386

RATIONALE FOR DIFFERENTIAL TUITION

The nation's nursing shortage will grow as health care needs rise with aging baby boomers (American Association of Colleges of Nursing, 2010). Tennessee is expected to experience more than 15,000 nursing position vacancies by 2020. In fall 2011, the Institute of Medicine (IOM) released its report, *The Future of Nursing*. The report called for increasing the number of nurses with baccalaureate in nursing degrees in the work force by 80 percent. The demand for Bachelor of Science (BSN) nurses will markedly continue to exceed the supply as the population continues to age and older registered nurses retire. The Chattanooga area is contending with a shortage of BSN and higher prepared nurses.

The School of Nursing's strategic plan is congruent with the University's Strategic Plan and supports the mission of an engaged metropolitan department. The proposed differential tuition is requested to maintain the quality programs we offer in our areas to assure that nurses will be available to meet the area's health care needs.

As of fall 2012, the School of Nursing enrollment has substantially increased and is likely to continue to increase in the future (Table 1 & 2).

Table 1 SON Enrollments Fall 2007 – Fall 2012

MAJOR ENROLLMENT	FALL 2007	FALL 2008	FALL 2009	FALL 2010*	FALL 2011*	FALL 2012*
PRE-NURSING	400	399	500	535	563	500
BS NURSING (BSN)	130	160	161	195	300	376
Post MSN – Certified Registered Nurse Anesthetist (CRNA)/NURSE ANESTHESIA CERTIFICATE	3	1	1	2	1	2
Post MSN - FAMILY NURSE PRACTITIONER (FNP) CERTIFICATE	3	2	2	2	0	2
MSN ANESTHESIA (NA)	51	55	57	42	60	50
MSN FAMILY NURSE PRACTITIONER (FNP)	38	43	37	33	38	40
Doctor of Nursing Practice (DNP)					16	25
TOTAL	625	660	758	809	978	995

* Increased enrollment made possible by HRSA grant (funding ending 6/20/2013)

Table 2 SON Faculty Full-Time Equivalent (FTEs)

Full-Time SON Faculty	FTE
2007-2008	18
2008-2009	21
2009-2010	19.75
2010-2011*	21.25
2011-2012*	22.25
2012-2013*	24.5

*Funded faculty were added using HRSA grant funds designated to increase enrollments in BSN program (grant ends 6/30/2013)

Upon the termination of HRSA grants on June 30, 2013, funding to support additional faculty will end. In order to continue the program at current levels of enrollment, the faculty positions must be maintained. A large portion of funds realized from the differential tuition will be used to maintain faculty at present levels and to maintain above national certification/licensure rates, employment rates and graduation rates. See Table 3 and 4.

Table 3 Undergraduate Graduation, National Certification/Licensure and Employment Rates

Major	Year	Graduation Rate	National Certification/Licensure	Employment Rate within 3 months Graduation
BSN	2008-2009	96%	96%	100%
BSN	2009-2010	85%	97.5%	100%
BSN	2010-2011	77%	97.5%	100%
BSN	2011-2012	87%	97.5%	100%

Table 4 Graduate Graduation, National Certification/Licensure and Employment Rates

Major	Year	Graduation Rate	National Certification/Licensure	Employment Rate within 3 months Graduation
MSN Family Nurse Practitioner (FNP)	2008-2009	100%	100%	100%
MSN FNP	2009-2010	100%	100%	100%
MSN FNP	2010-2011	95%	100%	100%
MSN FNP	2011-2012	95%	94%	100%
MSN Nurse Anesthesia (NA)	2008-2009	71%	83%	100%
MSN NA	2009-2010	93%	92%	100%
MSN NA	2010-2011	98.5%	92%	100%
MSN NA	2011-2012	97.4%	100%	100%
Doctor of Nursing Practice (DNP)	2010-2011	100%	N/A	N/A
DNP	2011-2012	71%	N/A	N/A

Bachelor of Science in Nursing (BSN)

The School of Nursing's traditional Bachelor of Science in Nursing (BSN) program is an initial licensure program for the professional nurse entering the workforce in an entry-level position. Initially, students in the nursing major enroll in general education and pre-requisite courses and then complete the nursing major in the last five semesters of the program of study. Nursing courses include didactic classroom learning experiences and intense clinical practicum experiences. Students complete a total of twenty nursing courses representing 68 semester credit hours. Because of the high acuity illness index of patients currently admitted to the hospitals, students must be carefully supervised by expert faculty educated in specialized areas of nursing. Hospital policies and other regulations require specific faculty/student ratios. The clinical agencies used for student clinical practice require the School of Nursing to adhere to a 1:6 faculty/student ratio when caring for high risk complex adult and geriatric patients and a 1:4 faculty/student ratio for specialty acute care pediatric hospitals. These ratios mandated by hospitals comprise a major part of the rising cost of nursing education.

The BSN program admits two cohorts of students each year, fall and spring semester, for a total of 80 students. In 2011, the School of Nursing enrollment of pre-nursing students was 563. The SON advises these students each year for possible admission to the program. Because of the demand for more BSN prepared nurses, the SON has increased the admission of pre-nursing majors to the nursing major. According to the University-generated Departmental Profile for the School of Nursing, enrollment of BSN students for fall, 2010 was 195 students. Enrollment for fall 2011 was **300 students, an increase of 65%**.

The School of Nursing has been preparing for the shortage of clinical placement sites and the highly restrictive hospital policies related to faculty/student ratios. Through grant funding, the School of Nursing has acquired state-of-the-science high fidelity and low fidelity human simulators. Students learn and practice skills and critical decision making in the campus clinical laboratories using low and high tech human simulation scenarios that are similar to patient situations they will encounter in professional practice. This is facilitated by faculty and is essential to ensure the student is prepared for actual clinical practice in a hospital/healthcare agency. Engaging in human simulation experiences, accompanied by rigorous clinical learning, has been found to influence development of clinical competence in the graduate's job performance and will assure hospitals that our students are prepared for actual clinical practice on patients in a hospital's complex healthcare delivery environment. In alignment with the Tennessee State Board of Nursing's policy on the use of simulation learning for pre-licensure nursing students, no more than 25% of students' total clinical practice learning will be substituted with human simulation clinical learning. Currently, **BSN students enrolled in the School of Nursing engage in 1200 hours of clinical practice learning** integrated throughout the five semester nursing major program.

Registered Nurse to Bachelor of Science in Nursing (RN to BSN)

The Registered Nurse to Bachelor of Science in Nursing (RN to BSN) program has increased enrollment from less than five students six years ago to an over-capacity enrollment of 85 students using an online platform for most classes. The program is designed to be flexible so

RNs can continue working while they pursue the BSN degree. Thus, it is vital for the RN to BSN program to meet the need for BSN-prepared nurses in a manner that is seamless and reduces redundancy of previously learned competencies from the community colleges' Associate Degree in Applied Nursing. RN to BSN students are being denied admission due to capacity because of needed additional faculty. In addition, other resources needed include software such as Adobe Connect®.

With the RN to BSN program, the large amount of online learning requires specific ratios for best practices. Quality assurance in online learning stipulates classes of 15 to a maximum of 20 students. The interest and demand for BSN-prepared nurses in the area and across the nation has increased the demand for RN to BSN programs. There are a large number of RNs who are associate-degree prepared and are in need of continuing their education to a BSN level. With such demand, the UTC School of Nursing has an enrollment of 60 in the online cohort alone. This requires three instructors and three to four separate sections of just one course in order to provide a quality online learning environment. The SON must plan for three instructors and three Adobe® virtual rooms for each required course in the RN to BSN program.

While the program is primarily online, students in the RN to BSN program must also complete a community clinical course. The same supervising ratios that apply to the BSN program also apply to this program. Faculty/student ratios for community clinical courses must follow clinical agency guidelines to ensure best practices and quality care within the clinic. This ratio can vary slightly, depending on the facility, and can be more difficult to maintain in an online program. Students in the RN to BSN program may complete community clinical hours in their local area, which could be a long distance from the UTC campus. Faculty teaching in community clinical courses must be able to supervise students in their settings from a distance through virtual technology. This requires additional faculty to monitor the large number of students and to provide quality supervision. Technologies such as Adobe Connect® are of considerable help in monitoring students from a distance. Both the additional faculty and the technology require funding to support the RN to BSN student experience.

Master of Science in Nursing (MSN)

The School of Nursing Master of Science program offers a Family Nurse Practitioner (FNP) concentration and a Nurse Anesthesia (NA) concentration for students with the BSN degree and appropriate practice experience. Enrollment in the MSN program has increased in the last five years. The Nurse Anesthesia concentration has seen an increase in applicants, with a range of 120 to 150 applicants each year. The program capacity is at 31 currently. The Family Nurse Practitioner concentration has seen a significant increase in program applicants as well. Five years ago, the program only had 15 to 20 applicants. Over the past five years, interest in the program has grown, with approximately 60 applicants in 2011. The program is now able to accept 20 students.

With the increase in the number of students in the MSN program, more resources are required to maintain a quality program and to meet current capacity needs and the growing demand for advanced practice nurses in our area and state. Clinical placements, particularly for the FNP concentration, are becoming more and more limited. With limited clinical placements, more simulation and lab time is required for students to develop assessment and other clinical skills.

In the NA concentration, at least three faculty are needed in clinical courses. In the FNP concentration, a minimum of two faculty are needed in clinical courses. Currently, the School of Nursing is seeking adjunct faculty to help fill gaps in faculty resources. However, the School is in need of full-time, regular faculty who can begin teaching in the didactic and clinical setting and maintain this role to help continue developing the program. We cannot meet the demand nor sustain the number of nurses who seek to pursue careers as advanced practice nurses without additional faculty. Accreditation standards require the FNP clinical courses be staffed with qualified practicing faculty, and the faculty/student ratio must be no greater than 1:6.

The MSN program has begun offering some core courses online, which requires more faculty in these courses for best practices. Not only are more faculty needed in the clinical courses, but now more faculty are needed to teach in the core didactic courses offered online. The funding from the differential tuition would help in recruiting and hiring qualified faculty in these high demand concentrations and to purchase equipment, simulators, lab supplies, etc.

Doctor of Nursing Practice (DNP)

The UTC School of Nursing began offering a Doctor of Nursing Practice (DNP) program in January 2011. This program is offered completely online, and the program addition has brought on additional expenses. The DNP courses require specifically credentialed faculty, which require compensatory salaries and more intense recruitment efforts to find qualified faculty. To teach in the program, faculty must be doctorally prepared, preferably DNP prepared. If faculty are not, the School of Nursing must justify their credentials. Because we are not competitive in our salaries, we are struggling to find qualified faculty to meet demand. The differential tuition would not only help fund needed faculty positions to teach but would also help with the additional expense of finding specifically qualified faculty.

ACCREDITATION INFORMATION

The School of Nursing has several bodies that accredit its BSN, MSN and DNP programs.

- The Commission on Collegiate Nursing Education (CCNE) is the national accrediting body for all UTC School of Nursing programs (BSN, RN to BSN, MSN and DNP). All programs are fully accredited.
- CCNE dictates strict guidelines on credentialing of faculty and specialty areas and focus of faculty teaching at certain levels and in certain content areas. Faculty must be qualified educationally (degree level) and clinically (specialty area) to teach specified courses in the UTC School of Nursing to maintain accreditation. Further, the UTC School of Nursing must abide by agency guidelines related to faculty-student ratios to maintain good clinical partnerships. These student limitations in clinical area rules are derived by agencies based on quality safe patient care.
- The Council of Accreditation of Nurse Anesthesia (COA) accredits MSN Nurse Anesthesia programs, including the UTC School of Nursing Nurse Anesthesia Concentration, which must also be accredited by CCNE. A 1:1 anesthesia clinical faculty to student ratio is required for this program. A Coordinator and Assistant Coordinator are mandated by COA and must hold or be enrolled in a doctoral degree program. Nationwide, less than 1% of anesthesia faculty hold the doctoral degree.

- The Tennessee Board of Nursing (TBN) also accredits the BSN, MSN and DNP programs every five years and requires specific faculty-student ratios for students. The requirement for the BSN program is 1:10, and the MSN and DNP programs are congruent with those of CCNE, COA, and Nurse Practitioner Specialty Standards. The clinical agencies require a lower faculty-student ratio for BSN students because of patient safety and quality-required outcomes. These ratios include: Pediatric Hospitals – 1:4; Medical Surgical hospital units - 1:6 to 7; Obstetrics - 1:7; Psychiatric 1:10; Community Settings – 1:10. For the MSN or DNP Faculty Nursing concentration, a 1:1 provider student ratio is required and a 1:6 supervising faculty student ratio is mandated.

PROJECTED USE OF FUNDS GENERATED FROM DIFFERENTIAL TUITION

Funding realized from differential tuition would support student support services and academic needs required to enhance a quality accredited nursing program’s needs to support student success and meet the current and projected need for professional and advanced practice nurses in our area and state.

An oversight committee consisting of students and faculty will be created to review the annual spending of the revenue generated from the differential tuition to ensure that all of the spending is for projects that impact students. In addition, expenditures will be subject to an annual campus audit.

FIRST YEAR REVENUE/EXPENDITURE SUMMARY

Tuition Revenue		\$519,300
Minus 10% Scholarships		<u>- 51,930</u>
Funds available for expenses		\$467,370
Faculty Position	74,300	
FNP Faculty Position	100,000	
Clinical Instructor	192,000	
Lecturer Position	40,050	
Undergraduate Advisor	33,000	
MSN/DNP Faculty Position	<u>28,020</u>	
	Total Expenditures	\$467,370

EXPENDITURE DETAILS

Faculty Position \$74,300: The SON has a Simulation Initiative for its undergraduate and graduate programs that augments clinical experiences for students prior and during their clinical rotation to develop and test required competencies and assure safety for actual patient care delivery. We need a full time simulation faculty for this program, which has become even more critical to the success of our students and to meet minimum accreditation standards.

FNP Faculty Position \$100,000: The School of Nursing is underfunded for the current and projected enrollments in this concentration. We need to hire full time academically qualified faculty in a tenure track position – current FTE is 1.5 for this advanced practice nursing concentration in the MSN and DNP program.

Clinical Instructors (Four Positions) \$192,000: These positions are currently funded by the BEE A Nurse HRSA grant, awarded for the purpose of increasing enrollment in the traditional BSN program. The grant ended June 30, 2012. To receive the funding for the BSN program for three years (\$1,000,000.00 funded), the University agreed to sustain the four positions post award; positions are critical to continue enrolling 80 students per year from pre-funding enrollment of 54 students per year in the traditional BSN program. The UTC School of Nursing is the leader in the area for graduating quality professional nurses and is recognized for its aggressive efforts to reduce the health professional shortage in our community and state. The UTC School of Nursing will need to decrease the enrollment of the BSN if university funding for positions are not realized.

Lecturer Position \$40,050: This position is currently funded by the Gateway RN-BSN grant. This 6 year HRSA grant ended June 30, 2012 (\$2,000,000 funded). RN to BSN faculty obtained through the grant are expected to continue per HRSA's sustainability requirements agreed to by the University. The Gateway Program has increased enrollment from one student just five years ago to a current enrollment of 156 students and grows each year. In order to maintain this enrollment the UTC School of Nursing must maintain this faculty position to adhere to best practices for online teaching.

Undergraduate Advisor (Part-Time) \$33,000: Funding for an advisor for the RN to BSN students ends on June 30, 2013 at the end of a six-year federal grant. This RN to BSN program has increased enrollment from one student a mere five years ago to 156 students or more entering annually. The program requires a dedicated advisor who can recruit students, help with the admission process, advise them as they continue through the program and assist with graduation. The RN to BSN program is a unique program that requires individualized advisement as each student transitions into the program with varied coursework and needs. This position would also provide recruitment and advisement support for the traditional BSN program. This program currently has one advisor, but with the increase in enrollment, additional support is needed. This advisor would primarily be critical in recruiting and advising educationally, economically and ethnically disadvantaged students for the traditional BSN program. This was previously accomplished through a Nursing Workforce Diversity grant which ended on June 30, 2012.

MSN/DNP Faculty Position (Half-Time) \$28,020: Presently the School of Nursing has a full-time faculty position serving the MSN and DNP programs. One half of the salary is contributed by Memorial Hospital through a partnership arrangement with the hospital. The partnership ends 12/31/12. University funds will be required to assume the one-half Memorial portion in order to maintain and increase enrollments in these two popular programs.

DIFFERENTIAL TUITION – OTHER UNIVERSITY COMPARISONS

School	UG Tuition Per Credit Hour	Grad Tuition Per Credit Hour	Nursing Differential
Appalachian State	\$443	\$505	Proposing Differential for 2013-2014
Auburn University-Montgomery	*\$250	\$308	*\$200/credit hour (clinical courses only)
College of Charleston			No Nursing Program
Louisiana Tech University	\$624	\$664	Only have an Associate Degree in Nursing Program - \$50 fee for Nursing Courses
Missouri State University	\$200	\$242	\$610.00 per year for BSN Courses \$58.00 per semester hour additional fee for NUR 700, 701, 703, 707, 711, 761, 772, 788; NUR 800-999 Clinical Fee per-term of enrollment of \$2,200/year assessed for clinical courses
Murray State University	\$285	\$433	No Differential
Northern Kentucky University	\$328	\$452	\$18.00/per credit hour for MSN Courses \$58/credit hour DNP Courses
Tennessee Tech University	\$319	** \$458	**\$458/credit hour tuition for MSN Courses
University of Missouri - St Louis	\$266	\$348	\$37-\$436/credit hour
University of Nebraska - Omaha	*\$196.75 Students other than Nursing	**\$245.25 Students other than Nursing	*BSN tuition \$273.50/credit hour **MSN tuition 439.50/credit hour In addition to above tuition, additional fee ranging from \$10 to \$30/course
University of North Carolina - Charlotte	\$432	\$491	\$22.50/undergraduate and \$58/graduate/credit hour
University of North Carolina - Wilmington	\$468	\$485	No Differential
University of North Florida	\$170	**\$483	**\$518.00/credit hour tuition MSN/Nurse Anesthesia \$2,000/MSN Nurse Anesthesia/per year clinical fee \$35.00/credit hour for RN to BSN
University of Tennessee at Chattanooga	\$238	\$381	\$50/credit hour (proposed); currently \$25
University of West Florida	\$208	**\$353	** \$401.24/credit hour MSN Tuition
Western Carolina University	\$247	\$287	\$6,270/year MSN Nurse Anesthesia Clinical Fee Differential
Western Kentucky University	\$353	**\$467	**\$562/credit hour (DNP) \$25-\$340/ course (varies depending on undergraduate or graduate nursing course)
Winthrop University	\$543	\$526	No Nursing Program

POTENTIAL IMPACT ON STUDENTS

We do not believe that differential tuition will have a negative impact on enrollment, since other professional degrees at UTC are planning to implement differential tuition and since other nursing schools also have differential tuition (including UT Knoxville). In addition, student demand for nursing education remains very strong and is predicted to experience explosive growth in the next decade. We also believe that students will appreciate the additional support services and the overall higher level of quality that can be provided to them as a result of differential tuition. The financial impact upon the students is shown below.

Program	Credit Hours in Program	Present Program Cost	Additional Program Cost	Future Program Cost
BSN	65	\$19,655	\$1,625*	\$21,280
RN to BSN	27	\$8,443	\$1,350	\$9,793
MSN: FNP	53	\$21,098	\$2,400	\$23,498
MSN: NA	85	\$28,673	\$4,250	\$32,923
MSN to DNP	36	\$16,506	\$1,800	\$18,306
BSN to DNP (in Nursing Administration)	67	\$30,699	\$3,350	\$34,047

*Elimination of additional \$25 course fee presently paid by BSN students is reflected in the additional program cost.

The School of Nursing has sought and received funding for several scholarships/traineeships for disadvantaged student and need based student population that would be most impacted with the differential nursing tuition: Scholarship for Disadvantaged Students (SDS), Advanced Nursing Education Traineeship (ANET), and the Nurse Anesthesia Traineeship (NAT) for over a decade. The following represents funding for this year and the next three years:

Scholarship/Traineeship	2012-2013	2013-2014	2014-2015	2015-2016
SDS	\$645,000	\$645,000	\$645,000	\$645,000
ANET	\$338,558	\$341,098	Applying for Continued Funding	Applying for Continued Funding
NAT	\$21,010	Applying for Continued Funding	Applying for Continued Funding	Applying for Continued Funding

In addition, to further offset the impact on students adversely affected, ten percent (10%) of the funds realized from the differential tuition revenue will be distributed each year for scholarships.

Students who are not eligible for the aforementioned scholarship funds will be identified using the process currently in place. Each semester, the Director or designee attends classes to distribute information related to the available funds and how to apply. A faculty committee appointed by the Director will select the recipients based on need.

Nursing programs are more costly than traditional university programs. Our situation is further exacerbated by the following:

- Several HRSA grants are ending 6/30/2013. The grant funds have supported faculty positions. The University agreed to fund the positions upon termination of

grant funding. The positions are necessary to continue to serve the considerable growth in enrollments. Additionally, we must maintain accreditation standards/requirements and clinical site faculty/student requirements.

- Funding from Memorial Hospital partnership to share a faculty position for the DNP and MSN programs will end 12/31/2012. In order to maintain the current program enrollment, this partnership must now be funded totally by University monies.
- New on-line degree programs have been added. Best practice suggests that enrollments in such classes be limited to a 1:20-25 faculty ratios, impacting upon faculty needs.
- Advanced graduate programs require additional doctorate-prepared faculty holding nurse practitioner credentials, which tend to demand elevated salaries.
- We have experienced continuous turnover among faculty due to the fact that we have been unable to pay the higher nursing salaries demanded. As a result, we have, in some instances, reduced enrollments and/or not accepted worthy candidates. We have also hired adjunct faculty on a more frequent basis. However, hiring adjunct faculty has become increasingly difficult due to our failure to reach salary levels within reach of competing employers.

STUDENT RESPONSE TO DIFFERENTIAL TUITION

The Director of the School of Nursing, Dr. Kay Lindgren, discussed the proposed differential tuition with the following student groups:

- BSN through Student Nurses Association
- RN to BSN
- MSN FNP
- MSN Nurse Anesthesia
- DNP

At the end of each discussion, steps were implemented to determine student support for the differential tuition proposal.

At each meeting, the purpose of the differential tuition was explained to include how the revenue generated would be used (included in this proposal). With each student group, Dr. Lindgren discussed the impact on students related to total tuition increases. She also presented the range of differential tuitions from peer institutions so that students could compare with UTC's proposed differential tuition. Dr. Lindgren solicited feedback and student discussion from each group of students. After all questions were answered and student discussion was exhausted, Dr. Lindgren requested students to vote to support, not to support or abstain from voting for the proposal. Below are minute notes from student feedback, including the voting results.

Meeting with BSN Students

70 BSN students from the Undergraduate Student Nurses Association were present on November 7, 2012. After presentation and discussion, the students were receptive to the proposed differential tuition and commented that it would not have changed their decision to attend UTC and the BSN nursing program. The students fully supported the differential tuition. Results:

- Yes, I support the differential tuition – 70
- No, I am not supportive of the differential tuition – 0
- Abstain from voting – 0

Meeting with RN to BSN Students (Students holding the ASN or Diploma in Nursing)

25 students were present on November 7, 2012. The students were divided in support for the differential tuition. A slight majority of students were receptive of the differential and even commented that, "UTC is a great value even with the additional add-on cost." Many students commented that they had plans to remain at UTC through the doctoral program if they were able to "get in." Students who were not supportive of the differential offered reasons such as their employers were not rewarding/compensating them for completing their BSN. As one student noted, "I am doing this for me and my future. Employers do not appreciate what it takes to get the BSN." Another felt "unmotivated to come back to school in the first place," but felt that she needed to complete the program (employer requirement) and therefore was not receptive to "pay more money for what their employers were forcing us to do." A vote was requested:

- Yes, I support the differential tuition – 13
- No, I am not supportive of the differential tuition – 12
- Abstain from voting – 0

Editorial comment: Negative comments and negative votes seem to be aligned with frustration with lack of workplace recognition of the BSN rather than opposition to differential tuition.

Meeting with MSN FNP Students that would be affected by Differential Tuition

24 first year students were present on October 11, 2012. Students were very receptive of the proposed differential and added if they were aware of the \$50/credit hour differential; it would not have deferred them from enrolling in the program. One student commented, "This program has an outstanding reputation for the quality of its graduates and its 100% employment rate upon graduation." A vote was requested:

- Yes, I support the differential tuition – 24
- No, I am not supportive of the differential tuition – 0
- Abstain from voting – 0

Meeting with MSN Nurse Anesthesia Students

26 first year students that would be affected by differential tuition, including students at the Tupelo, MS site (live broadcasting), were present on October 18, 2012. A discussion ensued following Dr. Lindgren's presentation. One student noted, "Even with the differential, the tuition was still cheap." Another student noted, "It would not change my decision to attend UTC." Others expressed that they saw no major issues with paying the differential tuition. A vote was requested:

- Yes, I support the differential tuition – 26
- No, I am not supportive of the differential tuition – 0
- Abstain from voting – 0

DNP Students

This group was surveyed via Adobe Connect. All 10 students attending voted in support of the differential tuition. The first cohort, who will graduate in December 2012, was not surveyed.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 28, 2013

COMMITTEE: Health Affairs

CAMPUS/UNIT: UTHSC

ITEM: **UT Methodist Physicians, LLC (UTMP) – Fourth Amendment to 2009 Addendum A to the Amended and Restated Master Affiliation Agreement with Methodist Healthcare-Methodist Hospitals**

RECOMMENDATION: Approval

PRESENTED BY: Steve J. Schwab, Chancellor, UT Health Science Center

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In February 2012, the Board of Trustees approved designation of UT Methodist Physicians, LLC (UTMP) as a faculty practice plan for the limited purpose of employing new adult multi-specialty care physicians in the short term (UTMP-Phase 1), pending development of a larger plan under which certain physicians would be transitioned from UT Medical Group to UTMP (UTMP-Phase 2). The developing UTMP-Phase 2 proposal was reviewed with the Health Affairs Committee at its June and October 2012 and January 2013 meetings. The following draft agreement concerning UTMP-Phase 2 was prepared by the Office of the General Counsel in consultation with the Healthcare Department of the Waller, Lansden, Dortch, and Davis firm in Nashville. The draft agreement is currently being reviewed by Methodist.

The proposed implementation date for UTMP-Phase 2 is July 1, 2013. Because a final agreement will not be ready for approval at the March 1 meeting of the Board of Trustees, the administration requests that the Board authorize execution of the final agreement after approval by the Chair of the Health Affairs Committee upon the recommendation of the General Counsel, the Chief Financial Officer, and the President.

MOTION:

That the Chancellor of the UT Health Science Center and the Chief Financial Officer of the University be authorized to execute the Fourth Amendment to 2009 Addendum A to the Amended and Restated Master Affiliation Agreement with Methodist Healthcare-Methodist Hospitals after approval by the Chair of the Health Affairs Committee upon the recommendation of the General Counsel, the Chief Financial Officer, and the President.

**FOURTH AMENDMENT TO 2009 ADDENDUM A
TO THE
AMENDED AND RESTATED MASTER AFFILIATION AGREEMENT
BETWEEN
THE UNIVERSITY OF TENNESSEE
AND
METHODIST HEALTHCARE - METHODIST HOSPITALS**

Summary of Key Provisions

Section	Page	Summary
1.b.	2	UT and Methodist both have approval rights over all affiliation agreements the other party has with UTMP.
1.c.	2-3	UT has approval rights over agreements Methodist and/or UTMP have with UTMG or other UT faculty practice plan concerning the transition of physician practices and related assets to Methodist and/or UTMP and concerning termination of a physician's employment relationship with UTMP.
1.e., f.	3	Recruitment of physicians and other health care professionals to UTMP will be done cooperatively and pursuant to a multi-year recruitment plan to be developed by the parties.
3.b.	4	Methodist will make an annual Base Programmatic Investment (BPI) payment of \$3.25 million to UT.
3.c.	4	The BPI may increase or decrease from time to time on the mutual recommendation of the UT Executive Dean and the Methodist CEO and pursuant to a written amendment signed by the parties.
3.d.	4	Beginning July 1, 2014 and on each July 1 thereafter, the BPI will increase automatically by the % increase in the medical care index portion of the Consumer Price Index for All Urban Consumers.
4.	4-5	[Still under negotiation] Methodist will make an additional payment to UT, known as the Financial Performance Supplement (FPS), if Methodist's net operating margin in a given year exceeds the previous year's net operating margin by 3.5%. The FPS will be 25% of the amount by which the increase in net operating margin exceeds 3.5%. 33% of the FPS will be paid immediately; remaining 67% will be distributed on the basis of UTMP performance.

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Section	Page	Summary
5.	5	Methodist is responsible for all financial liability associated with operations of UTMP, and neither the state nor UT will have any obligation to finance the deficits of UTMP.
6.	5	<p>While the Fourth Amendment is in effect, Methodist’s charter and bylaws will provide that the UTHSC Chancellor, Executive Dean, and a Trustee from the Memphis area will serve as ex officio voting members of the Methodist board of directors (UT Directors), and UT Directors will constitute not less than 1/6 of the total number of votes entitled to be cast. At least 1 UT Director will serve on the following standing committees: Corporate Governance, Finance, Physician Alignment, and Quality.</p> <p>Up to 3 physicians who are full-time faculty of UTHSC will also be voting members of the Methodist board.</p>
7.	6-9	<p>A physician leader employed full-time by UT, and acceptable to both UT and Methodist (currently Executive Dean Dave Stern), will provide the services of Executive Vice President for Medical Affairs of Methodist (EVPMA).</p> <p>The compensation of the UT employee providing EVPMA services will be determined solely by UT, and Methodist will not provide any compensation, benefits, or any other remuneration, directly or indirectly, to the UT employee providing EVPMA services.</p> <p>Methodist acknowledges the multiple capacities in which Executive Dean Stern currently serves with UT and its faculty practice plans. Methodist agrees to indemnify, defend, and hold harmless UT (and its agents, Trustees, officers, and employees) against certain losses, including those arising from a breach of a fiduciary duty or other duty by any UT employee providing EVPMA services. The UT employee must acknowledge in writing the terms and conditions of Section 7 and state law limitations on a non-profit corporation’s authority to indemnify an officer and director for a breach of the fiduciary duty of loyalty to the non-profit corporation.</p>
7.n.	9	Section 7 concerning EVPMA services can be terminated without terminating the Fourth Amendment in its entirety.
8.	9-10	Co-Branding of programs and services will be in accordance with licensing agreements and a policy statement to be developed by the parties. (No additional compensation is anticipated for the parties’ use of each other’s brand.)

Section	Page	Summary
8.	10	Methodist University Hospital will be renamed "UT Methodist Medical Center." Co-branding of Le Bonheur Children's Hospital will be as mutually agreed by the parties (still under negotiation).
9.	10	All clinical research activities by UT faculty as PI or co-PI, including those concurrently employed by UTMP, will flow through UT as prime contractor.
10.a.	10	Fourth Amendment will be in effect from the Effective Date, July 1, 2013, until terminated in accordance with its terms.
10.c.	11-13	Termination of the Fourth Amendment: (i) mutual written agreement; (ii) without cause on 1 year's written notice; (iii) for cause after following procedures for informal resolution (an option for mediation is also provided); (iv) for insolvency; and (v) upon the occurrence of certain circumstances related to federal law and regulatory requirements.
11.a., b. c.	13-14	In the event of termination without cause, for cause, for insolvency, or upon the occurrence of one of the circumstances outlined in subsection 10.c.v., the non-terminating party may require that the terminating party transfer all its rights and interests in UTMP to the non-terminating party without additional consideration (but only as allowed by law in the event of termination for insolvency).
11.e.	14	In the event of termination of the Fourth Amendment for any reason, any UTMP physician or other health care professional who holds any faculty appointment with UTHSC will be entitled to terminate his or her employment with UTMP upon 30 days' written notice for the purpose of becoming an employee or contractor of another UT-designated faculty practice plan. Neither UT nor the UT faculty member will be required to pay UTMP or Methodist any amount in order for the UT faculty member to terminate his or her employment with UTMP to become an employee or contractor of another UT-designated faculty practice plan.

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**FOURTH AMENDMENT TO 2009 ADDENDUM A
TO THE AMENDED AND RESTATED MASTER AFFILIATION AGREEMENT
BETWEEN
THE UNIVERSITY OF TENNESSEE AND METHODIST HEALTHCARE – MEMPHIS
HOSPITALS**

This Amendment, effective on July 1, 2013 (the “Effective Date”), is to Addendum A effective July 1, 2009 (“2009 Addendum A”) to the Amended and Restated Master Affiliation Agreement effective July 1, 2003 (“Amended and Restated Master Affiliation Agreement”) by and between The University of Tennessee (“UT”), on behalf of The University of Tennessee Health Science Center in Memphis (“UTHSC”), and Methodist Healthcare - Memphis Hospitals (“Methodist”) (UT and Methodist are hereafter sometimes referred to individually as a “Party” or collectively as the “Parties”). This Amendment shall hereafter be referred to as the “Fourth Amendment.”

RECITALS

WHEREAS, the Parties have previously determined that their respective institutions and the communities they serve will be better served through the establishment of one or more faculty group practices under the joint governance, management and support of UT, through UTHSC, and Methodist;

WHEREAS, for the past several years, UT has maintained and continues to maintain an affiliation agreement with UT’s primary faculty practice plan, UT Medical Group, Inc. (“UTMG”), which is a nonprofit, mutual benefit corporation organized under Tennessee law and exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and which operates a multi-specialty physician practice that as of 2010 employed approximately 360 physicians, all of whom are faculty of the UT College of Medicine’s Memphis campus (“UTCOM”);

WHEREAS, on September 8, 2010, the Parties caused to be formed UT Le Bonheur Pediatric Specialists, Inc. (“ULPS”), a nonprofit, public benefit corporation, which has no corporate members, and which is governed by a Board of Directors, to which Methodist and UT each appoint an equal number of members;

WHEREAS, pursuant to various written agreements between UT, Methodist, ULPS, and UTMG, including but not limited to the First Amendment, dated December 28, 2010, to the 2009 Addendum A to the Amended and Restated Master Affiliation Agreement, ULPS was designated as a pediatric faculty practice plan of UT, and the employment of approximately 90-100 physicians practicing in a variety of pediatric-related specialties at UTMG was transitioned from UTMG to ULPS pursuant to written employment agreements between ULPS and such pediatric physicians;

WHEREAS, on February 7, 2012, Methodist formed UT Methodist Physicians, LLC (“UTMP”), a nonprofit limited liability company with Methodist as its sole member, and which is governed by a Board of Directors, to which Methodist and UT each appoint an equal number of members;

WHEREAS, pursuant to various written agreements between UT, Methodist, and The West Clinic, P.C. (“TWC”), including but not limited to the Second Amendment, effective January 1, 2012, to the 2009 Addendum A to the Amended and Restated Master Affiliation Agreement, as revised by the Parties on August 6, 2012, TWC was designated as an oncology/hematology faculty practice plan of UT;

WHEREAS, pursuant to the Third Amendment, dated June 13, 2012, to the 2009 Addendum A to the Amended and Restated Master Affiliation Agreement, UTMP was designated as a multispecialty faculty practice plan of UT;

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WHEREAS, pursuant to a Professional Services Agreement entered into by the Parties effective October 1, 2012, UT is providing certain professional services to Methodist with respect to the oversight and management of the physician enterprise at Methodist through the services of UTCOM's Executive Dean, David M. Stern, M.D.; and

WHEREAS, the Parties desire to become more clinically and operationally integrated through, among other things, transitioning the employment of additional physicians who are currently practicing in a variety of specialties and subspecialties from UTMG to UTMP pursuant to one or more separate written agreements between UT, Methodist, UTMP, UTMG, and/or individual physicians (if necessary).

NOW THEREFORE, in consideration of the mutual promises, benefits, and covenants herein contained and consistent with the goals and intentions of the parties and the Amended and Restated Master Affiliation Agreement, UT and Methodist do hereby agree as follows:

1. Incorporation of Third Amendment; Joint Development and Governance of UTMP as a UT Faculty Practice Plan

- a. Sections 1 and 2 of the Third Amendment to the 2009 Addendum A to the amended and Restated Master Affiliation Agreement are hereby incorporated by reference as if fully set forth herein, and the remainder of the Third Amendment is no longer of any force or effect.
- b. It is anticipated that UT and Methodist will enter into one or more separate written affiliation agreements with UTMP, all of which shall comply with all applicable laws, rules, and regulations, including, but not limited to, the federal physician self-referral statute, 42 U.S.C. § 1395nn (the "Stark Law"), and the federal anti-kickback statute, 42 U.S.C. § 1320a-7b (the "Anti-kickback Statute"). All affiliation agreements between Methodist and UTMP shall be subject to the approval of UT, and all affiliation agreements between UT and UTMP shall be subject to the approval of Methodist. If approved by UT and Methodist, each affiliation agreement shall indicate such approval on the signature page of the affiliation agreements. Any material breach by UT or Methodist of their respective affiliation agreements with UTMP, and any termination by UT or Methodist of their respective affiliation agreements with UTMP without the express written consent of the other Party to this Fourth Amendment, shall constitute a material breach of this Fourth Amendment.
- c. In connection with such affiliation agreements, it is anticipated that Methodist and/or UTMP will enter into one or more separate written agreements (including but not limited to asset purchase agreements, lease agreements, employment agreements and independent contractor agreements) with physicians and physician groups, including but not limited to UTMG or other UT faculty practice plans, in order to accomplish the transition of such physicians' practices and related assets to Methodist and/or UTMP. Although UT may or may not be a party to such agreements, all such agreements shall provide fair market value consideration for the item(s) or service(s) being provided and shall otherwise comply with all applicable laws, rules, and regulations, including, but not limited to, the Stark Law and the Anti-kickback Statute. In addition, all such agreements shall be subject to the approval of UT. If approved by UT, each agreement shall indicate such approval on the signature page of the agreement. Any agreements that may be entered into by Methodist and/or UTMP in connection with the termination of the employment relationship with UTMP (including but not limited to, separation agreements, settlement agreements, and severance agreements) shall be subject to the approval of UT. If approved by UT, each agreement shall indicate such approval on the signature page of the agreement.

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- d. It is anticipated that UTMP’s designation as a faculty practice plan of UTCOM may include but not be limited to the following specialties: Cardiology, Cardiovascular Surgery, Endocrinology, Electrophysiology, Gastroenterology, General Surgery, Infectious Disease, Internal Medicine, Nephrology, Otolaryngology, Pulmonary, Rheumatology, Surgical Oncology, Transplant Surgery, Urology, and Vascular Surgery.
 - e. Consistent with the recruitment plan described in subsection f. of this Section 1, UT and Methodist will cooperate with one another in the recruitment of physicians and other health care professionals to employment with UTMP, including but not limited to physicians and other health care professionals currently employed or contracted by one or more existing UT designated faculty practice plans and/or by Methodist or one of its affiliates. The Parties agree that UTMP will employ only physicians who hold a faculty appointment with UT so as to meet the definition of a “faculty practice plan” as set forth in Tenn. Code Ann. § 63-6-204.
 - f. Physician recruitment will occur for UTMP with recognition that specific investments will be required to support programmatic growth and expansion. Thus, the qualifications of each recruited physician shall be subject to the approval of the Methodist CEO and UTCOM Executive Dean and, unless otherwise agreed by them, will be consistent with the multi-year clinical faculty recruitment plan to be developed and approved by the Methodist CEO and UTCOM Executive Dean. Such recruitment plan shall be updated on an annual basis and shall be designed to support the strategic priorities of Methodist and UT as set forth in the Amended and Restated Master Affiliation Agreement, the 2009 Addendum A, and amendments to the 2009 Addendum A. All physician recruitment activities conducted by or on behalf of UTMP shall be conducted in accordance with all applicable laws, rules, and regulations, including, but not limited to, the Stark Law and the Anti-kickback Statute.
 - g. UT and Methodist agree that in cooperation with UT’s Chief Financial Officer, UTMP shall implement the “common paymaster” status as authorized by section 125 of the Internal Revenue Code. UT will act as the common paymaster and will report all social security wages and earnings on applicable employees’ annual statement of earnings, Form W-2.
 - h. As specified in Section 9.3 of the Operating Agreement of UTMP, the UTMP Board of Directors shall be comprised of representatives of UT, Methodist, and UTMP physicians, and may include outside directors.
 - i. The operations of UTMP shall be conducted in compliance with all applicable laws, rules, and regulations, including but not limited to the Stark Law, the Anti-Kickback Statute, the federal False Claims Act, 31 U.S.C. § 3729 et seq., as amended by the federal Fraud Enforcement and Recovery Act of 2009 (the “False Claims Act”), and the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (“HIPAA”). To the extent Methodist enters into any management agreement with UTMP, such management agreement shall provide fair market value compensation for the services being provided and shall comply with the applicable requirements of the Stark Law and the Anti-kickback Statute.
2. **Appointment of Physician Service Line Leaders.** The UTCOM Executive Dean and Methodist CEO shall jointly make appointments of a certain number of physicians who shall lead key service lines and who shall be employed by UTMP and hold a faculty appointment at UTCOM.

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3. Base Programmatic Investment

- a. Through the joint governance structure of UTMP and such other methods as may be agreed to by the Parties in writing, UT and Methodist will endeavor to further grow and develop clinical, medical education and research programs related to improving the health of the communities they serve.
- b. To foster long term growth and development of the academic enterprise associated with UTMP's multi-specialty clinical practice and related programs, Methodist shall make an annual payment of three million two hundred fifty thousand dollars (\$3,250,000.00) ("Base Programmatic Investment") to UT. The Base Programmatic Investment described in this Fourth Amendment is separate and distinct from other financial commitments reflected in or related to the Amended and Restated Master Affiliation Agreement and the 2009 Addendum A, as amended (e.g., Graduate Medical Education funding).
- c. The amount of the Base Programmatic Investment may increase or decrease from time to time upon the mutual recommendation of the UTCOM Executive Dean and the Methodist CEO pursuant to an amendment to this Fourth Amendment executed by the UTHSC Chancellor and UT Chief Financial Officer on behalf of UT and by the Methodist President and CEO on behalf of Methodist. The reason(s) for any such change may include, but shall not be limited to, UTMP's acquisition or addition of other physician practice groups and/or individual provider(s), or the divestiture of an any such practice group and/or individual provider(s).
- d. Beginning July 1, 2014 and on each July 1 thereafter while this Fourth Amendment is in effect, the Base Programmatic Investment in effect as of that date shall increase automatically by the percentage increase in the medical care index portion of the Consumer Price Index for All Urban Consumers issued by the Bureau of Labor Statistics of the U.S. Department of Labor for the prior year.
- e. The Base Programmatic Investment payment shall be made in equal monthly installments throughout the applicable year, with the first installment being made to UT no later than July 5, 2013. Subsequent installments will be due on the first day of each month.
- f. One hundred percent (100%) of the Base Programmatic Investment payment shall be credited to a specified UT Restricted Account referred to hereafter as the "Base Programmatic Investment Fund."
- g. Periodically and upon request, the UTCOM Executive Dean will discuss with the Methodist CEO UT's plans for expenditure of funds deposited in the Base Programmatic Investment Fund.

4. Financial Performance Supplement

- a. In addition to the annual Base Programmatic Investment payment, Methodist shall make additional payments to UT in order to support specific faculty or other program development (such payments being referred to herein as "Financial Performance Supplement" or "FPS") in accordance with the remaining subsections of this Section 4.
- b. If Methodist's net operating margin (as defined by _____) exceeds the previous year's net operating margin by greater than three and one-half percent (3.5%), then Methodist shall

Comment [A1]: Under negotiation.

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pay to UT twenty-five percent (25%) of the amount greater than three and one-half percent (3.5%) as follows:

- i. Thirty-three percent (33%) of the FPS will be paid to UT following the determination that the net operating margin has met the 3.5% requirement.
 - ii. The remaining sixty-seven percent (67%) will be withheld by Methodist and distributed based on annual practice performance and mutual goals established with the concurrence of the UTCOM Executive Dean and Methodist CEO.
- c. The Parties agree and acknowledge that the determination of such FPS payments shall in no event take into account the volume or value of any patient referrals made to, or other business generated for, Methodist, and shall in all events otherwise be in accordance with all applicable laws and regulations.
- d. The payment of any FPS from Methodist to UT shall be subject to all policies and procedures of Methodist, such as, but not limited to, appropriate approvals within Methodist; provided, however, that once any FPS has been paid to UT, such conditions relative to Methodist's policies, procedures and approvals shall be deemed to have been satisfied and no portion of such FPS amounts shall be subject to any refund or recoupment from UT.

Comment [A2]: Under negotiation.

5. Methodist's Financial Responsibility for UTMP

- a. In accordance with the UTMP Operating Agreement, Methodist shall be responsible for all financial liability associated with the operations of UTMP.
- b. Debts, liabilities, and other obligations of UTMP shall not constitute debts, liabilities or obligations of the State of Tennessee or UT. Neither the State of Tennessee nor UT shall have any legal or other obligation to finance the deficits of UTMP.

6. Restructuring of Methodist's Board of Directors

- a. Methodist represents, warrants, and covenants to UT that at all times during the term of this Fourth Amendment, Methodist's Charter and Bylaws will be consistent with the following:
 - i. The UTHSC Chancellor, the UTCOM Executive Dean, and one UT Trustee from the Memphis area designated by the Vice Chair of the UT Board of Trustees shall be *ex officio* voting members (collectively, the "UT Directors") of the Methodist Board of Directors, and such UT Directors will constitute not less than one sixth (1/6) of the total number votes entitled to be cast by the Methodist's Board of Directors;
 - ii. Up to three (3) physicians who hold full-time faculty appointments at UTHSC who are elected by the medical staff of Methodist shall be voting members ("Physician Directors") of the Methodist Board of Directors; and
 - iii. At least one UT Director will serve on each of the following standing committees of Methodist's Board of Directors: (A) Corporate Governance, (B) Finance, (C) Physician Alignment, and (D) Quality.
- b. Methodist's organizational documents shall reflect at all times during the term of this Fourth Amendment that no amendment, deletion, or other change to such provisions required by

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Section 6.a of this Fourth Amendment shall be effective without the unanimous written consent of all the UT Directors.

7. Appointment of Executive Vice President for Medical Affairs of Methodist

- a. UTCOM's Executive Dean (who presently is David M. Stern, M.D.), or other physician leader employed by UT and acceptable to both UT and Methodist, shall serve as the Executive Vice President for Medical Affairs of Methodist ("EVPMA") on the terms and conditions contained in this Fourth Amendment. The EVPMA, on behalf of UT, shall provide management services related to the physician enterprise of Methodist ("EVPMA Services"). The EVPMA Services are more fully described in Exhibit A to this Fourth Amendment, the provisions of which are incorporated in this Section 7 by reference.
- b. Both Methodist and UT recognize and agree that a UT physician employee acting as EVPMA is consistent with and in furtherance of the mission and goals of both Methodist and UTHSC, including but not limited to the joint oversight and management of the clinical services provided through physicians practicing at Methodist and through UTMP and ULPS. However, the relationship of the Parties hereunder is that of independent contractors and not of joint venturers, partners, or agents of one another. Neither Party shall have the authority to create any contractual, financial, or other obligation on behalf of the other Party under this Fourth Amendment. Neither Party, nor any of their respective employees, managers, officers, directors, or trustees shall be construed to be, nor shall be held out by either Party to be, the employee or agent of the other Party, except the Parties acknowledge that the EVPMA shall serve as an unpaid corporate officer of Methodist while serving as a full-time paid employee of UT.
- c. The UT physician employee performing EVPMA Services shall at all times be a full-time employee of UT acting on behalf of UT and subject to the direction and control of UT, provided that when acting in the capacity of EVPMA, such UT physician employee have a dual reporting responsibility to the Chancellor of UTHSC and to the Methodist CEO. It is not the intention of UT or Methodist, however, that any UT physician employee who serves in the capacity of EVPMA be deemed to be jointly employed by UT and Methodist, nor deemed to be leased by UT to Methodist. Rather, such UT physician employee is to serve in the capacity of EVPMA directly by virtue of his or her employment and position with UT, and shall be acting in the scope of his/her UT employment when providing EVPMA Services. Although UT will provide the EVPMA Services that might otherwise be provided by an employee of Methodist, neither UT nor any UT employee who may perform EVPMA Services under this Fourth Amendment shall be deemed to be the employee of Methodist or the employer or joint employer of any Methodist employee. No UT employee who may perform EVPMA Services under this Fourth Amendment shall make any employment decisions with respect to any Methodist employee.
- d. Other than the provision of administrative support (such as office space, secretarial support, etc.) reasonably necessary in connection with the provision of the EVPMA Services, Methodist shall not provide any compensation, benefits, or any other remuneration, directly or indirectly, in cash or in kind to any UT employee who may perform EVPMA Services hereunder. The compensation of any UT employee who may perform EVPMA Services hereunder shall at all times be determined solely by UT on the basis of performance of his or her responsibilities as a UT employee and other appropriate factors as determined by UT in its sole discretion, including without limitation national benchmark market data; provided

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that in no event shall such compensation decisions be based on the number of physicians recruited to Methodist, UTMP, or any Methodist affiliate.

- e. UT and Methodist acknowledge that, in connection with the provision of EVPMA Services, UT and the EVPMA may receive confidential information from Methodist, which is not published or otherwise in the public domain and the UT physician employee acting in the capacity of EVPMA will be expected to execute a mutually-acceptable Confidentiality Statement substantially in the form of the one attached as Exhibit B to this Fourth Amendment prior to being provided with access to such confidential information. During the term of this Fourth Amendment and for five (5) years thereafter, UT agrees to hold in confidence all information acquired by UT from Methodist relating to Methodist's business activities, subject to the other provisions of this Fourth Amendment. UT and Methodist acknowledge and agree that confidential information does not include:
 - i. Information which at the time of disclosure to UT was in the public domain;
 - ii. Information which, after disclosure to UT, is published or otherwise has become part of the public domain through no fault of UT;
 - iii. Information which was in UT's possession at the time of disclosure and which was not acquired directly or indirectly from Methodist;
 - iv. Information which was received by UT from a third party who did not acquire it directly or indirectly from Methodist; and
 - v. Information and/or documents that are required to be disclosed by law, regulation, subpoena or court order, including but not limited to the Tennessee Public Records Act (Tenn. Code Ann. § 10-7-101 et seq.).
- f. Notwithstanding the foregoing, Methodist agrees not to disclose any confidential information to UT or to the EVPMA that is not reasonably necessary for UT or the EVPMA to fulfill its obligations under this Fourth Amendment. In addition, Methodist shall not disclose to the EVPMA any information that he or she is prohibited from sharing with UT or that is otherwise competitively sensitive information (as such term is understood in the context of applicable anti-trust laws, rules and regulations, including without limitation pricing, reimbursement rates, salaries and wages). Except as otherwise set forth herein, the Parties agree and acknowledge that any information shared by Methodist or its affiliates with the EVPMA may be shared with UT. To comply with obligations under HIPAA, UT shall execute a mutually acceptable HIPAA Business Associate Agreement substantially in the form attached as Exhibit C to this Fourth Amendment.
- g. UT shall provide the EVPMA Services to Methodist in good faith and in a competent manner that is consistent with generally recognized standards in the industry. Although UT agrees to use reasonable efforts to provide the EVPMA Services in a manner that is designed to assist Methodist in achieving its goals and objectives described herein, UT makes no representations or warranties, either express or implied, as to the results, usefulness, or value of the EVPMA Services. UT shall not be liable for any direct, consequential, or other damages suffered by Methodist or others resulting from any EVPMA Services provided by UT, including but not limited to any services provided by a UT physician employee acting as EVPMA. UT is self-insured for certain acts and omissions under the provisions of the

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Tennessee Claims Commission Act (Tenn. Code Ann. § 9-8-301 et seq.), and its liability to Methodist and others is limited by the provisions of the Act.

- h. Notwithstanding any other provision of this Fourth Amendment which may appear to be to the contrary, no provision of this Fourth Amendment is intended nor shall be construed to reduce the fiduciary duties the UT physician employee owes to UT when acting in the capacity of EVPMA. Accordingly, the Parties agree that nothing in this Fourth Amendment is intended to create, nor shall be construed to create, any fiduciary duty or other obligation requiring UT or any UT employee to act in the best interest of Methodist in providing EVPMA Services hereunder.
- i. Both Methodist and UT acknowledge and agree that, as a full-time UT employee, the EVPMA must at all times act in compliance with all UT policies and procedures as well as applicable state law, including but not limited to those regarding conflicts of interest. The Parties agree that neither UT nor any UT employee providing EVPMA Services shall be required to violate UT's Conflicts of Interest Policy (FI0125), nor any other UT policy, in order to fulfill UT's obligations hereunder. In the event that an actual or potential conflict of interest should arise during UT's provision of EVPMA Services to Methodist, the Parties acknowledge and agree that any such actual or potential conflict of interest shall be resolved in accordance with the UT's Conflicts of Interest Policy, taking into consideration Methodist's Conflict of Interest Policy to the extent practicable. Both Parties agree to take all reasonable steps to avoid the creation of any actual or potential conflict of interest under this Fourth Amendment. In the event that an actual or potential conflict of interest arises that cannot be resolved, either Party may terminate this Section 7 immediately upon written notice to the other Party, stating the basis for the actual or potential conflict of interest.
- j. The Parties specifically acknowledge and agree that, as of the Effective Date of this Fourth Amendment, Dr. Stern, who is currently serving as the EVPMA, is:
 - i. a full-time employee of UT, and serves as Executive Dean of UTCOM campuses statewide and as the UT's Vice Chancellor for Clinical Affairs statewide;
 - ii. the Chairman of the Board of Directors of UTMG, UTMP, and ULPS, as well as an *ex officio* member of the Tennessee Cancer Council advisory board with respect to UT's affiliation agreement with TWC;
 - iii. an *ex officio* voting member of Methodist's Board of Directors; and
 - iv. a member of the board of directors of Methodist-owned physician practices known as Specialty Practice Group (SPG) and Primary Care Group (PCG).
- k. The Parties further specifically acknowledge and agree that:
 - i. UT has affiliation agreements with UTMG, ULPS, UTMP, and TWC under which these entities are designated as faculty practice plans for UT;
 - ii. Neither UT nor the EVPMA shall perform, nor shall be requested to perform, any EVPMA Services under this Fourth Amendment that would potentially conflict with its, his or her contractual obligations or fiduciary duties to UT, UTMG, ULPS, UTMP, TWC, or any other UT-affiliated faculty practice plan including but not limited to Semmes-Murphey Clinic, P.C. and Campbell Clinic, P.C.

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- l. Methodist agrees to indemnify, defend (at UT's sole discretion), and hold harmless UT, UTHSC, UTCOM, and their respective agents, trustees, officers, and employees from and against any liability, loss, claim, settlement, award, judgment, release, damage, expense, including without limitation attorney's fees ("Losses") to the extent such Losses arise from any claim for breach of fiduciary duty, breach by Methodist of its obligations hereunder or any negligent acts or omissions or willful misconduct by Methodist or its employees or agents, or from any actions taken by any UT employee in providing the EVPMA Services, including the performance of his/her duties as EVPMA. Such Losses include, but shall not be limited to, those which are based on a breach of the fiduciary duty of loyalty or other duty owed to Methodist, UTMP, UTMG, or ULPS by UT or any UT employee serving under this Fourth Amendment as EVPMA to the extent such Losses arise from actions taken in conjunction with the performance of the EVPMA Services described herein or as otherwise requested by Methodist under this Fourth Amendment. Methodist acknowledges and agrees that in performing the EVPMA Services, UT or any UT employee may be required by fiduciary duties and other employment-related obligations owed to UT to refrain from executing certain acts, or from engaging in certain discussions or decision making processes (e.g., voluntary recusal obligations) that would otherwise be of benefit to Methodist, and that in such event, the failure by UT through any UT employee to act as directed by Methodist shall not be considered a breach of any obligation under this Fourth Amendment. The obligations of Methodist under this subsection l shall survive the termination of this Fourth Amendment.
- m. The Parties acknowledge, however, that Methodist shall be obligated to indemnify any UT employee serving under this Fourth Amendment as EVPMA in his or her personal capacity only to the extent authorized by Tennessee law. Any UT employee who serves as EVPMA shall expressly acknowledge in writing (substantially in the form attached hereto as Exhibit B) the terms and conditions of this Section 7 and the limitations under Tennessee law of the authority of a non-profit corporation such as Methodist to indemnify an officer and director from liability in his or her personal capacity for a breach of his fiduciary duty of loyalty to the non-profit corporation. The obligations of Methodist under this subsection m shall survive the termination of this Fourth Amendment.
- n. In addition to the other provisions of this Fourth Amendment allowing for the immediate termination of this Section 7, either Party may terminate this Section 7 at any time, without cause or penalty, upon thirty (30) days prior written notice to the non-terminating Party. In the event that either Party alleges a default by the other Party in the performance of this Section 7, the non-defaulting Party shall provide thirty (30) days advance written notice to the defaulting Party specifying the alleged default and the action required to cure the default, and if the alleged default is not cured to the reasonable satisfaction of the non-defaulting Party within thirty (30) days after receipt of such notice, the non-defaulting Party may terminate this Section 7 upon written notice to the defaulting Party. The Parties agree and acknowledge that the provisions of Section 10c.iii do not apply with respect to a breach or alleged breach of this Section 7.

8. Co-Branding of Methodist Facilities

- a. Many of the programs and services subject to this Fourth Amendment may be operated and/or marketed using the brands and other intellectual property of both Methodist and UT ("Co-Branding"). Any such Co-Branding efforts shall comply with the terms and conditions of licensing agreements to be executed by the Parties.

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- b. The Parties also agree to develop a joint Co-Branding policy statement (“Co-Branding Policy”) that will address placement and prominence of logos and trademarks, style guides, and associated requirements when advertising or promoting the value of the programs and services subject to this Fourth Amendment. For online collaborations, the Parties agree to share relevant statistical data concerning Co-Branded programs and services in a timely manner for the purpose of joint review and evaluation. The Co-Branding Policy developed by the Parties is not intended, and may not be relied on, to create any right or benefit, substantive or procedural, enforceable by law by any Party against any other Party to this Fourth Amendment.
- c. The Parties agree to the Co-Branding of certain Methodist facilities, specifically to include:
 - i. Methodist University Hospital to be renamed “UT Methodist Medical Center” and
 - ii. Le Bonheur Children’s Hospital to be Co-Branded with UT in a manner mutually agreed between Methodist and UT.
- d. The Parties agree that the licensing agreements and provisions of the Co-Branding Policy required by this Section 8 shall terminate automatically upon the termination of this Fourth Amendment. Furthermore, the licensing agreements will specify the process by which the Co-Branded programs, systems and other assets will wind down following the termination of this Fourth Amendment. Specifically, Methodist agrees that within thirty (30) days after termination of this Fourth Amendment, Methodist, at its expense, shall remove UT’s name, logo, and any other indicia from all Methodist facilities.

9. Coordination of Clinical Research Activities

- a. UT and Methodist acknowledge that:
 - i. Income generated by clinical research trials, industry sponsored research, investigator-initiated research studies, governmental research grants, and other research activities (“Research Activities”) is a significant source of revenue for UTCOM’s departments;
 - ii. The continuation of an individual’s UT faculty appointment is sometimes made contingent upon the continuation of the receipt of income from various Research Activities in which the faculty member is engaged; and
 - iii. Revenue from Research Activities may serve as the basis for a substantial portion of the academic payment UT is responsible for paying to UT faculty and other UT employees who will be concurrently employed by UTMP.
- b. Therefore, UT and Methodist acknowledge and agree that all Research Activities conducted by UT faculty as a principal investigator or co-investigator, including those who are concurrently employed by UTMP, shall flow through UT as the prime contractor, and shall be administered by UTHSC’s Office of Research Administration.

10. Term and Termination of this Amendment

- a. This Fourth Amendment shall commence on the Effective Date and shall remain in effect unless and until terminated as provided for in this Fourth Amendment.

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- b. The Parties agree and acknowledge that the terms and provisions of Section 7 may be terminated in accordance with the terms of Section 7 without terminating this Fourth Amendment in its entirety.
- c. Subject to compliance with the terms and conditions set forth in Section 11 concerning the effect of termination, the entire Fourth Amendment may be terminated as follows:
 - i. Mutual Agreement. The Parties may terminate this Fourth Amendment by mutual written agreement.
 - ii. Without Cause. Either Party may terminate this Fourth Amendment without cause by providing at least one (1) year's advance written notice to the other Party.
 - iii. For Cause. Failure by either Party to comply in any material respect with any of its obligations under this Fourth Amendment shall entitle the other Party to give written notice ("Default Notice") to the Party in default. If such default is not cured to the reasonable satisfaction of the non-defaulting Party within thirty (30) days after the defaulting Party's receipt of the Default Notice, or a remedial plan acceptable to the non-defaulting Party has not been put in place within thirty (30) days after the defaulting Party's receipt of such notice, either Party shall be entitled to initiate the following procedure by written notice to the other (the "Resolution Notice"); provided that the Resolution Notice shall contain a copy of the Default Notice and any written responses thereto (collectively, the "Default Materials"):
 - (a) Within ten (10) Business Days after the delivery of the Resolution Notice, the UTHSC Chancellor and the Methodist CEO shall meet and negotiate in good faith to resolve the alleged default and terms and conditions of any remedial plan with respect thereto. In the event that the UTHSC Chancellor and the Methodist CEO are able to reach agreement with respect to such matters, the non-defaulting Party shall not have the right to terminate this Fourth Amendment for cause on account of such alleged default.
 - (b) In the event that, within twenty (20) Business Days after the delivery of the Resolution Notice, the UTHSC Chancellor and the Methodist CEO are unable to agree on whether a default has occurred or the terms of any remedial plan with respect thereto, either Party may, by written notice (the "Mediation Notice") to the other Party, obligate the Parties to attempt to resolve such matters through non-binding mediation in accordance with this Fourth Amendment. In the event that (i) the matter is not resolved pursuant to subsection (a) above and (ii) neither Party has provided the Mediation Notice within twenty five (25) Business Days after the delivery of the Resolution Notice, then the non-defaulting Party may terminate this Fourth Amendment for cause by written notice to the defaulting Party.
 - (c) Within five (5) Business Days after receipt of the Mediation Notice, the UTHSC Chancellor and the Methodist CEO shall identify a mutually acceptable independent third party mediator (the "Mediator"). If the identity of the Mediator cannot be agreed upon during such time period, each party shall designate a single mediator within ten (10) Business Days after the receipt of the Mediation Notice and those mediators shall select a third person that will serve as the Mediator.

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(d) The mediation shall be held in Memphis, Tennessee. The UTHSC Chancellor, the Methodist CEO, and the Mediator shall determine a convenient date for the mediation, which date shall not be more than twenty (20) Business Days after the receipt of the Mediation Notice without the written consent of both Parties to a later date. The UTHSC Chancellor and the Methodist CEO shall attempt in good faith to agree on procedures for the expeditious exchange of information in the possession of the other party which is desired to prepare for the mediation. Each Party shall deliver a concise summary of its view on the alleged default and any proposed remedial plan with respect thereto to the Mediator at least five (5) Business Days before the first scheduled session of the mediation.

(e) The Mediator shall determine the format for the meetings, and the mediation session shall be private. The Mediator will keep confidential all information learned in private caucus with any Party unless specifically authorized by such Party to make disclosure of the information to the other Party. The Parties agree that the mediation shall be governed by such rules as the Mediator shall prescribe after taking into account the preferences of the Parties. If the Mediator does not prescribe rules, the mediation shall be governed by the relevant provisions of Tennessee law.

(f) The Parties agree to participate in the mediation to its conclusion. The mediation shall be terminated by: (i) the execution of a settlement agreement or similar statement by the UTHSC Chancellor and UT Chief Financial Officer and the Methodist CEO, (ii) a declaration of the Mediator that mediation is terminated, or (iii) a written declaration by the UTHSC Chancellor or the Methodist CEO to the effect that the mediation process is terminated at the conclusion of five (5) full days.

(g) The costs and expenses of mediation, including compensation and expenses of the Mediator, shall be borne equally by the Parties. The Mediator shall be disqualified as a witness, expert or counsel for any Party with respect to the alleged default and any related matters. The entire mediation process is confidential, and such conduct, statements, promises, offers, views and opinions shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the mediation.

(h) In the event that the mediation results in a successful resolution of the alleged default or any remedial plan with respect thereto, the non-defaulting Party may not terminate this Fourth Amendment for cause on account of the alleged default. In the event that the mediation does not result in the execution of a settlement agreement or similar statement by the UTHSC Chancellor and UT Chief Financial Officer and the Methodist CEO, the non-defaulting Party shall be entitled to send a written notice terminating this Fourth Amendment for cause on account of the alleged default. The right of either Party to terminate this Fourth Amendment for cause shall not be affected in any way by such Party's waiver of, or failure to take action with respect to, any previous default by a defaulting Party.

(i) The Parties agree and acknowledge that the terms and provisions of this Section 10c.iii do not apply with respect to breaches or alleged breaches of Section 7.

iv. Insolvency. Either Party may terminate this Fourth Amendment immediately by written notice to the other Party if the other Party applies for or consents to the

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appointment of a receiver, trustee, or liquidator of all or a substantial part of its assets; files a voluntary petition in bankruptcy; makes a general assignment for the benefit of creditors, or takes advantage of any insolvency law; or if any order, judgment, or decree shall be entered by any court of competent jurisdiction, on the application of a creditor or otherwise, adjudicating such Party bankrupt or insolvent or approving a petition seeking reorganization or appointment of a receiver, trustee, or liquidator of all of a substantial part of its assets, and such order, judgment, or decree shall continue in effect for sixty (60) days after its entry.

- v. Either Party may terminate this Agreement on notice to the other Party in the event that the other Party:

(1) Is currently under indictment or prosecution for, or has been convicted (as defined in 42 C.F.R. Section 1001.2) of (A) any offense related to the delivery of an item or service under the Medicare or Medicaid programs or any program funded under Title V or Title XX of the Social Security Act (the Maternal and Child Health Services Program or the Block Grants to States for Social Security programs, respectively); (B) a criminal offense relating to neglect or abuse of patients in connection with the delivery of a health care item or service; (C) fraud, theft, embezzlement, or other financial misconduct in connection with the delivery of a health care item or service; or (D) obstructing an investigation of any crime referred to in (A) through (C) above;

(2) Has been required to pay any material civil monetary penalty under 42 U.S.C. § 1128A, regarding false, fraudulent, or impermissible claims under, or payments to induce a reduction or limitation of health care services to beneficiaries of, any state or federal health care program, or is currently the subject of any investigation or proceeding which may result in such payment;

(3) Has been excluded from participation in the Medicare, Medicaid, or Maternal and Child Health Services (Title V) program, or any program funded under the Block Grants to States for Social Services (Title II) program, or from contracting with any agency of the federal government; or

(4) Has entered into a corporate integrity agreement with OIG or HHS.

11. Effect of Termination

- a. In the event that either Party terminates this Fourth Amendment pursuant to Section 10(b)(ii), the terminating Party, at the written request of the non-terminating Party, shall immediately transfer any and all membership, financial, governance, voting, and other rights and interests the terminating Party has in UTMP to the non-terminating Party by signing or causing to be signed one or more documents (including but not limited to one or more written UTMP Resolutions, written amendments to the UTMP Articles, and/or written amendments to the UTMP Operating Agreement) in a form reasonably acceptable to the non-terminating Party for the purpose of transferring of all the terminating Party's rights and interests in UTMP without additional consideration. Unless the Parties otherwise agree in writing, any such transfer shall be effective as of the termination of this Fourth Amendment and any such termination shall not be effective unless such transfer occurs.

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- b. In the event that either Party terminates this Fourth Amendment pursuant to Section 10(b)(iii) or 10(b)(iv), the insolvent or defaulting Party, at the written request of the terminating Party, shall immediately transfer any and all membership, financial, governance, voting, and other rights and interests the insolvent or defaulting Party has in UTMP to the terminating Party by signing or causing to be signed one or more documents (including but not limited to one or more written UTMP Resolutions, written amendments to the UTMP Articles, and/or written amendments to the UTMP Operating Agreement) in a form reasonably acceptable to the terminating Party for the purpose of transferring all the insolvent or defaulting Party's rights and interests in UTMP without additional consideration. Unless the Parties otherwise agree in writing, any such transfer shall be effective as of the termination of this Fourth Amendment and any such termination shall not be effective unless such transfer occurs.
- c. In the event that either Party terminates this Fourth Amendment pursuant to Section 10(b)(v), at the written request of the terminating Party, the other Party shall immediately transfer any and all membership, financial, governance, voting, and other rights and interests such Party has in UTMP to the terminating Party by signing or causing to be signed one or more documents (including but not limited to one or more written UTMP Resolutions, written amendments to the UTMP Articles, and/or written amendments to the UTMP Operating Agreement) in a form reasonably acceptable to the terminating Party for the purpose of transferring all such Party's rights and interests in UTMP without additional consideration. Unless the Parties otherwise agree in writing, any such transfer shall be effective as of the termination of this Fourth Amendment and any such termination shall not be effective unless such transfer occurs.
- d. The Parties expressly acknowledge and agree that no provision of this Fourth Amendment, nor any other agreement between UT and Methodist, nor any agreement between UT and any UT-designated faculty practice plan is intended to, nor shall be construed to, in any way conflict with or take precedence over any UT policies and procedures or any agreements between UT and its faculty (e.g., faculty appointment letters) with respect to UT's authority over UT faculty, including but not limited to the authority of the UTCOM Executive Dean regarding the appointment of UT faculty, the maintenance, continuation, and termination of UT faculty appointments, and the determination as to where and in which entity or entities UT faculty will maintain their clinical practices.
- e. Notwithstanding any other provision of this Fourth Amendment, the UTMP Articles of Organization, the UTMP Operating Agreement, any related UTMP policies, or any other agreement between the Parties or between UT and any UT-designated faculty practice plan which may appear to be to the contrary, in the event of any termination of this Fourth Amendment for any reason, the following provisions shall apply with respect to all physicians or other health care professionals employed or contracted by UTMP who hold any faculty appointment with UTHSC ("UT Faculty Member"):
 - i. No UT Faculty Member shall be prohibited by UTMP or Methodist from terminating his or her employment with UTMP upon thirty (30) days' advance written notice to UTMP solely for the purpose of such UT Faculty Member becoming an employee or contractor of another UT-designated faculty practice plan at UT's sole election and discretion; and
 - ii. Neither UT nor any UT Faculty Member nor any other UT-designated faculty practice plan shall be required to pay to UTMP or Methodist any penalty or cost, including but

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not limited to any buy back amount, liquidated damages, or noncompetition covenant buyout price in order for such UT Faculty Member to terminate his or her employment with UTMP solely for the purpose of such physician becoming an employee or contractor of one of UT's other designated faculty practice plan at UT's sole election and discretion; and

- iii. In the event that UT elects for such UT Faculty Member to be employed or contracted by another of UT's other designated faculty practice plans, including but not limited to UTMG, ULPS, The West Clinic, P.C., Semmes-Murphey Clinic, P.C., and Campbell Clinic, P.C., and such UT Faculty Member will not agree to such employment or contract with such other UT-designated faculty practice plan, UTMP shall execute an assignment of such UT Faculty Member's employment agreement with UTMP to a UT-designated faculty practice plan selected by UT in its sole discretion, and UT and such faculty practice plan may determine whether or not to terminate the UT Faculty Member's employment agreement and enforce any non-competition restrictions contained therein.
- f. Methodist and UT hereby agree to cause UTMP's Operating Agreement to be amended to expressly set forth the provisions of this Section 11 of this Fourth Amendment, which shall survive termination of this Fourth Amendment and the UTMP Operating Agreement for any reason.

12. **Governing Documents; Amendments.** All governance, management and fiscal affairs of UTMP shall be carried out in accordance with (a) UTMP's Articles of Organization, (b) UTMP's Operating Agreement, (c) this Fourth Amendment, and (d) any related UTMP policies, all of which may only be adopted, amended, modified, or terminated expressly in a writing manually signed by the authorized representatives of both parties (which shall include UT's Chief Financial Officer and UTHSC's Chancellor) and as may be further provided for in each of these governing documents.

13. **Fraud and Abuse.**

- a. The parties hereby acknowledge and agree that no benefits to the parties hereunder require or are in any way contingent upon the admission, recommendation, referral or any other arrangement for the provision of any item or service offered by Methodist or any of its affiliates. None of UT's activities contemplated under this Agreement or otherwise shall constitute obligations of the UT to generate patient flow or business to Methodist, and there is absolutely no intent for UT in any manner to be compensated to generate patients for Methodist.
- b. Methodist represents, covenants, and warrants that it will conduct all of its activities in connection with this Fourth Amendment, including but not limited to its relationships with and its billing for services provided, ordered, or referred to Methodist by UTMP and/or UTMP's physicians, in compliance with all applicable laws, rules, and regulations, including but not limited to the Stark Law, the Anti-Kickback Statute, the False Claims Act, and HIPAA.

14. **Execution in Multiple Counterparts.** This Fourth Amendment may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original constituting but one and the same instrument.

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15. **Continuing Effect of Amended and Restated Master Affiliation Agreement.** Except as modified by previous amendments to the 2009 Addendum A and by this Fourth Amendment, all terms and conditions of the 2009 Addendum A and the Amended and Restated Master Affiliation Agreement remain in full force and effect.

[signature page follows]

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IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment by signature of their duly authorized representatives on the date set forth below their signatures.

**METHODIST HEALTHCARE –
MEMPHIS HOSPITALS**

THE UNIVERSITY OF TENNESSEE

By: _____
Gary Shorb
President and CEO

By: _____
Steve J. Schwab, MD
Chancellor, UTHSC

Date: _____

Date: _____

By: _____
Charles M. Peccolo, Treasurer and
Chief Financial Officer
The University of Tennessee

Date: _____

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**EXHIBIT A
Executive Vice President for Medical Affairs Services**

Services to be provided by the Executive Vice President for Medical Affairs of Methodist (“EVPMA”) on behalf of UT are anticipated to include service line development, physician integration and alignment to enhance quality of care, cost efficiencies and unique programs, and maximizing the opportunities of working with UTHSC. Fostering a highly functional hybrid culture in which UTHSC physicians work together seamlessly as part of larger health care teams is a key goal of the services to be provided by the EVPMA on behalf of UT. This physician integration is intended to help position Methodist to effectively address the health care needs of the populations that it serves as well as to address potential changes in the reimbursement environment such as bundled payments, accountable care organizations, and medical homes. Promoting a collaborative, accountable and innovative environment that is compatible with Methodist’s Vision, Mission, Values and Power of One Culture is another key goal of the services that UT will provide through the EVPMA.

Specific services to be provided by UT through the EVPMA will include:

1. Promotion of physician integration and alignment with Methodist in order to develop world-class service lines (cancer, cardiovascular) and to maximize capabilities of the primary care network.
2. Development of clinical programs of value to Methodist (rheumatology, endocrinology, etc.) outside of the cancer and cardiovascular major service lines, as necessary.
3. Provision of a continuous emphasis on coordination and quality of care with hospital-based physicians, hospitalists and intensivists, as well as employed physicians.
4. Development of UTMP as a major (though not exclusive) vehicle through which Methodist may indirectly employ specialists and facilitate other Methodist-physician relationships, as necessary.
5. Continuation of the development of ULPS, working closely with the CEO of Le Bonheur Children’s Hospital.
6. Fostering productive physician relationships with Methodist.
7. Upon request, providing Methodist with feedback concerning physician accountability and evaluation.

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EXHIBIT B
Acknowledgment and Confidentiality Agreement

I, _____, M.D., hereby acknowledge having received a copy of and having read Section 7 of the Fourth Amendment, and I specifically acknowledge the provisions of Section 7(m) of the Fourth Amendment.

In compliance with Section 7(e) of the Fourth Amendment, I further specifically acknowledge and agree that in the performance of services on behalf of UT under Section 7 of the Fourth Amendment, I may be exposed to information relating to Methodist’s operations, methods of doing business, research and development, patients, trade secrets, computer programs, finances, and other confidential and proprietary information belonging to Methodist (all of which are hereinafter collectively called “Confidential Information,” subject to the exceptions and other provisions set forth in the Fourth Amendment). I agree to use Methodist’s Confidential Information only for the direct and sole benefit of Methodist and I will not, without written authorization of Methodist, acquire, use or copy, in whole or in part, the Confidential Information or disclose the Confidential Information to any other person or entity, except as provided for in Section 7 of the Fourth Amendment.

I shall take all appropriate precautions, whether by instruction, agreement or otherwise, to ensure the protection, confidentiality and security of the Confidential Information and to satisfy my obligations under this Confidentiality Agreement. I agree that my obligations with respect to the confidentiality and security of the Confidential Information disclosed to me shall survive the termination of any agreement or relationship between Methodist and the University. I agree that this Acknowledgement and Confidentiality Agreement shall be governed by the laws of the State of Tennessee. I acknowledge that I have received a copy of this Acknowledgement and Confidentiality Agreement as executed by me.

Witness

[Insert Name of Physician]

Date: _____

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EXHIBIT C
BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement is made as of the 1st day of July, 2013, by and between Methodist Le Bonheur Healthcare on behalf of itself and all of its affiliates ("Covered Entity"), and The University of Tennessee on behalf of the University of Tennessee Health Science Center ("Business Associate").

In consideration of the mutual covenants contained in this Agreement and intending to be legally bound, the parties agree as follows:

Section 1. Definitions

- (a) Business Associate. "Business Associate" shall mean University of Tennessee.
- (b) Covered Entity. "Covered Entity" shall mean Methodist Le Bonheur Healthcare and all of its affiliates.
- (c) Breach. "Breach" means the acquisition, access, use, or disclosure of PHI in a manner not permitted under the Privacy Regulations which compromises the security or privacy of the Protected Health Information. For the purposes of this definition, "compromises the security or privacy" means that there is not a demonstrated low probability that the Protected Health Information has been compromised based on a documented risk assessment addressing the four factors set forth in 45 C.F.R. §164.402. In the event of any inconsistency between the definition of "Breach" in this Agreement and the definition in the Privacy Regulations, the definition in the Privacy Regulations will control.
- (d) HITECH Act. "HITECH Act" shall mean the Health Information Technology for Economic and Clinical Health Act, Title XIII of the American Recovery and Reinvestment Act, Pub. L. No. 111-5.
- (e) Privacy Regulations. "Privacy Regulations" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and E.
- (f) Security Regulations. "Security Regulations" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and C.
- (g) Secretary. "Secretary" shall mean the Secretary of the federal Department of Health and Human Services.
- (h) Unsecured Protected Health Information. "Unsecured Protected Health Information" shall mean Protected Health Information in any form, including electronic, paper or verbal that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary pursuant to the HITECH Act, as such guidance may be updated by the Secretary from time to time.

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Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in 45 C.F.R. §§160.103, 164.304 and 164.501.

Section 2. Obligations and Activities of Business Associate

Business Associate agrees to:

- (a) not use or further disclose Protected Health Information other than as permitted or required by this Agreement or as Required By Law;
- (b) use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement;
- (c) mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement;
- (d) immediately report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware; with respect to Breaches of Unsecured Protected Health Information, such report shall include at least the following information:
 - (1) the identity of each individual, whose information was accessed, acquired or disclosed during the breach;
 - (2) a brief description of what happened;
 - (3) the date of discovery of the breach;
 - (4) the nature of the Unsecured Protected Health Information that was involved (e.g., social security numbers, date of birth, etc.);
 - (5) any steps individuals should take to protect themselves from potential harm resulting from the breach; and
 - (6) a brief description of what the Business Associate is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches;
- (e) ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by, Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information;
- (f) provide access to Protected Health Information in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C. F .R. § 164.524;
- (g) make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. §164.526 at the request of

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Covered Entity or an Individual , and in the time and manner designated by Covered Entity;

- (h) make its internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary for purpose of the Secretary determining Covered Entity's compliance with the Privacy Regulations;
- (i) document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity or Business Associate to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. §164.528;
- (j) provide to Covered Entity or an Individual information collected in accordance with Section 2(i) of this Agreement, to satisfy the requirements for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. §164.528 or Section 13405(c) (3) of the HITECH Act;
- (k) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of Covered Entity, and, effective February 17, 2010, to comply with the provisions of the Security Rule identified in Section 3(a)(l)(B) of this Agreement;
- (l) ensure that any agent, including a subcontractor, to whom it provides electronic Protected Health Information agrees to implement reasonable and appropriate safeguards to protect it; and
- (m) report to Covered Entity any material attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operation in an information system.

Section 3. Permitted Uses and Disclosures by Business Associate

- (a) Statutory Duties.
 - (1) Business Associate acknowledges that it has a statutory duty under the HITECH Act to, among other duties:
 - (A) effective February 17, 2010, use and disclose Protected Health Information only in compliance with 45 C.F.R. § 164.504(e) (the provisions of which have been incorporated into this Agreement); and
 - (B) effective February 17, 2010, complies with 45 C.F.R. §§ 164.308 ("Security Standards: General Rules"), 164.310 ("Administrative Safeguards"), 164.312 ("Technical Safeguards"), and 164.316 ("Policies and Procedures and Documentation requirements"). In complying with 45 C.F.R. § 164.312 ("Technical Safeguards"), Business Associate shall consider guidance issued by the Secretary pursuant to Section 13401 (c)

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of the HITECH Act and, if a decision is made to not follow such guidance, document the rationale for that decision.

- (2) Business Associate acknowledges that its failure to comply with these or any other statutory duties could result in civil and /or criminal penalties under 42 U.S.C. §§1320d-5 and 1320d-6.
- (b) General Use and Disclosure Provisions:
- Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity pursuant to the underlying service agreement between the parties, provided that such use or disclosure would not violate the Privacy Regulations if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.
- (c) Specific Use and Disclosure Provisions.
- (1) Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- (2) Except as otherwise limited in this Agreement, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are required by law or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached .
- (3) Except as otherwise limited in this Agreement, Business Associate may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 42 C.F.R. §164.504(e)(2)(i)(B).
- (4) Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authority, consistent with 45 C.F.R. §164.502(j)(l).
- (5) As of the effective date of Section 13405(d) of the HITECH Act, Business Associate may not receive direct or indirect remuneration in exchange for Protected Health Information unless permitted by the Act or regulations issued by the Secretary.

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Section 4. Obligations of Covered Entity

Covered Entity shall:

- (a) notify Business Associate of any limitation(s) in its Notice of Privacy Practices in accordance with 45 C.F. R. §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information;
- (b) notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information;
- (c) notify Business Associate of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 C.F.R. §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

Section 5. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Regulations if done by Covered Entity.

Section 6. Term and Termination

- (a) Term. The Term of this Agreement shall be effective as of October 1, 2012 and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity or, if it is not feasible to return or destroy the Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.
- (b) Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
 - (1) provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
 - (2) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
 - (3) if neither termination nor cure is feasible, report the violation to the Secretary.
- (c) Effect of Termination.
 - (1) Except as provided in paragraph (2) of this section, upon termination of this Agreement for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors

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or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

- (2) In the event that Business Associate determines that returning or destroying the Protected Health Information is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the parties that return or destruction of Protected Health Information is not feasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

Section 7. Miscellaneous

- (a) **Regulatory References.** A reference in this Agreement to a section in the Privacy Regulations or Security Regulations means the section in effect, or as amended.
- (b) **Amendment.** The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Regulations, the Security Regulations, the Health Insurance Portability and Accountability Act, and the HITECH Act and its implementing regulations.
- (c) **Survival.** The respective rights and obligations of Business Associate under Section 6(c) of this Agreement shall survive the termination of this Agreement.
- (d) **Interpretation.** Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Regulations, the Security Regulations, the Health Insurance Portability and Accountability Act, and the HITECH Act.
- (e) **Identity Theft Regulations.** To the extent that Business Associate provides services in connection with an account maintained by the Covered Entity that permits patients to make multiple payments for services rendered by the Covered Entity (including, but not limited to, billing and collection services), Business Associate shall have and follow policies to detect and prevent identity theft in accordance with the identity theft regulations of the Federal Trade Commission, 16 C.F.R. §681.2. In addition, in such case Business Associate shall: (1) report to Covered Entity any pattern, practice, or specific activity that indicates the possible existence of identity theft ("Red Flags") involving anyone associated with Covered Entity, including its patients, employees, and contractors, and (2) take appropriate steps to prevent or mitigate identity theft when a Red Flag is detected.

**UT DRAFT
02.21.13**

The parties have caused this Agreement to be executed on the date first written above.

WITNESS:

METHODIST LE BONHEUR HEALTHCARE

THE UNIVERSITY OF TENNESSEE

By: _____
Gary Shorb
President and CEO

By: _____
Steve J. Schwab, MD
Chancellor, UTHSC

Date: _____

Date: _____

Witness: _____

Witness: _____

DRAFT



Proposed 4th Amendment to the Methodist Affiliation Agreement for UTMP -- Phase 2

10.1

Presented to the
Health Affairs Committee
February 28, 2013

Presentations to Date:

- **Background**
 - **February 2012** – BOT authorized the designation of UTMP as a Faculty Practice Plan
 - **June 2012** – HAC presentation on proposed next steps for UTMP and integration Methodist Le Bonheur Health Care
 - **October 2012** – Initial presentation on key components for UTMP Phase 2
 - **January 2013** – Review of draft Amendment

- **Today**
 - **Review of *Fourth Amendment to 2009 Addendum A to the Amended and Restated Master Affiliation Agreement with Methodist Le Bonheur Healthcare***

§1. Governance of UTMP

- **Methodist is sole member of UTMP, LLC, but it is jointly governed by UT and Methodist.**
- **Each party has approval rights over the other party's affiliation agreements with UTMP.**
- **UT has approval rights over any agreements Methodist and/or UTMP have with UTMG or another UT faculty practice plan.**
- **Recruitment of new physicians and transition of physicians from other UT practice plans will be pursuant to a jointly developed recruitment plan.**

§1. Governance of UTMP (cont.)

- Identifies the following specialties to be included in UTMP, among others:

- | | |
|---|---|
| <input type="checkbox"/> Cardiology | <input type="checkbox"/> Nephrology |
| <input type="checkbox"/> Cardiovascular Surgery | <input type="checkbox"/> Otolaryngology |
| <input type="checkbox"/> Endocrinology | <input type="checkbox"/> Pulmonary |
| <input type="checkbox"/> Electrophysiology | <input type="checkbox"/> Rheumatology |
| <input type="checkbox"/> Gastroenterology | <input type="checkbox"/> Surgical Oncology |
| <input type="checkbox"/> General Surgery | <input type="checkbox"/> Transplant Surgery |
| <input type="checkbox"/> Infectious Disease | <input type="checkbox"/> Urology |
| <input type="checkbox"/> Internal Medicine | <input type="checkbox"/> Vascular Surgery |

§2. Physician Service Line Directors

- **UTCOM Executive Dean and the Methodist CEO will appoint physicians concurrently employed by UT and UTMP to lead key service lines.**
- **These service line directors are not members of the UTMP board, but are key managers responsible for services across both inpatient and outpatient areas.**

10.1

§3. Base Programmatic Investment

- In support of the growth and development of the academic enterprise, Methodist shall make an annual payment of \$3.25 million to the UT College of Medicine.

10.1



§4. Financial Performance Supplement

- In addition to the Base Programmatic Investment, Methodist will make an additional payment based on financial performance in the circumstances described below.
- The FPS will be based on the Methodist System net operating margin year to year.
- If the net operating margin is more than 3.5% greater than the previous year, UT will be paid 25% of the amount over the 3.5%.
 - One third of the funds will be distributed immediately
 - Two thirds will be distributed based on UTMP performance/ goals to be negotiated annually.
- Details of the FPS remain under negotiation.

10.1

§6. Methodist Board of Directors

- **Methodist has restructured its Board of Directors to include 3 UT representatives:**
 - **UT Trustee from the Memphis area**
 - **UTHSC Chancellor**
 - **UTCOM Executive Dean**
- **In addition, up to 3 UT faculty physicians may be elected as voting members of the UTMP board by the Methodist medical staff.**
- **At least 1 UT director shall serve on each of the following committees:**
 - **Governance**
 - **Finance**
 - **Physician Alignment**
 - **Quality**

§7. Methodist EVP for Medical Affairs

- A UT physician leader (currently Dr. Stern) will be named the Methodist Executive Vice President for Medical Affairs.
- Primary responsibilities of the EVPMA:
 - Promotion of physician integration and alignment
 - Development of clinical programs.
 - Continuous emphasis on coordination and quality of care with hospital-based physicians, hospitalists, and intensivists
- As a UT employee, the individual serving as the EVPMA will only be paid by UT, not Methodist.

§8. Co-Branding of Facilities

- Provides for co-branding of programs, services, and facilities pursuant to licensing agreements and a mutually developed of a co-branding statement.
- Provides for renaming of Methodist University Hospital as “UT Methodist Medical Center.”
- Provides for Le Bonheur Children’s Hospital to be co-branded as mutually agreed by the parties to ensure greatest impact for both UT and Le Bonheur.

10.1

§9. Clinical Research Coordination

- Acknowledges UT as the primary institution for clinical research conducted by UT faculty.
- Requires all research activities conducted by UT faculty to flow through UT as the prime contractor administered through the Office of Research Administration.



the UNIVERSITY of
TENNESSEE **UT**
HEALTH SCIENCE CENTER

§10. Term and Termination

- **The Fourth Amendment will be effective July 1, 2013 and remain in effect unless terminated as provided in the amendment.**

- **Allows for termination:**
 - **By both parties through mutual written agreement**
 - **By either party without cause on 1 year's notice**
 - **By either party for cause**
 - **By insolvency of either party**
 - **By either party upon occurrence of certain circumstances related to federal law and regulatory requirements**

10.1

§11. Effect of Termination

- In the event of termination without cause, for cause, for insolvency, or upon the occurrence of one of the circumstances related to federal law and regulatory requirements, the non-terminating party may require the terminating party to transfer all its rights and interests in UTMP to the non-terminating party without additional consideration (but only as allowed by law in the event of termination for insolvency).
- In all cases, regardless of the reason for termination, UT retains the sole right to designate the appropriate clinical practice plan for UT faculty members.

10.1

Request for Action

- **Move that the Chancellor of the UT Health Science Center and the University's Chief Financial Officer be authorized to execute the *Fourth Amendment to 2009 Addendum A to the Amended and Restated Master Affiliation Agreement with Methodist Healthcare-Methodist Hospitals* after approval by the Chair of the Health Affairs Committee upon the recommendation of the General Counsel, the Chief Financial Officer, and the President.**

Thank You !

10.1

QUESTIONS ? ?

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 28, 2013

COMMITTEE: Finance and Administration

CAMPUS/UNIT: All

ITEM: **FY 2013 Revised Operating Budget**

RECOMMENDATION: Approval

PRESENTED BY: Charles M. Peccolo, Treasurer and Chief Financial Officer

The University of Tennessee budget requires revision each year to update revenue and expenditure projections. The FY 2013 revised budget takes into consideration final fall enrollments (estimated at the time the original budget is prepared), the effect of any prior year's activities carried forward into the current year, and adjustments in state appropriations occurring since the FY 2013 budget was prepared and approved in June 2012.

The complete revised budget is presented in a separate document following this memorandum. An overview with summary information regarding the principal revisions appears at the beginning of the document. It includes adjustments to allocate significant carry-overs from FY 2012 and minor revisions to budgeted revenues.

The FY 2013 Educational and General (E&G) and Auxiliary Enterprises revised budgets are balanced and within available resources. The Revised Budget complies with all applicable policies and guidelines. Therefore, the University administration recommends Board approval of the revised budget for FY 2013 as follows:

1. The FY 2013 Revised Budget is approved with the understanding that if the General Assembly or the Department of Finance and Administration further alter the FY 2012 appropriations or if changes in estimated resources require, the budgets shall be modified accordingly so expenditures will not exceed available resources.
2. The Board of Trustees authorizes the campus, institute, and unit administrations, in response to budget reductions or a budgetary shortfall, to implement mandatory furloughs without pay, reduction of time worked, across-the-board salary

reductions, and similar salary-related measures during the remainder of FY 2013, subject to approval by the Executive and Compensation Committee, the President, and the Treasurer and Chief Financial Officer in consultation with the General Counsel and Human Resources.

3. Any remaining balance of Unrestricted Net Assets may be considered as a reserve for contingencies to be used for:
 - a) Employing additional staff where enrollments and reorganization requirements warrant;
 - b) Modifying departmental operating budgets where changing conditions during the year require funding adjustments;
 - c) Funding to make salary adjustments for personnel as may be necessary during the year in keeping with state and university salary guidelines;
 - d) Improving physical facilities for academic and research departments as opportunities arise;
 - e) Mandated cost increases; and
 - f) State impoundment of funds or appropriations rescission during the budget year.

A formal Resolution incorporating this recommendation follows the revised budget document.

MOTION:

That the Resolution on the Revised FY 2013 Operating Budget be adopted.

**Revised
Budget
Document**
FY 2012 – 2013



THE UNIVERSITY *of* TENNESSEE

KNOXVILLE • CHATTANOOGA • MARTIN • MEMPHIS • TULLAHOMA

THE UNIVERSITY *of* TENNESSEE

University of Tennessee at Chattanooga

University of Tennessee, Knoxville

University of Tennessee at Martin

University of Tennessee Space Institute

University of Tennessee Health Science Center

Memphis Other Specialized Units

College of Medicine Units

Family Medicine Units

University of Tennessee Institute of Agriculture

Agricultural Experiment Station

UT Extension

College of Veterinary Medicine

University of Tennessee Institute for Public Service

Institute for Public Service

Municipal Technical Advisory Service

County Technical Assistance Service

University of Tennessee System Administration

FY2013 REVISED BUDGET

THE UNIVERSITY OF TENNESSEE

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Message from the CFO

Message from the CFO

The FY 2013 revised operating budget reflects operating plans and financial projections as of October 31, 2012. The University develops a revised budget each fiscal year to adjust to the following changes that occur during the year after the original budget is adopted in June:

1. The university's original budget is developed before the end of the previous fiscal year and uses budgeted net assets as its starting point. The revised budget uses actual net assets as its starting point.
2. State appropriations are adjusted in September, requiring minor adjustments in most years.
3. Other adjustments may be needed if there are material changes to operating plans, organizational structure, revenue projections, or fixed costs.

Revised total revenues are \$1.91 billion, a 0.7% decrease from the original budget. Revised expenses total \$1.95 billion, a 3.1% increase. These revisions include all current funds: unrestricted educational and general (E&G) funds, restricted E&G funds, and auxiliary funds.

Unrestricted E&G funds finance the University's core recurring operations and account for the major changes between the FY2013 original and revised budgets. The revised unrestricted E&G revenue budget increased only \$5.0 million or 0.4%. It is common to see revenue adjustments in this range between original and revised budgets. Budgets for recurring unrestricted E&G expenditures and transfers showed a similar modest increase of \$2.3 million, but total recurring and non-recurring expenditures and transfers are up \$36.8 million (3.3%), reflecting large carry-overs of unspent non-recurring funds from FY2012.

The revised budget unrestricted E&G beginning balance is \$33.8 million higher than original budget. These are one-time funds that were budgeted to be spent in FY2012 that have been carried over to be

spent in FY2013. Campuses and institutes will continue to follow the same strategies that were used with the non-recurring ARRA stimulus funding in FY 2010 and FY 2011 to upgrade technology in classrooms, fund energy efficiency projects, and address critical maintenance needs; prudent one-time investments that increase capacity and improve long-term effectiveness and efficiency.

Revenue and expenditure data for each operating unit is provided in this budget document. Also included is information on athletics and auxiliary budgets. A separate publication containing detailed supporting schedules is available in printed or electronic format.

The funding outlook for FY 2014 is the most favorable since FY 2008. The Governor's budget proposal adds over \$42 million to the University's operating funds. Some of these funds offset cost increases, such as a 1.5% salary pool and over \$3.3 million in projected health insurance premium increases, but much of the funding is available for operating improvements and new initiatives. Nearly \$10.2 million is directed to the three formula units in Chattanooga, Knoxville, and Martin "to reflect greater institutional productivity, such as increases in student progression, degree production, research and service, efficiency metrics, and other outcome measures" documented through the Tennessee Higher Education Commission's outcomes-based funding formula. The Health Science Center and College of Veterinary Medicine will receive over \$4.7 million directed to medical units. Nearly \$11 million is provided for new initiatives to increase UTK engineering graduates, help the Health Science Center recruit pediatric physician scientists, and provide matching funds needed to compete for NSF supercomputer funding. Perhaps most important is the fact that FY 2014 is the first state budget in six years where gains like these are not offset by some kind of reduction to base recurring appropriations. We welcome this renewed commitment to higher education.

Respectfully,



Charles M. Peccolo
Treasurer & Chief Financial Officer

FY2013 REVISED BUDGET

"THE FY 2013 EDUCATIONAL AND GENERAL (E&G) AND AUXILIARY ENTERPRISES REVISED BUDGETS ARE BALANCED AND WITHIN AVAILABLE RESOURCES."

FY 2013 Quick Facts

Enrollment (Fall 2012)	49,244
Total Revenues	\$ 1.91B
Positions	14,837
Capital Maintenance	\$ 32.3M

Unrestricted E&G

E&G Revenues	\$1.110B
State Appropriations	\$431.7M
St. Appr. as % of Revenues	38.9%
Tuition & Fees	\$528.4M
Tuition & Fees - % of Revenues	47.6%
Salaries & Benefits	\$789.0M
Sal. & Ben. % of Expenditures	65.4%

Overview

The University of Tennessee FY 2013 Revised Budget revenues total \$1.913 billion: \$1.110 billion in unrestricted Educational and General (E&G), \$607.6 million in restricted funds and \$195.0 million in auxiliary funds. That represents a \$13.7 million, or - 0.7 percent, decrease from the FY 2013 Original Budget. Unrestricted E&G revenues increased \$5.0 million, but budgets for Restricted E&G and Auxiliary revenues were adjusted downwards. These adjustments ensure that our revised expenditure budgets for FY 2013 remain within available resources.

TOTAL REVENUES

Revenues (Millions)	FY2013 Original	FY2013 Revised	Change Amt.	Change %
Unrestricted E&G	\$ 1,105.2	\$ 1,110.2	\$ 5.0	0.4%
Restricted E&G	623.9	607.6	-16.3	-2.6%
Auxiliaries	197.4	195.0	-2.4	-1.2%
Total	\$ 1,926.5	\$ 1,912.8	\$ - 13.7	-0.7%

Amounts are in millions and may not add due to rounding

Unrestricted Education and General Funds (Unrestricted E&G) support the core operations of the university: instruction, research, public service, academic support, student services, institutional support, facilities operations and maintenance, and scholarships and fellowships. They are funded primarily through tuition and student fees, state appropriations, and other sources including grants and contracts, federal and local appropriations, sales and services, investment income, and endowment distributions.

Restricted funds must be used in accordance with purposes established by an external party; primarily grants, contracts, gift funds and endowments. Auxiliaries are self-supporting enterprises which furnish services to students, faculty, and staff such as housing, bookstores, food service and UTK Men's Athletics.

FY2013 REVISED BUDGET

Unrestricted E&G Revenues

The following table shows the change in unrestricted E&G revenues.

Unrestricted E&G Revenues Summary

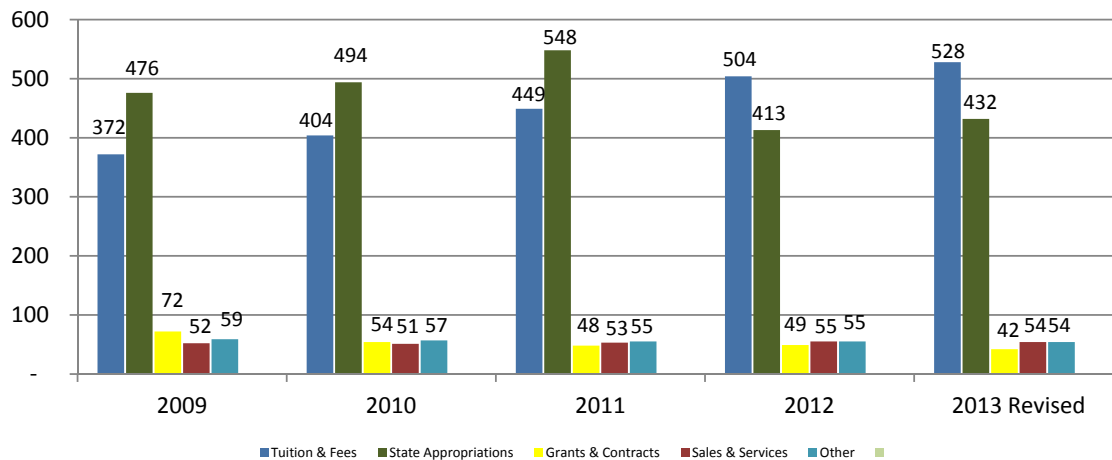
Revenues	FY2013 Original	FY 2013 Revised	Change Amount	Change %
Tuition & Fees	\$ 524.6	\$ 528.4	\$ 3.8	0.7%
State Appropriations	431.4	431.7	0.3	0.1%
Other Revenues	149.2	150.1	0.9	0.6%
Total E&G Revenues	\$ 1,105.2	\$ 1,110.2	\$ 5.0	0.4%

Revenues are rounded to millions and may not add due to the rounding

FY 2013 unrestricted E&G revenues are \$5.0 million (0.4%) higher than the proposed budget, due to modest increases in Tuition & Fees, State Appropriations and Other Revenues. These kinds of minor adjustments to budgeted revenues are routinely reflected in the University's revised budget.

Unrestricted E&G revenues are categorized into five distinct areas, with state appropriations and tuition and fees making up 86.5 percent, or \$960.1 million. The graph below shows the comparative revenue sources and the trends of those sources over the past five years. The most striking trend is the reversed relationship between tuition and fees versus state appropriations. In FY 2009, appropriations exceeded tuition and fees by \$104 million. In FY 2013, tuition and fees exceed appropriations by \$96 million.

Unrestricted E&G Revenues (*in millions of dollars*)



FY2013 REVISED BUDGET

Unrestricted E&G Revenues (Continued)

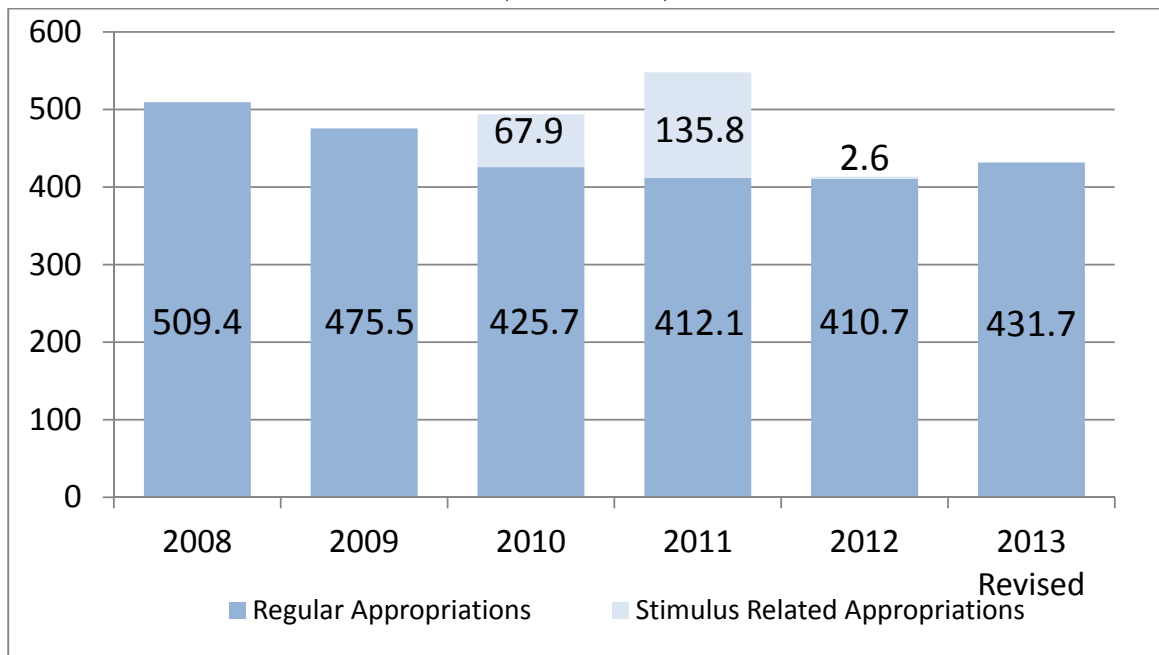
State Appropriations

Change In Unrestricted E&G State Appropriations	Base (Recurring)	Non-Recurring	Total
FY 2013 Proposed Budget	\$ 428,520,701	\$ 2,924,175	\$ 431,444,876
Increase Claims Adjustments	305,292		305,292
Insurance Premium Adjustment	(300)		(300)
FY 2013 Revised Budget	\$ 428,825,693	\$ 2,924,175	\$431,749,868

Minor adjustments made to state appropriations since the FY 2013 original budget was approved include claims adjustments of \$305,292 for all campuses and an insurance premium adjustment.

FY 2013 revised state appropriations are \$78 million (15.2 %) less than FY 2008. Base recurring reductions over this period exceed \$120 million. These are offset somewhat by funding added each year to partially fund increases in employee group insurance and state retirement system costs. The state also added funds in FY 2012 and FY 2013 to partially fund salary increases.

State Appropriations (in millions)



- (1) Unrestricted E&G only. Does not include appropriations restricted for Centers of Excellence & Governor's Chairs.
 (2) Stimulus related appropriations include federal ARRA funding, MOE appropriations, and regular non-recurring state funds used to replace FY 2011 ARRA funds.

FY2013 REVISED BUDGET

Unrestricted E&G Revenues (Continued)

Tuition and Fees

There is little change in budgeted tuition and fees. As shown in the table below, tuition and fees revenue totals \$528.4 million, a \$3.8 million, or .7% increase from the FY 2013 Original Budget of \$524.6 million. Most of the increase is the result of higher than expected enrollments and revised expectations for various student fees.

Tuition and Fee Revenues

TUITION AND FEE REVENUE	FY13 Original	FY13 Revised	Change Amount	Change %
Tuition	\$ 444,427,873	\$ 445,833,070	\$ 1,405,197	0.3%
Program and Service Fees	49,749,945	51,044,328	1,294,383	2.6%
Extension Enrollment Fees	7,541,813	7,550,734	8,921	0.1%
Other Student Fees	22,892,546	23,994,932	1,102,386	4.8%
Total Tuition and Fees	\$ 524,612,177	\$ 528,423,064	\$ 3,810,887	0.7%

Other Revenues

There is little change in budgeted revenues from other sources; the revised budget is up 0.6%. Sales and service revenues were adjusted up by 2.5%. Grant and contract revenues are down 1.1%. The revised budget for other miscellaneous revenues is virtually unchanged from Original Budget.

Other Revenues

OTHER REVENUE	FY13 Original	FY13 Revised	Change Amount	Change %
Grants & Contracts	42,408,275	41,960,037	(448,238)	-1.1%
Sales & Services	52,825,885	54,135,060	1,309,175	2.5%
Other Sources	53,903,875	53,898,515	(5,360)	0.0%
Total Revenues	\$ 149,138,035	\$ 149,993,612	\$ 855,577	0.6%

FY2013 REVISED BUDGET

Unrestricted E&G Expenditures

The Revised FY 2013 budget for unrestricted E&G expenditures and transfers is \$1,146.1 million, a \$36.8 million, or 3.3 percent increase from the Original FY 2013 budget. The increase is funded by revenue adjustments (\$5.0 million) and non-recurring funds carried forward from FY2012 (\$33.8 million). Base budgets for recurring transfers and expenditures increased by only \$2.3 million (0.2%). This is often seen in mid-year budget revisions: non-recurring budgets for one-time projects are added after the close of the previous fiscal year, while recurring budgets for core operations show little change.

Unrestricted E&G expenditure budgets increased \$77.9 million (6.9%). This increase is funded by the carry-overs discussed above plus funds of \$41 million from non-mandatory transfers. Most of these transfers are non-recurring renewal and replacement funds that may be added to current fund carry-overs for one-time uses such as faculty start-ups and improvements to campus infrastructure. Examples include equipment replacement, repairs and maintenance, wireless internet upgrades, bridge funding for research operations, adjunct faculty, electronic medical records systems, energy conservation projects, lab upgrades, and graduate student fee waivers.

The functional distribution of these funds is shown in the table below and the charts on the following page.

Unrestricted E&G Expenditures By Functional Category

(in millions)

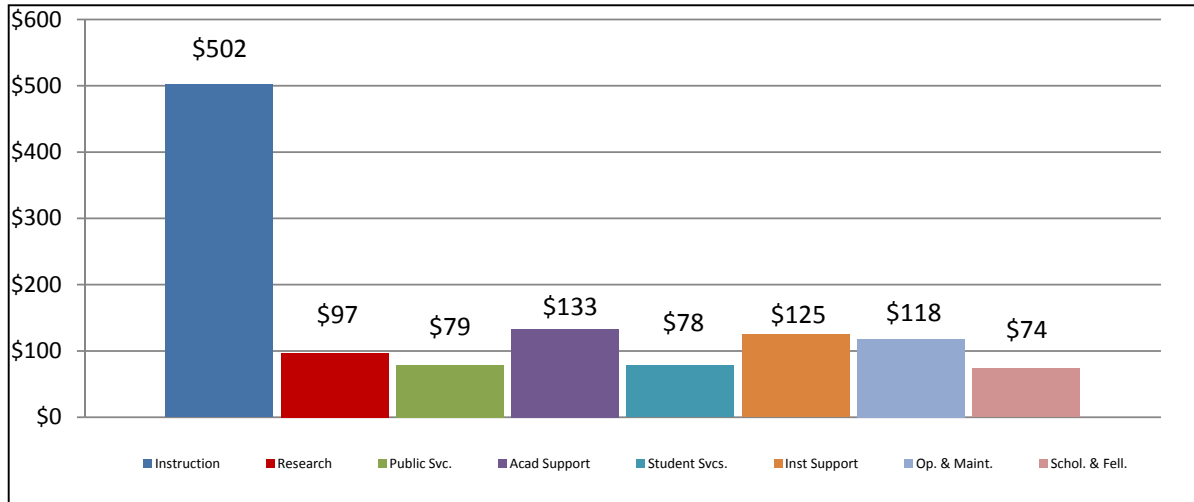
Functional Category	FY 2013 Original	FY 2013 Revised	Change Amount	Change %
Instruction	\$ 479.9	\$ 501.8	\$ 21.9	4.6%
Research	69.8	97.0	27.2	39.0%
Public Service	70.8	79.2	8.4	11.9%
Academic Support	121.7	132.9	11.3	9.2%
Student Services	74.9	77.8	2.8	3.8%
Institutional Support	121.9	124.6	2.7	2.2%
Operations and Maintenance of Plant	115.4	118.3	2.9	2.5%
Scholarships and Fellowships	73.4	74.1	0.7	1.0%
Sub-Total E&G Expenditures	\$ 1,127.8	\$ 1,205.7	\$ 77.9	6.9%
Transfers	(18.6)	(59.6)	(41.0)	221.5%
Total Transfers and E&G Expenditures	\$ 1,109.2	\$ 1,146.1	\$ 36.8	3.3%

Amounts are in millions and may not add due to rounding

FY2013 REVISED BUDGET

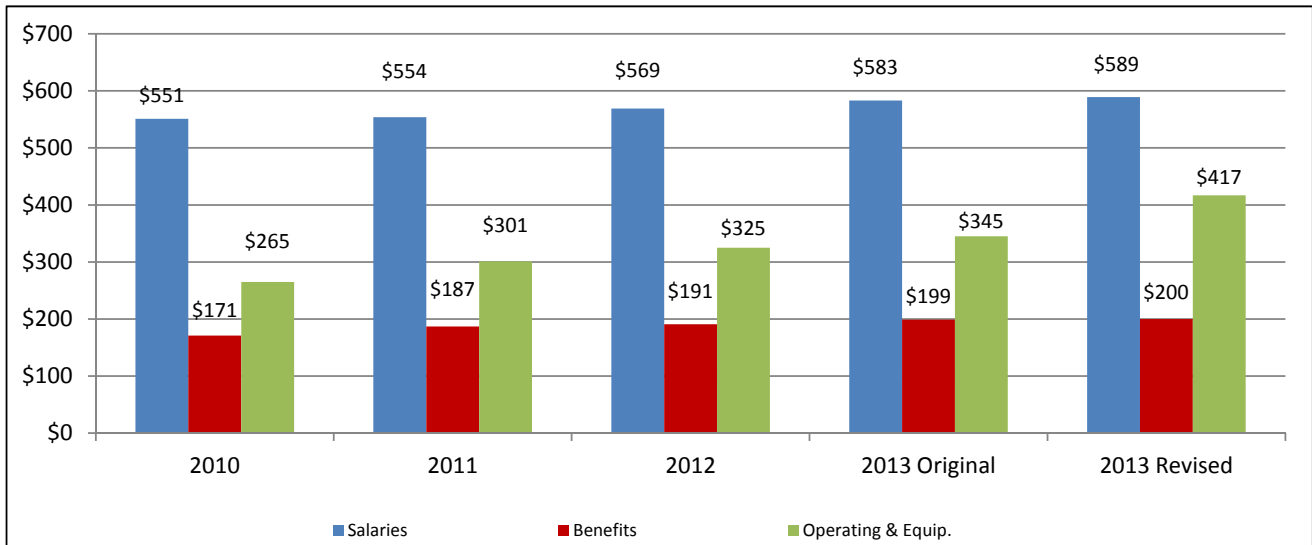
Unrestricted E&G Expenditures (continued)

Unrestricted E&G Expenditures by Function (in millions)



The chart below shows expenditures by natural classification for five years. Natural classification categories include salaries, benefits, operating expense, and equipment. Operating expense and equipment are combined.

Unrestricted Expenditures by Natural Classification (in millions)



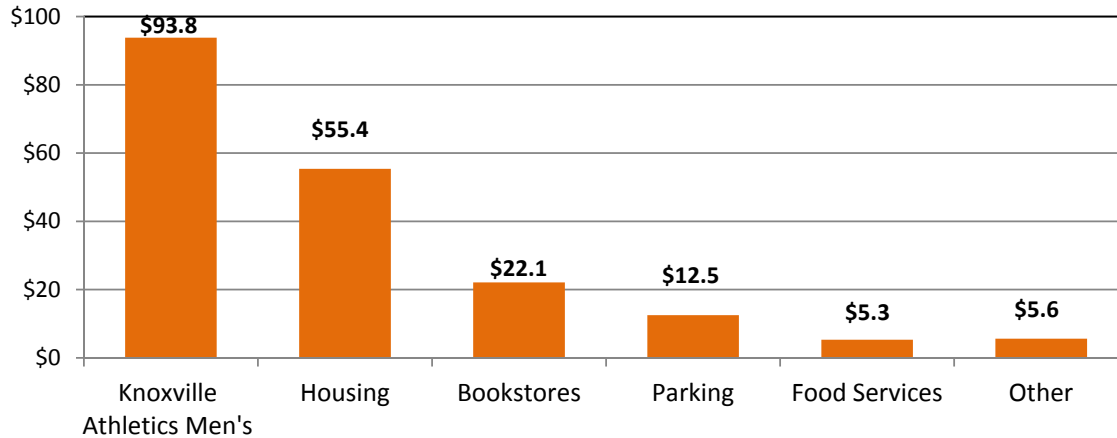
FY2013 REVISED BUDGET

Auxiliary Enterprises

Auxiliary Enterprises furnish services to the students, faculty, and staff. Each is a business that is self funded through sales, fees, and private gifts. These stand-alone operations include Housing, Food Services, Bookstores, Parking, and Other miscellaneous operations. It also includes UTK Men's Athletics since it is a self-supporting operation. Total Auxiliary FY 2013 revenues are \$194.6 million, down \$2.2 million (1.1%) from Original Budget. This is reflected in offsetting reductions to budgeted expenditures. The charts below reveal the relative size of each auxiliary enterprise and the change in revenue and expense from FY 2013 Original to 2013 Revised Budgets.

Auxiliary Revenues – FY 2013 Revised Budget

(in millions)



Auxiliaries Summary

(in millions)

REVENUES AND EXPENSES	FY 2013 ORIGINAL	FY 2013 REVISED	\$ CHANGE	% CHANGE
Revenues	\$ 196.8	\$ 194.6	\$ -2.2	-1.1%
Expense and Transfers				
Expense	136.7	134.3	-2.4	-1.8%
Transfers	60.1	60.3	0.2	0.3%
Total Expenditures and Transfers	\$ 196.8	\$ 194.6	\$ -2.2	-1.1%

FY2013 REVISED BUDGET



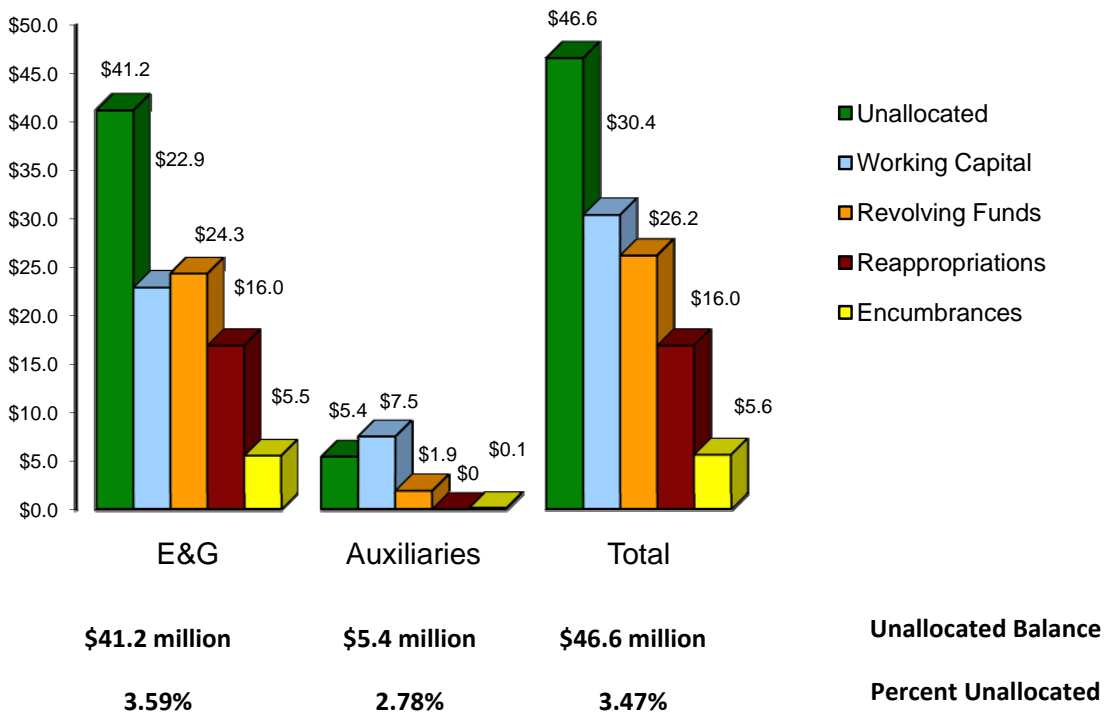
Unrestricted Net Assets

The University’s practice is to maintain 2-5 percent of unrestricted Educational and General (E&G) expenditures and 3-5 percent of unrestricted auxiliary enterprise funds in its unallocated fund balance as a “rainy day” fund. It is needed in case of a downturn in enrollment, sharp decline in appropriations, or other situations that cause expenditures to exceed available revenues to provide short-term funding while adjustments are made to bring the budget back into balance.

Encumbrances are funds carried over from the previous fiscal year for purchases and commitments that were not received before the close of the fiscal year. These funds are budgeted in the appropriate expenditure accounts as the items or services are received. Reappropriations are funds reserved from FY 2012 for allocation to specific programs and initiatives in FY 2013 or in subsequent fiscal years.

The FY 2013 Revised Budget projects a June 30, 2013 unrestricted E&G unallocated fund balance of \$41.2 million, or 3.59 percent of expenditures. The unrestricted auxiliary enterprises unallocated balance is \$5.4 million, or 2.78 percent of expenditures, slightly below the target range for auxiliary funds. The total unallocated balance projected at June 30, 2013, is \$46.6 million, which is 3.47 percent of expenditures.

FY 2013 Revised Budget Unrestricted Net Assets (*in millions*)



FY2013 REVISED BUDGET

Recommendation

The FY 2013 Educational and General (E&G) and Auxiliary Enterprises revised budgets are balanced and within available resources. The Revised Budget complies with all applicable policies and guidelines. The following action by the Board of Trustees is recommended:

1. The FY 2013 revised budget be approved with the understanding that if the General Assembly or the Department of Finance and Administration further alters the FY 2013 appropriations or if changes in estimated resources require, the budget shall be modified accordingly so expenditures will not exceed available resources.
2. The Board of Trustees expressly authorizes the campus, institute, and unit administrations, in response to budget reductions or a budgetary shortfall, to implement mandatory furloughs without pay, reduction of time worked, across-the-board salary reductions, and similar salary-related measures during FY 2013, subject to approval by the Executive and Compensation Committee, the President, and the Treasurer and Chief Financial Officer in consultation with the General Counsel and Human Resources.
3. Any remaining balance of Net Assets may be considered as reserve for contingencies to be used for:
 - a) Employing additional staff where enrollments and reorganization requirements warrant;
 - b) Modifying departmental operating budgets where changing conditions during the year require funding adjustments;
 - c) Funding to make salary adjustments for personnel as may be necessary during the year in keeping with state and university salary guidelines;
 - d) Improving physical facilities for academic and research departments as opportunities arise;
 - e) Mandated cost increases; and
 - f) State impoundment of funds or appropriations rescission during the budget year.

FY2013 REVISED BUDGET

Schedule Number	FY 2013 Revised Budget Schedule Description	Page #
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	Total University of Tennessee System	29
	Chattanooga	30
	Knoxville	31
	Martin	32
	Space Institute	33
	Health Science Center (UTHSC TOTAL, MOSU, COMU, FMU)	34
	Agricultural Units (AG TOTAL, AG EXP STAT, AG EXT, VET MED)	38
	Public Service Units (IPS TOTAL, CTAS, MTAS)	42
	System Administration	46

University of Tennessee System

FY 2012-13 Revenues Unrestricted and Restricted *(In Millions)*

Tuition & Fees	\$ 524.6
State Appropriations	453.6
Grants & Contracts	568.3
Sales & Services	54.1
Other	113.3
Auxiliaries	<u>195.0</u>
Total Revenue	<u>\$ 1,912.8</u>

Fall 2012 Headcount Enrollment

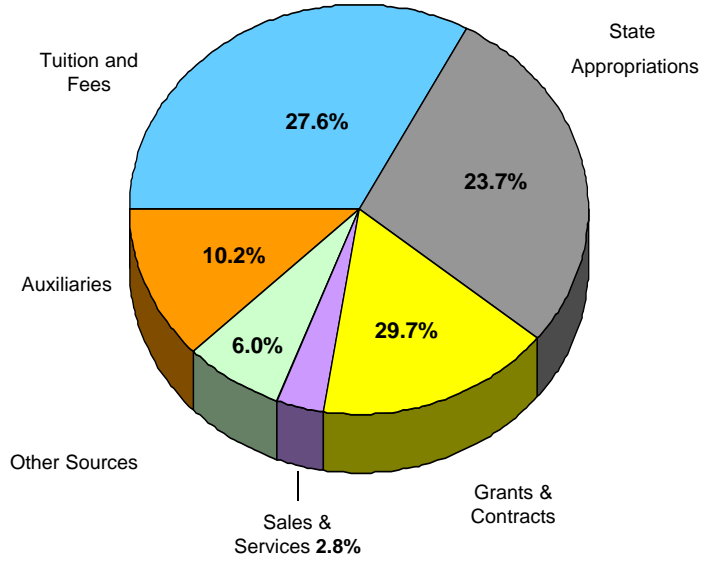
Knoxville	26,533
Chattanooga	11,660
Martin	7,751
Space Institute	137
Health Science Center	2,815
Veterinary Medicine	<u>348</u>
TOTAL	<u>49,244</u>

FTE Positions (Unrestricted & Restricted) October 31, 2012

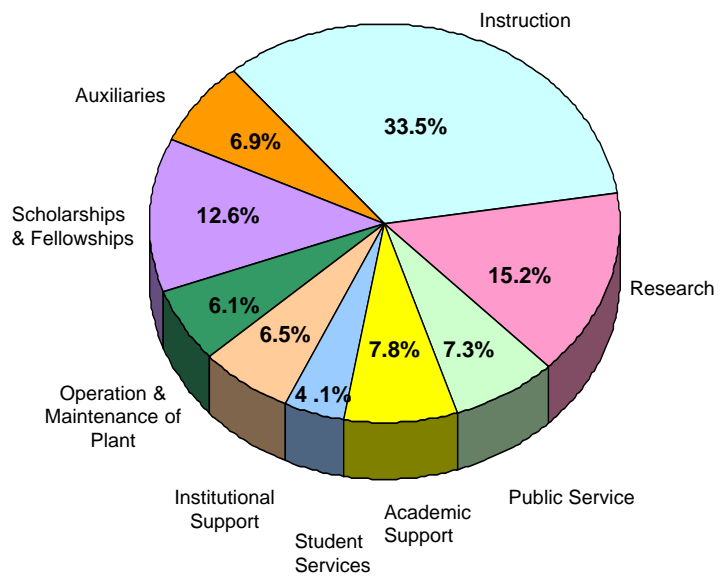
Faculty	4,075
Administrative	790
Professional	3,937
Cler/Tech/Maint	<u>6,034</u>
TOTAL	<u>14,837</u>

FY 2012-13 REVISED BUDGET Total Unrestricted and Restricted Current Funds

Revenues



Expenditures



University of Tennessee System

FY 2012-13 Revenues Unrestricted E&G *(In Millions)*

Tuition & Fees	\$ 528.4
State Appropriations	431.7
Grants & Contracts	42.0
Sales & Services	54.1
Other	<u>53.9</u>
Total Revenue	<u>\$ 1,110.2</u>

Fall 2012 Headcount Enrollment

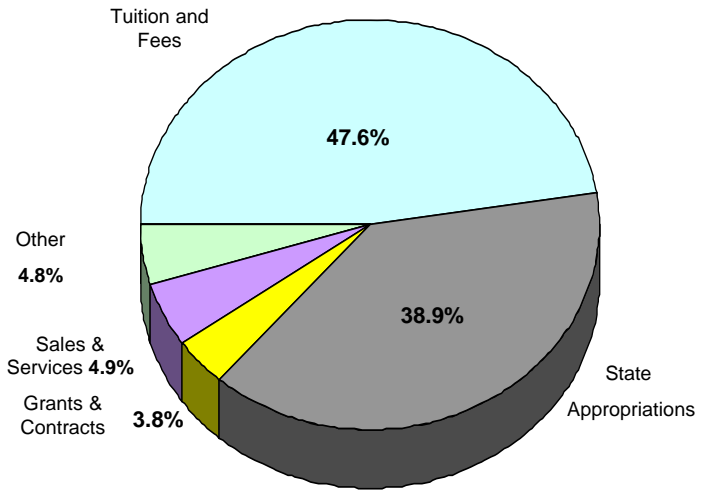
Knoxville	26,533
Chattanooga	11,660
Martin	7,751
Space Institute	137
Health Science Center	2,815
Veterinary Medicine	<u>348</u>
TOTAL	<u>49,244</u>

FTE Positions (Unrestricted E&G) October 31, 2012

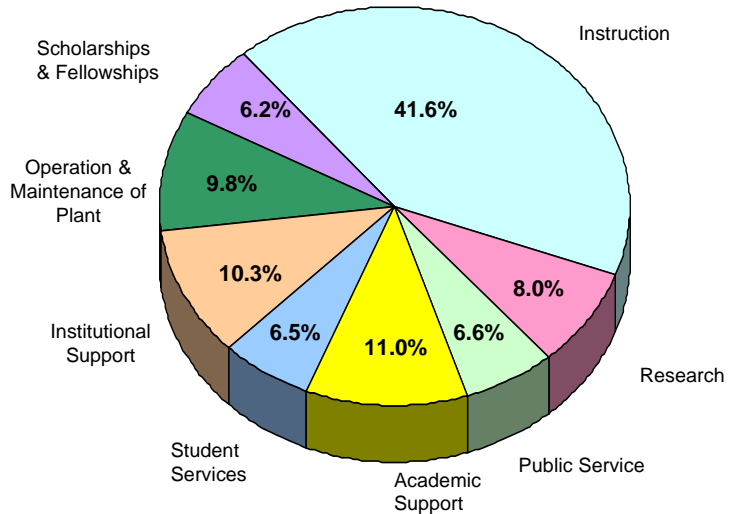
Faculty	3,090
Administrative	641
Professional	1,878
Cler/Tech/Maint	<u>3,820</u>
TOTAL	<u>9,429</u>

FY 2012-13 REVISED BUDGET Unrestricted E&G Only Total Unrestricted Current Funds

Revenues



Expenditures



University of Tennessee System
FY 2013 Revised State Appropriations Summary
 Unrestricted Current Funds (Educational and General)

	FY 2012 ACTUAL	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				Amount	%
STATE APPROPRIATIONS					
Chattanooga	\$ 35,088,738	\$ 35,497,564	\$ 35,505,864	\$ 8,300	0.0
Knoxville	147,947,704	156,240,800	156,334,850	94,050	0.1
Martin	25,195,511	26,145,717	26,213,217	67,500	0.3
Space Institute	7,392,569	7,684,651	7,695,901	11,250	0.1
Health Science Center					
<i>Memphis Other Specialized Units</i>	\$ 64,831,856	\$ 67,376,707	\$ 67,383,500	\$ 6,793	0.0
<i>College of Medicine Units</i>	44,093,363	44,845,300	44,934,400	89,100	0.2
<i>Family Medicine Units</i>	9,386,338	9,880,800	9,882,100	1,300	0.0
Sub-Total Health Science Center	\$ 118,311,558	\$ 122,102,807	\$ 122,200,000	\$ 97,193	0.1
Agricultural Units					
<i>Agricultural Experiment Station</i>	\$ 23,333,760	\$ 24,462,723	\$ 24,480,573	\$ 17,850	0.1
<i>Agricultural Extension Service</i>	28,160,380	29,560,066	29,580,016	19,950	0.1
<i>College of Veterinary Medicine</i>	14,823,603	15,719,622	15,720,772	1,150	0.0
Sub-Total Agricultural Units	\$ 66,317,743	\$ 69,742,411	\$ 69,781,361	\$ 38,950	0.1
Public Service Units					
<i>Institute for Public Service</i>	\$ 4,368,582	\$ 5,062,659	\$ 5,058,459	(4,200)	(0.1)
<i>Municipal Technical Advisory Service</i>	2,571,285	2,738,469	2,737,969	(500)	0.0
<i>County Technical Assistance Service</i>	1,534,985	1,650,969	1,650,969		0.0
Sub-Total Public Service Units	\$ 8,474,852	\$ 9,452,097	\$ 9,447,397	\$ (4,700)	0.0
System Administration	4,614,770	4,578,828	4,571,278	(7,550)	(0.2)
State Appropriations	\$ 413,343,445	\$ 431,444,875	\$ 431,749,868	\$ 304,993	0.1

Does not include appropriations for Centers of Excellence, Research Initiatives, or ARRA appropriations spent on plant fund projects.

Schedule 1

University of Tennessee System**State Appropriations Five Year History**

Unrestricted Current Funds (Educational and General)

	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 REVISED	CHANGE FY 2009 TO FY 2013	
						AMOUNT	%
STATE APPROPRIATIONS							
Chattanooga	\$ 43,330,000	\$ 45,848,095	\$ 48,591,279	\$ 35,088,738	\$ 35,505,864	\$ (7,824,136)	-18.1%
Knoxville	183,109,300	190,749,695	226,416,954	147,947,704	156,334,850	(26,774,450)	-14.6%
Martin	31,480,300	33,629,883	35,319,979	25,195,511	26,213,217	(5,267,083)	-16.7%
Space Institute	7,955,900	8,304,400	9,013,601	7,392,569	7,695,901	(259,999)	-3.3%
Health Science Center							
<i>Memphis Other Specialized Units</i>	\$ 70,001,900	\$ 70,224,887	\$ 77,546,026	\$ 64,831,856	\$ 67,383,500	\$ (2,618,400)	-3.7%
<i>College of Medicine Units</i>	46,745,500	46,280,784	51,848,114	44,093,363	44,934,400	(1,811,100)	-3.9%
<i>Family Medicine Units</i>	9,713,100	9,929,437	11,096,225	9,386,338	9,882,100	169,000	1.7%
Sub-Total Health Science Center	\$ 126,460,500	\$ 126,435,108	\$ 140,490,365	\$ 118,311,557	\$ 122,200,000	\$ (4,260,500)	-3.4%
Agricultural Units							
<i>Agricultural Experiment Station</i>	\$ 24,093,200	\$ 26,753,807	\$ 25,635,108	\$ 23,333,760	\$ 24,480,573	\$ 387,373	1.6%
<i>Extension</i>	29,009,600	31,614,019	31,082,557	28,160,380	29,580,016	570,416	2.0%
<i>Veterinary Medicine</i>	16,277,800	16,219,185	17,416,903	14,823,603	15,720,772	(557,028)	-3.4%
Sub-Total Agricultural Units	\$ 69,380,600	\$ 74,587,011	\$ 74,134,568	\$ 66,317,743	\$ 69,781,361	\$ 400,761	0.6%
Public Service Units							
<i>Institute for Public Service</i>	\$ 4,835,100	\$ 5,150,772	\$ 4,920,285	\$ 4,368,582	\$ 5,058,459	\$ 223,359	4.6%
<i>Municipal Technical Advisory Service</i>	2,628,000	2,796,101	2,925,338	2,571,285	2,737,969	109,969	4.2%
<i>County Technical Assistance Service</i>	1,540,000	1,669,011	1,708,028	1,534,985	1,650,969	110,969	7.2%
Sub-Total Public Service Units	\$ 9,003,100	\$ 9,615,884	\$ 9,553,651	\$ 8,474,852	\$ 9,447,397	\$ 444,297	4.9%
System Administration	4,773,400	4,485,900	4,384,283	4,614,770	4,571,278	(202,122)	-4.2%
Total State Appropriations	\$ 475,493,100	\$ 493,655,976	\$ 547,904,680	\$ 413,343,444	\$ 431,749,868	\$ (43,743,232)	-9.2%

Does not include appropriations for Centers of Excellence and Research Initiatives or ARRA appropriations spent or budgeted on plant fund projects.

University of Tennessee System
FY 2013 Revised State Appropriations Summary
 Access & Diversity (Educational and General)

	FY 2012 ACTUAL	FY 2012 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				Amount	%
STATE APPROPRIATIONS					
Chattanooga	\$ 638,219	\$ 632,464	\$ 632,464		0.0%
Knoxville	2,235,104	2,214,950	2,214,950		0.0%
Martin	538,674	533,817	533,817		0.0%
Space Institute	85,169	84,401	84,401		0.0%
Health Science Center					
<i>Memphis Other Specialized Units</i>	\$ 1,480,683	\$ 1,467,332	\$ 1,467,332		0.0%
<i>College of Medicine Units</i>					0.0%
<i>Family Medicine Units</i>					0.0%
Sub-Total Health Science Center	\$ 1,480,683	\$ 1,467,332	\$ 1,467,332		0.0%
Agricultural Units					
<i>Agricultural Experiment Station</i>	\$ 109,460	\$ 108,473	\$ 108,473		0.0%
<i>Agricultural Extension Service</i>	106,981	106,016	106,016		0.0%
<i>College of Veterinary Medicine</i>	314,003	311,172	311,172		0.0%
Sub-Total Agricultural Units	\$ 530,444	\$ 525,661	\$ 525,661		0.0%
Public Service Units					
<i>Institute for Public Service</i>	\$ 13,682	\$ 13,559	\$ 13,559		0.0%
<i>Municipal Technical Advisory Service</i>	1,785	1,769	1,769		0.0%
<i>County Technical Assistance Service</i>	1,785	1,769	1,769		0.0%
Sub-Total Public Service Units	\$ 17,252	\$ 17,097	\$ 17,097		0.0%
System Administration	75,055	74,378	74,378		0.0%
Total State Appropriations	\$ 5,600,600	\$ 5,550,100	\$ 5,550,100		0.0%

University of Tennessee System
Educational and General Unrestricted Net Assets

	Total System	Chattanooga	Knoxville	Martin	Space Institute	Health Science Center	Institute for Agriculture	Institute for Public Service	University-Wide Administration
FY 2010-11 ACTUAL									
Estimated Net Assets at Beginning of Year	\$ 148,997,429	\$ 9,473,489	\$ 42,561,537	\$ 9,851,003	\$ 677,380	\$ 36,188,736	\$ 17,743,177	\$ 1,101,472	\$ 31,400,635
Operating Funds									
Revenue	\$ 1,152,920,441	\$ 123,079,906	\$ 531,169,514	\$ 91,035,861	\$ 11,273,097	\$ 236,023,970	\$ 119,943,092	\$ 16,510,759	\$ 23,884,242
Less: Expenditures and Transfers	(1,142,737,404)	(122,769,407)	(546,972,187)	(87,085,617)	(11,394,916)	(218,499,101)	(115,542,652)	(16,389,661)	(24,083,863)
Carryover Funds To/(From) Net Assets	\$ 10,183,037	\$ 310,499	\$ (15,802,673)	\$ 3,950,244	\$ (121,819)	\$ 17,524,869	\$ 4,400,440	\$ 121,098	\$ (199,621)
Net Assets Detail:									
ALLOCATED									
Working Capital	\$ 18,734,053	\$ 2,504,906	\$ 5,360,302	\$ 1,057,202	\$ 80,265	\$ 5,363,231	\$ 1,140,799	\$ 144,111	\$ 3,083,237
Revolving Funds	25,756,137		(81,188)			2,768,684			23,068,641
Encumbrances	7,620,592		3,213,085	215,263		2,298,036	1,766,317		127,891
Unexpended Gifts	20,437	20,437							
Reserve for Reappropriations	62,390,292	1,708,901		9,000,000		33,425,947	13,999,884	\$ 470,000	3,785,560
Total Allocated Net Assets	\$ 114,521,511	\$ 4,234,244	\$ 8,492,199	\$ 10,272,465	\$ 80,265	\$ 43,855,898	\$ 16,907,000	\$ 614,111	\$ 30,065,329
UNALLOCATED									
Total Net Assets	\$ 44,658,955	\$ 5,549,744	\$ 18,266,666	\$ 3,528,782	\$ 475,296	\$ 9,857,707	\$ 5,236,617	\$ 608,459	\$ 1,135,685
Percent Unallocated of Expend. & Transfers *	3.91%	4.52%	3.34%	4.05%	4.17%	4.51%	4.53%	3.71%	2.95%
FY 2011-12 ACTUAL									
Estimated Net Assets at Beginning of Year	\$ 159,180,466	\$ 9,783,988	\$ 26,758,864	\$ 13,801,247	\$ 555,561	\$ 53,713,605	\$ 22,143,617	\$ 1,222,570	\$ 31,201,014
Operating Funds									
Revenue	\$ 1,075,944,729	121,422,086	484,607,071	83,342,196	9,383,600	223,570,831	115,502,448	\$ 15,532,363	22,584,136
Less: Expenditures and Transfers	(1,089,231,971)	(122,638,346)	(482,513,686)	(87,885,870)	(9,427,724)	(226,026,302)	(117,819,155)	(15,305,240)	(27,615,648)
Carryover Funds To/(From) Net Assets	\$ (13,287,242)	\$ (1,216,260)	\$ 2,093,385	\$ (4,543,674)	\$ (44,124)	\$ (2,455,471)	\$ (2,316,707)	\$ 227,123	\$ (5,031,512)
Net Assets Detail:									
ALLOCATED									
Working Capital	\$ 22,930,461	\$ 3,203,156	\$ 8,448,428	\$ 923,610	\$ 78,773	\$ 5,881,237	\$ 990,036	\$ 106,841	\$ 3,298,379
Revolving Funds	24,315,982		644,510			3,119,955			20,551,517
Encumbrances	5,915,349	25,571	1,927,537	369,553		2,286,799	1,305,890		
Unexpended Gifts									
Reserve for Reappropriations	49,047,440			4,500,000		30,189,000	12,826,700	750,000	781,740
Total Allocated Net Assets	102,209,232	3,228,727	11,020,475	5,793,163	78,773	41,476,991	15,122,626	856,841	24,631,636
UNALLOCATED									
Total Net Assets	\$ 43,683,992	\$ 5,339,000	\$ 17,831,776	\$ 3,464,409	\$ 432,664	\$ 9,781,143	\$ 4,704,284	\$ 592,852	\$ 1,537,866
Percent Unallocated of Expend. & Transfers *	4.01%	4.35%	3.70%	3.94%	4.59%	4.33%	3.99%	3.87%	3.96%
FY 2012-13 REVISED BUDGET									
Estimated Net Assets at Beginning of Year	\$ 145,893,224	\$ 8,567,727	\$ 28,852,251	\$ 9,257,572	\$ 511,437	\$ 51,258,134	\$ 19,826,910	\$ 1,449,693	\$ 26,169,502
Operating Funds									
Revenue	\$ 1,110,166,544	\$ 122,351,531	\$ 505,820,320	\$ 85,441,814	\$ 10,380,549	\$ 229,119,104	\$ 120,164,282	\$ 16,762,666	\$ 20,126,278
Less: Expenditures and Transfers	(1,146,085,274)	(122,284,951)	(507,747,857)	(85,441,814)	(10,380,549)	(249,832,527)	(133,374,248)	(16,848,417)	(20,174,911)
Carryover Funds To/(From) Net Assets	\$ (35,918,730)	\$ 66,580	\$ (1,927,537)	\$ -	\$ -	\$ (20,713,423)	\$ (13,209,966)	\$ (85,751)	\$ (48,633)
Net Assets Detail:									
ALLOCATED									
Working Capital	\$ 22,930,460	\$ 3,203,156	\$ 8,448,428	\$ 923,610	\$ 78,773	\$ 5,881,237	\$ 990,036	\$ 106,841	\$ 3,298,379
Revolving Funds	24,315,982		644,510			3,119,955			20,551,517
Encumbrances	5,518,554	25,571	1,927,537	369,553		2,286,799	909,094		
Unexpended Gifts									
Reserve for Reappropriations	16,032,681			4,000,000		10,500,941		\$ 750,000	781,740
Total Allocated Net Assets	\$ 68,797,677	\$ 3,228,727	\$ 11,020,475	\$ 5,293,163	\$ 78,773	\$ 21,788,932	\$ 1,899,130	\$ 856,841	\$ 24,631,636
UNALLOCATED									
Total Net Assets	\$ 41,176,817	\$ 5,405,580	\$ 15,904,239	\$ 3,964,409	\$ 432,664	\$ 8,755,779	\$ 4,717,814	\$ 507,101	\$ 1,489,233
Percent Unallocated of Expend. & Transfers *	3.59%	4.42%	3.13%	4.64%	4.17%	3.50%	3.54%	3.01%	4.55%

* Recommended percent unallocated of expenditures and transfers is 2% to 5%. For UWA, transfers-in for system charge is excluded from this calculation.



University of Tennessee System Auxiliary Unrestricted Net Assets

	Total System	Chattanooga	Knoxville	Martin	Space Institute	Health Science Center
FY 2010-11 ACTUAL						
Estimated Net Assets at Beginning of Year	\$ 19,950,491	\$ 1,286,647	\$ 17,673,596	\$ 910,983	\$ 19,383	\$ 59,882
Operating Funds						
Revenue	\$ 197,856,791	\$ 10,564,234	\$ 170,956,396	\$ 13,297,594	\$ 108,640	\$ 2,929,927
Less: Expenditures and Transfers	(196,434,598)	(10,404,912)	(169,955,550)	(13,078,688)	(107,259)	(2,888,189)
Carryover Funds To/(From) Net Assets	<u>\$ 1,422,193</u>	<u>\$ 159,322</u>	<u>\$ 1,000,846</u>	<u>\$ 218,906</u>	<u>\$ 1,381</u>	<u>\$ 41,738</u>
ALLOCATED						
Working Capital	\$ 9,065,216	\$ 1,047,764	\$ 7,517,944	\$ 478,276	\$ 9,536	\$ 11,696
Revolving Funds	4,879,358		4,879,358			
Encumbrances	251,511		87,372	99,394		64,745
Total Allocated Net Assets	<u>\$ 14,196,085</u>	<u>\$ 1,047,764</u>	<u>\$ 12,484,674</u>	<u>\$ 577,670</u>	<u>\$ 9,536</u>	<u>\$ 76,441</u>
UNALLOCATED	<u>\$ 7,176,599</u>	<u>\$ 398,205</u>	<u>\$ 6,189,768</u>	<u>\$ 552,219</u>	<u>\$ 11,228</u>	<u>\$ 25,178</u>
Total Net Assets	<u>\$ 21,372,684</u>	<u>\$ 1,445,969</u>	<u>\$ 18,674,442</u>	<u>\$ 1,129,889</u>	<u>\$ 20,764</u>	<u>\$ 101,620</u>
Percent Unallocated of Expend. & Transfers	3.65%	3.83%	3.64%	4.22%	10.47%	0.87%
FY 2011-12 ACTUAL						
Estimated Net Assets at Beginning of Year	\$ 21,372,684	\$ 1,445,969	\$ 18,674,442	\$ 1,129,889	\$ 20,764	\$ 101,620
Operating Funds						
Revenue	\$ 199,764,806	\$ 11,998,166	\$ 172,129,555	\$ 12,869,324	\$ 159,336	\$ 2,608,424
Less: Expenditures and Transfers	(206,239,966)	(12,239,749)	(178,186,832)	(13,058,080)	(157,521)	(2,597,785)
Carryover Funds To/(From) Net Assets	<u>\$ (6,475,160)</u>	<u>\$ (241,583)</u>	<u>\$ (6,057,277)</u>	<u>\$ (188,756)</u>	<u>\$ 1,815</u>	<u>\$ 10,639</u>
ALLOCATED						
Working Capital	\$ 7,355,847	\$ 746,386	\$ 6,225,020	\$ 360,585	\$ 7,794	\$ 16,062
Revolving Funds	1,915,596		1,915,596			
Encumbrances	118,213			106,988		11,225
Total Allocated Net Assets	<u>\$ 9,389,656</u>	<u>\$ 746,386</u>	<u>\$ 8,140,616</u>	<u>\$ 467,573</u>	<u>\$ 7,794</u>	<u>\$ 27,287</u>
UNALLOCATED	<u>\$ 5,507,868</u>	<u>\$ 458,000</u>	<u>\$ 4,476,549</u>	<u>\$ 473,560</u>	<u>\$ 14,785</u>	<u>\$ 84,972</u>
Total Net Assets	<u>\$ 14,897,524</u>	<u>\$ 1,204,386</u>	<u>\$ 12,617,165</u>	<u>\$ 941,133</u>	<u>\$ 22,579</u>	<u>\$ 112,259</u>
Percent Unallocated of Expend. & Transfers	2.67%	3.74%	2.51%	3.63%	9.39%	3.27%
FY 2012-13 REVISED BUDGET						
Estimated Net Assets at Beginning of Year	\$ 14,897,524	\$ 1,204,386	\$ 12,617,165	\$ 941,133	\$ 22,579	\$ 112,259
Operating Funds						
Revenue	\$ 194,635,815	\$ 8,426,233	\$ 171,946,109	\$ 11,294,452	\$ 175,500	\$ 2,793,521
Less: Expenditures and Transfers	(194,635,815)	(8,426,233)	(171,946,109)	(11,294,452)	(175,500)	(2,793,521)
Carryover Funds To/(From) Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ALLOCATED						
Working Capital	\$ 7,459,099	\$ 849,638	\$ 6,225,020	\$ 360,585	\$ 7,794	\$ 16,062
Revolving Funds	1,915,596		1,915,596			
Encumbrances	118,213			106,988		11,225
Total Allocated Net Assets	<u>\$ 9,492,908</u>	<u>\$ 849,638</u>	<u>\$ 8,140,616</u>	<u>\$ 467,573</u>	<u>\$ 7,794</u>	<u>\$ 27,287</u>
UNALLOCATED	<u>\$ 5,404,616</u>	<u>\$ 354,748</u>	<u>\$ 4,476,549</u>	<u>\$ 473,560</u>	<u>\$ 14,785</u>	<u>\$ 84,972</u>
Total Net Assets	<u>\$ 14,897,524</u>	<u>\$ 1,204,386</u>	<u>\$ 12,617,165</u>	<u>\$ 941,133</u>	<u>\$ 22,579</u>	<u>\$ 112,259</u>
Percent Unallocated of Expend. & Transfers	2.78%	4.21%	2.60%	4.19%	8.42%	3.04%

* Recommended percent unallocated of expenditures and transfers is 3% to 5%

University of Tennessee System FY 2013 Revised Budget Summary

Current Funds Revenue, Expenditures and Transfers - UNRESTRICTED

	Total System	Chattanooga	Knoxville	Martin	Space Institute	Health Science Center	Institute of Agriculture	Public Service Units	University-Wide Administration
EDUCATIONAL AND GENERAL									
Revenues									
Tuition & Fees	\$ 528,423,064	\$ 81,157,113	\$ 310,686,250	\$ 55,278,052	\$ 2,037,648	\$ 68,639,868	\$ 10,624,133		
State Appropriations	431,749,868	35,505,864	156,334,850	26,213,217	7,695,901	122,200,000	69,781,361	\$ 9,447,397	\$ 4,571,278
Grants & Contracts	41,960,037	453,856	20,560,000	345,500	500,000	15,274,655	4,351,177	474,849	
Sales & Service	54,135,060	4,273,064	8,410,417	2,948,245	145,000	19,015,849	19,342,485		
Other Sources	53,898,515	961,634	9,828,803	656,800	2,000	3,988,732	16,065,126	6,840,420	15,555,000
Total Revenues	\$ 1,110,166,544	\$ 122,351,531	\$ 505,820,320	\$ 85,441,814	\$ 10,380,549	\$ 229,119,104	\$ 120,164,282	\$ 16,762,666	\$ 20,126,278
Expenditures and Transfers									
Instruction	\$ 501,769,742	\$ 54,380,549	\$ 240,192,047	\$ 41,586,534	\$ 4,816,549	\$ 128,728,297	\$ 32,065,766		
Research	97,026,129	2,011,793	38,307,279	395,684	1,466,665	10,128,081	44,716,627		
Public Service	79,166,823	2,340,950	11,469,030	542,748		35,029		\$ 15,121,614	
Academic Support	132,928,605	8,730,863	65,781,655	10,401,423	291,967	40,211,169	7,185,732	325,796	
Student Services	77,758,203	19,907,165	42,231,440	10,276,771	46,047	5,296,780			
Institutional Support	124,572,398	10,081,661	36,999,316	6,018,801	1,447,087	21,762,645	2,193,062	1,108,725	\$ 44,961,101
Op/Maint Physical Plant	118,312,998	16,703,442	58,583,759	11,994,302	1,806,056	25,526,936	3,698,503		
Scholarships & Fellowships	74,141,503	10,329,985	47,291,142	7,634,068	140,890	8,645,095	100,323		
Sub-Total Expenditures	\$ 1,205,676,401	\$ 124,486,408	\$ 540,855,668	\$ 88,850,331	\$ 10,015,261	\$ 240,334,032	\$ 139,617,465	\$ 16,556,135	\$ 44,961,101
Mandatory Transfers	7,379,993	774,165	1,836,790	746,700		4,022,338			
Non Mandatory Transfers	(66,971,120)	(2,975,622)	(34,944,601)	(4,155,217)	365,288	5,476,157	(6,243,217)	292,282	(24,786,190)
Total Expenditures & Transfers	\$ 1,146,085,274	\$ 122,284,951	\$ 507,747,857	\$ 85,441,814	\$ 10,380,549	\$ 249,832,527	\$ 133,374,248	\$ 16,848,417	\$ 20,174,911
Fund Balance Addition/(Reduction)	\$ (35,918,730)	\$ 66,580	\$ (1,927,537)			\$ (20,713,423)	\$ (13,209,966)	\$ (85,751)	\$ (48,633)
AUXILIARIES									
Revenues	\$ 194,635,815	\$ 8,426,233	\$ 171,946,109	\$ 11,294,452	\$ 175,500	\$ 2,793,521			
Expenditures and Transfers									
Expenditures	\$ 134,279,055	\$ 4,619,356	\$ 119,412,830	\$ 7,540,781	\$ 255,927	\$ 2,450,161			
Mandatory Transfers	28,459,405	2,373,402	22,562,491	3,180,152		343,360			
Non Mandatory Transfers	31,897,355	1,433,475	29,970,788	573,519	(80,427)				
Total Expenditures & Transfers	\$ 194,635,815	\$ 8,426,233	\$ 171,946,109	\$ 11,294,452	\$ 175,500	\$ 2,793,521			
Fund Balance Addition/(Reduction)									
TOTALS									
Revenues	\$ 1,304,802,359	\$ 130,777,764	\$ 677,766,429	\$ 96,736,266	\$ 10,556,049	\$ 231,912,625	\$ 120,164,282	\$ 16,762,666	\$ 20,126,278
Expenditures and Transfers									
Expenditures	\$ 1,339,955,456	\$ 129,105,764	\$ 660,268,498	\$ 96,391,112	\$ 10,271,188	\$ 242,784,193	\$ 139,617,465	\$ 16,556,135	\$ 44,961,101
Mandatory Transfers	35,839,398	3,147,567	24,399,281	3,926,852		4,365,698			
Non-Mandatory Transfers	(35,073,765)	(1,542,147)	(4,973,813)	(3,581,698)	284,861	5,476,157	(6,243,217)	292,282	(24,786,190)
Total Expenditures & Transfers	\$ 1,340,721,089	\$ 130,711,184	\$ 679,693,966	\$ 96,736,266	\$ 10,556,049	\$ 252,626,048	\$ 133,374,248	\$ 16,848,417	\$ 20,174,911
Fund Balance Addition/(Reduction)	\$ (35,918,730)	\$ 66,580	\$ (1,927,537)			\$ (20,713,423)	\$ (13,209,966)	\$ (85,751)	\$ (48,633)

University of Tennessee System FY 2013 Revised Budget Summary

Current Funds Revenues, Expenditures and Transfers - UNRESTRICTED AND RESTRICTED

	Total System	Chattanooga	Knoxville	Martin	Space Institute	Health Science Center	Institute of Agriculture	Public Service Units	University-Wide Administration
EDUCATIONAL AND GENERAL									
Revenues									
Tuition & Fees	\$ 528,423,064	\$ 81,157,113	\$ 310,686,250	\$ 55,278,052	\$ 2,037,648	\$ 68,639,868	\$ 10,624,133		
State Appropriations	453,577,181	36,270,362	167,058,910	26,507,119	8,520,281	124,689,856	70,917,678	\$ 9,447,397	\$ 10,165,578
Grants & Contracts	568,271,203	47,871,574	235,880,000	34,598,500	1,398,806	198,620,097	42,522,377	5,379,849	2,000,000
Sales & Service	54,135,060	4,273,064	8,410,417	2,948,245	145,000	19,015,849	19,342,485		
Other Sources	113,380,528	10,939,142	34,378,803	3,263,800	10,066	21,577,171	19,841,126	7,330,420	16,040,000
Total Revenues	\$ 1,717,787,036	\$ 180,511,255	\$ 756,414,380	\$ 122,595,716	\$ 12,111,801	\$ 432,542,841	\$ 163,247,799	\$ 22,157,666	\$ 28,205,578
Expenditures and Transfers									
Instruction	\$ 653,520,617	\$ 61,886,135	\$ 249,692,047	\$ 43,964,234	\$ 4,848,549	\$ 259,728,297	\$ 33,401,355		
Research	296,877,536	7,985,510	150,307,279	527,684	3,381,623	60,128,081	68,953,059		\$ 5,594,300
Public Service	141,488,689	3,921,485	38,469,030	1,702,748		8,639,029	66,294,783	\$ 20,516,614	1,945,000
Academic Support	152,069,973	11,055,603	72,281,655	10,540,223	295,967	50,215,169	7,355,760	325,796	
Student Services	79,529,356	20,658,018	42,731,440	10,797,071	46,047	5,296,780			
Institutional Support	126,827,922	10,342,356	37,090,376	6,073,701	1,472,087	22,762,645	2,516,931	1,108,725	45,461,101
Op/Maint Physical Plant	118,522,454	16,874,898	58,586,759	12,012,302	1,806,056	25,526,936	3,715,503		
Scholarships/Fellowships	244,400,375	49,714,687	142,291,142	40,386,470	159,390	11,445,095	363,591		40,000
Sub-Total Expenditures	\$ 1,813,236,922	\$ 182,438,692	\$ 791,449,728	\$ 126,004,233	\$ 12,009,719	\$ 443,742,032	\$ 182,600,982	\$ 21,951,135	\$ 53,040,401
Mandatory Transfers	7,379,993	774,165	1,836,790	746,700		4,022,338			
Non Mandatory Transfers	(66,971,120)	(2,975,622)	(34,944,601)	(4,155,217)	365,288	5,476,157	(6,243,217)	292,282	(24,786,190)
Total Expenditures & Transfers	\$ 1,753,645,795	\$ 180,237,235	\$ 758,341,917	\$ 122,595,716	\$ 12,375,007	\$ 453,240,527	\$ 176,357,765	\$ 22,243,417	\$ 28,254,211
Fund Balance Addition/(Reduction)	\$ (35,858,759)	\$ 274,020	\$ (1,927,537)		\$ (263,206)	\$ (20,697,686)	\$ (13,109,966)	\$ (85,751)	\$ (48,633)
AUXILIARIES									
Revenues	\$ 195,035,815	\$ 8,426,233	\$ 172,346,109	\$ 11,294,452	\$ 175,500	\$ 2,793,521			
Expenditures & Transfers									
Expenditures	134,679,055	4,619,356	119,812,830	7,540,781	255,927	2,450,161			
Mandatory Transfers	28,459,405	2,373,402	22,562,491	3,180,152		343,360			
Non Mandatory Transfers	31,897,355	1,433,475	29,970,788	573,519	(80,427)				
Total Expenditures & Transfers	\$ 195,035,815	\$ 8,426,233	\$ 172,346,109	\$ 11,294,452	\$ 175,500	\$ 2,793,521			
Fund Balance Addition/(Reduction)									
TOTALS									
Revenues	\$ 1,912,822,851	\$ 188,937,488	\$ 928,760,489	\$ 133,890,168	\$ 12,287,301	\$ 435,336,362	\$ 163,247,799	\$ 22,157,666	\$ 28,205,578
Expenditures & Transfers	\$ 1,947,915,977	\$ 187,058,048	\$ 911,262,558	\$ 133,545,014	\$ 12,265,646	\$ 446,192,193	\$ 182,600,982	\$ 21,951,135	\$ 53,040,401
Expenditures	35,839,398	3,147,567	24,399,281	3,926,852		4,365,698			
Mandatory Transfers	(35,073,765)	(1,542,147)	(4,973,813)	(3,581,698)	284,861	5,476,157	(6,243,217)	292,282	(24,786,190)
Non Mandatory Transfers									
Total Expenditures & Transfers	\$ 1,948,681,610	\$ 188,663,468	\$ 930,688,026	\$ 133,890,168	\$ 12,550,507	\$ 456,034,048	\$ 176,357,765	\$ 22,243,417	\$ 28,254,211
Fund Balance Addition/(Reduction)	\$ (35,858,759)	\$ 274,020	\$ (1,927,537)		\$ (263,206)	\$ (20,697,686)	\$ (13,109,966)	\$ (85,751)	\$ (48,633)

University of Tennessee System

Five Year Budget Summary Comparison

Current Funds Revenues, Expenditures and Transfers - UNRESTRICTED

	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 REVISED	FIVE YEAR CHANGE	
						AMOUNT	%
EDUCATIONAL AND GENERAL							
Revenues							
Tuition & Fees	\$ 371,825,051	\$ 404,492,792	\$ 448,985,458	\$ 503,560,202	\$ 528,423,064	\$ 156,598,013	42.1%
State Appropriations	475,493,100	493,655,975	547,904,679	413,343,445	431,749,868	(43,743,232)	-9.2%
Grants & Contracts	72,448,783	53,956,891	48,030,770	49,090,830	41,960,037	(30,488,746)	-42.1%
Sales & Service	51,910,392	51,284,074	53,401,514	55,117,066	54,135,060	2,224,668	4.3%
Other Sources	59,287,503	56,569,899	54,598,020	54,833,187	53,898,515	(5,388,988)	-9.1%
Total Revenues	\$ 1,030,964,829	\$ 1,059,959,631	\$ 1,152,920,441	\$ 1,075,944,729	\$ 1,110,166,544	\$ 79,201,715	7.7%
Expenditures and Transfers							
Instruction	\$ 430,865,699	\$ 406,155,354	\$ 416,108,737	\$ 427,881,549	\$ 501,769,742	\$ 70,904,043	16.5%
Research	76,991,687	71,473,144	71,584,378	81,768,794	97,026,129	20,034,442	26.0%
Public Service	66,079,285	64,376,209	67,160,007	65,533,281	79,166,823	13,087,538	19.8%
Academic Support	115,638,277	109,822,900	123,213,093	118,367,805	132,928,605	17,290,328	15.0%
Student Services	74,668,023	76,029,939	76,356,504	82,788,622	77,758,203	3,090,180	4.1%
Institutional Support	104,478,649	101,730,693	107,386,429	122,428,550	124,572,398	20,093,749	19.2%
Op/Maint Physical Plant	104,838,903	103,430,455	118,655,716	117,451,028	118,312,998	13,474,095	12.9%
Scholarships & Fellowships	51,077,044	53,293,356	61,243,822	68,903,135	74,141,503	23,064,459	45.2%
Sub-Total Expenditures	\$ 1,024,637,566	\$ 986,312,050	\$ 1,041,708,686	\$ 1,085,122,764	\$ 1,205,676,401	\$ 181,038,835	17.7%
Mandatory Transfers	6,497,005	6,920,547	7,226,436	7,159,721	7,379,993	882,988	13.6%
Non Mandatory Transfers	715,045	29,839,063	93,802,280	(3,050,514)	(66,971,120)	(67,686,165)	-9466.0%
Total Expenditures & Transfers	\$ 1,031,849,616	\$ 1,023,071,660	\$ 1,142,737,402	\$ 1,089,231,971	\$ 1,146,085,274	\$ 114,235,658	11.1%
Fund Balance Addition/(Reduction)	\$ (884,787)	\$ 36,887,971	\$ 10,183,039	\$ (13,287,242)	\$ (35,918,730)		
AUXILIARIES							
Revenues	\$ 176,238,268	\$ 192,521,124	\$ 197,856,791	\$ 199,764,806	\$ 194,635,815	\$ 18,397,547	10.4%
Expenditures and Transfers							
Expenditures	\$ 134,271,106	\$ 131,386,312	\$ 141,182,612	\$ 142,431,466	\$ 134,279,055	\$ 7,949	0.0%
Mandatory Transfers	23,926,574	22,428,283	23,923,901	26,171,577	28,459,405	4,532,831	18.9%
Non-Mandatory Transfers	15,287,710	37,786,131	31,328,085	37,636,923	31,897,355	16,609,645	108.6%
Total Expenditures & Transfers	\$ 173,485,390	\$ 191,600,726	\$ 196,434,598	\$ 206,239,966	\$ 194,635,815	\$ 21,150,425	12.2%
Fund Balance Addition/(Reduction)	\$ 2,752,878	\$ 920,398	\$ 1,422,193	\$ (6,475,161)			
TOTALS							
Revenues	\$ 1,207,203,097	\$ 1,252,480,755	\$ 1,350,777,232	\$ 1,275,709,534	\$ 1,304,802,359	\$ 97,599,262	8.1%
Expenditures and Transfers							
Expenditures	\$ 1,158,908,672	\$ 1,117,698,362	\$ 1,182,891,298	\$ 1,227,554,230	\$ 1,339,955,456	\$ 181,046,784	15.6%
Mandatory Transfers	30,423,579	29,348,830	31,150,337	33,331,298	35,839,398	5,415,819	17.8%
Non-Mandatory Transfers	16,002,755	67,625,194	125,130,365	34,586,409	(35,073,765)	(51,076,520)	-319.2%
Total Expenditures & Transfers	\$ 1,205,335,006	\$ 1,214,672,386	\$ 1,339,172,000	\$ 1,295,471,937	\$ 1,340,721,089	\$ 135,386,083	11.2%
Fund Balance Addition/(Reduction)	\$ 1,868,092	\$ 37,808,369	\$ 11,605,231	\$ (19,762,402)	\$ (35,918,730)		

University of Tennessee System
Five Year Budget Summary Comparison

Current Funds Revenues, Expenditures and Transfers - UNRESTRICTED AND RESTRICTED

	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 REVISED	FIVE YEAR CHANGE	
						AMOUNT	%
EDUCATIONAL AND GENERAL							
Revenues							
Tuition & Fees	\$ 371,825,051	\$ 404,492,792	\$ 448,985,458	\$ 503,560,202	\$ 528,423,064	\$ 156,598,013	42.1%
State Appropriations	497,947,300	516,305,505	569,824,232	434,160,502	453,577,181	(44,370,119)	-8.9%
Grants & Contracts	491,697,255	515,951,220	588,820,146	599,409,965	568,271,203	76,573,948	15.6%
Sales & Service	51,910,392	51,284,074	53,401,514	55,117,066	54,135,060	2,224,668	4.3%
Other Sources	129,357,528	128,907,344	116,974,365	113,360,279	113,380,528	(15,977,000)	-12.4%
Total Revenues	\$ 1,542,737,526	\$ 1,616,940,935	\$ 1,778,005,715	\$ 1,705,608,013	\$ 1,717,787,036	\$ 175,049,510	11.3%
Expenditures and Transfers							
Instruction	\$ 529,975,158	\$ 530,487,275	\$ 561,323,285	\$ 581,751,601	\$ 653,520,617	\$ 123,545,459	23.3%
Research	253,700,070	248,046,616	263,910,986	275,074,925	296,877,536	43,177,466	17.0%
Public Service	132,234,699	128,580,176	158,439,055	159,006,576	141,488,689	9,253,990	7.0%
Academic Support	128,260,016	122,912,760	141,363,492	142,477,839	152,069,973	23,809,957	18.6%
Student Services	78,046,581	79,291,733	79,778,059	84,436,897	79,529,356	1,482,775	1.9%
Institutional Support	106,654,464	103,937,697	109,799,114	125,005,498	126,827,922	20,173,458	18.9%
Op/Maint Physical Plant	104,883,266	103,490,677	118,763,903	117,662,170	118,522,454	13,639,188	13.0%
Scholarships & Fellowships	185,189,507	210,221,367	234,191,229	241,007,048	244,400,375	59,210,868	32.0%
Sub-Total Expenditures	\$ 1,518,943,762	\$ 1,526,968,301	\$ 1,667,569,123	\$ 1,726,422,554	\$ 1,813,236,922	\$ 294,293,160	19.4%
Mandatory Transfers	6,497,004	6,920,547	7,226,437	7,159,721	7,379,993	882,989	13.6%
Non Mandatory Transfers	715,045	29,839,063	93,802,280	(3,050,514)	(66,971,120)	(67,686,165)	-9466.0%
Total Expenditures & Transfers	\$ 1,526,155,811	\$ 1,563,727,910	\$ 1,768,597,840	\$ 1,730,531,761	\$ 1,753,645,795	\$ 227,489,984	14.9%
Fund Balance Addition/(Reduction)	\$ 16,581,715	\$ 53,213,024	\$ 9,407,875	\$ (24,923,748)	\$ (35,858,759)		
AUXILIARIES							
Revenues	\$ 177,130,325	\$ 193,135,354	\$ 198,601,840	\$ 200,291,433	\$ 195,035,815	\$ 17,905,490	10.1%
Expenditures and Transfers							
Expenditures	\$ 134,673,629	\$ 131,722,007	\$ 141,571,262	\$ 143,122,269	\$ 134,679,055	\$ 5,426	0.0%
Mandatory Transfers	23,926,574	22,428,284	23,923,900	26,171,577	28,459,405	4,532,831	18.9%
Non-Mandatory Transfers	15,287,710	37,778,066	31,328,086	37,636,923	31,897,355	16,609,645	108.6%
Total Expenditures & Transfers	\$ 173,887,913	\$ 191,928,357	\$ 196,823,248	\$ 206,930,769	\$ 195,035,815	\$ 21,147,902	12.2%
Fund Balance Addition/(Reduction)	\$ 3,242,412	\$ 1,206,997	\$ 1,778,592	\$ (6,639,336)			
TOTALS							
Revenues	\$ 1,719,867,850	\$ 1,810,076,289	\$ 1,976,607,555	\$ 1,905,899,446	\$ 1,912,822,851	\$ 192,955,001	11.2%
Expenditures and Transfers							
Expenditures	\$ 1,653,617,391	\$ 1,658,690,308	\$ 1,809,140,385	\$ 1,869,544,823	\$ 1,947,915,977	\$ 294,298,586	17.8%
Mandatory Transfers	30,423,578	29,348,831	31,150,337	33,331,298	35,839,398	5,415,820	17.8%
Non-Mandatory Transfers	16,002,755	67,617,129	125,130,366	34,586,409	(35,073,765)	(51,076,520)	-319.2%
Total Expenditures & Transfers	\$ 1,700,043,724	\$ 1,755,656,267	\$ 1,965,421,088	\$ 1,937,462,530	\$ 1,948,681,610	\$ 248,637,886	14.6%
Fund Balance Addition/(Reduction)	\$ 19,824,127	\$ 54,420,021	\$ 11,186,467	\$ (31,563,084)	\$ (35,858,759)		

University of Tennessee System

FY 2013 Revised Budget Summary

Unrestricted and Restricted Current Funds Revenues, Expenditures and Transfers

	FY 2012 Actual			FY 2013 Original			FY 2013 Revised			CHANGE	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Original to Revised Amount	%
EDUCATION AND GENERAL											
Revenues											
Tuition & Fees	\$ 503,560,202		\$ 503,560,202	\$ 524,612,177		\$ 524,612,177	\$ 528,423,064		\$ 528,423,064	\$ 3,810,887	0.7%
State Appropriations	413,343,445	\$ 20,817,058	434,160,503	431,444,875	\$ 27,590,871	459,035,746	431,749,868	\$ 21,827,313	453,577,181	(5,458,565)	-1.2%
Grants & Contracts	49,090,830	550,319,135	599,409,965	42,408,275	539,101,977	581,510,252	41,960,037	526,311,166	568,271,203	(13,239,049)	-2.3%
Sales & Service	55,117,066		55,117,066	52,825,885		52,825,885	54,135,060	-	54,135,060	1,309,175	2.5%
Other Sources	54,833,187	58,527,092	113,360,279	53,903,875	57,140,682	111,044,557	53,898,515	59,482,013	113,380,528	2,335,971	2.1%
Total Revenues	\$ 1,075,944,730	\$ 629,663,285	\$ 1,705,608,015	\$ 1,105,195,087	\$ 623,833,530	\$ 1,729,028,617	\$ 1,110,166,544	\$ 607,620,492	\$ 1,717,787,036	\$ (11,241,581)	-0.7%
Expenditures and Transfers											
Instruction	\$ 427,881,549	\$ 153,852,687	\$ 581,734,236	\$ 479,891,678	\$ 143,319,549	\$ 623,211,227	\$ 501,769,742	\$ 151,750,875	\$ 653,520,617	\$ 30,309,390	4.9%
Research	81,768,794	193,306,131	275,074,925	69,787,151	182,712,316	252,499,467	97,026,129	199,851,407	296,877,536	44,378,069	17.6%
Public Service	65,533,281	93,473,296	159,006,577	70,772,396	101,408,044	172,180,440	79,166,823	62,321,866	141,488,689	(30,691,751)	-17.8%
Academic Support	118,367,805	24,127,398	142,495,203	121,674,024	20,066,942	141,740,966	132,928,605	19,141,368	152,069,973	10,329,007	7.3%
Student Services	82,788,622	1,648,275	84,436,897	74,930,630	3,137,911	78,068,541	77,758,203	1,771,153	79,529,356	1,460,815	1.9%
Institutional Support	122,428,550	2,576,948	125,005,498	121,873,810	2,848,743	124,722,553	124,572,398	2,255,524	126,827,922	2,105,369	1.7%
Operation & Maintenance of Plant	117,451,028	211,142	117,662,170	115,439,944	364,951	115,804,895	118,312,998	209,456	118,522,454	2,717,559	2.3%
Scholarships & Fellowships	68,903,135	172,103,912	241,007,047	73,413,733	170,782,805	244,196,538	74,141,503	170,258,872	244,400,375	203,837	0.1%
Sub-Total Expenditures	\$ 1,085,122,764	\$ 641,299,789	\$ 1,726,422,553	\$ 1,127,783,366	\$ 624,641,261	\$ 1,752,424,627	\$ 1,205,676,401	\$ 607,560,521	\$ 1,813,236,922	\$ 60,812,295	3.5%
Mandatory Transfers	7,159,721		7,159,721	7,379,535		7,379,535	7,379,993		7,379,993	458	0.0%
Non-Mandatory Transfers	(3,050,514)		(3,050,514)	(25,917,093)		(25,917,093)	(66,971,120)		(66,971,120)	(41,054,027)	158.4%
Total Expenditures & Transfers	\$ 1,089,231,971	\$ 641,299,789	\$ 1,730,531,760	\$ 1,109,245,808	\$ 624,641,261	\$ 1,733,887,069	\$ 1,146,085,274	\$ 607,560,521	\$ 1,753,645,795	\$ 19,758,726	1.1%
Fund Balance Addition / (Reduction)	\$ (13,287,241)	\$ (11,636,504)	\$ (24,923,745)	\$ (4,050,721)	\$ (807,731)	\$ (4,858,452)	\$ (35,918,730)	\$ 59,971	\$ (35,858,759)		
AUXILIARIES											
Revenues											
	\$ 199,764,806	\$ 526,627	\$ 200,291,433	\$ 196,787,587	\$ 650,000	\$ 197,437,587	\$ 194,635,815	\$ 400,000	\$ 195,035,815	\$ (2,401,772)	-1.2%
Expenditures and Transfers											
Expenditures	\$ 142,431,466	\$ 690,802	\$ 143,122,268	\$ 136,726,730	\$ 400,000	\$ 137,126,730	\$ 134,279,055	\$ 400,000	\$ 134,679,055	\$ (2,447,675)	-1.8%
Mandatory Transfers	26,171,577		26,171,577	28,210,043		28,210,043	28,459,405		28,459,405	249,362	0.9%
Non-Mandatory Transfers	37,636,923		37,636,923	31,850,814		31,850,814	31,897,355		31,897,355	46,541	0.1%
Total Expenditures & Transfers	\$ 206,239,966	\$ 690,802	\$ 206,930,768	\$ 196,787,587	\$ 400,000	\$ 197,187,587	\$ 194,635,815	\$ 400,000	\$ 195,035,815	\$ (2,151,772)	-1.1%
Fund Balance Addition / (Reduction)	\$ (6,475,160)	\$ (164,175)	\$ (6,639,335)		\$ 250,000	\$ 250,000					
TOTALS											
Revenues											
	\$ 1,275,709,536	\$ 630,189,912	\$ 1,905,899,448	\$ 1,301,982,674	\$ 624,483,530	\$ 1,926,466,204	\$ 1,304,802,359	\$ 608,020,492	\$ 1,912,822,851	\$ (13,643,353)	-0.7%
Expenditures and Transfers											
Expenditures	\$ 1,227,554,230	\$ 641,990,591	\$ 1,869,544,821	\$ 1,264,510,096	\$ 625,041,261	\$ 1,889,551,357	\$ 1,339,955,456	\$ 607,960,521	\$ 1,947,915,977	\$ 58,364,620	3.1%
Mandatory Transfers	33,331,298		33,331,298	35,589,578		35,589,578	35,839,398		35,839,398	249,820	0.7%
Non-Mandatory Transfers	34,586,409		34,586,409	5,933,721		5,933,721	(35,073,765)		(35,073,765)	(41,007,486)	-691.1%
Total Expenditures & Transfers	\$ 1,295,471,937	\$ 641,990,591	\$ 1,937,462,528	\$ 1,306,033,395	\$ 625,041,261	\$ 1,931,074,656	\$ 1,340,721,089	\$ 607,960,521	\$ 1,948,681,610	\$ 17,606,954	0.9%
Fund Balance Addition / (Reduction)	\$ (19,762,401)	\$ (11,800,679)	\$ (31,563,080)	\$ (4,050,721)	\$ (557,731)	\$ (4,608,452)	\$ (35,918,730)	\$ 59,971	\$ (35,858,759)		

University of Tennessee System
FY 2013 Revised Budget - Natural Classifications
 Unrestricted Current Funds Expenditures

	Total System	Chattanooga	Knoxville	Martin	Space Institute	Health Science Center	Institute of Agriculture	Public Service Units	University-Wide Administration
EDUCATIONAL AND GENERAL									
Salaries and Benefits									
Salaries									
Academic	\$ 300,664,784	\$ 35,228,885	\$ 135,362,082	\$ 23,678,737	\$ 2,453,153	\$ 75,788,315	\$ 27,748,237	\$ 214,501	\$ 190,874
Non-Academic	280,674,340	27,754,022	107,659,318	18,226,272	2,753,057	54,272,654	39,601,719	9,090,661	21,316,637
Students	8,069,142	675,056	4,358,255	1,644,380		733,469	454,265	65,000	138,717
Total Salaries	\$ 589,408,266	\$ 63,657,963	\$ 247,379,655	\$ 43,549,389	\$ 5,206,210	\$ 130,794,438	\$ 67,804,221	\$ 9,370,162	\$ 21,646,228
Staff Benefits	199,562,440	22,332,204	81,713,362	16,520,608	2,067,557	42,038,855	24,781,277	3,145,511	6,963,066
Total Salaries and Benefits	\$ 788,970,706	\$ 85,990,167	\$ 329,093,017	\$ 60,069,997	\$ 7,273,767	\$ 172,833,293	\$ 92,585,498	\$ 12,515,673	\$ 28,609,294
Operating	387,124,108	36,692,699	197,163,205	27,299,801	2,710,494	58,624,955	44,520,006	3,861,141	16,251,807
Equipment and Capital Outlay	29,581,587	1,803,542	14,599,446	1,480,533	31,000	8,875,784	2,511,961	179,321	100,000
Total Expenditures	\$ 1,205,676,401	\$ 124,486,408	\$ 540,855,668	\$ 88,850,331	\$ 10,015,261	\$ 240,334,032	\$ 139,617,465	\$ 16,556,135	\$ 44,961,101

AUXILIARIES

Salaries and Benefits

Salaries									
Academic	\$ 444,370	\$ 7,000	\$ 434,307	\$ 3,063					
Non-Academic	36,986,171	1,425,026	33,042,433	1,510,392	\$ 132,281	\$ 876,039			
Students	4,111,150	182,223	3,360,510	568,417					
Total Salaries	\$ 41,541,691	\$ 1,614,249	\$ 36,837,250	\$ 2,081,872	\$ 132,281	\$ 876,039			
Staff Benefits	11,196,201	340,447	9,793,414	675,318	47,750	339,272			
Total Salaries and Benefits	\$ 52,737,892	\$ 1,954,696	\$ 46,630,664	\$ 2,757,190	\$ 180,031	\$ 1,215,311			
Operating	80,843,975	2,649,172	72,107,166	4,776,891	75,896	1,234,850			
Equipment and Capital Outlay	697,188	15,488	675,000	6,700					
Total Expenditures	\$ 134,279,055	\$ 4,619,356	\$ 119,412,830	\$ 7,540,781	\$ 255,927	\$ 2,450,161			

TOTALS

Salaries and Benefits

Salaries									
Academic	\$ 301,109,154	\$ 35,235,885	\$ 135,796,389	\$ 23,681,800	\$ 2,453,153	\$ 75,788,315	\$ 27,748,237	\$ 214,501	\$ 190,874
Non-Academic	317,660,511	29,179,048	140,701,751	19,736,664	2,885,338	55,148,693	39,601,719	9,090,661	21,316,637
Students	12,180,292	857,279	7,718,765	2,212,797		733,469	454,265	65,000	138,717
Total Salaries	\$ 630,949,957	\$ 65,272,212	\$ 284,216,905	\$ 45,631,261	\$ 5,338,491	\$ 131,670,477	\$ 67,804,221	\$ 9,370,162	\$ 21,646,228
Staff Benefits	210,758,641	22,672,651	91,506,776	17,195,926	2,115,307	42,378,127	24,781,277	3,145,511	6,963,066
Total Salaries and Benefits	\$ 841,708,598	\$ 87,944,863	\$ 375,723,681	\$ 62,827,187	\$ 7,453,798	\$ 174,048,604	\$ 92,585,498	\$ 12,515,673	\$ 28,609,294
Operating	467,968,083	39,341,871	269,270,371	32,076,692	2,786,390	59,859,805	44,520,006	3,861,141	16,251,807
Equipment and Capital Outlay	30,278,775	1,819,030	15,274,446	1,487,233	31,000	8,875,784	2,511,961	179,321	100,000
Total Expenditures	\$ 1,339,955,456	\$ 129,105,764	\$ 660,268,498	\$ 96,391,112	\$ 10,271,188	\$ 242,784,193	\$ 139,617,465	\$ 16,556,135	\$ 44,961,101

University of Tennessee System
FY 2013 Revised Budget Summary - Natural Classifications
 Unrestricted Current Funds Expenditures

	FY 2012 ACTUAL	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE	
				ORIGINAL TO REVISED AMOUNT	%
EDUCATIONAL AND GENERAL					
Salaries and Benefits					
Salaries					
Academic	\$ 289,425,188	\$ 301,772,602	\$ 300,664,784	\$ (1,107,818)	-0.4%
Non-Academic	270,157,808	274,393,226	280,674,340	6,281,114	2.3%
Students	9,499,817	7,145,776	8,069,142	923,366	12.9%
Total Salaries	\$ 569,082,813	\$ 583,311,604	\$ 589,408,266	\$ 6,096,662	1.0%
Staff Benefits	190,976,121	199,259,825	199,562,440	302,615	0.2%
Total Salaries and Benefits	\$ 760,058,934	\$ 782,571,429	\$ 788,970,706	\$ 6,399,277	0.8%
Operating	294,378,666	323,420,563	387,124,108	63,703,545	19.7%
Equipment and Capital Outlay	30,685,164	21,791,374	29,581,587	7,790,213	35.7%
Total Expenditures	\$ 1,085,122,764	\$ 1,127,783,366	\$ 1,205,676,401	\$ 77,893,035	6.9%
AUXILIARIES					
Salaries and Benefits					
Salaries					
Academic	\$ 497,907	\$ 467,053	\$ 444,370	\$ (22,683)	-4.9%
Non-Academic	37,062,844	37,106,462	36,986,171	(120,291)	-0.3%
Students	4,064,798	4,258,226	4,111,150	(147,076)	-3.5%
Total Salaries	\$ 41,625,549	\$ 41,831,741	\$ 41,541,691	\$ (290,050)	-0.7%
Staff Benefits	12,349,184	11,270,644	11,196,201	(74,443)	-0.7%
Total Salaries and Benefits	\$ 53,974,732	\$ 53,102,385	\$ 52,737,892	\$ (364,493)	-0.7%
Operating	87,805,691	82,937,137	80,843,975	(2,093,162)	-2.5%
Equipment and Capital Outlay	651,043	687,208	697,188	9,980	1.5%
Total Expenditures	\$ 142,431,466	\$ 136,726,730	\$ 134,279,055	\$ (2,447,675)	-1.8%
TOTALS					
Salaries and Benefits					
Salaries					
Academic	\$ 289,923,095	\$ 302,239,655	\$ 301,109,154	\$ (1,130,501)	-0.4%
Non-Academic	307,220,652	311,499,688	317,660,511	6,160,823	2.0%
Students	13,564,615	11,404,002	12,180,292	776,290	6.8%
Total Salaries	\$ 610,708,362	\$ 625,143,345	\$ 630,949,957	\$ 5,806,612	0.9%
Staff Benefits	203,325,305	210,530,469	210,758,641	228,172	0.1%
Total Salaries and Benefits	\$ 814,033,667	\$ 835,673,814	\$ 841,708,598	\$ 6,034,784	0.7%
Operating	382,184,357	406,357,700	467,968,083	61,610,383	15.2%
Equipment and Capital Outlay	31,336,207	22,478,582	30,278,775	7,800,193	34.7%
Total Expenditures	\$ 1,227,554,231	\$ 1,264,510,096	\$ 1,339,955,456	\$ 75,445,360	6.0%

University of Tennessee System

FY 2013 Revised Budget Summary

Auxiliary Enterprises Funds Revenues, Expenditures and Transfers

	FY 2012 ACTUAL	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
HOUSING					
Revenues	\$ 58,280,584	\$ 55,411,331	\$ 55,411,331		
Expenditures and Transfers					
Expenditures	\$ 35,828,192	\$ 35,164,896	\$ 34,842,543	\$ (322,353)	-0.9%
Mandatory Transfers	11,289,017	11,281,658	11,531,020	249,362	2.2%
Non-Mandatory Transfers	11,605,409	9,014,569	9,087,560	72,991	0.8%
Total Expenditures and Transfers	<u>\$ 58,722,618</u>	<u>\$ 55,461,123</u>	<u>\$ 55,461,123</u>		
Fund Balance Addition/(Reduction)	\$ (442,034)	\$ (49,792)	\$ (49,792)		
FOOD SERVICE					
Revenues	\$ 5,474,694	\$ 5,262,819	\$ 5,264,064	\$ 1,245	0.0%
Expenditures and Transfers					
Expenditures	\$ 2,275,576	\$ 2,131,721	\$ 2,163,760	\$ 32,039	1.5%
Mandatory Transfers	67,903				
Non-Mandatory Transfers	2,934,686	2,850,749	2,820,322	(30,427)	-1.1%
Total Expenditures and Transfers	<u>\$ 5,278,165</u>	<u>\$ 4,982,470</u>	<u>\$ 4,984,082</u>	<u>\$ 1,612</u>	<u>0.0%</u>
Fund Balance Addition/(Reduction)	\$ 196,529	\$ 280,349	\$ 279,982		
BOOKSTORES					
Revenues	\$ 23,860,196	\$ 23,727,732	\$ 22,126,958	\$ (1,600,774)	-6.7%
Expenditures and Transfers					
Expenditures	\$ 22,534,673	\$ 21,281,510	\$ 19,681,103	\$ (1,600,407)	-7.5%
Mandatory Transfers		109,418	109,418		
Non-Mandatory Transfers	2,098,952	2,067,538	2,067,538		
Total Expenditures and Transfers	<u>\$ 24,633,625</u>	<u>\$ 23,458,466</u>	<u>\$ 21,858,059</u>	<u>\$ (1,600,407)</u>	<u>-6.8%</u>
Fund Balance Addition/(Reduction)	\$ (773,429)	\$ 269,266	\$ 268,899		
PARKING					
Revenues	\$ 11,590,518	\$ 12,437,374	\$ 12,465,311	\$ 27,937	0.2%
Expenditures and Transfers					
Expenditures	\$ 7,534,312	\$ 7,734,960	\$ 7,758,920	\$ 23,960	0.3%
Mandatory Transfers	3,165,776	3,368,967	3,368,967		
Non-Mandatory Transfers	1,551,314	1,319,887	1,323,864	3,977	0.3%
Total Expenditures and Transfers	<u>\$ 12,251,402</u>	<u>\$ 12,423,814</u>	<u>\$ 12,451,751</u>	<u>\$ 27,937</u>	<u>0.2%</u>
Fund Balance Addition/(Reduction)	\$ (660,884)	\$ 13,560	\$ 13,560		
ATHLETICS					
Revenues	\$ 94,707,807	\$ 93,786,589	\$ 93,786,589		
Expenditures and Transfers					
Expenditures	\$ 68,575,941	\$ 63,656,089	\$ 63,656,089		
Mandatory Transfers	11,648,880	13,450,000	13,450,000		
Non-Mandatory Transfers	16,214,261	16,680,500	16,680,500		
Total Expenditures and Transfers	<u>\$ 96,439,082</u>	<u>\$ 93,786,589</u>	<u>\$ 93,786,589</u>		
Fund Balance Addition/(Reduction)	\$ (1,731,275)				
OTHER					
Revenues	\$ 5,851,007	\$ 6,161,742	\$ 5,581,562	\$ (580,180)	-9.4%
Expenditures and Transfers					
Expenditures	\$ 5,682,774	\$ 6,757,554	\$ 6,176,640	\$ (580,914)	-8.6%
Mandatory Transfers					
Non-Mandatory Transfers	3,232,301	(82,429)	(82,429)		
Total Expenditures and Transfers	<u>\$ 8,915,075</u>	<u>\$ 6,675,125</u>	<u>\$ 6,094,211</u>	<u>\$ (580,914)</u>	<u>-8.7%</u>
Fund Balance Addition/(Reduction)	\$ (3,064,068)	\$ (513,383)	\$ (512,649)		
TOTAL					
Revenues	\$199,764,806	\$196,787,587	\$194,635,815	\$ (2,151,772)	-1.1%
Expenditures and Transfers					
Expenditures	\$142,431,468	\$136,726,730	\$134,279,055	\$ (2,447,675)	-1.8%
Mandatory Transfers	26,171,576	28,210,043	28,459,405	249,362	0.9%
Non-Mandatory Transfers	37,636,923	31,850,814	31,897,355	46,541	0.1%
Total Expenditures and Transfers	<u>\$206,239,967</u>	<u>\$196,787,587</u>	<u>\$194,635,815</u>	<u>\$ (2,151,772)</u>	<u>-1.1%</u>
Fund Balance Addition/(Reduction)	\$ (6,475,160)				

Schedule 13 - UT Total

University of Tennessee System

Athletics Five Year Budget Summary Comparison

E&G and Auxiliary Funds for Men's and Women's Athletics

	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 REVISED	FIVE YEAR CHANGE	
						AMOUNT	%
KNOXVILLE							
Revenues							
General Funds							
Student Fees for Athletics	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		
Ticket Sales	34,465,000	37,689,669	34,799,207	33,156,097	33,585,000	\$ (880,000)	-2.6%
Gifts	22,985,000	25,508,512	26,554,657	25,038,370	25,735,000	2,750,000	12.0%
Other	29,050,000	36,532,258	40,141,340	42,693,539	38,680,000	9,630,000	33.1%
Total Revenues	<u>\$ 87,500,000</u>	<u>\$ 100,730,439</u>	<u>\$ 102,495,204</u>	<u>\$ 101,888,006</u>	<u>\$ 99,000,000</u>	<u>\$ 11,500,000</u>	<u>13.1%</u>
Expenditures and Transfers							
Salaries and Benefits	\$ 29,371,411	\$ 35,844,160	\$ 38,361,583	\$ 37,285,629	\$ 34,116,096	\$ 4,744,685	16.2%
Travel	7,640,050	6,505,978	6,835,168	6,617,308	8,055,500	415,450	5.4%
Student Aid	7,981,000	8,105,044	8,873,639	9,529,062	10,600,000	2,619,000	32.8%
Other Operating	22,660,515	28,495,090	28,958,686	33,801,080	24,717,912	2,057,397	9.1%
Sub-Total Expenditures	\$ 67,652,976	\$ 78,950,272	\$ 83,029,076	\$ 87,233,079	\$ 77,489,508	\$ 9,836,532	14.5%
Debt Service Transfers	12,125,000	7,657,353	10,142,066	10,523,880	12,325,000	200,000	1.6%
Other Transfers	7,722,024	12,513,832	9,309,616	8,112,322	9,185,492	1,463,468	19.0%
Total Expenditures and Transfers	<u>\$ 87,500,000</u>	<u>\$ 99,121,457</u>	<u>\$ 102,480,758</u>	<u>\$ 105,869,281</u>	<u>\$ 99,000,000</u>	<u>\$ 11,500,000</u>	<u>13.1%</u>
Fund Balance Addition / (Reduction)		\$ 1,608,982	\$ 14,446	\$ (3,981,275)			
CHATTANOOGA							
Revenues							
General Funds	\$ 4,474,148	\$ 4,668,862	\$ 5,034,581	\$ 5,072,219	\$ 5,538,398	\$ 1,064,250	23.8%
Student Fees for Athletics	2,726,457	3,033,232	3,070,180	4,127,744	4,942,633	2,216,176	81.3%
Ticket Sales	1,018,500	620,608	637,888	712,167	737,000	(281,500)	-27.6%
Gifts	1,148,801	1,515,486	1,285,002	1,305,324	1,430,000	281,199	24.5%
Other	1,703,589	1,748,433	1,747,848	1,758,309	1,884,829	181,240	10.6%
Total Revenues	<u>\$ 11,071,495</u>	<u>\$ 11,586,621</u>	<u>\$ 11,775,499</u>	<u>\$ 12,975,763</u>	<u>\$ 14,532,860</u>	<u>\$ 3,461,365</u>	<u>31.3%</u>
Expenditures and Transfers							
Salaries and Benefits	\$ 4,083,961	\$ 4,529,881	\$ 4,726,977	\$ 5,130,281	\$ 5,139,390	\$ 1,055,429	25.8%
Travel	1,227,469	784,372	833,639	1,003,626	1,668,216	440,747	35.9%
Student Aid	3,591,843	3,199,843	3,287,149	3,895,434	5,000,519	1,408,676	39.2%
Other Operating	2,021,743	2,799,975	2,460,702	2,554,483	2,554,735	532,992	26.4%
Sub-Total Expenditures	\$ 10,925,016	\$ 11,314,071	\$ 11,308,467	\$ 12,583,824	\$ 14,362,860	\$ 3,437,844	31.5%
Debt Service Transfers	185,000	168,879	168,680	169,610	170,000	(15,000)	-8.1%
Other Transfers							
Total Expenditures and Transfers	<u>\$ 11,110,016</u>	<u>\$ 11,482,950</u>	<u>\$ 11,477,147</u>	<u>\$ 12,753,434</u>	<u>\$ 14,532,860</u>	<u>\$ 3,422,844</u>	<u>30.8%</u>
Fund Balance Addition / (Reduction)	\$ (38,521)	\$ 103,671	\$ 298,352	\$ 222,329			
MARTIN							
Revenues							
General Funds	\$ 4,040,184	\$ 4,009,783	\$ 4,431,339	\$ 4,959,761	\$ 5,075,973	\$ 1,035,789	25.6%
Student Fees for Athletics	1,875,000	2,000,630	2,081,875	2,011,149	1,970,000	95,000	5.1%
Ticket Sales	133,019	109,873	107,596	136,237	136,568	3,549	2.7%
Gifts	550,000	418,092	669,728	474,787	470,000	(80,000)	-14.5%
Other	1,506,242	1,057,866	1,384,606	1,357,216	1,319,600	(186,642)	-12.4%
Total Revenues	<u>\$ 8,104,445</u>	<u>\$ 7,596,244</u>	<u>\$ 8,675,144</u>	<u>\$ 8,939,150</u>	<u>\$ 8,972,141</u>	<u>\$ 867,696</u>	<u>10.7%</u>
Expenditures and Transfers							
Salaries and Benefits	\$ 2,605,804	\$ 2,767,981	\$ 2,812,169	\$ 3,060,136	\$ 2,936,498	\$ 330,694	12.7%
Travel	592,550	558,947	757,178	735,058	740,443	147,893	25.0%
Student Aid	2,793,905	2,816,472	3,431,486	3,724,320	3,755,554	961,649	34.4%
Other Operating	2,112,186	1,385,060	1,567,162	1,643,789	1,314,646	(797,540)	-37.8%
Sub-Total Expenditures	\$ 8,104,445	\$ 7,528,460	\$ 8,567,995	\$ 9,163,303	\$ 8,747,141	\$ 642,696	7.9%
Debt Service Transfers		129,326	24,203				
Other Transfers				72,489	225,000	225,000	NA
Total Expenditures and Transfers	<u>\$ 8,104,445</u>	<u>\$ 7,657,786</u>	<u>\$ 8,592,198</u>	<u>\$ 9,235,792</u>	<u>\$ 8,972,141</u>	<u>\$ 867,696</u>	<u>10.7%</u>
Fund Balance Addition / (Reduction)		\$ (61,542)	\$ 82,946	\$ (296,642)			
TOTAL ATHLETICS							
Revenues							
General Funds	\$ 8,514,332	\$ 8,678,645	\$ 9,465,920	\$ 10,031,980	\$ 10,614,371	\$ 2,100,039	24.7%
Student Fees for Athletics	5,601,457	6,033,862	6,152,055	7,138,893	7,912,633	2,311,176	41.3%
Ticket Sales	35,616,519	38,420,150	35,544,691	34,004,501	34,458,568	(1,157,951)	-3.3%
Gifts	24,683,801	27,442,090	28,509,387	26,818,481	27,635,000	2,951,199	12.0%
Other	32,259,831	39,338,557	43,273,794	45,809,064	41,884,429	9,624,598	29.8%
Total Revenues	<u>\$ 106,675,940</u>	<u>\$ 119,913,304</u>	<u>\$ 122,945,847</u>	<u>\$ 123,802,919</u>	<u>\$ 122,505,001</u>	<u>\$ 15,829,061</u>	<u>14.8%</u>
Expenditures and Transfers							
Salaries and Benefits	\$ 36,061,176	\$ 43,142,022	\$ 45,900,729	\$ 45,476,046	\$ 42,191,984	\$ 6,130,808	17.0%
Travel	9,460,069	7,849,297	8,425,985	8,355,992	10,464,159	1,004,090	10.6%
Student Aid	14,366,748	14,121,359	15,592,274	17,148,816	19,356,073	4,989,325	34.7%
Other Operating	26,794,444	32,680,125	32,986,550	37,999,352	28,587,293	1,792,849	6.7%
Sub-Total Expenditures	\$ 86,682,437	\$ 97,792,803	\$ 102,905,538	\$ 108,980,206	\$ 100,599,509	\$ 13,917,072	16.1%
Debt Service Transfers	12,310,000	7,955,558	10,334,949	10,693,490	12,495,000	185,000	1.5%
Other Transfers	7,722,024	12,513,832	9,309,616	8,184,811	9,410,492	1,688,468	21.9%
Total Expenditures and Transfers	<u>\$ 106,714,461</u>	<u>\$ 118,262,193</u>	<u>\$ 122,550,103</u>	<u>\$ 127,858,507</u>	<u>\$ 122,505,001</u>	<u>\$ 15,790,540</u>	<u>14.8%</u>
Fund Balance Addition / (Reduction)	\$ (38,521)	\$ 1,651,111	\$ 395,744	\$ (4,055,588)			

NOTES: Data includes unrestricted and restricted funds. Other revenue sources include NCAA conference income, tournament income, program sales, concessions, parking, broadcasting, television, radio, internet, endowments, investments, royalties, advertisements, sponsorships, game guarantees, licensing fees, and sports camps.

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University of Tennessee System
FY 2013 Revised Budget Summary
 Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 503,560,202	\$ 524,612,177	\$ 528,423,064	\$ 3,810,887	0.7 %
State Appropriations	413,343,445	431,444,875	431,749,868	304,993	0.1 %
Grants & Contracts	49,090,830	42,408,275	41,960,037	(448,238)	(1.1) %
Sales & Service	55,117,066	52,825,885	54,135,060	1,309,175	2.5 %
Other Sources	54,833,187	53,903,875	53,898,515	(5,360)	0.0 %
Total Revenues	\$ 1,075,944,729	\$ 1,105,195,087	\$ 1,110,166,544	\$ 4,971,457	0.4 %
Expenditures and Transfers					
Instruction	\$ 427,881,549	\$ 479,891,678	\$ 501,769,742	\$ 21,878,064	4.6 %
Research	81,768,794	69,787,151	97,026,129	27,238,978	39.0 %
Public Service	65,533,281	70,772,396	79,166,823	8,394,427	11.9 %
Academic Support	118,367,805	121,674,024	132,928,605	11,254,581	9.2 %
Student Services	82,788,622	74,930,630	77,758,203	2,827,573	3.8 %
Institutional Support	122,428,550	121,873,810	124,572,398	2,698,588	2.2 %
Op/Maint Physical Plant	117,451,028	115,439,944	118,312,998	2,873,054	2.5 %
Scholarships & Fellowships	68,903,135	73,413,733	74,141,503	727,770	1.0 %
Sub-total Expenditures	\$ 1,085,122,764	\$ 1,127,783,366	\$ 1,205,676,401	\$ 77,893,035	6.9 %
Mandatory Transfers	7,159,721	7,379,535	7,379,993	458	0.0 %
Non-Mandatory Transfers	(3,050,514)	(25,917,093)	(66,971,120)	(41,054,027)	(158.4) %
Total Expenditures & Transfers	\$ 1,089,231,971	\$ 1,109,245,808	\$ 1,146,085,274	\$ 36,839,466	3.3 %
Fund Balance Addition/(Reduction)	\$ (13,287,242)	\$ (4,050,721)	\$ (35,918,730)		
AUXILIARIES					
Revenues	\$ 199,764,806	\$ 196,787,587	\$ 194,635,815	\$ (2,151,772)	(1.1) %
Expenditures and Transfers					
Expenditures	\$ 142,431,466	\$ 136,726,730	\$ 134,279,055	\$ (2,447,675)	(1.8) %
Mandatory Transfers	26,171,577	28,210,043	28,459,405	249,362	0.9 %
Non-Mandatory Transfers	37,636,923	31,850,814	31,897,355	46,541	0.1 %
Total Expenditures & Transfers	\$ 206,239,966	\$ 196,787,587	\$ 194,635,815	\$ (2,151,772)	(1.1) %
Fund Balance Addition/(Reduction)	\$ (6,475,161)				
TOTALS					
Revenues	\$ 1,275,709,534	\$ 1,301,982,674	\$ 1,304,802,359	\$ 2,819,685	0.2 %
Expenditures and Transfers					
Expenditures	\$ 1,227,554,230	\$ 1,264,510,096	\$ 1,339,955,456	\$ 75,445,360	6.0 %
Mandatory Transfers	33,331,298	35,589,578	35,839,398	249,820	0.7 %
Non-Mandatory Transfers	34,586,409	5,933,721	(35,073,765)	(41,007,486)	(691.1) %
Total Expenditures & Transfers	\$ 1,295,471,937	\$ 1,306,033,395	\$ 1,340,721,089	\$ 34,687,694	2.7 %
Fund Balance Addition/(Reduction)	\$ (19,762,402)	\$ (4,050,721)	\$ (35,918,730)		

Chattanooga
FY 2013 Revised Budget Summary
 Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 79,986,400	\$ 80,078,077	\$ 81,157,113	\$ 1,079,036	1.3 %
State Appropriations	35,088,738	35,497,564	35,505,864	8,300	0.0 %
Grants & Contracts	985,685	453,856	453,856		
Sales & Service	4,719,195	4,146,604	4,273,064	126,460	3.0 %
Other Sources	642,068	885,109	961,634	76,525	8.6 %
Total Revenues	\$ 121,422,086	\$ 121,061,210	\$ 122,351,531	\$ 1,290,321	1.1 %
Expenditures and Transfers					
Instruction	\$ 51,323,646	\$ 52,804,590	\$ 54,380,549	\$ 1,575,959	3.0 %
Research	4,122,191	1,865,077	2,011,793	146,716	7.9 %
Public Service	2,426,321	2,187,189	2,340,950	153,761	7.0 %
Academic Support	9,377,969	8,146,335	8,730,863	584,528	7.2 %
Student Services	20,984,430	19,230,087	19,907,165	677,078	3.5 %
Institutional Support	8,906,059	9,899,677	10,081,661	181,984	1.8 %
Op/Maint Physical Plant	14,578,086	15,602,839	16,703,442	1,100,603	7.1 %
Scholarships & Fellowships	8,743,675	10,172,890	10,329,985	157,095	1.5 %
Sub-total Expenditures	\$ 120,462,376	\$ 119,908,684	\$ 124,486,408	\$ 4,577,724	3.8 %
Mandatory Transfers	690,162	773,707	774,165	458	0.1 %
Non-Mandatory Transfers	1,485,808	312,239	(2,975,622)	(3,287,861)	(1,053.0) %
Total Expenditures & Transfers	\$ 122,638,346	\$ 120,994,630	\$ 122,284,951	\$ 1,290,321	1.1 %
Fund Balance Addition/(Reduction)	\$ (1,216,260)	\$ 66,580	\$ 66,580		
AUXILIARIES					
Revenues	\$ 11,998,166	\$ 8,413,431	\$ 8,426,233	\$ 12,802	0.2 %
Expenditures and Transfers					
Expenditures	\$ 8,222,444	\$ 4,932,884	\$ 4,619,356	\$ (313,528)	(6.4) %
Mandatory Transfers	1,540,919	2,124,040	2,373,402	249,362	11.7 %
Non-Mandatory Transfers	2,476,386	1,356,507	1,433,475	76,968	5.7 %
Total Expenditures & Transfers	\$ 12,239,749	\$ 8,413,431	\$ 8,426,233	\$ 12,802	0.2 %
Fund Balance Addition/(Reduction)	\$ (241,582)				
TOTALS					
Revenues	\$ 133,420,252	\$ 129,474,641	\$ 130,777,764	\$ 1,303,123	1.0 %
Expenditures and Transfers					
Expenditures	\$ 128,684,819	\$ 124,841,568	\$ 129,105,764	\$ 4,264,196	3.4 %
Mandatory Transfers	2,231,081	2,897,747	3,147,567	249,820	8.6 %
Non-Mandatory Transfers	3,962,194	1,668,746	(1,542,147)	(3,210,893)	(192.4) %
Total Expenditures & Transfers	\$ 134,878,094	\$ 129,408,061	\$ 130,711,184	\$ 1,303,123	1.0 %
Fund Balance Addition/(Reduction)	\$ (1,457,842)	\$ 66,580	\$ 66,580		

Knoxville**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 288,890,369	\$ 307,125,023	\$ 310,686,250	\$ 3,561,227	1.2 %
State Appropriations	147,947,704	156,240,800	156,334,850	94,050	0.1 %
Grants & Contracts	27,060,260	20,560,000	20,560,000		
Sales & Service	9,847,151	7,772,417	8,410,417	638,000	8.2 %
Other Sources	10,861,587	9,828,803	9,828,803		
Total Revenues	\$ 484,607,071	\$ 501,527,043	\$ 505,820,320	\$ 4,293,277	0.9 %
Expenditures and Transfers					
Instruction	\$ 202,973,398	\$ 228,344,157	\$ 240,192,047	\$ 11,847,890	5.2 %
Research	30,017,921	20,073,223	38,307,279	18,234,056	90.8 %
Public Service	11,462,261	10,535,472	11,469,030	933,558	8.9 %
Academic Support	56,006,704	62,699,506	65,781,655	3,082,149	4.9 %
Student Services	46,908,287	41,426,919	42,231,440	804,521	1.9 %
Institutional Support	41,589,151	37,080,652	36,999,316	(81,336)	(0.2) %
Op/Maint Physical Plant	59,034,751	58,713,888	58,583,759	(130,129)	(0.2) %
Scholarships & Fellowships	44,092,595	46,896,913	47,291,142	394,229	0.8 %
Sub-total Expenditures	\$ 492,085,068	\$ 505,770,730	\$ 540,855,668	\$ 35,084,938	6.9 %
Mandatory Transfers	1,745,019	1,836,790	1,836,790		
Non-Mandatory Transfers	(11,316,401)	(6,080,477)	(34,944,601)	(28,864,124)	(474.7) %
Total Expenditures & Transfers	\$ 482,513,686	\$ 501,527,043	\$ 507,747,857	\$ 6,220,814	1.2 %
Fund Balance Addition/(Reduction)	\$ 2,093,385		\$ (1,927,537)		
AUXILIARIES					
Revenues	\$ 172,129,555	\$ 172,554,109	\$ 171,946,109	\$ (608,000)	(0.4) %
Expenditures and Transfers					
Expenditures	\$ 122,445,493	\$ 120,020,830	\$ 119,412,830	\$ (608,000)	(0.5) %
Mandatory Transfers	21,313,392	22,562,491	22,562,491		
Non-Mandatory Transfers	34,427,948	29,970,788	29,970,788		
Total Expenditures & Transfers	\$ 178,186,833	\$ 172,554,109	\$ 171,946,109	\$ (608,000)	(0.4) %
Fund Balance Addition/(Reduction)	\$ (6,057,278)				
TOTALS					
Revenues	\$ 656,736,626	\$ 674,081,152	\$ 677,766,429	\$ 3,685,277	0.5 %
Expenditures and Transfers					
Expenditures	\$ 614,530,561	\$ 625,791,560	\$ 660,268,498	\$ 34,476,938	5.5 %
Mandatory Transfers	23,058,411	24,399,281	24,399,281		
Non-Mandatory Transfers	23,111,547	23,890,311	(4,973,813)	(28,864,124)	(120.8) %
Total Expenditures & Transfers	\$ 660,700,519	\$ 674,081,152	\$ 679,693,966	\$ 5,612,814	0.8 %
Fund Balance Addition/(Reduction)	\$ (3,963,893)		\$ (1,927,537)		

Martin**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 54,149,188	\$ 56,063,897	\$ 55,278,052	\$ (785,845)	(1.4)
State Appropriations	25,195,511	26,145,717	26,213,217	67,500	0.3
Grants & Contracts	282,399	345,500	345,500		
Sales & Service	3,033,666	2,608,263	2,948,245	339,982	13.0
Other Sources	681,432	656,800	656,800		
Total Revenues	<u>\$ 83,342,196</u>	<u>\$ 85,820,177</u>	<u>\$ 85,441,814</u>	<u>\$ (378,363)</u>	<u>(0.4)</u>
Expenditures and Transfers					
Instruction	\$ 38,150,500	\$ 40,313,278	\$ 41,586,534	\$ 1,273,256	3.2
Research	416,084	284,283	395,684	111,401	39.2
Public Service	607,651	545,376	542,748	(2,628)	(0.5)
Academic Support	10,288,002	10,472,369	10,401,423	(70,946)	(0.7)
Student Services	10,310,906	9,431,606	10,276,771	845,165	9.0
Institutional Support	4,859,427	5,325,498	6,018,801	693,303	13.0
Op/Maint Physical Plant	10,317,667	11,152,103	11,994,302	842,199	7.6
Scholarships & Fellowships	7,340,174	7,558,322	7,634,068	75,746	1.0
Sub-total Expenditures	<u>\$ 82,290,412</u>	<u>\$ 85,082,835</u>	<u>\$ 88,850,331</u>	<u>\$ 3,767,496</u>	<u>4.4</u>
Mandatory Transfers	581,560	746,700	746,700		
Non-Mandatory Transfers	5,013,898	(9,358)	(4,155,217)	(4,145,859)	(44,302.8)
Total Expenditures & Transfers	<u>\$ 87,885,870</u>	<u>\$ 85,820,177</u>	<u>\$ 85,441,814</u>	<u>\$ (378,363)</u>	<u>(0.4)</u>
Fund Balance Addition/(Reduction)	<u>\$ (4,543,674)</u>				
AUXILIARIES					
Revenues	\$ 12,869,324	\$ 12,890,062	\$ 11,294,452	\$ (1,595,610)	(12.4)
Expenditures and Transfers					
Expenditures	\$ 8,944,842	\$ 9,136,391	\$ 7,540,781	\$ (1,595,610)	(17.5)
Mandatory Transfers	3,072,902	3,180,152	3,180,152		
Non-Mandatory Transfers	1,040,335	573,519	573,519		
Total Expenditures & Transfers	<u>13,058,079</u>	<u>12,890,062</u>	<u>11,294,452</u>	<u>(1,595,610)</u>	<u>(12.4)</u>
Fund Balance Addition/(Reduction)	<u>\$ (188,755)</u>				
TOTALS					
Revenues	\$ 96,211,520	\$ 98,710,239	\$ 96,736,266	\$ (1,973,973)	(2.0)
Expenditures and Transfers					
Expenditures	\$ 91,235,254	\$ 94,219,226	\$ 96,391,112	\$ 2,171,886	2.3
Mandatory Transfers	3,654,462	3,926,852	3,926,852		
Non-Mandatory Transfers	6,054,233	564,161	(3,581,698)	(4,145,859)	(734.9)
Total Expenditures & Transfers	<u>\$ 100,943,949</u>	<u>\$ 98,710,239</u>	<u>\$ 96,736,266</u>	<u>\$ (1,973,973)</u>	<u>(2.0)</u>
Fund Balance Addition/(Reduction)	<u>\$ (4,732,429)</u>				

Space Institute

FY 2013 Revised Budget Summary

Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 1,403,680	\$ 2,037,648	\$ 2,037,648		
State Appropriations	7,392,569	7,684,651	7,695,901	\$ 11,250	0.1 %
Grants & Contracts	565,275	500,000	500,000		
Sales & Service	24,456	145,000	145,000		
Other Sources	(2,381)	2,000	2,000		
Total Revenues	\$ 9,383,600	\$ 10,369,299	\$ 10,380,549	\$ 11,250	0.1 %
Expenditures and Transfers					
Instruction	\$ 3,792,623	\$ 5,448,682	\$ 4,816,549	\$ (632,133)	(11.6) %
Research	1,395,846	949,984	1,466,665	516,681	54.4 %
Public Service					
Academic Support	350,410	282,230	291,967	9,737	3.5 %
Student Services	51,564	45,705	46,047	342	0.7 %
Institutional Support	1,416,708	1,412,385	1,447,087	34,702	2.5 %
Op/Maint Physical Plant	1,808,480	1,754,939	1,806,056	51,117	2.9 %
Scholarships & Fellowships	297,310	140,513	140,890	377	0.3 %
Sub-total Expenditures	\$ 9,112,940	\$ 10,034,438	\$ 10,015,261	\$ (19,177)	(0.2) %
Mandatory Transfers					
Non-Mandatory Transfers	314,784	334,861	365,288	30,427	9.1 %
Total Expenditures & Transfers	\$ 9,427,724	\$ 10,369,299	\$ 10,380,549	\$ 11,250	0.1 %
Fund Balance Addition/(Reduction)	\$ (44,124)				
AUXILIARIES					
Revenues	\$ 159,336	\$ 175,500	\$ 175,500		
Expenditures and Transfers					
Expenditures	\$ 370,711	\$ 225,500	\$ 255,927	\$ 30,427	13.5 %
Mandatory Transfers					
Non-Mandatory Transfers	(213,190)	(50,000)	(80,427)	(30,427)	(60.9) %
Total Expenditures & Transfers	\$ 157,521	\$ 175,500	\$ 175,500		
Fund Balance Addition/(Reduction)	\$ 1,815				
TOTALS					
Revenues	\$ 9,542,935	\$ 10,544,799	\$ 10,556,049	\$ 11,250	0.1 %
Expenditures and Transfers					
Expenditures	\$ 9,483,650	\$ 10,259,938	\$ 10,271,188	\$ 11,250	0.1 %
Mandatory Transfers					
Non-Mandatory Transfers	101,594	284,861	284,861		
Total Expenditures & Transfers	\$ 9,585,244	\$ 10,544,799	\$ 10,556,049	\$ 11,250	0.1 %
Fund Balance Addition/(Reduction)	\$ (42,309)				

Health Science Center**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 68,259,251	\$ 68,630,947	\$ 68,639,868	\$ 8,921	0.0 %
State Appropriations	118,311,558	122,102,807	122,200,000	97,193	0.1 %
Grants & Contracts	15,304,097	15,422,893	15,274,655	(148,238)	(1.0) %
Sales & Service	19,075,020	18,881,045	19,015,849	134,804	0.7 %
Other Sources	2,620,905	4,101,242	3,988,732	(112,510)	(2.7) %
Total Revenues	223,570,831	229,138,934	229,119,104	(19,830)	0.0 %
Expenditures and Transfers					
Instruction	\$ 106,677,170	\$ 121,736,035	\$ 128,728,297	\$ 6,992,262	5.7 %
Research	8,789,093	7,734,288	10,128,081	2,393,793	31.0 %
Public Service	25,601	38,091	35,029	(3,062)	(8.0) %
Academic Support	35,658,551	32,815,722	40,211,169	7,395,447	22.5 %
Student Services	4,533,435	4,796,313	5,296,780	500,467	10.4 %
Institutional Support	19,292,793	21,701,720	21,762,645	60,925	0.3 %
Op/Maint Physical Plant	28,679,421	24,673,175	25,526,936	853,761	3.5 %
Scholarships & Fellowships	8,429,381	8,645,095	8,645,095		
Sub-total Expenditures	\$ 212,085,445	\$ 222,140,439	\$ 240,334,032	\$ 18,193,593	8.2 %
Mandatory Transfers	4,007,978	4,022,338	4,022,338		
Non-Mandatory Transfers	9,932,879	2,976,157	5,476,157	2,500,000	84.0 %
Total Expenditures & Transfers	\$ 226,026,302	\$ 229,138,934	\$ 249,832,527	\$ 20,693,593	9.0 %
Fund Balance Addition/(Reduction)	\$ (2,455,472)		\$ (20,713,423)		
AUXILIARIES					
Revenues	\$ 2,608,424	\$ 2,754,485	\$ 2,793,521	\$ 39,036	1.4 %
Expenditures and Transfers					
Expenditures	\$ 2,447,977	\$ 2,411,125	\$ 2,450,161	\$ 39,036	1.6 %
Mandatory Transfers	244,364	343,360	343,360		
Non-Mandatory Transfers	(94,556)				%
Total Expenditures & Transfers	\$ 2,597,785	\$ 2,754,485	\$ 2,793,521	\$ 39,036	1.4 %
Fund Balance Addition/(Reduction)	\$ 10,639				
TOTALS					
Revenues	\$ 226,179,255	\$ 231,893,419	\$ 231,912,625	\$ 19,206	0.0 %
Expenditures and Transfers					
Expenditures	\$ 214,533,422	\$ 224,551,564	\$ 242,784,193	\$ 18,232,629	8.1 %
Mandatory Transfers	4,252,342	4,365,698	4,365,698		
Non-Mandatory Transfers	9,838,323	2,976,157	5,476,157	2,500,000	84.0 %
Total Expenditures & Transfers	\$ 228,624,087	\$ 231,893,419	\$ 252,626,048	\$ 20,732,629	8.9 %
Fund Balance Addition/(Reduction)	\$ (2,444,833)		\$ (20,713,423)		

Health Science Center - Memphis Other Specialized Units

FY 2013 Revised Budget Summary

Unrestricted Current Funds Revenues, Expenditures, and Transfers

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 47,108,691	\$ 45,388,247	\$ 45,397,168	\$ 8,921	0.0
State Appropriations	64,831,856	67,376,707	67,383,500	6,793	0.0
Grants & Contracts	14,474,626	13,109,580	12,959,580	(150,000)	(1.1)
Sales & Service	7,670,876	7,675,115	7,792,464	117,349	1.5
Other Sources	2,165,951	3,551,242	3,438,732	(112,510)	(3.2)
Total Revenues	<u>\$ 136,252,000</u>	<u>\$ 137,100,891</u>	<u>\$ 136,971,444</u>	<u>\$ (129,447)</u>	<u>(0.1)</u>
Expenditures and Transfers					
Instruction	\$ 39,499,761	\$ 47,284,057	\$ 49,118,298	\$ 1,834,241	3.9
Research	5,026,193	6,861,836	7,829,284	967,448	14.1
Public Service		25,000	25,000		
Academic Support	31,717,880	28,453,334	35,314,883	6,861,549	24.1
Student Services	4,080,214	4,054,685	4,536,088	481,403	11.9
Institutional Support	18,509,172	21,168,933	20,495,794	(673,139)	(3.2)
Op/Maint Physical Plant	27,938,988	24,487,729	25,269,140	781,411	3.2
Scholarships & Fellowships	6,597,856	6,728,185	6,728,185		
Sub-total Expenditures	<u>\$ 133,370,064</u>	<u>\$ 139,063,759</u>	<u>\$ 149,316,672</u>	<u>\$ 10,252,913</u>	<u>7.4</u>
Mandatory Transfers	3,907,535	3,922,942	3,922,942		
Non-Mandatory Transfers	2,009,599	(5,885,810)	3,503,772	9,389,582	159.5
Total Expenditures & Transfers	<u>\$ 139,287,198</u>	<u>\$ 137,100,891</u>	<u>\$ 156,743,386</u>	<u>\$ 19,642,495</u>	<u>14.3</u>
Fund Balance Addition/(Reduction)	<u>\$ (3,035,198)</u>		<u>\$ (19,771,942)</u>		
AUXILIARIES					
Revenues	\$ 2,608,424	\$ 2,754,485	\$ 2,793,521	\$ 39,036	1.4
Expenditures and Transfers					
Expenditures	\$ 2,447,977	\$ 2,411,125	\$ 2,450,161	\$ 39,036	1.6
Mandatory Transfers	244,364	343,360	343,360		
Non-Mandatory Transfers	(94,556)				
Total Expenditures & Transfers	<u>\$ 2,597,785</u>	<u>\$ 2,754,485</u>	<u>\$ 2,793,521</u>	<u>\$ 39,036</u>	<u>1.4</u>
Fund Balance Addition/(Reduction)	<u>\$ 10,639</u>				
TOTALS					
Revenues	\$ 138,860,424	\$ 139,855,376	\$ 139,764,965	\$ (90,411)	(0.1)
Expenditures and Transfers					
Expenditures	\$ 135,818,041	\$ 141,474,884	\$ 151,766,833	\$ 10,291,949	7.3
Mandatory Transfers	4,151,899	4,266,302	4,266,302		
Non-Mandatory Transfers	1,915,043	(5,885,810)	3,503,772	9,389,582	159.5
Total Expenditures & Transfers	<u>\$ 141,884,983</u>	<u>\$ 139,855,376</u>	<u>\$ 159,536,907</u>	<u>\$ 19,681,531</u>	<u>14.1</u>
Fund Balance Addition/(Reduction)	<u>\$ (3,024,559)</u>		<u>\$ (19,771,942)</u>		

Health Science Center - College of Medicine**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 21,150,560	\$ 23,242,700	\$ 23,242,700		
State Appropriations	44,093,363	44,845,300	44,934,400	\$ 89,100	0.2 %
Grants & Contracts	829,471	2,313,313	2,315,075	1,762	0.1 %
Sales & Service	1,713,751	1,750,000	1,750,815	815	0.0 %
Other Sources	120				
Total Revenues	<u>\$ 67,787,266</u>	<u>\$ 72,151,313</u>	<u>\$ 72,242,990</u>	<u>\$ 91,677</u>	<u>0.1 %</u>
Expenditures and Transfers					
Instruction	\$ 49,042,084	\$ 55,500,018	\$ 60,347,432	\$ 4,847,414	8.7 %
Research	3,762,899	872,452	2,298,797	1,426,345	163.5 %
Public Service	25,601	13,091	10,029	(3,062)	(23.4) %
Academic Support	3,940,671	4,362,388	4,896,286	533,898	12.2 %
Student Services	453,221	741,628	760,692	19,064	2.6 %
Institutional Support	540,399	97,400	184,791	87,391	89.7 %
Op/Maint Physical Plant	545,129		70,209	70,209	NA
Scholarships & Fellowships	1,831,525	1,916,910	1,916,910		
Sub-total Expenditures	<u>\$ 60,141,530</u>	<u>\$ 63,503,887</u>	<u>\$ 70,485,146</u>	<u>\$ 6,981,259</u>	<u>11.0 %</u>
Mandatory Transfers					
Non-Mandatory Transfers	7,615,657	8,647,426	1,757,844	(6,889,582)	(79.7) %
Total Expenditures & Transfers	<u>\$ 67,757,187</u>	<u>\$ 72,151,313</u>	<u>\$ 72,242,990</u>	<u>\$ 91,677</u>	<u>0.1 %</u>
Fund Balance Addition/(Reduction)	<u>\$ 30,079</u>				

Health Science Center - Family Medical Units**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees					
State Appropriations	\$ 9,386,338	\$ 9,880,800	\$ 9,882,100	\$ 1,300	0.0 %
Grants & Contracts					
Sales & Service	9,690,393	9,455,930	9,472,570	16,640	0.2 %
Other Sources	454,834	550,000	550,000		
Total Revenues	<u>\$ 19,531,565</u>	<u>\$ 19,886,730</u>	<u>\$ 19,904,670</u>	<u>\$ 17,940</u>	<u>0.1 %</u>
Expenditures and Transfers					
Instruction	\$ 18,135,325	\$ 18,951,960	\$ 19,262,567	\$ 310,607	1.6 %
Research					
Public Service					
Academic Support					
Student Services					
Institutional Support	243,222	435,387	1,082,060	646,673	148.5 %
Op/Maint Physical Plant	195,305	185,446	187,587	2,141	1.2 %
Scholarships & Fellowships					
Sub-total Expenditures	<u>\$ 18,573,852</u>	<u>\$ 19,572,793</u>	<u>\$ 20,532,214</u>	<u>\$ 959,421</u>	<u>4.9 %</u>
Mandatory Transfers	100,443	99,396	99,396		
Non-Mandatory Transfers	307,623	214,541	214,541		
Total Expenditures & Transfers	<u>\$ 18,981,918</u>	<u>\$ 19,886,730</u>	<u>\$ 20,846,151</u>	<u>\$ 959,421</u>	<u>4.8 %</u>
Fund Balance Addition/(Reduction)	<u>\$ 549,647</u>		<u>\$ (941,481)</u>		

Agricultural Units Total**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 10,871,315	\$ 10,676,585	\$ 10,624,133	\$ (52,452)	(0.5) %
State Appropriations	66,317,743	69,742,411	69,781,361	38,950	0.1 %
Grants & Contracts	4,433,153	4,351,177	4,351,177		
Sales & Service	18,417,577	19,272,556	19,342,485	69,929	0.4 %
Other Sources	15,462,660	16,055,126	16,065,126	10,000	0.1 %
Total Revenues	\$ 115,502,448	\$ 120,097,855	\$ 120,164,282	\$ 66,427	0.1 %
Expenditures and Transfers					
Instruction	\$ 24,964,213	\$ 31,244,936	\$ 32,065,766	\$ 820,830	2.6 %
Research	36,495,440	38,880,296	44,716,627	5,836,331	15.0 %
Public Service	37,619,941	42,064,673	49,657,452	7,592,779	18.1 %
Academic Support	6,442,899	6,977,023	7,185,732	208,709	3.0 %
Student Services					
Institutional Support	2,285,454	2,062,246	2,193,062	130,816	6.3 %
Op/Maint Physical Plant	3,032,622	3,543,000	3,698,503	155,503	4.4 %
Scholarships & Fellowships			100,323	100,323	NA
Sub-total Expenditures	\$ 110,840,569	\$ 124,772,174	\$ 139,617,465	\$ 14,845,291	11.9 %
Mandatory Transfers					
Non-Mandatory Transfers	6,978,586	(727,819)	(6,243,217)	(5,515,398)	(757.8) %
Total Expenditures & Transfers	\$ 117,819,155	\$ 124,044,355	\$ 133,374,248	\$ 9,329,893	7.5 %
Fund Balance Addition/(Reduction)	\$ (2,316,706)	\$ (3,946,500)	\$ (13,209,966)		

Agricultural Experiment Station**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees					
State Appropriations	\$ 23,333,760	\$ 24,462,723	\$ 24,480,573	\$ 17,850	0.1 %
Grants & Contracts	2,695,499	2,570,000	2,570,000		
Sales & Service	3,711,459	3,227,443	3,297,372	69,929	2.2 %
Other Sources	5,208,672	6,652,183	6,662,183	10,000	0.2 %
Total Revenues	<u>34,949,391</u>	<u>36,912,349</u>	<u>37,010,128</u>	<u>97,779</u>	<u>0.3 %</u>
Expenditures and Transfers					
Instruction					
Research	\$ 32,553,354	\$ 33,718,003	\$ 39,359,415	\$ 5,641,412	16.7 %
Public Service	3,030				
Academic Support	1,436,026	1,362,556	1,413,585	51,029	3.7 %
Student Services					
Institutional Support	882,599	971,546	1,068,070	96,524	9.9 %
Op/Maint Physical Plant	515,067	442,030	442,540	510	0.1 %
Scholarships & Fellowships					
Sub-total Expenditures	<u>\$ 35,390,075</u>	<u>\$ 36,494,135</u>	<u>\$ 42,283,610</u>	<u>\$ 5,789,475</u>	<u>15.9 %</u>
Mandatory Transfers					
Non-Mandatory Transfers	(504,991)	418,214	(5,273,482)	(5,691,696)	(1,361.0) %
Total Expenditures & Transfers	<u>\$ 34,885,084</u>	<u>\$ 36,912,349</u>	<u>\$ 37,010,128</u>	<u>\$ 97,779</u>	<u>0.3 %</u>
Fund Balance Addition/(Reduction)	<u>\$ 64,307</u>				

UT Extension**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees					
State Appropriations	\$ 28,160,380	\$ 29,560,066	\$ 29,580,016	\$ 19,950	0.1 %
Grants & Contracts	604,333	495,000	495,000		
Sales & Service	3,943,669	4,371,316	4,371,316		
Other Sources	10,041,704	9,197,997	9,197,997		
Total Revenues	<u>\$ 42,750,086</u>	<u>\$ 43,624,379</u>	<u>\$ 43,644,329</u>	<u>\$ 19,950</u>	<u>0.0 %</u>
Expenditures and Transfers					
Instruction					
Research					
Public Service	\$ 37,504,306	\$ 41,990,706	\$ 49,578,979	\$ 7,588,273	18.1 %
Academic Support	717,861	757,468	789,662	32,194	4.3 %
Student Services					
Institutional Support	716,733	572,435	581,614	9,179	1.6 %
Op/Maint Physical Plant					
Scholarships & Fellowships					
Sub-Total Expenditures	<u>\$ 38,938,900</u>	<u>\$ 43,320,609</u>	<u>\$ 50,950,255</u>	<u>\$ 7,629,646</u>	<u>17.6 %</u>
Mandatory Transfers					
Non-Mandatory Transfers	6,390,145	760,923	699,223	(61,700)	(8.1) %
Total Expenditures & Transfers	<u>\$ 45,329,045</u>	<u>\$ 44,081,532</u>	<u>\$ 51,649,478</u>	<u>\$ 7,597,946</u>	<u>17.2 %</u>
Fund Balance Addition/(Reduction)	<u>\$ (2,578,959)</u>	<u>\$ (457,153)</u>	<u>\$ (8,005,149)</u>		

College of Veterinary Medicine**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees	\$ 10,871,315	\$ 10,676,585	\$ 10,624,133	\$ (52,452)	(0.5) %
State Appropriations	14,823,603	15,719,622	15,720,772	1,150	0.0 %
Grants & Contracts	1,133,321	1,286,177	1,286,177		
Sales & Service	10,762,449	11,673,797	11,673,797		
Other Sources	212,284	204,946	204,946		
Total Revenues	<u>\$ 37,802,972</u>	<u>\$ 39,561,127</u>	<u>\$ 39,509,825</u>	<u>\$ (51,302)</u>	<u>(0.1) %</u>
Expenditures and Transfers					
Instruction	\$ 24,964,213	\$ 31,244,936	\$ 32,065,766	\$ 820,830	2.6 %
Research	3,942,086	5,162,293	5,357,212	194,919	3.8 %
Public Service	112,605	73,967	78,473	4,506	6.1 %
Academic Support	4,289,012	4,856,999	4,982,485	125,486	2.6 %
Student Services					
Institutional Support	686,122	518,265	543,378	25,113	4.8 %
Op/Maint Physical Plant	2,517,555	3,100,970	3,255,963	154,993	5.0 %
Scholarships & Fellowships			100,323	100,323	
Sub-Total Expenditures	<u>\$ 36,511,593</u>	<u>\$ 44,957,430</u>	<u>\$ 46,383,600</u>	<u>\$ 1,426,170</u>	<u>3.2 %</u>
Mandatory Transfers					
Non-Mandatory Transfers	1,093,432	(1,906,956)	(1,668,958)	237,998	12.5 %
Total Expenditures & Transfers	<u>\$ 37,605,025</u>	<u>\$ 43,050,474</u>	<u>\$ 44,714,642</u>	<u>\$ 1,664,168</u>	<u>3.9 %</u>
Fund Balance Addition/(Reduction)	<u>\$ 197,946</u>	<u>\$ (3,489,347)</u>	<u>\$ (5,204,817)</u>		

Public Service Units**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees					
State Appropriations	\$ 8,474,852	\$ 9,452,097	\$ 9,447,397	\$ (4,700)	0.0 %
Grants & Contracts	459,960	774,849	474,849	(300,000)	(38.7) %
Sales & Service					
Other Sources	6,597,550	6,819,795	6,840,420	20,625	0.3 %
Total Revenues	<u>\$ 15,532,363</u>	<u>\$ 17,046,741</u>	<u>\$ 16,762,666</u>	<u>\$ (284,075)</u>	<u>(1.7) %</u>
Expenditures and Transfers					
Instruction					
Research					
Public Service	\$ 13,391,506	\$ 15,401,595	\$ 15,121,614	\$ (279,981)	(1.8) %
Academic Support	243,271	280,839	325,796	44,957	16.0 %
Student Services					
Institutional Support	960,535	1,108,725	1,108,725		
Op/Maint Physical Plant					
Scholarships & Fellowships					
Sub-Total Expenditures	<u>\$ 14,595,312</u>	<u>\$ 16,791,159</u>	<u>\$ 16,556,135</u>	<u>\$ (235,024)</u>	<u>(1.4) %</u>
Mandatory Transfers					
Non-Mandatory Transfers	709,928	362,282	292,282	(70,000)	(19.3) %
Total Expenditures & Transfers	<u>\$ 15,305,240</u>	<u>\$ 17,153,441</u>	<u>\$ 16,848,417</u>	<u>\$ (305,024)</u>	<u>(1.8) %</u>
Fund Balance Addition/(Reduction)	<u>\$ 227,122</u>	<u>\$ (106,700)</u>	<u>\$ (85,751)</u>		

Institute for Public Service**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees					
State Appropriations	\$ 4,368,582	\$ 5,062,659	\$ 5,058,459	\$ (4,200)	(0.1) %
Grants & Contracts	407,258	774,849	474,849	(300,000)	(38.7) %
Sales & Service					
Other Sources	537,727	733,900	754,525	20,625	2.8 %
Total Revenues	<u>\$ 5,313,568</u>	<u>\$ 6,571,408</u>	<u>\$ 6,287,833</u>	<u>\$ (283,575)</u>	<u>(4.3) %</u>
Expenditures and Transfers					
Instruction					
Research					
Public Service	\$ 3,741,974	\$ 4,905,210	\$ 4,670,690	\$ (234,520)	(4.8) %
Academic Support					
Student Services					
Institutional Support	951,866	1,092,390	1,092,390		
Op/Maint Physical Plant					
Scholarships & Fellowships					
Sub-Total Expenditures	<u>\$ 4,693,840</u>	<u>\$ 5,997,600</u>	<u>\$ 5,763,080</u>	<u>\$ (234,520)</u>	<u>(3.9) %</u>
Mandatory Transfers					
Non-Mandatory Transfers	523,696	573,808	510,425	(63,383)	(11.0) %
Total Expenditures & Transfers	<u>\$ 5,217,536</u>	<u>\$ 6,571,408</u>	<u>\$ 6,273,505</u>	<u>\$ (297,903)</u>	<u>(4.5) %</u>
Fund Balance Addition/(Reduction)	<u>\$ 96,032</u>		<u>\$ 14,328</u>		

Municipal Technical Advisory Services**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees					
State Appropriations	\$ 2,571,285	\$ 2,738,469	\$ 2,737,969	\$ (500)	0.0 %
Grants & Contracts	15,294				
Sales & Service					
Other Sources	2,936,223	2,939,174	2,939,174		
Total Revenues	<u>\$ 5,522,802</u>	<u>\$ 5,677,643</u>	<u>\$ 5,677,143</u>	<u>\$ (500)</u>	<u>0.0 %</u>
Expenditures and Transfers					
Instruction					
Research					
Public Service	\$ 5,061,555	\$ 5,647,899	\$ 5,602,442	\$ (45,457)	(0.8) %
Academic Support	243,271	280,839	325,796	44,957	16.0 %
Student Services					
Institutional Support	5,548	8,500	8,500		
Op/Maint Physical Plant					
Scholarships & Fellowships					
Sub-Total Expenditures	<u>\$ 5,310,374</u>	<u>\$ 5,937,238</u>	<u>\$ 5,936,738</u>	<u>\$ (500)</u>	<u>0.0 %</u>
Mandatory Transfers					
Non-Mandatory Transfers	189,863	(107,568)	(109,225)	(1,657)	(1.5) %
Total Expenditures & Transfers	<u>\$ 5,500,237</u>	<u>\$ 5,829,670</u>	<u>\$ 5,827,513</u>	<u>\$ (2,157)</u>	<u>0.0 %</u>
Fund Balance Addition/(Reduction)	<u>22,565</u>	<u>(152,027)</u>	<u>(150,370)</u>		

County Technical Assistance Service**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees					
State Appropriations	\$ 1,534,985	\$ 1,650,969	\$ 1,650,969		
Grants & Contracts	37,408				
Sales & Service					
Other Sources	3,123,600	3,146,721	3,146,721		
Total Revenues	<u>\$ 4,695,993</u>	<u>\$ 4,797,690</u>	<u>\$ 4,797,690</u>		
Expenditures and Transfers					
Instruction					
Research					
Public Service	\$ 4,587,977	\$ 4,848,486	\$ 4,848,482	\$ (4)	0.0 %
Academic Support					
Student Services					
Institutional Support	3,121	7,835	7,835		
Op/Maint Physical Plant					
Scholarships & Fellowships					
Sub-Total Expenditures	<u>\$ 4,591,098</u>	<u>\$ 4,856,321</u>	<u>\$ 4,856,317</u>	<u>\$ (4)</u>	<u>0.0 %</u>
Mandatory Transfers					
Non-Mandatory Transfers	(3,631)	(103,958)	(108,918)	(4,960)	(4.8) %
Total Expenditures & Transfers	<u>\$ 4,587,467</u>	<u>\$ 4,752,363</u>	<u>\$ 4,747,399</u>	<u>\$ (4,964)</u>	<u>(0.1) %</u>
Fund Balance Addition/(Reduction)	<u>\$ 108,526</u>	<u>\$ 45,327</u>	<u>\$ 50,291</u>		

University-Wide Administration**FY 2013 Revised Budget Summary****Unrestricted Current Funds Revenues, Expenditures, and Transfers**

	FY 2012 ACTUALS	FY 2013 ORIGINAL	FY 2013 REVISED	CHANGE ORIGINAL TO REVISED	
				AMOUNT	%
EDUCATIONAL AND GENERAL					
Revenues					
Tuition & Fees					
State Appropriations	\$ 4,614,770	\$ 4,578,828	\$ 4,571,278	\$ (7,550)	(0.2) %
Grants & Contracts					
Sales & Service					
Other Sources	17,969,366	15,555,000	15,555,000		
Total Revenues	<u>22,584,136</u>	<u>20,133,828</u>	<u>20,126,278</u>	<u>(7,550)</u>	<u>0.0 %</u>
Expenditures and Transfers					
Instruction					
Research	\$ 532,219				
Public Service					
Academic Support					
Student Services					
Institutional Support	43,118,423	\$ 43,282,907	\$ 44,961,101	\$ 1,678,194	3.9 %
Op/Maint Physical Plant					
Scholarships & Fellowships					
Sub-Total Expenditures	<u>\$ 43,650,642</u>	<u>\$ 43,282,907</u>	<u>\$ 44,961,101</u>	<u>\$ 1,678,194</u>	<u>3.9 %</u>
Mandatory Transfers	135,002				
Non-Mandatory Transfers	(16,169,996)	(23,084,978)	(24,786,190)	(1,701,212)	(7.4) %
Total Expenditures & Transfers	<u>\$ 27,615,648</u>	<u>\$ 20,197,929</u>	<u>\$ 20,174,911</u>	<u>\$ (23,018)</u>	<u>(0.1) %</u>
Fund Balance Addition/(Reduction)	<u>\$ (5,031,513)</u>	<u>\$ (64,101)</u>	<u>\$ (48,633)</u>		

***The University of Tennessee
FY 2012-13 Budget Document***

Charles M. Peccolo, Treasurer & Chief Financial Officer

System Budget and Finance Office

Ron Maples, Controller
Ron Loewen, Budget Director
John Bodin-Henderson

We gratefully acknowledge the effort and cooperation of the campus and unit budget staff and the IRIS staff who contribute to the preparation of the University budget.

Knoxville

Chris Cimino, Chief Business Officer
Jonee Daniels Lindstrom
Gena Wilson
Suzan Thompson
James Price
Gary Gray

Chattanooga

Richard Brown, Chief Business Officer
Vanasia Parks
Danny Grant
Tyler Forrest

Martin

Nancy Yarbrough, Interim Chief Business Officer
Annette Moore
Petra McPhearson

Space Institute

Joan Snoderly

Health Science Center

Anthony Ferrara, Chief Business Officer
Pam Vaughn
Charles Cossar
Kimberly Moore
Chasity Davis

Institute for Agriculture

Tim Fawver, Chief Business Officer
Melinda Jones
Angela Braden
Missy Kitts
Tonya Kenley
Kathy Yates

Institute for Public Service

Gail White, Chief Business Officer

IRIS

Les Mathews
Janet Smith
Mark Hall
Laurie Rees
Denise Haley
David Goforth

The University of Tennessee does not discriminate on the basis of race, sex, color, religion, national origin, age, disability or veteran status in provision of educational programs and services or employment opportunities and benefits. This policy extends to both employment by and admission to the University.

The University does not discriminate on the basis of race, sex, or disability in its education programs and activities pursuant to the requirements of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act (ADA) of 1990.

Inquiries and charges of violation concerning Title VI, Title IX, Section 504, ADA or the Age Discrimination in Employment Act (ADEA) or any of the other above referenced policies should be directed to the Office of Equity and Diversity (OED), 1840 Melrose Avenue, Knoxville, TN 37996-3560, telephone (865) 974-2498 (V/TTY available) or 974-2440. Requests for accommodation of a disability should be directed to the ADA Coordinator at the UT Knoxville Office of Human Resources, 600 Henley Street, Knoxville, TN 37996-4125.

Publication Authorization Number: E17-0140-001-13

RESOLUTION
OF
THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES
March 1, 2013

REVISED FY 2013 Operating Budget

WHEREAS, the Bylaws require the Board of Trustees to approve an annual operating budget for the University; and

WHEREAS, the Board approved the FY 2013 operating budget in June 2012; and

WHEREAS, the operating budget must be revised during the year to update revenue and expenditure projections for the remainder of the fiscal year, taking into consideration final fall enrollments (which are estimated when the original budget is prepared), the impact of the prior year's activities carried forward into the current year, and adjustments in state appropriations occurring since the budget was approved in June 2012; and

WHEREAS, the FY 2013 Revised Operating Budget includes adjustments allocating minor revisions to budgeted revenues and a significant carry forward of unexpended non-recurring funds from FY 2012; and

WHEREAS, the administration needs to be able to respond quickly and effectively to a significant budget shortfall due to any state impoundment of funds or appropriation rescission; and

WHEREAS, mandatory furloughs without pay, reduction of time worked, across-the-board salary reductions, and similar salary-related measures may be required to address budget reductions or a budgetary shortfall; and

WHEREAS, the FY 2013 Revised Budgets for Education and General (E&G) and Auxiliary Enterprises are balanced and within available resources and comply with all applicable policies and guidelines;

NOW THEREFORE BE IT RESOLVED that:

1. The FY 2013 Revised Budget is approved with the understanding that if the General Assembly or the Department of Finance and Administration further alter the FY 2013 appropriations, or if changes in estimated resources require, the budget shall be modified accordingly so expenditures will not exceed available resources.
2. The Board of Trustees expressly authorizes the campus, institute, and unit administrations, in response to budget reductions or a budgetary shortfall, to implement mandatory furloughs without pay, reduction of time worked, across-

the-board salary reductions, and similar salary-related measures during the remainder of FY 2013, subject to approval by the Executive and Compensation Committee, the President, and the Treasurer and Chief Financial Officer, in consultation with the General Counsel and Human Resources.

3. Any remaining balance of Unrestricted Net Assets may be considered as a reserve for contingencies to be used for:
 - a. Employing additional staff where enrollments and reorganization requirements warrant;
 - b. Modifying departmental operating budgets where changing conditions during the year require funding adjustments;
 - c. Funding to make salary adjustments for personnel as may be necessary during the year in keeping with state and university salary guidelines;
 - d. Improving physical facilities for academic and research departments as opportunities arise;
 - e. Mandated cost increases; and
 - f. State impoundment of funds or appropriations rescission during the budget year

Adopted by the Board of Trustees, this 1st day of March, 2013.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 28, 2013

COMMITTEE: Finance and Administration

CAMPUS/UNIT: UT Knoxville

ITEM: **KUB Substation Easements**

RECOMMENDATION: Approval

PRESENTED BY: Charles M. Peccolo, Treasurer and Chief Financial Officer

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The Knoxville Utilities Board (KUB) is designing an electric power substation to be located on University property in order to provide effective electric service to nearby University facilities. The proposed new electric load associated with the Cherokee Farm development, as well as the load growth of the UT Medical Center, make it necessary for KUB to construct this substation and its connecting infrastructure. Construction of the substation will allow the University to successfully build out Cherokee Farm and will provide back-up power to UT Medical Center where the University's Graduate School of Medicine and various research programs operate.

The University and KUB propose the following easements:

Modify the purpose of an existing electric line easement of approximately 3.94 acres +/- to include access and/or utility uses; and

New easements including an access and utility easement of approximately 2.88 +/- acres total, utility easement of approximately 0.50 +/- acres total, slope and temporary construction easement of approximately 1.88 +/- acres total, and a substation easement of approximately 1.52 +/- acres total.

The easement area includes approximately 3.94 +/- acres under existing easement and approximately 6.78 +/- acres of new easement area for a total easement of approximately 10.72 +/- acres. The easements will authorize KUB to enter upon, construct, operate, repair and maintain utilities located within the area defined by the easements. KUB agrees to pay the greater of \$233,600 or appraised value for the residence at the East

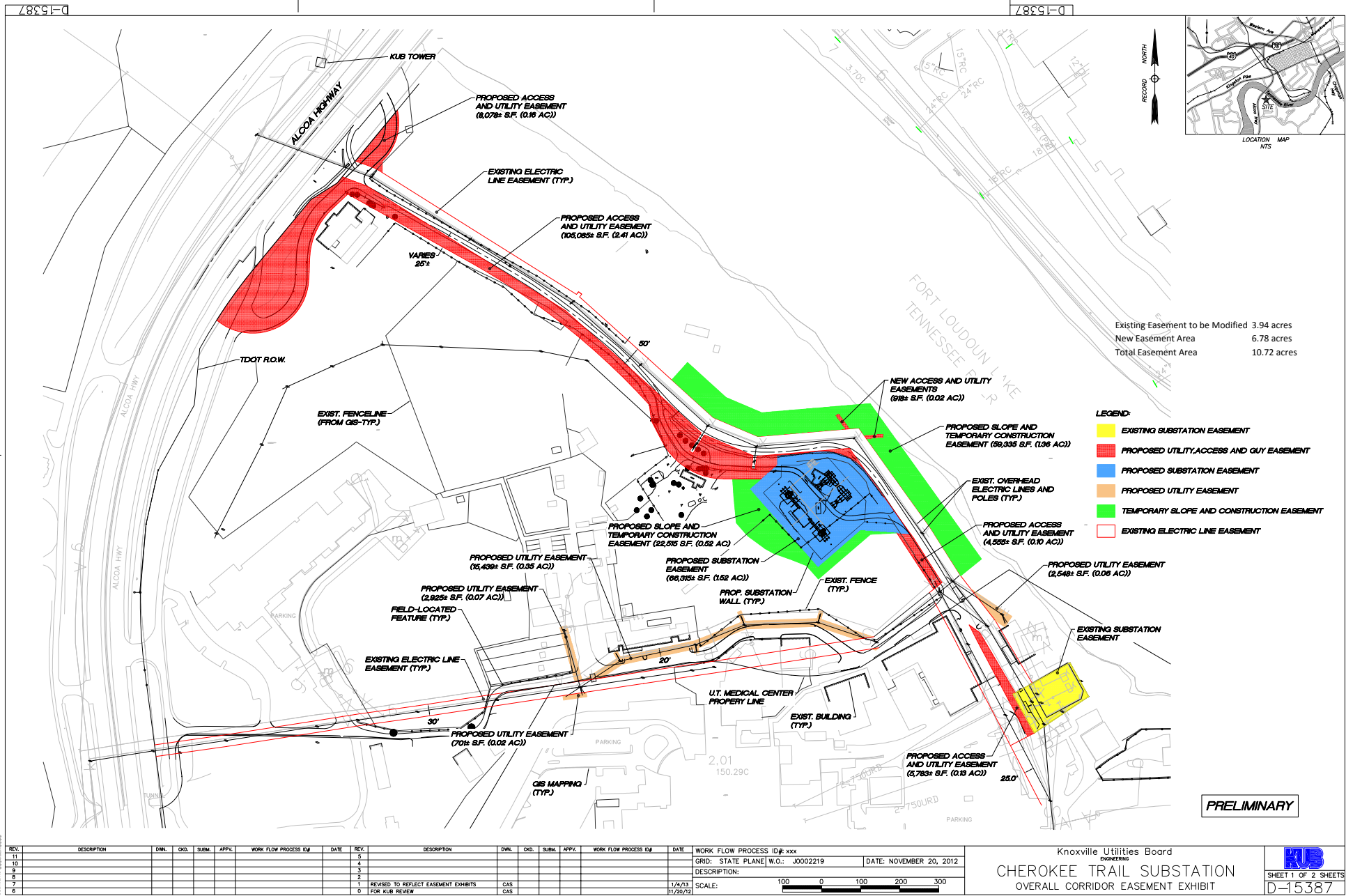
Tennessee AgResearch and Education Center, which will be demolished to accommodate the new substation. KUB agrees to maintain the roads that lead into the new substation. The University reserves the right to relocate the easements at the expense of the University.

The proposed easements are for the benefit of the University's Cherokee Farm and programs operating on the campus of the UT Medical Center; no further consideration is requested by the University. Upon approval by the Board of Trustees, the University will seek all required state approvals.

MOTION:

That permanent and temporary utility easements be granted to the Knoxville Utilities Board as described in the meeting materials.

Board of Trustees Winter Meeting - 1. KUB Substation Easements (UTK)



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: February 28, 2013

COMMITTEE: Finance and Administration

CAMPUS/UNIT: UT Knoxville

ITEM: Cumberland Avenue Easements

RECOMMENDATION: Approval

PRESENTED BY: Charles M. Peccolo, Treasurer and Chief Financial Officer

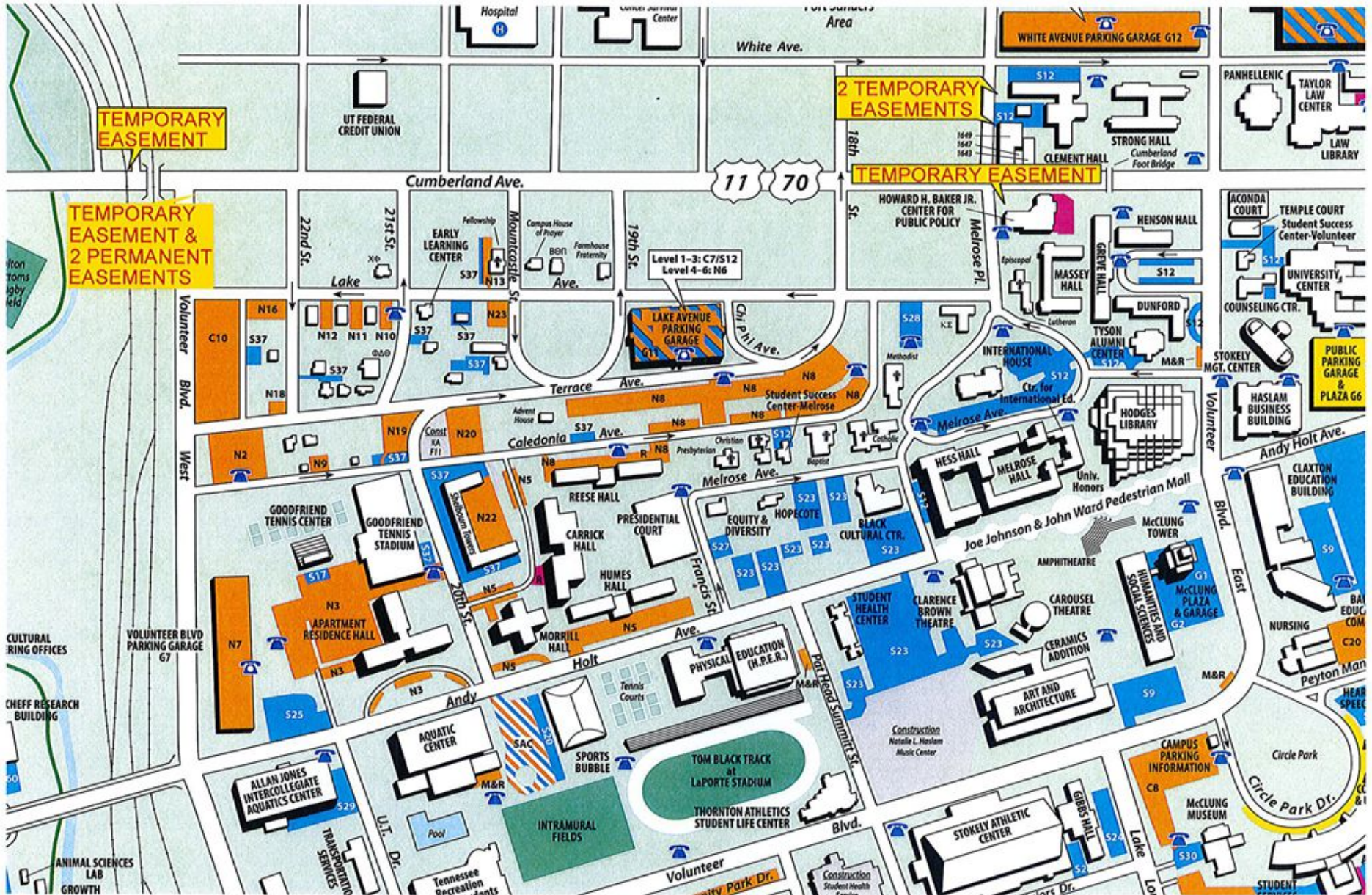
The University of Tennessee, Knoxville and the City of Knoxville propose five (5) temporary construction easements, one (1) permanent utility easement and one (1) permanent drainage easement along Cumberland Avenue (see attached map). The project is known as the Cumberland Avenue Streetscapes Project or the Cumberland Avenue Corridor Project. With the proposed easements, the City of Knoxville seeks authorization to enter upon, replace, install, and maintain utilities and sidewalks in the easement areas.

The proposed temporary construction easements are irregular in shape and contain approximately 914 +/- square feet. The permanent utility easement is irregular in shape and contains approximately 38 +/- square feet. The permanent drainage easement is irregular in shape and contains approximately 72 +/- square feet. The University reserves the right to relocate the easements at the expense of the University.

The proposed easements are mutually beneficial and have been assigned a total Nominal Parcel Payment (NPP) value of \$15,490 per a project field review and market analysis procured by the City of Knoxville. Upon approval by the Board of Trustees, the University will seek all required state approvals.

MOTION:

That temporary and permanent easements be granted to the City of Knoxville as described in the meeting materials for the monetary consideration of \$15,490.



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Academic Affairs and Student Success

CAMPUS/UNIT: All

ITEM: **Rating Scale for Annual Performance Reviews of Tenured Faculty and Minor Clarifying Revisions to the Tenure Policy**

RECOMMENDATION: Approval

PRESENTED BY: Katherine N. High
Vice President for Academic Affairs and Student Success

Over the past year, the Chief Academic Officers worked with representatives of the Faculty Senates to propose a revision of the Tenure Policy to allow campuses, with prior Board approval, to implement a rating scale for the annual performance review of tenured faculty members other than the four-point scale currently required by the policy. The proposed revision will allow UT Knoxville to implement on a permanent basis the five-point scale that has been piloted for the last two years, and will allow the other campuses to develop, if appropriate, performance rating scales specific to their campus.

The Chief Academic Officers and Faculty Senate representatives also developed the following minor clarifying revisions to the Tenure Policy:

1. Delete a statement in Section B (Eligibility for Tenure) that prohibits faculty members pursuing degrees on their campus from being eligible for tenure; and
2. Revise Section A (Definition of Tenure), Section F (Locus of Tenure), and Appendix A (Procedures for Consideration and Grant of Tenure) so that each reference to an “academic unit” includes the same set—“department, school, or college.”

The proposed revisions, shown on the following pages, have been endorsed by the Faculty Senates, Chief Academic Officers, and Chancellors at all four campuses and have the support of the President of the University.

MOTION:

That the proposed revisions to the Tenure Policy be approved as presented in the meeting materials.

PROPOSED REVISIONS TO TENURE POLICY

March 1, 2013

Underline: New text
Strikethrough: Deleted text

Revision # 1 Tenure § B - Eligibility for Tenure

Eligibility for tenure consideration shall be subject to the following minimum standards:

1. Regular, full-time, tenure-track faculty appointments at the academic rank of instructor, assistant professor, associate professor, or professor are eligible for tenure;
2. Temporary, term, and part-time appointments are not eligible for tenure, except that in the extraordinary circumstances defined in Appendix E, faculty members who do not have a full-time appointment may be eligible for tenure;
- ~~3. Faculty members pursuing degrees at the campus where they are appointed are not eligible for tenure.~~

Each campus may establish additional eligibility requirements for tenure consideration. After approval by the Board of Trustees, campus eligibility requirements for tenure consideration shall be published in the campus Faculty Handbook.

No faculty member shall be appointed initially with tenure except by positive action of the Board of Trustees upon the recommendation of the President and after review by the tenured faculty and department Head, Dean, Chief Academic Officer, and Chancellor. Appendix D outlines expedited procedures for appointment and tenure consideration.

Revision # 2 Tenure § G - Evaluation of Tenured Faculty Members

Competent teaching is a crucial responsibility for faculty members, and the effective use of appropriate instructional evaluation (including departmental files of class syllabi and related materials, student, and peer evaluation, etc.) is important to all objective review processes. Faculty members with research/creative arts responsibilities should have the quantity and quality of their work fairly assessed. Each faculty member's service contributions should be evaluated impartially.

1. Annual Performance-and-Planning Review. Each faculty member and his or her Department Head will engage in a formal annual Performance-and-Planning Review, examining the current fiscal/academic year. The planning aspects of these annual academic year reviews should also take place in the context of longer-term goals for the campus, college, and department. Each campus shall strive to reward faculty members who more than meet expectations for rank, and administrators shall develop and publish guidelines for each campus to allocate funds for this purpose whenever feasible. Each faculty member's annual review should proceed from guidelines and criteria which are appropriate to the department, college, and campus and this annual review should be a key element in merit pay or performance-based salary adjustments. ~~College and department bylaws should make clear the contexts, criteria, and procedures to be followed for these reviews, summarizing the review, including specific evaluation criteria for each level of performance.~~ A document summarizing the review – including an objective rating of the faculty member's performance, as listed below – must be signed by the faculty member (to acknowledge receipt of the document) and the Department Head. The Head must send a copy to the Dean. The Dean must send copies of the documents or a list of names by category to the Chief Academic Officer for review and approval/disapproval.

The Performance ratings scale for annual reviews shall be as follows approved by the Board of Trustees, and may include (in whole or part) the ratings defined below. Unless or until the Board of Trustees approves a campus-specific rating scale, campuses shall employ the rating scale defined below. To ensure seamless application of other faculty policies and procedures related to performance ratings (whether part of this document or some other policy or procedure), any campus-specific rating scale must explain how it articulates with the rating scale defined below.

~~and campus, college, and department bylaws must clarify the means and metric for each department head to employ in conducting these reviews:~~ Campus faculty handbooks, college bylaws, and and/or department bylaws must clarify specify the means and metric for each department head to employ in the substantive performance criteria to be used when conducting these performance reviews within the particular unit.

The following performance rating scale is to be applied in evaluating tenured faculty members when no campus-specific scale is in place:

- a. Exceeds Expectations for Rank – eligible for significant merit pay or performance-based salary adjustment that is consistent with campus, college, and departmental fiscal situations;

- b. Meets Expectations for Rank – eligible for minimum merit pay or performance-based salary adjustment that is consistent with campus, college, and departmental fiscal situations;
- c. Needs improvement for Rank – not eligible for merit pay or performance-based salary adjustment and required to implement an Annual Review Improvement Plan (see below); and
- d. Unsatisfactory for Rank – not eligible for any salary adjustment and required to implement an Annual Review Improvement Plan (see below).

Annual Review Improvement Plans: Within 30 days of the annual review, any faculty member rated Needs Improvement for Rank or Unsatisfactory for Rank must collaborate with the Head on an Annual Review Improvement Plan to be reviewed by the Head and recommended by him/her to the Dean for review and approval/denial. The next year’s annual review must include a progress report that clearly describes improvements in any area(s) noted as Needs Improvement for Rank or Unsatisfactory for Rank.

Appeal process: Each campus shall have a campus-wide process by which a faculty member may appeal his/her annual review rating. Developing the process should involve the Faculty Senate or an appropriate committee thereof.

Revision #3 Locus of Tenure

§ A. Definition of Tenure

Tenure is a principle that entitles a faculty member to continuation of his or her annual appointment until relinquishment or forfeiture of tenure or until termination of tenure for adequate cause, financial exigency, or academic program discontinuance. The burden of proof that tenure should be awarded rests with the faculty member. Tenure is acquired only by positive action of the Board of Trustees, and is awarded in a particular academic unit, (department, school, or college) ~~or other department~~ of a campus. The award of tenure shifts the burden of proof concerning the faculty member's continuing appointment from the faculty member to The University.

§ F. Locus of Tenure

Tenure at The University of Tennessee is granted in a particular academic unit (~~e.g.,~~ department, school, or college) of a specific campus, in a position appropriate to the

faculty member's qualifications. Reorganizations that result in the merger or splitting of departments do not affect the tenure or probationary status of the faculty involved.

If a tenured faculty member voluntarily transfers from one UT campus to another, his or her tenured status is not transferred. However, a review by the responsible administrators in consultation with the tenured faculty of the receiving department may result in an immediate recommendation to the Board of Trustees that tenure at the new campus be granted to the transferred individual; on the other hand, a new probationary period in the receiving unit may be established. There shall be no involuntary transfer of faculty members between campuses.

Transfers of tenure between departments on the same campus do not require Board approval, but must be approved by the responsible campus administrators in consultation with the tenured faculty of the receiving unit, with notice to the Board of Trustees. In any event, prior to the effective date of the transfer all conditions relating to tenure must be documented and accepted, in writing, by the transferring faculty member. If a non-tenured faculty member transfers from one existing department to another, a new probationary period must be established and documented under the same guidelines that would be followed if the faculty member came from another institution. All conditions relating to the new probationary period must be documented and accepted, in writing, by the transferring faculty member.

If a tenured faculty member accepts a part-time faculty position or an administrative position with The University, neither of which can carry tenure, the faculty member retains tenure in the full-time faculty position he or she vacated.

Appendix A

Procedures for Consideration and Grant of Tenure

1. Tenured Faculty's Recommendation

An adequate evaluation of a tenure candidate's qualifications, professional contributions, potential, and determination of whether he or she should be accepted as a tenured member of the campus academic community requires the judgment of both the candidate's faculty colleagues and the responsible administrators. Thus, although recommendations for tenure are administrative actions that must be approved by the Board of Trustees, there should be no positive recommendation for tenure without formal consultation with the tenured faculty of the department in which the candidate holds his or her position.

Procedures governing the tenured faculty's consideration of a candidate for tenure must be established in bylaws adopted at the departmental, school, and/or college level. ~~Each department shall adopt bylaws governing the tenured faculty's consideration of a candidate for tenure.~~ The bylaws shall provide for a meeting of the tenured faculty to debate and discuss the tenure candidacy. The bylaws shall also provide for the manner of taking and recording a formal vote of the tenured faculty on whether the candidate should be recommended for tenure and shall establish the minimum number of votes necessary to constitute a positive recommendation.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Academic Affairs and Student Success

CAMPUS/UNIT: UT Knoxville

ITEM: **Revision of UT Knoxville Faculty Handbook Concerning the Rating Scale for Annual Performance Reviews**

RECOMMENDATION: Approval

PRESENTED BY: Katherine N. High
Vice President for Academic Affairs and Student Success

The Tenure Policy sets out a four-point rating scale to be applied in evaluating tenured faculty. In June 2009 and in June 2012, the Board of Trustees approved a proposal to pilot a five-point rating scale for Knoxville area faculty. The five-point scale adds clarity in performance evaluations by distinguishing faculty performance that is moderately above expectations from performance that is significantly above expectations, and it has been well received by both administrators and faculty.

As permitted under the proposed revision to the Tenure Policy (also presented for approval at this meeting), the proposed revisions to the UT Knoxville Faculty Handbook (applicable also to the faculty of UTIA and UTSI) adopt the five-point evaluation scale piloted over the past few years. The proposed revisions also provide guidance for implementing the five-point evaluation scale to ensure seamless integration with existing policies.

The proposed revisions, presented on the following pages, have been reviewed and approved by the Faculty Senate, Chancellor Cheek, and Chancellor Arrington. The proposed revisions have been further reviewed and are recommended for approval by the General Counsel and Secretary, the Vice President for Academic Affairs and Student Success, and the President.

MOTION:

That the proposed revision of the UT Knoxville Faculty Handbook concerning the rating scale for annual performance reviews be approved.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

Revisions to the UT Knoxville Faculty Handbook¹
March 1, 2013

3.8 Faculty Review and Evaluation

3.8.1 Annual Review for All Faculty Members

3.8.2 Rating Scale to be Applied in Evaluating Faculty Performance

Faculty performance must be evaluated in a manner consistent with all applicable campus, college, and/or departmental policies, procedures, and bylaws, and must apply the following performance ratings:

- 5 – Outstanding (Excellent): Far exceeds expectations for rank
- 4 – More Than Expected (Very Good): Exceeds expectations for rank
- 3 – Expected (Good): Meets expectations for rank
- 2 – Less Than Expected (Fair): Falls short of meeting expectations for rank
- 1 – Unsatisfactory (Poor): Falls far short of meeting expectations for rank

This section explains the articulation between this UTK/UTIA/UTSI-specific performance rating scale and the scale provided in the Board of Trustees Policies Regarding Academic Freedom, Responsibility and Tenure. That articulation is necessary for application of certain policies and procedures (for example the Cumulative Performance Review process):

- A faculty member who receives an Overall performance rating of a 2 or 1 is required to submit an improvement plan.
- For purposes of Cumulative Performance Review, an Overall performance rating of 2 is consistent with “Needs Improvement for Rank” in UT Board of Trustees Policy Governing Academic Freedom, Responsibility, and Tenure.” An evaluation rating of 1 is consistent with “Unsatisfactory for Rank” in the same document.

A faculty member with an Overall performance rating of 5, 4, or 3 is eligible for any merit pay or other performance-based salary increase that may be authorized under campus, college, and/or departmental rules or guidelines. He/she is also eligible for any across-the-board salary increase.

A faculty member with an Overall rating of 2 is not eligible for any merit pay or other performance-based salary increase that may be authorized under campus, college, and/or departmental rules or guidelines, but he/she is eligible for any across-the-board salary increase.

¹ The *Faculty Handbook* applies to the faculty of UT Knoxville, UTIA, and UTSI and is meant to be read in conjunction with the *Manual for Faculty Evaluation* and the published policies of the UT Board of Trustees. Revisions were proposed by the Faculty Affairs Committee of the Faculty Senate, in coordination with campus administration, and adopted by the Faculty Senate on February 4, 2013.

A faculty member with an Overall rating of 1 is not eligible for any merit pay or other performance-based salary increase that may be authorized under campus, college, and/or departmental rules or guidelines, nor is he/she eligible for any across-the-board salary increase.

Within 30 days of receipt of the fully executed annual review form, any faculty member whose overall performance is rated either 2 or 1 must collaborate with the Department Head on an Annual Review Improvement Plan to be reviewed by the Head and recommended by him/her to the Dean for review and approval/denial. The next year's annual review must include a progress report that clearly describes improvements in any area(s) rated at the level of 2 or 1 in the evaluation that necessitated the improvement plan.

3.8.32 Annual Retention Review for Tenure-Track Faculty Members

In addition to (and at The University of Tennessee, Knoxville and the University of Tennessee Space Institute, coincident with) the annual performance and planning review described in Section 3.8.1, tenure-track faculty members receive an annual retention review. See Section 3.11.3.

3.8.43 Cumulative Performance Review for Tenured Faculty Members

Cumulative performance reviews for tenured faculty are triggered

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Academic Affairs and Student Success

CAMPUS/UNIT: UT Knoxville

ITEM: **Grant of Tenure to a UT Knoxville Faculty Member under Expedited Procedures**

PRESENTED BY: Joseph A. DiPietro, President

The Board Policy on Academic Freedom, Responsibility and Tenure provides for expedited consideration and grant of tenure in exceptional circumstances, such as when an individual with outstanding credentials is recruited from another institution where he or she holds tenure or its equivalent. The policy calls for completion of all the steps in the normal review process--review by tenured professors in the base department followed by formal recommendations by the department head, dean, chief academic officer, Chancellor, and President--but allows those steps to be accomplished on an accelerated schedule.

By the following memorandum and supporting document summarizing the tenure review process, Chancellor Jimmy Cheek has recommended to President DiPietro that Teri Dobbins Baxter, J.D., Professor of Law, who meets the above criteria, be granted tenure under the expedited procedures.

All steps in the normal review process have been completed for Professor Baxter, and she received strong support at each level of review, with a unanimous positive vote of the faculty. President DiPietro fully concurs in the Chancellor's recommendation and recommends that the Board approve the granting of tenure to Professor Baxter.


MOTION:

That tenure be granted to Teri Dobbins Baxter, J.D., in her faculty appointment as Professor of Law at The University of Tennessee, Knoxville.



Office of the Chancellor
527 Andy Holt Tower
Knoxville, TN 37996-0152
Phone: 865-974-3265
Fax: 865-974-4811

February 5, 2013

TO: Joseph A. DiPietro, President
FROM: Jimmy G. Cheek, Chancellor 
RE: Expedited Tenure Review for the Board of Trustees
Meeting February 28 – March 1, 2013

The University of Tennessee at Knoxville is requesting expedited tenure review for one new faculty member, Professor Teri Dobbins Baxter, Professor, College of Law, according to Appendix D of the University of Tennessee Board of Trustees Policies on Academic Freedom, Responsibility, and Tenure.

Professor Terri Dobbins Baxter was recruited from St. Louis University, where she is currently a tenured full professor. Professor Baxter received her B.A. in 1993 in Computer Science and a J.D. in 1997 from Duke University. While in law school she served as a Legal Research and Writing Teaching Assistant, was a member of the Dean’s Advisory Council, Moot Court Board Member, and a member of the Black Law Students Association. After completion of her law degree, she accepted a position as an associate with Locke Lord Bissell & Liddell, a prestigious international law firm, where she remained until May, 2002.

Professor Baxter joined the faculty of St. Louis University School of Law in 2002 as an assistant professor, was promoted to associate professor with tenure in 2007, and was promoted to full professor in 2009. Professor Baxter’s area of teaching is commercial law and professional responsibility. Her references say that she is one of the best teachers at St. Louis University and that she is actively engaged in her student’s education both inside and outside the classroom. Professor Baxter has an extensive record of scholarship and publishes in well-respected journals. She has served on the Executive Committee of the Association of American Law Schools Section on Professional Responsibility and in numerous faculty leadership roles at St. Louis University, and is actively engaged in community services, such as her church, and Habitat for Humanity.

Professor Baxter will begin her position as Professor in our College of Law on August 1, 2013. The unanimous vote of the tenured law faculty (23-0-0) along with the strong support of the Dean, strongly warrant her being awarded tenure at the University of Tennessee. Professor Baxter will be an outstanding addition to the College of Law and to the University.

Professor Terri Dobbins Baxter was carefully selected for her position, however, the search process and subsequent negotiations did not conclude in time to present her to the Board of Trustees at its last meeting. Therefore, I request her review at the next meeting of the University Of Tennessee Board Of Trustees. Please do not hesitate to contact me if you have any questions.

cc: Katie High
Susan Martin

University of Tennessee 2013 Expedited Tenure Recommendations - February
 Name of UT Unit: Knoxville Campus

2013 Positive Recommendations for Tenure at all Ranks

Name	Race	Gender	Department	Initial Appointment Date	Present* Academic Rank	IRIS Appointment Date at Present Rank	Years in Present Rank	Highest Degree Earned	Tenure Decision												
									Department				Dept Head	College				Dean	Chief Academic Officer	Chancellor	
									Yes	No	Abstain	Recusal		Yes	No	Abstain	Recusal				
Baxter, Teri Dobbins	Black	Female	Law	8/1/2013	Professor	3/1/2013	4	J.D.	N/A	N/A	N/A	N/A	N/A	23	0	0	0	Yes	Yes	Yes	

2013 Probationary Faculty NOT Recommended for Tenure

Name	Race	Gender	Department	Initial Appointment Date	Present* Academic Rank	IRIS Appointment Date at Present Rank	Years in Present Rank	Highest Degree Earned	Tenure Decision													
									Department ¹				Dept Head	College ¹				Dean	Chief Academic Officer	Chancellor		
									Yes	No	Abs	Recusal		Yes	No	Abs	Recusal					

*Present rank = rank held as individual proceeds through recommendation process (prior to final approval)

¹Please highlight if recommendation is early: sooner than one year before the end of the maximum probationary period.

TERI DOBBINS BAXTER
Saint Louis University School of Law
Room 234
(314) 977-7246
dobbinst@slu.edu

SAINT LOUIS UNIVERSITY SCHOOL OF LAW

PROFESSOR OF LAW

July 2009 to present

ASSOCIATE PROFESSOR OF LAW

August 2007—June 2009

ASSISTANT PROFESSOR OF LAW

Summer 2002—July 2007

Courses Taught:

Contracts I and II
Commercial Transactions
Secured Transactions
Legal Profession
Privacy and the Law Seminar

EDUCATION

Duke University School of Law, Durham, North Carolina, J.D., 1997
Legal Research and Writing Teaching Assistant
Dean's Advisory Council
Moot Court Board Member
Black Law Students Association

Duke University, Durham, North Carolina, B.A. in Computer Science, 1993

SCHOLARSHIP

"Private Oppression: How Laws that Protect Privacy Can Lead to Oppression"— 58 *Kansas Law Review* 415 (Winter 2010)

"Secured Party's Liability for Collection or Enforcement of Account Debtor's Obligation when Secured Party has no Right of Recourse Against the Debtor"—63 *Consumer Finance Law Quarterly Report* 225 (Fall-Winter 2009).

"Great (and Reasonable) Expectations: Fourth Amendment Protection for Attorney-Client Communications" – 32 *Seattle University Law Review* 35 (Fall 2008).

"The Hidden Costs of Contracting: Barriers to Justice in the Law of Contracts,"
7 Journal of Law in Society 116 (Fall 2005).

“Losing Faith: Extracting the Implied Covenant of Good Faith from (Some) Contracts,” 84 *Oregon Law Review* 227 (Spring 2005).

“Protecting the Unpopular from the Unreasonable: Warrantless Monitoring of Attorney Client Communications in Federal Prisons,” 53 *Catholic University Law Review* 295 (Winter 2004).

SELECTED PRESENTATIONS AND SPEECHES

Panelist—Black Law Students Association Midwest Regional Conference Law/yer Luncheon, January 2009

Panelist—**“Foreclosing on Unusual Collateral”**—American Bar Association Annual Conference, Section on Business Law, San Francisco, California, August 2007

Panelist—**“Technology in the Contracts Classroom: Ideas, Tools, and Questions,”** International Conference on Contracts, South Texas College of Law, Houston, Texas, February 2007

Moderator—Missouri Bar Association Panel **“Strategies for Using (and Defending Against) Electronic Discovery,”** September 2006

“Decreasing Minority Enrollment in Law Schools”—Asian American Bar Association and Mound City Bar Association Fifth Annual Unity Dinner Speaker, April 2005

“Rights Without Access: Acknowledging (and Teaching About) Barriers to Justice in the Law of Contracts,” Society of American Law Teachers (SALT) Teaching Conference: Class in the Classroom—Contracts Panel, William A. Boyd School of Law, University of Nevada, October 2004.

Panelist—Black Law Students Association Midwest Regional Conference Career Panel, January 2004.

“Protecting the Unpopular from the Unreasonable: Warrantless Monitoring of Attorney-Client Communications in Federal Prisons,”—Northeastern People of Color Legal Scholarship Conference, April 2003.

FACULTY ACTIVITIES AND HONORS

Committee Participation: Appointments Committee, Admissions Committee, Student Life Committee, Retention Committee, Ad Hoc Diversity Committee, Clinical Faculty Search Committee, and Library Director Search Committee

Nominated for Teaching Excellence Award, Spring 2007

Substitute Faculty Senator, Fall 2005

Faculty Advisor to the Women Law Students' Association

Facilitator for First Year Ethics Program, 2003-2007

Judge—Jessup International Moot Court Regional Competition, February 2005

Advisor for Saint Louis University Law Journal student articles, 2004-2007

Moderator for Women Law Students' Association Career Panel Discussion—Spring 2004, Fall 2005

Judge—Saint Louis University School of Law Moot Court I Competition, Spring 2004

Member of the Saint Louis University Black Faculty and Professional Staff Association

PROFESSIONAL ACTIVITIES

AALS Section on Professional Responsibility—Executive Committee Member, August 2008-present

MEDIA

Quoted in “Embattled mayor seeks refuge in ‘texting’ case”—The National Law Journal, July 21, 2008

Quoted in “Mutual mistake defense upheld in insurance dispute”—Missouri Lawyers Weekly, April 2008

COMMUNITY INVOLVEMENT

Grace United Methodist Church—Member of the Board of Trustees, Member of Justice and Mercy Team, Usher, Greeter, Liturgist

African Methodist Episcopal Church Youth Career Exploration Day Speaker—June 2008

Co-Coordinator of Blood Drive sponsored by Grace United Methodist Church and St. Roch Catholic Church, 2006-2009

Participant in Northwest Academy Career Day, May 2008

Grace United Methodist Church Food Pantry Volunteer

Spring Break trip to New Orleans to provide legal assistance to victims of Hurricane Katrina, Spring 2007

Mission Trip to Lima and Huancayo, Peru through the United Methodist Church Office of Creative Ministries—assisted with construction of classrooms for local church; purchased and distributed clothing, shoes, and other supplies to needy families, Summer 2006.

Participated in program to provide legal assistance to Hurricane Katrina Evacuees in St. Louis, November 2005

Center for Women in Transition—Mentor in program for women released from prison after conviction for non-violent crimes, Fall 2004-Spring 2005

Homeward Bound Program Volunteer at Saint Louis University

Saint Louis University School of Law Habitat for Humanity House Volunteer, Spring 2004

WORK EXPERIENCE

Locke Liddell & Sapp LLP (now Locke Lord Bissell & Liddell LLP) — Associate, September 1997 to May 2002

Extensive experience in all aspects of litigation in state and federal court, including written discovery, depositions, drafting and arguing motions for summary judgment and other pre-trial and post-trial motions. Significant trial experience, including making opening statements and examining and cross-examining witnesses. Appellate experience included drafting petitions for writ of mandamus, petitions for review, and briefs on the merits in the state courts of appeals, the Texas Supreme Court, and the United States Court of Appeals for the Fifth Circuit. Member of the firm recruiting committee; trial training program committee member and presenter; and supervisor for new associates and summer clerks.

Andersen Consulting (now Accenture)—Staff Consultant, June 1993 to July 1994

Worked on technical development and technical support teams for projects in the financial and data processing industries.

PROFESSIONAL HISTORY

Licensed to practice in Texas, November 1997

Admitted to practice in the United States Court of Appeals for the Fifth Circuit and United States District Court for the Southern District of Texas

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Academic Affairs and Student Success

CAMPUS/UNIT: UT Knoxville

ITEM: Honorary Doctor of Laws Degree

RECOMMENDATION: Approval

PRESENTED BY: Jimmy G. Cheek, Chancellor, UT Knoxville

The Board of Trustees Policy on Awarding Honorary Degrees allows each campus to award up to three honorary degrees each year. In accordance with the Board policy, each campus developed specific procedures for nominating and considering honorary degrees. The nominating committee includes a representative faculty group, the campus Chancellor, and the Chair of the Academic Affairs and Student Success Committee of the Board. The awarding of honorary degrees must be approved by the Board of Trustees upon the recommendation of the President.

UT Knoxville proposes to award an Honorary Doctor of Laws Degree to Mr. John Seigenthaler, native Tennessean and distinguished journalist, writer, and public servant. Supporting documentation on awarding an honorary degree to this outstanding individual is provided in the following materials.

This proposal has been approved at all administrative levels and is in accordance with the Board policy and campus procedures. Upon the Board's approval, the degree will be conferred at the Spring 2013 Commencement.

MOTION:

That an Honorary Doctor of Laws degree be awarded to Mr. John Seigenthaler.



Office of the Chancellor
527 Andy Holt Tower
Knoxville, TN 37996
Phone: 865-974-3265
865-974-4811

February 7, 2013

President Joe DiPietro
University of Tennessee System
800 Andy Holt Tower
Knoxville, TN 37996-0180

Dear President DiPietro:

It is important for the University of Tennessee, Knoxville to recognize the achievements of select individuals who have made and continue to make valuable contributions to the university and our world. As such, I am pleased to nominate Mr. John Seigenthaler to receive an honorary doctorate from the University of Tennessee, Knoxville at the spring 2013 commencement ceremony.

Mr. Seigenthaler is a native Tennessean and distinguished journalist, writer, and public servant. In 1949, he began his career in journalism at *The Tennessean*. In 1953, he won the National Headliner Award. Seigenthaler's early career consisted of high-profile investigations regarding corruption in government and in the local branch of the Teamsters. In 1982, Seigenthaler became the founding editorial director of *USA Today*. He later retired in 1991 from both *USA Today* and *The Tennessean*. By his retirement, Seigenthaler was editor, publisher, and CEO at *The Tennessean* after forty three years of service.

In the early 1960's, because of his work in the field of civil rights, he was named to the U.S. Department of Justice and served as administrative assistant to Attorney General Robert F. Kennedy. During that time, he also served as chief negotiator with the governor of Alabama throughout the Freedom Rides. In 1968, Seigenthaler worked on Robert F. Kennedy's presidential campaign. He would serve as a pallbearer at Kennedy's funeral. Seigenthaler later worked with Pierre Salinger in co-editing the book *An Honorable Profession: A Tribute to Robert F. Kennedy* (1993)

In addition to his many achievements in journalism and public service, Seigenthaler is known for his advocacy of the First Amendment. Upon his retirement from journalism, Seigenthaler founded the First Amendment Center in 1991. The Center seeks to create national discussion and debate on First Amendment rights and values and is associated with the Newseum and Diversity Institute. Moreover, Mr. Seigenthaler has been a frequent speaker and participant on First Amendment issues here at the University of Tennessee College of Law and the Baker Center for Public Policy, where he serves on the Board of Trustees.

The entire nomination process is set out on the Provost's website (<http://provost.utk.edu/policies/honorary-degrees/>) and is modeled on, and consistent with, the UT Board of Trustees' policy for granting honorary degrees.

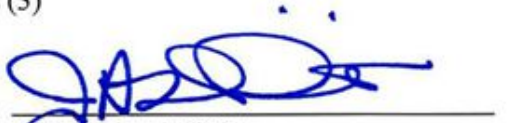
I request that you give serious consideration to honoring John Seigenthaler with this distinction and approve my request.

Sincerely,


Jimmy G. Check
Chancellor

Enclosures (3)

Approved:


Joseph A. DiPietro
President, The University of Tennessee

January 31, 2013

Chair, Honorary Degree Nominating Committee
Office of the Chancellor
University of Tennessee, Knoxville
527 Andy Holt Tower
Knoxville, TN 37996-0184

Re: Nomination of John Seigenthaler

Members of the Nominating Committee:

On behalf of the faculty of University of Tennessee College of Law, I am extremely honored to nominate John Seigenthaler to receive an Honorary Doctor of Laws Degree. Throughout his career as a journalist, writer, and public servant, Mr. Seigenthaler has been a staunch advocate and defender of free speech and civil rights. His passion for human equality, for the pursuit of truth, and for protection of free speech and a free press have improved the lives of all Americans.

Mr. Seigenthaler, the oldest of eight children, was born in Nashville, Tennessee in 1927. He attended Father Ryan High School and served in the U.S. Air Force after the Second World War. In 1949, Mr. Seigenthaler went to work for *The Tennessean* while taking courses in sociology and literature at Peabody College, Vanderbilt. He also attended the American Press Institute at Columbia University. The talented journalist soon distinguished himself as one of *The Tennessean's* leading reporters, winning a National Headliner Award in 1953. In 1958, Mr. Seigenthaler became an assistant city editor and special assignment reporter and participated in Harvard University's Neiman Fellowship Program.

During his early years as a reporter, Mr. Seigenthaler investigated corruption within the local branch of the Teamsters. He also looked into the criminal activities of Dave Beck and Jimmy Hoffa. His articles led to the impeachment trial of Chattanooga Criminal Court Judge Ralston Schoolfield.

Mr. Seigenthaler left journalism briefly in the early 1960s to serve in the U.S. Justice Department as administrative assistant to Attorney General Robert F. Kennedy. His work in the field of civil rights led to his service as chief negotiator with the governor of Alabama during the Freedom Rides. During that crisis, while attempting to aid Freedom Riders in Montgomery, he was attacked by a mob of Klansmen and hospitalized.

A former president of the American Society of Newspaper Editors, Seigenthaler served for 43 years for *The Tennessean*. At his retirement he was editor, publisher and CEO. He retains the title chairman emeritus. In 1982, Seigenthaler became founding editorial director of *USA Today* and served in that position for a decade, retiring from both the Nashville and national newspapers in 1991.

After his retirement from journalism, Mr. Seigenthaler founded the First Amendment Center in 1991 with the mission of creating national discussion, dialogue and debate about First Amendment rights and values. The Center is an operating program of the [Freedom Forum](#) and is associated with the [Newseum](#) and the [Diversity Institute](#). The center has offices in the John Seigenthaler Center at Vanderbilt University in Nashville and at the Newseum in Washington, D.C. The center's [programs](#), including the [Religious Freedom Education Project at the Newseum](#), provide education and information to the public and groups including First Amendment scholars and experts, educators, government policy makers, legal experts, and students.

Mr. Seigenthaler has also served our legal system and the administration of justice in other ways. In 1994, Mr. Seigenthaler, at the request of the Tennessee Supreme Court, agreed to chair the Commission on the Future of the Tennessee Judicial System. After a two year study, the Commission concluded in its report issued in 1996: "A troubled world is delivering more of its troubles to the judicial system But the [system] needs to change if it is to deal with those troubles. It must re-orient its duties and broaden its vision. It must be more efficient and more accountable." Thanks to the leadership of Mr. Seigenthaler, the report provided a forward looking examination of the needs of the Tennessee Justice System and a series of recommendations to meet those needs and improve the administration of justice in our state.

Over the years, Mr. Seigenthaler has been a frequent speaker and program participant at the College of Law and the Baker Center for Public Policy, where he serves as a member of the Board of Trustees.

Through his tireless commitment and leadership in advancing civil rights, free speech, and justice for all Americans, Mr. Seigenthaler is richly deserving of recognition by his home state's flagship university. The faculty of the College of Law enthusiastically nominates John L. Seigenthaler for conferral of an Honorary Doctor of Laws Degree.

Sincerely,



Douglas A. Blaze
Dean and Art Stolnitz & Elvin E. Overton
Distinguished Professor of Law

DAB:rsa



Spartacus Educational

www.spartacus.schoolnet.co.uk

John Seigenthaler

v Primary Sources v



John Seigenthaler, the oldest of eight children, was born in Nashville, Tennessee, on the 27th July, 1927. He attended Father Ryan High School and served in the U.S. Air Force after the Second World War.

In 1949 Seigenthaler was employed by *The Tennessean*. During this period he took courses in sociology and literature at Peabody College, Vanderbilt. He also attended the American Press Institute at Columbia University. He was a talented journalist and won the National Headliner Award for his story about Thomas C. Buntin, a wealthy Nashville business owner who had disappeared in September 1931, but was discovered by Seigenthaler living in Orange, Texas.

In July 1957, Seigenthaler began to investigate corruption within the local branch of the Teamsters. He also looked into the criminal activities of Dave Beck and Jimmy Hoffa. His articles led to the impeachment trial of Chattanooga Criminal Court Judge Ralston Schoolfield. In 1958 Seigenthaler became an assistant city editor and special assignment reporter. Seigenthaler was a supporter of John F. Kennedy in the 1960 Presidential Election and after his victory he was appointed as administrative assistant to Attorney General Robert F. Kennedy.

The civil rights group, the Congress on Racial Equality (CORE) began to organize Freedom Rides in an attempt to bring an end to segregation in transport. After three days of training in non-violent techniques, black and white volunteers sat next to each other as they travelled through the Deep South.

James Farmer, national director of CORE, and thirteen volunteers left Washington on 4th May, 1961, for Georgia, Alabama and Mississippi. Governor James Patterson commented that: "The people of Alabama are so enraged that I cannot guarantee protection for this bunch of rabble-rousers." Patterson, who had been elected with the support of the Ku Klux Klan added that integration would come to Alabama only "over my dead body."

The Freedom Riders were split between two buses. They travelled in integrated seating and visited "white only" restaurants. When they reached Anniston on 14th May the Freedom Riders were attacked by men armed with clubs, bricks, iron pipes and knives. One of the buses was fire-bombed and the mob held the doors shut, intent on burning the riders to death.

The surviving bus travelled to Birmingham, Alabama. A meeting of Student Nonviolent Coordinating Committee (SNCC) at Fisk University in Nashville, Tennessee decided to send reinforcements. This included John Lewis, James Zwerg, and eleven others including two white women. The volunteers realized their mission was extremely dangerous. Zwerg later recalled: "My faith was never so strong as during that time. I knew I was doing what I should be doing." Zwerg wrote a letter to his parents that stated that he would probably be dead by

the time they received it.

During the Freedom Riders campaign the Attorney General, Robert Kennedy was phoning Jim Eastland "seven or eight or twelve times each day, about what was going to happen when they got to Mississippi and what needed to be done. That was finally decided was that there wouldn't be any violence: as they came over the border, they'd lock them all up." When they were arrested Kennedy issued a statement as Attorney General criticizing the activities of the Freedom Riders. Kennedy sent John Seigenthaler to negotiate with Governor James Patterson of Alabama. Harris Wofford, the president's Special Assistant for Civil Rights, later pointed out: "Seigenthaler arrived in time to escort the first group of wounded and shaken riders from the bus terminal to the airport, and flew with them to safety in New Orleans."



Robert Kennedy and John Seigenthaler

The Freedom Riders now traveled onto Montgomery. One of the passengers, James Zwerg, later recalled: "As we were going from Birmingham to Montgomery, we'd look out the windows and we were kind of overwhelmed with the show of force - police cars with sub-machine guns attached to the backseats, planes going overhead... We had a real entourage accompanying us. Then, as we hit the city limits, it all just disappeared. As we pulled into the bus station a squad car pulled out - a police squad car. The police later said they knew nothing about our coming, and they did not arrive until after 20 minutes of beatings had taken place. Later we discovered that the instigator of the violence was a police sergeant who took a day off and was a member of the Klan. They knew we were coming. It was a set-up."

The passengers were attacked by a large mob. They were dragged from the bus and beaten by men with baseball bats and lead piping. Taylor Branch, the author of *Parting the Waters: America in the King Years, 1954-63* (1988) wrote: "One of the men grabbed Zwerg's suitcase and smashed him in the face with it. Others slugged him to the ground, and when he was dazed beyond resistance, one man pinned Zwerg's head between his knees so that the others could take turns hitting him. As they steadily knocked out his teeth, and his face and chest were streaming blood, a few adults on the perimeter put their children on their shoulders to view the carnage." Zwerg later argued: "There was nothing particularly heroic in what I did. If you want to talk about

heroism, consider the black man who probably saved my life. This man in coveralls, just off of work, happened to walk by as my beating was going on and said 'Stop beating that kid. If you want to beat someone, beat me.' And they did. He was still unconscious when I left the hospital. I don't know if he lived or died."

Some of the Freedom Riders, including seven women, ran for safety. The women approached an African-American taxicab driver and asked him to take them to the First Baptist Church. However, he was unwilling to violate Jim Crow restrictions by taking any white women. He agreed to take the five African-Americans, but the two white women, Susan Wilbur and Susan Hermann, were left on the curb. They were then attacked by the white mob.

John Seigenthaler, who was driving past, stopped and got the two women in his car. According to Raymond Arsenault, the author of *Freedom Riders* (2006): "Suddenly, two rough-looking men dressed in overalls blocked his path to the car door, demanding to know who the hell he was. Seigenthaler replied that he was a federal agent and that they had better not challenge his authority. Before he could say any more, a third man struck him in the back of the head with a pipe. Unconscious, he fell to the pavement, where he was kicked in the ribs by other members of the mob. Pushed under the rear bumper of the car, his battered and motionless body remained there until discovered by a reporter twenty-five minutes later."

Harris Wofford, the president's Special Assistant for Civil Rights, pointed out: "Seigenthaler went to the defense of a girl being beaten and was clubbed to the ground; he was kicked while he lay there unconscious for nearly half an hour. Again FBI agents present did nothing, except take notes." Robert F. Kennedy later reported: "I talked to John Seigenthaler in the hospital and said that I thought it was very helpful for the Negro vote, and that I appreciated what he had done."

In March 1962, Seigenthaler was appointed as editor of *The Tennessean*. He continued his campaign against Jimmy Hoffa. As a result Hoffa's lawyers attempted to move his jury tampering trial from Nashville. Seigenthaler admitted he personally wanted Hoffa convicted and the trial was moved to Chattanooga, but Hoffa was still convicted in 1964 after a 45-day trial.

Seigenthaler was given leave from his newspaper to work on Robert Kennedy's 1968 presidential campaign. Kennedy was shot by an assassin and died on 6th June, 1968. Seigenthaler served as one of the pallbearers at his funeral, and later co-edited the book *An Honorable Profession: A Tribute to Robert F. Kennedy* (1993) with Pierre Salinger.

On 8th February, 1973, Seigenthaler was promoted to publisher of *The Tennessean*. He worked closely with Al Gore on investigative stories about Nashville City Council corruption. On 5th May, 1976, Seigenthaler dismissed Jacque Srouji, a copy editor at the newspaper, after finding that she had served as an informant for the Federal Bureau of Investigation (FBI). At the time she was writing a book critical of Karen Silkwood. Seigenthaler tried for a year to get his own FBI dossier, and finally received some highly expurgated material including these words: "Allegations of Seigenthaler having illicit relations with young girls, which information source obtained from an unnamed source."

In May 1982, Seigenthaler also became editorial director of *USA Today*. In 1986, Middle Tennessee State University established the John Seigenthaler Chair of Excellence in First Amendment Studies, honoring Seigenthaler's "lifelong commitment to free expression values". He resigned from most newspapers in December 1991. Later that month he founded the First Amendment Center at Vanderbilt University.

In May 2005, an anonymous user, created a Wikipedia article about Seigenthaler which claimed "was thought to have been directly involved in the Kennedy assassinations of both John, and his brother, Bobby." After investigative work by Daniel Brandt, the culprit was identified as Brian Chase, a manager at a small delivery service in Nashville.

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John Seigenthaler

John Seigenthaler founded the First Amendment Center in 1991 with the mission of creating national discussion, dialogue and debate about First Amendment rights and values.

A former president of the American Society of Newspaper Editors, Seigenthaler served for 43 years as an award-winning journalist for *The Tennessean*, Nashville's morning newspaper. At his retirement he was editor, publisher and CEO. He retains the title chairman emeritus. In 1982, Seigenthaler became founding editorial director of *USA Today* and served in that position for a decade, retiring from both the Nashville and national newspapers in 1991. A former Nieman Fellow at Harvard University, he served for two decades as a member of the Nieman advisory board.

Seigenthaler left journalism briefly in the early 1960s to serve in the U.S. Justice Department as administrative assistant to Attorney General Robert F. Kennedy. His work in the field of civil rights led to his service as chief negotiator with the governor of Alabama during the Freedom Rides. During that crisis, while attempting to aid Freedom Riders in Montgomery, Ala., he was attacked by a mob of Klansmen and hospitalized.

Seigenthaler hosts a weekly book-review program, "A Word On Words." A senior advisory trustee of the Freedom Forum, he is chair of the Robert F. Kennedy Book Awards for the RFK Center for Justice and Human Rights and chairman emeritus of the annual Profile in Courage Award selection committee of the John F. Kennedy Library Foundation. Seigenthaler is a member of the Constitution Project on Liberty and Security, created after the Sept. 11 tragedies, and served on the 18-member National Commission on Federal Election Reform organized in 2001 by former Presidents Carter and Ford. He is a member of the Country Music Foundation Inc. board of officers and trustees, and of the board of directors of the Howard H. Baker Jr. Center for Public Policy at the University of Tennessee at Knoxville.

In 2002, the trustees of Vanderbilt University created the John Seigenthaler Center, naming the building at 18th Avenue South and Edgehill Avenue

that houses the offices of the Freedom Forum, the First Amendment Center and the Diversity Institute. The John Seigenthaler Center encompasses 57,000 square feet and includes a three-story expansion that was funded by the Freedom Forum and donated to Vanderbilt.

A chair in First Amendment Studies was endowed for \$1.5 million in Seigenthaler's name at Middle Tennessee State University. Scholarship projects are endowed at both Vanderbilt and Middle Tennessee State in Seigenthaler's name.

Seigenthaler is the author of a biography, *James K. Polk*, published by Times Books and released in January 2004.

A strong advocate of First Amendment rights of free expression, he also has been a nationally recognized critic of willfully false and misleading online vandalism. His controversy with Wikipedia for posting anonymous, libelous statements led to that website's revising its policies.

Video: John Seigenthaler's "Wikipedia, WikiLeaks and Wiccans: Historical Accuracy Online" presentation at Vanderbilt University, October 2011.

Video: John Seigenthaler speaks at Vanderbilt University about civil rights protests, March 2012.

Posts by John Seigenthaler:

[First Amendment News](#) | [John Seigenthaler](#) | September 17, 2007

From young reader to engaged citizen

Today is Constitution Day — a time to reflect on one of history's most amazing documents.

It was 220 years ago today — on Sept. 17, 1787 — that 39 members of the Constitutional Convention signed the charter for what was to become the greatest form of self-government ever conceived.

The document called for three separate branches [...]

[Press Commentary](#) | [John Seigenthaler](#) | July 4, 2007

Revived 'Fairness Doctrine' would be anything but fair

Throughout history our politicians have demonstrated a penchant for passing laws and promoting policies with seductive, but deviously misleading, titles.

[First Amendment News](#) | [John Seigenthaler](#) | December 1, 2005

A false Wikipedia 'biography'

Editor's note: This commentary appeared in USA TODAY on Nov. 30.

"John Seigenthaler Sr. was the assistant to Attorney General Robert Kennedy in the early 1960's. For a brief time, he was thought to have been directly involved in the Kennedy assassinations of both John, and his brother, Bobby. Nothing was ever proven."

— Wikipedia

This is a [...]

HOUSE JOINT RESOLUTION 1229

By Turner M

A RESOLUTION to commend John Seigenthaler, Sr., for his honorable and astute service to the people of Tennessee as a journalist and public servant.

WHEREAS, it is fitting that the members of this General Assembly should pause to specially recognize those estimable journalists who have dedicated themselves and their careers to bringing the truth to light for their fellow citizens to see; and

WHEREAS, John Seigenthaler, Sr., is one such estimable journalist who evinces the greatest integrity and probity in all his chosen endeavors; and

WHEREAS, throughout his exemplary career as a journalist, writer, and political adviser, Mr. Seigenthaler has distinguished himself as a public-spirited citizen of the highest order and as an exceptional asset to his community and country; and

WHEREAS, a native of Nashville, John Seigenthaler graduated from Father Ryan High School before serving in the United States Air Force from 1946 to 1949; and

WHEREAS, following his military service, Mr. Seigenthaler began his illustrious journalism career in 1949 as a police beat reporter for Nashville's *The Tennessean*. This talented journalist soon distinguished himself as one of the staff's leading reporters, as he won a National Headliner Award in 1953 and earned a place in Harvard University's 1958 Nieman Fellowship program before being promoted to Assistant City Editor and Special Assignment Reporter; and

WHEREAS, resigning from *The Tennessean* in 1960, John Seigenthaler became an administrative assistant to United States Attorney General Robert F. Kennedy, in which position he served as the federal government's chief negotiator with Alabama Governor John Malcolm Patterson during the tumultuous Freedom Rides of 1961. In this capacity, he was in Montgomery on May 20, 1961 and this passionate advocate of civil rights was knocked unconscious attempting to protect a Freedom Rider who was being chased by an angry mob; and

WHEREAS, in 1962, Mr. Seigenthaler returned to work at *The Tennessean* as the paper's Editor, and he was promoted to Publisher in 1973 in recognition of his supernal abilities, journalistic acumen, and unswerving commitment to justice; these qualities have earned him numerous awards throughout his journalism career, including the 1976 Sidney Hillman Prize for courage in publishing; and

WHEREAS, during a sabbatical from *The Tennessean*, John Seigenthaler worked as an adviser for Robert Kennedy's 1968 presidential campaign and, in recognition of the high esteem with which Robert Kennedy regarded Mr. Seigenthaler, he was a pallbearer at the Senator's funeral; and

WHEREAS, in 1982, John Seigenthaler, while continuing to work at *The Tennessean*, was named the founding Editorial Director of the newly founded *USA Today* and was integral in establishing it as one of the Nation's preeminent newspapers; his unparalleled journalistic accomplishments also elevated him to the position of President of the American Society of Newspaper Editors (1988-1989); and

WHEREAS, Mr. Seigenthaler retired from journalism in 1991, leaving both publications to establish the First Amendment Center, an institution based at Nashville's Vanderbilt University and in Arlington, Virginia, with the mission of creating national discussion, dialogue, and debate for the furtherance and preservation of First Amendment rights; and

WHEREAS, John Seigenthaler is also a Senior Advisory Trustee for the Freedom Forum, which is a nonpartisan foundation dedicated to free press, free speech, and free spirit; and

WHEREAS, this immensely talented gentleman has plied his numerous abilities and significant intellect as the host of the weekly book review television program *A Word on Words*, has authored several books, including *James K. Polk*, *The Year of the Scandal Called Watergate*, and *A Search for Justice*, and has co-edited the book *An Honorable Profession: A Tribute to Robert F. Kennedy*; and

WHEREAS, a consummate public servant, Mr. Seigenthaler was appointed to the National Commission on Federal Election Reform organized by Presidents Carter and Ford following the 2000 presidential election, has been a member of the Constitution Project on Liberty and Security, and has chaired the selection committees for the RFK Memorial's Robert

F. Kennedy Book Awards and the John F. Kennedy Library Foundation's Profile in Courage Award; and

WHEREAS, in acknowledgement of John Seigenthaler's many accomplishments and his lifelong commitment to fostering civil rights in our Nation, he has been recognized in numerous manners. In 1986 Middle Tennessee State University created the John Seigenthaler Chair of Excellence in First Amendment Studies; in 1996 Colby College named him the recipient of the Elijah Parish Lovejoy Award and awarded him an honorary Doctor of Laws', and Vanderbilt University christened the building on its campus at 18th Avenue South and Edgehill Avenue, which houses the offices of the Freedom Forum, the First Amendment Center, and the Diversity Institute, as the John Seigenthaler Center; and

WHEREAS, John Seigenthaler is an extremely giving person who often reaches out with compassion to people whom life has treated unkindly, and he epitomizes the ideal of the consummate journalist, dedicated public servant, and reliable friend and colleague; and

WHEREAS, his many accomplishments aside, Mr. Seigenthaler is fortunate to share both love and companionship with his wife, the former Dolores Watson, and their son, John Seigenthaler, Jr.; and

WHEREAS, John Seigenthaler is wholly committed to the noble precepts of journalistic integrity, and public service that have earned Tennessee recognition as the "Volunteer State," and he should be specially recognized; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED FIFTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE CONCURRING, that we hereby commend John Seigenthaler, Sr., for his honorable and astute service to the good people of Tennessee as a journalist and public servant, honor his many accomplishments in the realms of journalism free speech and civil rights, and salute his unswerving commitment to living the examined life with courage, conviction and liberality.

BE IT FURTHER RESOLVED, that an appropriate copy of this resolution be prepared for presentation with this final clause omitted from such copy.

Dear Provost Martin,

On behalf of the Honorary Degree Nominating Committee, it is my pleasure to report that we unanimously support awarding honorary doctorates to Ms. Mary Costa and Mr. John Seigenthaler. The committee met today with Chancellor Cheek, Mr. Spruell Driver (from the UT Board of Trustees; joined us by phone), and Mr. Russ Swafford.

Without exception, the group voiced strong support for these two nominees. Ms. Costa is a native of Knoxville. She rose to fame in the 1950s as the voice of Princess Aurora in Disney's *Sleeping Beauty* before embarking on a long and distinguished career as one of the most accomplished opera singers of her time. She then traveled across the country as a motivational speaker at countless schools and colleges. Most recently, after returning to live in Knoxville, she has been a dedicated advocate for at-risk and abused children through her volunteer work with Childhelp, a national non-profit organization that seeks to help abused and neglected youth. The committee felt strongly that her professional accomplishments combined with her tireless work as a cultural ambassador and advocate for children and the arts made her more-than-deserving of an honorary doctorate from the University of Tennessee.

Mr. Seigenthaler, like Ms. Costa, is a native and current resident of Tennessee. His early career began as an investigative reporter who sought to uncover corruption in the Teamsters. He briefly transitioned to working in the United States Justice Department as an administrative assistant for Attorney General Robert F. Kennedy. During this time, he was a strong advocate for civil rights and served as the chief negotiator with the governor of Alabama during the Freedom Rides. He then returned to journalism and worked for the *Tennessean* and as founding editorial director for *USA Today*. After retiring as a journalist in 1991, he founded the First Amendment Center to promote dialogue and debate about First Amendment rights and values. He also has been actively involved with the Tennessee legal system and has helped provide input about the future of the judicial system in Tennessee. The committee believed that Mr. Seigenthaler's impressive list of achievements and his lifetime of service to the federal government, the State of Tennessee, the field of journalism, and the legal system absolutely are deserving of recognition with an honorary degree.

Please let me know if you need any additional information as you move forward with these recommendations. On behalf of the committee, thank you very much for the opportunity to participate in this process.

Sincerely,

Matthew T. Theriot
Chair, Honorary Degree Nominating Committee

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Academic Affairs and Student Success

CAMPUS/UNIT: UT Knoxville

ITEM: **Honorary Doctor of Humane and Musical Letters Degree**

RECOMMENDATION: Approval

PRESENTED BY: Jimmy G. Cheek, Chancellor, UT Knoxville

The Board of Trustees Policy on Awarding Honorary Degrees allows each campus to award up to three honorary degrees each year. In accordance with the Board policy, each campus developed specific procedures for nominating and considering honorary degrees. The nominating committee includes a representative faculty group, the campus Chancellor, and the Chair of the Academic Affairs and Student Success Committee of the Board. The awarding of honorary degrees must be approved by the Board of Trustees upon the recommendation of the President.

UT Knoxville proposes to award an Honorary Doctor of Humane and Musical Letters degree to Ms. Mary Costa, Knoxville native and internationally acclaimed soprano. Supporting documentation on awarding an honorary degree to this outstanding individual is provided in the following materials.

This proposal has been approved at all administrative levels and is in accordance with the Board policy and campus procedures. Upon the Board's approval, the degree will be conferred at the Spring 2013 Commencement.

MOTION:

That an Honorary Doctor of Humane and Musical Letters degree be awarded to Ms. Mary Costa.



Office of the Chancellor
527 Andy Holt Tower
Knoxville, TN 37996
Phone: 865-974-3265
865-974-4811

February 8, 2013

President Joe DiPietro
University of Tennessee System
800 Andy Holt Tower
Knoxville, TN 37996-0180

Dear President DiPietro:

It is important for the University of Tennessee, Knoxville to recognize the achievements of select individuals who have made and continue to make valuable contributions to society. As such, I am pleased to nominate Ms. Mary Costa to receive an honorary doctorate from the University of Tennessee, Knoxville at the spring 2013 commencement ceremony.

Ms. Costa, a Knoxville native, is an internationally acclaimed soprano, most well-known for providing the voice of Princess Aurora in the 1959 Disney film, *Sleeping Beauty*. Throughout her career, she has performed roles in over 44 opera productions, including *La Traviata* at The Royal Opera House in London and in the Bolshoi in Moscow, Jules Massenet's *Manon* at The Metropolitan Opera in New York, and in the 1959 London premiere of Leonard Bernstein's *Candide*. In 1961, Ms. Costa recorded the role of Musetta in *La bohème*, opposite Anna Moffo and Richard Tucker, for RCA.

Costa has made guest appearances on many television specials for NBC, alongside legendary entertainers Sammy Davis Jr., Frank Sinatra, Bing Crosby and Charlie Parker. Ms. Costa starred in the feature film *The Great Waltz* in 1972, for MGM Studios. In 1963, at the request of First Lady Jacqueline Kennedy, Ms. Costa sang at the memorial service for President John F. Kennedy.

In addition to her many achievements as an entertainer and vocalist, Ms. Costa has a distinguished record of advocacy for both the arts and for at-risk children. In 2003, she was appointed by President George W. Bush to the National Council on the Arts. Costa now spends her time mentoring young singers and giving motivational speeches across the country. Moreover, she currently serves as an ambassador for Childhelp, a national non-profit organization dedicated to helping victims of child abuse and neglect.

The entire nomination process is set out on the Provost's website (<http://provost.utk.edu/policies/honorary-degrees/>) and is modeled on, and consistent with, the UT Board of Trustees' policy for granting honorary degrees.


I request that you give serious consideration to honoring Mary Costa with this distinction and approve my request.

Sincerely,

Jimmy G. Cheek
Chancellor

Enclosures (3)

Approved:



Joseph A. DiPietro
President, The University of Tennessee

PROPOSAL

Honorary Doctorate of Humane and Musical Letters Degree

for

Mary Costa

Presented to the College of Arts and Sciences

by the

School of Music

September 12, 2012

Many may know Mary Costa as the voice of Princess Aurora in the 1958 Disney film, *Sleeping Beauty*. But in the 1960s, this Knoxville native was heralded by the New York Times as "one of the most beautiful women to grace the operatic stage."

Mary Costa, born in Knoxville in 1930, is an internationally acclaimed soprano who studied at the Los Angeles Conservatory in the late 1940s and began her career singing and doing commercials on the radio. Walt Disney himself discovered Ms. Costa in 1952 as the angelic voice of Princess Aurora. Soon after her *Sleeping Beauty* engagement came to a close in 1958, she was in "the right place at the right time" replacing an indisposed Elisabeth Schwarzkopf for a gala concert at the Hollywood Bowl. Mary went on to sing leading roles in the greatest opera houses all over the world including the Metropolitan Opera, Covent Garden, The Royal Opera House (London), the Bolshoi Theatre and the San Francisco Opera. She sang under the baton of two, among many, of the greatest conductors and composers of her time. She created the role of Anne Trulove in Igor Stravinsky's opera *The Rake's Progress* in San Francisco, coached and conducted by the composer himself. She sang the role of Cunégonde in Leonard Bernstein's *Candide*, once again conducted by the composer, touring with the show and singing in the 1959 London premiere. Other premieres to her credit include Tytania in the American premiere of Benjamin Britten's *A Midsummer Night's Dream* (1961) and Ninette in the world premiere of Norman Dello Joio's *Blood Moon* (1961).

Ms. Costa sang with legendary singers Richard Tucker and Anna Moffo and is credited with triumphantly meeting the challenges of some of the most demanding leading roles in opera, including those in *Manon*, *La Traviata*, *La Bohème*, *Vanessa*, *The Rake's Progress*, and *Faust*. In total, she has 44 opera roles to her credit. She ultimately left the stage to care for her aging mother, but continued a portfolio career that included adjudication, master classes and speaking engagements, arts and education activism, and television appearances.

A short sampling of some of her other varied accomplishments include:

- Being the guest soloist at the memorial service for President John F. Kennedy at the Los Angeles Sports Arena in 1963 at the request of First Lady Jacqueline Kennedy;
- Working with many of Hollywood's legendary entertainers including Bing Crosby, Frank Sinatra, Dean Martin, Sammy Davis Jr. and Jack Benny;
- Appearing on Frank Sinatra's "Woman of the Year" Timex Special for NBC, where she was honored, along with Juliet Prowse, Lena Horne, and Eleanor Roosevelt;
- Singing for the inaugural concert of the John F. Kennedy Center for the Performing Arts in 1971;

- Being the 1989 recipient of the Licia Albanese-Puccini Foundation's Lifetime Achievement Award;
- Receiving the Disney Legends Award in November 1999;
- Being appointed by President George W. Bush in 2003 to the National Council on the Arts, where she served until 2007;
- Having the Metropolitan Opera Guild honor her for the Distinguished Verdi Performance of the 20th Century based on her 1964 Met debut as Violetta in *La Traviata*;
- Being inducted to the Knoxville Opera Hall of Fame.

Ms. Costa has dedicated her later years to inspiring children and teenagers through giving motivational talks at schools and colleges across the country. Her selfless outlook and generosity are evidenced in her enthusiasm and dedication as she supports and mentors young singers. She was, and continues to be, a tireless advocate for the arts and education.

As a passionate advocate for at-risk children, Ms. Costa serves as an active ambassador for Childhelp, a national non-profit organization dedicated to helping victims of child abuse and neglect embracing at-risk children through advocacy, prevention, treatment and community outreach.

She continues to do promotional appearances for Disney, most recently for the Blu-ray release of *Sleeping Beauty* celebrating the 50th anniversary of the film.

Because of her extensive and varied career not just as a musician and entertainer, but for her role as a cultural ambassador, an advocate for the arts, education, young musicians and at-risk children at the regional and national levels, it is fitting that Mary Costa be recognized with an Honorary Doctorate of Humane and Musical Letters degree from the flagship educational institution of her home state located in the city where she was born and now resides.

Thank you for considering this request.

Sincerely,



Dr. Jeffrey Pappas
Director

Dear Provost Martin,

On behalf of the Honorary Degree Nominating Committee, it is my pleasure to report that we unanimously support awarding honorary doctorates to Ms. Mary Costa and Mr. John Seigenthaler. The committee met today with Chancellor Cheek, Mr. Spruell Driver (from the UT Board of Trustees; joined us by phone), and Mr. Russ Swafford.

Without exception, the group voiced strong support for these two nominees. Ms. Costa is a native of Knoxville. She rose to fame in the 1950s as the voice of Princess Aurora in Disney's *Sleeping Beauty* before embarking on a long and distinguished career as one of the most accomplished opera singers of her time. She then traveled across the country as a motivational speaker at countless schools and colleges. Most recently, after returning to live in Knoxville, she has been a dedicated advocate for at-risk and abused children through her volunteer work with Childhelp, a national non-profit organization that seeks to help abused and neglected youth. The committee felt strongly that her professional accomplishments combined with her tireless work as a cultural ambassador and advocate for children and the arts made her more-than-deserving of an honorary doctorate from the University of Tennessee.

Mr. Seigenthaler, like Ms. Costa, is a native and current resident of Tennessee. His early career began as an investigative reporter who sought to uncover corruption in the Teamsters. He briefly transitioned to working in the United States Justice Department as an administrative assistant for Attorney General Robert F. Kennedy. During this time, he was a strong advocate for civil rights and served as the chief negotiator with the governor of Alabama during the Freedom Rides. He then returned to journalism and worked for the *Tennessean* and as founding editorial director for *USA Today*. After retiring as a journalist in 1991, he founded the First Amendment Center to promote dialogue and debate about First Amendment rights and values. He also has been actively involved with the Tennessee legal system and has helped provide input about the future of the judicial system in Tennessee. The committee believed that Mr. Seigenthaler's impressive list of achievements and his lifetime of service to the federal government, the State of Tennessee, the field of journalism, and the legal system absolutely are deserving of recognition with an honorary degree.

Please let me know if you need any additional information as you move forward with these recommendations. On behalf of the committee, thank you very much for the opportunity to participate in this process.

Sincerely,

Matthew T. Theriot
Chair, Honorary Degree Nominating Committee

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Academic Affairs and Student Success

CAMPUS/UNIT: UTC

ITEM: Honorary Bachelor's Degree in Community Service

RECOMMENDATION: Approval

PRESENTED BY: Katherine N. High
Vice President for Academic Affairs and Student Success

The Board of Trustees Policy on Awarding Honorary Degrees allows each campus to award up to three honorary degrees each year. In accordance with the Board policy, each campus developed specific procedures for nominating and considering honorary degrees. The nominating committee includes a representative faculty group, the campus Chancellor, and the Chair of the Academic Affairs and Student Success Committee of the Board. The awarding of honorary degrees must be approved by the Board of Trustees upon the recommendation of the President.

UTC proposes to award an Honorary Bachelor's Degree in Community Service to Mr. Lewis "Lewie" Card, Jr. Mr. Card has served as chair of the UTC Roundtable, member of the UC Foundation, member of the UT Development Council, and Chair of the UTC Engineering Campaign. He established a golf scholarship at UTC and donated the land for the UTC golf complex. He has been a very generous supporter of UTC, and it was the nominating committee's unanimous opinion that Mr. Card possesses outstanding qualities that make him a deserving recipient of this award.

The proposal has been approved at all administrative levels and is in accordance with the Board policy. Upon the Board's approval, the degree will be conferred on May 4, 2013 during the UTC Spring Commencement.

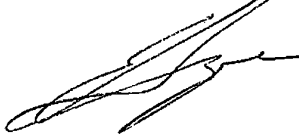
MOTION:

That an Honorary Bachelor's Degree in Community Service from The University of Tennessee at Chattanooga be awarded to Mr. Lewis "Lewie" Card, Jr.

Office of the Chancellor
101 Founders Hall, Dept. 5605
615 McCallie Avenue
Chattanooga, TN 37403-2598
Phone: (423) 425-4141
Fax: (423) 756-5559
www.utc.edu

MEMORANDUM

TO: Dr. Joe DiPietro

FROM: Dr. Grady Bogue 

RE: Lewis Card, Jr UTC Honorary Bachelor's Degree

DATE: February 6, 2013

On December 11, 2012, and February 6, 2013, a UTC committee met to review Lewis "Lewie" Card, Jr. as a candidate for an honorary bachelor's degree from UTC, to be given on May 4, 2013 during commencement. These meetings were held in accordance to the UT policy on awarding honorary degrees as adopted by the board in June, 1999 and revised in October 2002.

Those present for the meeting were:

Dr. Mo Ahmadi, College of Business
Dr. Martina Harris, Nursing
Dr. Bruce Hutchinson, Economics
Dr. Gary McDonald, Engineering
Dr. Deborah McAllister, Education and president of Faculty Senate
Mr. Spruell Driver- UT Board of Trustee member (via conference call)
Ms. Terry Denniston- chief of staff to the chancellor

The committee has thoroughly discussed the history of honorary awards given by UC/UTC. The unique point of this award is that the suggested degree is a bachelor's degree as opposed to an honorary doctorate degree. The committee agreed that awarding an honorary bachelor's degree was appropriate in this case and that this particular award would be more meaningful to Mr. Card.

The committee reviewed Mr. Card's background and the intent of conferring this type of degree. It was the committee's unanimous opinion that he possesses outstanding qualities that make him a deserving recipient of this award.

The committee is recommending that an Honorary Bachelor's degree be awarded to Lewis Card, Jr. and that the degree be called an Honorary Bachelor's Degree in Community Service.

A copy of his resume is attached as well as other supporting documentation.

Encls.

Cc: Dr. Katie High
Mr. Spruell Driver

760 Outlook Lane
Chattanooga, TN 37419

September 12, 2012

Dr. Roger Brown, Chancellor
Founders Hall
University of Tennessee at Chattanooga
615 McCallie Ave
Chattanooga, TN 37403

Dear Chancellor Brown:

I am writing to request that the University of Tennessee at Chattanooga consider Mr. Lewis Card Jr. as a recipient of an honorary undergraduate degree from our institution. Though Mr. Card never attended the University of Chattanooga or UTC, for numerous reasons, he has been for many years a loyal supporter of UTC. He has made innumerable contributions to our welfare, both with his time and financially.

After I took over the men's golf program in 1977, for the following ten years Lewie organized and promoted an annual golf tournament that raised over \$100,000 for the T. R. McAfee golf scholarship, which we continue to award each year. In 1989, he began to make an annual contribution of \$15,000 to our operating budget. Largely through his efforts we now have the new practice facility with First Tee, and he remains a loyal and devoted friend to the university. He has given over \$400,000 just to UTC golf.

Moreover, over the years his efforts have been impressive in other ways. He has been on the UC Foundation Board since 2000 and served as Vice Chairman. A decade ago he headed up the fundraising efforts for the Engineering Building, has given \$100,000 to the College of Engineering, and has contributed to numerous other scholarship projects. Over the course of the Campaign for Tennessee from 2005 to 2011, Lewie served on The Campaign Leadership Committee for UTC, and he has represented UTC on the UT Development Council for many years.

It is important to know that Lewie does not like to be recognized as a donor to certain projects. He gives out of the goodness of his heart and because of his love for this University. I do believe, however, that he would be greatly moved and very appreciative if we were to acknowledge his importance to us by awarding him such a honor.

My best wishes to you as you turn your steps to a new direction. We will miss you and your great leadership.

Sincerely,

R. Reed Sanderlin
Professor of English, Emeritus

Lewis “Lewie” Card, Jr.

Nominated for consideration for an Honorary Degree (Bachelors)
by Reed Sanderlin
December 2012

PO Box 24
Hixson, TN 37343
(423) 842-3312
Fax (423) 842-9572

1515 Edgewood Circle
Chattanooga, TN 37405
(423) 267-4477

Background

- ◆ Lewie is a native Chattanooga. He graduated from Chattanooga High School.
- ◆ Serves as chairman of Card-Monroe Corp. and Display Craft, Inc. (CMC), located in Hixson.
- ◆ Card-Monroe was founded in 1981 by his father, Lewis Card, Sr. & business partners, although it dates back to the late 1930s when Cobble Brothers began manufacturing chenille bedspread equipment. The company makes tufting and carpet design machines. Joe and Albert Cobble were uncles to two of the company’s principals, Lewis Card, Sr. and Roy Card. They were also the great uncles of Lewis Card, Jr.
- ◆ Lewie has three grown children from the marriage to his first wife. They divorced. His second wife, Margaret Culpepper Card, died of cancer in 2008. He is currently married to Rebecca (“Becky”).

UTC Involvement

- ◆ Former chairman of the UTC Roundtable
- ◆ Member of the UC Foundation
- ◆ Chair of the UTC Engineering Campaign that successfully raised \$10 million to equip and furnish the new Engineering, Computer Science and Math Building on campus
- ◆ One of the lecture halls in the engineering building is named “The Card Family Auditorium”.
- ◆ Established the T. R. McAfee Memorial Golf Scholarship at UTC in memory of his close friend.
- ◆ Guest lecturer at UTC for Senior Engineering students
- ◆ Lewie donated the tract of land for the UTC golf complex
- ◆ Supports many UTC athletic and academic programs and events.
- ◆ Member of the University of Tennessee Development Council

UTC Recognition

- ◆ Awarded the Gordon Davenport Award from the UTC Athletics Hall of Fame in 2009. This award is presented to the individual who has shown outstanding commitment to UTC Athletics.
- ◆ Awarded the UTC Outstanding Service Award in 2006

Community Involvement

- ◆ Board member of The House of Refuge
- ◆ Board member of The Job Partnership of Chattanooga
- ◆ Chattanooga Urban League, Chair
- ◆ First Things First
- ◆ Center for Youth Issues
- ◆ Board of Trustee for the St. Andrew Sewanee School
- ◆ Member of the Christian Business Men's Committee
- ◆ Board Member of SunTrust Bank
- ◆ Member of Christian Network Team
- ◆ Former vice-chair for the Greater Chattanooga Area Chamber of Commerce
- ◆ Hixson Chamber of Commerce
- ◆ Member of New City Fellowship Church where he serves as an elder
- ◆ Spearheaded, along with Gary Chazen, an appeal to establish the T.R. McAfee Memorial Golf Scholarship at UTC in memory of their fellow golfer

Other

- ◆ Avid golfer
- ◆ Loves fishing and hunting
- ◆ Committed to every facet of UTC
- ◆ A friend has said of Lewie, "You can never go to lunch with this guy and have a serious conversation because he knows everyone in every restaurant and they have to speak to him or he has to speak to them."
- ◆ This same person has said that folks can always be assured of Lewie's respectfulness and his transparency. He makes others feel comfortable with who they are.
- ◆ His mission statement is "To let God control every part of my life from the time I wake and through eternity. With Christ in me to help others to know the peace found in putting Jesus first in their lives, no matter where I am or what I'm doing."
- ◆ Lewie's life verse is Matthew 25:40: The King will reply, "I tell you the truth, whatever you did for one of the least of these brothers of mine, you did for me."

Gifts to UTC

UCF Golf Player Development Comp.	\$200,000
MOCS Bass Anglers Classic	\$160
NCAA Golf Championships	\$770
UCF Carolyn Thompson Spirit of UTC Award	\$100
UTC Engineering and Computer Science Campaign	\$100,000
Lifetime Commitment to UTC	\$725,575

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Academic Affairs and Student Success

CAMPUS/UNIT: UT Martin

ITEM: **Revised Undergraduate Admission Requirements for UT Martin**

RECOMMENDATION: Approval

PRESENTED BY: Tom Rakes, Chancellor, UT Martin

UT Martin proposes to revise its regular undergraduate admission requirements to attract and enroll students whose academic preparation, motivation, and maturity indicate they can be successful in an academic setting. Students admitted under the proposed requirements are expected to be more likely to persist and succeed; and UT Martin anticipates improved retention and graduation rates as a result.

Current regular undergraduate admission requirements are:

21 ACT and GPA of 2.5 OR 18 ACT and GPA of 2.85

Proposed undergraduate admission requirements are:

21 ACT and GPA of 2.7 OR 19 ACT and GPA of 3.0

The following chart shows the impact of the proposed requirements if they had been in effect for Fall 2010 and Fall 2011.

The proposed requirements have been recommended by the UT Martin faculty and administration. If approved by the Board, they will be effective beginning with the 2014 Fall Semester.

MOTION:

That the revised undergraduate admission requirements at UT Martin be approved as presented in the meeting materials, to be effective beginning with the 2014 Fall Semester.

University of Tennessee at Martin
First-Time, Full-Time Freshmen

	Fall 2010		Fall 2011	
	All Freshmen	Freshmen No Longer Eligible for Regular Admission	All Freshmen	Freshmen No Longer Eligible for Regular Admission
Number	1273	37	1290	28
Academic Standing - End of First Semester				
Good Standing	1032 (81.1%)	19 (51.4%)	993 (77.0%)	15 (53.6%)
Probation	224 (17.6%)	17 (45.9%)	273 (21.2%)	12 (42.9%)
Retention Rates				
Fall-to-Fall Retention	73.0%	67.6%	70.7%	60.7%

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Advancement and Public Affairs

CAMPUS/UNIT: UT Knoxville

ITEM: **Modifying the Name of the John Tickle Engineering Building**

RECOMMENDATION: Approval

PRESENTED BY: Jimmy G. Cheek, Chancellor, UT Knoxville

The recommendation to modify the name of the John Tickle Engineering Building , at the request of the Mr. Tickle and the College of Engineering, is presented in the following memorandum from Chancellor Cheek, with President DiPietro's signature indicating his concurring recommendation.

MOTION:


That the name of the John Tickle Engineering Building on the campus of The University of Tennessee, Knoxville be modified to be the John D. Tickle Engineering Building.



Office of the Chancellor
527 Andy Holt Tower
Knoxville, TN 37996
Phone: 865-974-3265
865-974-4811

MEMORANDUM

TO: Joseph A. DiPietro
President, UT System


FROM: Jimmy G. Cheek 
Chancellor, University of Tennessee, Knoxville

DATE: January 31, 2013

SUBJECT: Proposal to Modify the Name of the John Tickle Engineering Building

In accordance with the Board of Trustee Policy on Naming Facilities and Other Assets, the University of Tennessee, Knoxville is requesting to modify the name of the John Tickle Engineering Building to the John D. Tickle Engineering Building. Both the College of Engineering and the donor have requested that the middle initial "D." be added to the name of the building.

With your agreement, we request this be submitted for approval at the February meeting of the University of Tennessee Board of Trustees. If you have any questions, please contact me.

Approved By: 
Joseph A. DiPietro, President

Cc: Catherine Mizell

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Advancement and Public Affairs

CAMPUS/UNIT: UT Knoxville

ITEM: **Modifying the Name of the Frank H. McClung Museum**

RECOMMENDATION: Approval

PRESENTED BY: Jimmy G. Cheek, Chancellor, UT Knoxville

The recommendation to modify the name of the Frank H. McClung Museum is presented in the following memorandum from Chancellor Cheek, with President DiPietro's signature indicating his concurring recommendation.

MOTION:

That the name of the Frank H. McClung Museum be modified to be the Frank H. McClung Museum of Natural History and Culture.



Office of the Chancellor
527 Andy Holt Tower
Knoxville, TN 37996
Phone: 865-974-3265
865-974-4811

MEMORANDUM

TO: Joseph A. DiPietro
President, UT System

FROM: Jimmy G. Cheek
Chancellor, University of Tennessee, Knoxville

A handwritten signature in blue ink that reads "Jimmy G. Cheek". The signature is written over the printed name and extends to the right with a long horizontal line.

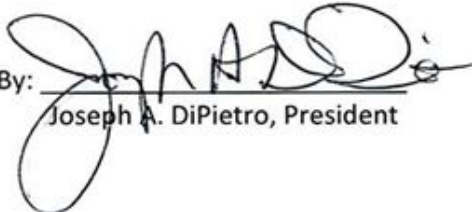
DATE: February 19, 2013

SUBJECT: Proposal to Modify the Name of the Frank H. McClung Museum

In accordance with the Board of Trustee Policy on Naming Facilities and Other Assets, the University of Tennessee, Knoxville is requesting to modify the name of the Frank H. McClung Museum to The Frank H. McClung Museum of Natural History and Culture. The Museum Board of Advisors has endorsed this change which was recommended by the strategic planning committee. One of the goals of the change is to help the museum better identify its mission and collections and to strengthen its branding and marketing efforts.

The museum, which was dedicated on June 1, 1963, was built with funds bequeathed by Ellen McClung Green as a memorial to her father, Frank H. McClung. The descriptive terms "of natural history and culture" are consistent with Mrs. Green's directive that the museum be used "for the display, preservation and study of paintings, works of art, objects of natural history, historical objects and such other uses and purposes as generally appertain to museums."

With your agreement, we request this be submitted for approval at the Winter Meeting of the University of Tennessee Board of Trustees. If you have any questions, please contact me.

Approved By: 
Joseph A. DiPietro, President

Cc: Catherine Mizell

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Advancement and Public Affairs

CAMPUS/UNIT: UT Knoxville

ITEM: **Renaming the Panhellenic Building as Thorpe Hall**

RECOMMENDATION: Approval

PRESENTED BY: Jimmy G. Cheek, Chancellor, UT Knoxville

The recommendation to rename the Panhellenic Building as Thorpe Hall in honor of Grace Francis Thorpe is presented in the following memorandum from Chancellor Cheek, with President DiPietro's signature indicating his concurring recommendation.

MOTION:

That the Panhellenic Building on the campus of The University of Tennessee, Knoxville be renamed Thorpe Hall.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Advancement and Public Affairs

CAMPUS/UNIT: UT Knoxville

ITEM: **Renaming the Former Student Health Center as Temple Hall**

RECOMMENDATION: Approval

PRESENTED BY: Jimmy G. Cheek, Chancellor, UT Knoxville

The recommendation to rename the former UT Knoxville Student Health Center as Temple Hall in honor of Oliver P. Temple and Mary Boyce Temple is presented in the following memorandum from Chancellor Cheek, with President DiPietro's signature indicating his concurring recommendation.

MOTION:


That the former Student Health Center on the campus of The University of Tennessee, Knoxville be renamed Temple Hall.



Office of the Chancellor
527 Andy Holt Tower
Knoxville, TN 37996
Phone: 865-974-3265
865-974-4811

MEMORANDUM

TO: Joseph A. DiPietro
President, UT System

FROM: Jimmy G. Cheek 
Chancellor, University of Tennessee, Knoxville

DATE: January 31, 2013

SUBJECT: Proposal to Change the Name of the Former Student Health Center to Temple Hall

In accordance with the Board of Trustee Policy on Naming Facilities and Other Assets, the University of Tennessee, Knoxville is requesting to change the name of the former Student Health Center to Temple Hall. This will be named in honor of Oliver P. Temple and his daughter, Mary Boyce Temple.

Oliver P. Temple (1820-1907) became a Trustee of East Tennessee University in 1854 and served until his death in 1907. He received his A.B. degree from Washington College in 1844, he was admitted to the bar in 1846 in Greenville, and later became a Whig candidate for Congress and was defeated by Andrew Johnson in 1847. He moved to Knoxville in 1848.

In 1872, Temple became one of the founders of the East Tennessee Farmers Convention. Temple served as its first president and as later made honorary vice president for life. He was the first person to introduce Jersey cattle into East Tennessee. He was instrumental in obtaining land-grant status for the University of Tennessee and for curricular modifications to bring the institution more into accord with the spirit of the Morrill Act.

From 1912-1958, Oliver P. Temple Hall was a major component of the Agriculture campus. In 1910, the University of Tennessee Trustees accepted an offer of \$5,000 from the East Tennessee Farmer's Convention to erect a convention hall on the Agricultural campus. Temple's daughter, Mary Boyce Temple, also contributed \$1,000 toward its construction.

"Temple Avenue," which UT changed to "Volunteer Boulevard" was named for him, as was "Temple Court," one of the buildings which was recently razed to make way for the new Student Union Building.

Mary Boyce Temple (1856-1929) gave the University \$25,000 in 1919 to establish the "Oliver Perry Temple Foundation." This foundation sought to purchase and breed purebred animals and improve plant breeding. In accepting the gift, the Trustees noted that it was "the first large gift of this munificent character ever made by any citizen of the state to the University during his [her] lifetime." Upon her death in 1929, she donated her entire library to UT.

We believe it is fitting to honor both Oliver Temple and his daughter, Mary Boyce Temple by renaming this building Temple Hall. With your agreement, we request this be submitted for approval at the February meeting of the University of Tennessee Board of Trustees. If you have any questions, please contact me.

Approved By:



Joseph A. DiPietro, President

Cc: Catherine Mizell

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Advancement and Public Affairs

CAMPUS/UNIT: UT Knoxville

ITEM: **Naming a New Residence Hall as the Fred D. Brown Jr. Residence Hall**

RECOMMENDATION: Approval

PRESENTED BY: Jimmy G. Cheek, Chancellor, UT Knoxville

The recommendation to name the new UT Knoxville residence hall in honor of Fred D. Brown, Jr., is presented in the following memorandum from Chancellor Cheek, with President DiPietro's signature indicating his concurring recommendation. A letter of endorsement from Trustee Spruell Driver follows the Chancellor's memorandum.

MOTION:

That the new residence hall on the campus of The University of Tennessee, Knoxville be named the Fred D. Brown Jr. Residence Hall.



Office of the Chancellor
527 Andy Holt Tower
Knoxville, TN 37996
Phone: 865-974-3265
865-974-4811

MEMORANDUM

TO: Joseph A. DiPietro
President, UT System

FROM: Jimmy G. Cheek 
Chancellor, University of Tennessee, Knoxville

DATE: January 31, 2013

SUBJECT: Request to Name the New Residence Hall the Fred D. Brown Jr. Residence Hall


In accordance with the Board of Trustee Policy on Naming Facilities and Other Assets, the University of Tennessee, Knoxville is requesting to name the New Residence Hall after Fred D. Brown Jr. The building would be named the Fred D. Brown Jr. Residence Hall, in honor of him and his service to the University of Tennessee, Knoxville.

Brown graduated from Hall High School in Alcoa, Tennessee. He received his bachelor’s degree from the Tuskegee Institute and then did post-graduate studies at the University of Arizona, the University of Hawaii, Tennessee State University, Fisk University, Vanderbilt University, and the University of Tennessee. He served as a lieutenant in the United States Army.

In 1952, Brown returned to Halls High School to begin his teaching career. He later joined the faculty of Oak Ridge High School as the first African American teacher in the newly integrated school. Beginning in 1969, Brown served for six years as a charter member of the Alcoa Board of Education. He was the first African American board member.

His efforts to promote diversity are still honored at the University of Tennessee, Knoxville with the Fred D. Brown Memorial Scholarship in the College of Engineering and his name will always be a part of the legacy at the College. The fact that minority enrollment in the College now averages well over 200 students can be directly linked to his contribution to the education of minority students.

Fred D. Brown Jr. has been an inspiration to many students who credit him with their success. It is very fitting that a place which houses our students be named in his honor. With your agreement, we request this be submitted for approval at the February meeting of the University of Tennessee Board of Trustees. If you have any questions, please contact me.

Approved By: 
Joseph A. DiPietro, President

Cc: Catherine Mizell

THE UNIVERSITY OF TENNESSEE



Board of Trustees

February 1, 2013

Dr. Jimmy G. Cheek
Office of the Chancellor
The University of Tennessee at Knoxville
527 Andy Holt Tower
Knoxville, TN 37996-0152

Dear Chancellor Cheek:

One of the most rewarding experiences of my life was being a student in the College of Engineering's (COE) Minority Engineering Scholarship Program (MESP) at UT-Knoxville. I sincerely appreciate and congratulate you for recommending that a residence hall be named in honor of **Mr. Fred D. Brown, Jr.**, the founder and first Director of MESP. Please accept this letter of support as you make final preparations to present this matter to the UT Board of Trustees at its meeting on March 1, 2013.

I know that all MESP alumni will share a profound sense of pride in our alma mater for bestowing this honor on Mr. Brown. He made it his mission to personally identify and successfully recruit the best students in Tennessee and neighboring states with a high aptitude for engineering studies, and he ensured that we stayed focused on our studies and graduated on time with an engineering degree. Mr. Brown did not wait to see which students applied for admission to UTK; he and his staff worked tirelessly at student recruitment by personally going to high schools to meet with guidance counselors and their best qualified students, whom he then encouraged to enroll in the COE at UT-Knoxville.

I enrolled in the COE as a member of MESP Group X (i.e., Group Ten) in the fall quarter of 1982. Looking back, I realize that Mr. Brown went to great lengths to ensure that his students got off to a strong start academically, and that we had a cohesive support structure to ensure successful persistence to graduation. During the spring of our senior year in high school, we had to come to Knoxville for an in-depth orientation and to get our preliminary business wrapped up such as class enrollment, residence hall assignments, and most importantly, finalizing our engineering co-op employer matches.

We also had to learn the unwritten "dos and don'ts" of being a MESP student. One of the "don'ts" I remember was that MESP freshmen could not participate in the fall quarter tradition of "Rush" to join Greek letter organizations. We could not even think about joining a fraternity or sorority until after we had completed our freshmen year and established a strong GPA by MESP standards!

In the category of "dos", I recall that we were strongly encouraged to collaborate with other MESP students; freshmen were especially to learn from upperclassmen about how to succeed in the most difficult engineering "weed-out" classes such as Statics and Dynamics. While today in 2013 UT-Knoxville has "learning communities" where engineering students can live and study together on the same floor of a residence hall, more than 30 years ago Mr. Brown created what I would describe as a "virtual learning community" by deliberately and systematically cultivating peer-to-peer study groups, mentoring relationships and other collaborations among MESP students. Despite the oft-viewed intimidating size of the Knoxville campus, Mr. Brown gave us and our parents an encouraging reassurance that we would be surrounded by an ever-present network of dedicated staff and fellow MESP students who bonded like a family. When explaining the MESP family to Group X, Mr. Brown encouraged us to consider him, his Assistant Director Robert Netherland, and COE Associate Dean Dr. Andrew Spickard as "*Daddy Fred*", "*Uncle Bob*" and "*Cousin Andy*"! Dr. Spickard just happened to be the only Caucasian present during this discussion, so a hearty laugh was enjoyed by all upon hearing Mr. Brown refer to Dr. Spickard as "*Cousin Andy*" and proclaim that "*all of us are family!*"

Dr. Jimmy G. Cheek

Page 2

Mr. Brown's demeanor was always down-to-earth, witty and no-nonsense. He once shared a story with us that I have recalled on many occasions. The story involved one of his most capable MESP students who became overwhelmed with anxiety over a particularly difficult final exam he had the next morning. As Mr. Brown tried to encourage the young man, the student told Mr. Brown that he intended to "throw up his hands, pray about it, turn it over to God, and try to get some sleep." In his no-nonsense way, Mr. Brown's advice to that young man (and to all of us who were being told this story), was that the best course of action was to "*pray as though your success depends solely on God, but you better keep working and applying yourself to your studies as though your success depends solely on you!*" I have found Mr. Brown's advice to be timeless.

Mr. Brown's reputation for running a tight ship and his impressive results engendered steadfast confidence and support from an impressive group of companies and enterprises who sponsored the scholarships and co-op work assignments for MESP students. Without his ability to win the confidence of these employers, MESP could not have provided the scholarship stipends and life-changing work experiences afforded to its students. These corporate supporters, who demanded excellence from MESP and its students in order for there to be ongoing support, included companies like Alcoa Aluminum, Armstrong Industries, Bechtel Corporation, Dow Chemical, DuPont, Eastman Kodak (via Tennessee Eastman Company), Honeywell, IBM, Monsanto, TVA and Union Carbide, just to name a few.

Of course, any endeavor with the scope and magnitude of MESP required various forms of leadership and contributions from a host of individuals, including various COE deans, faculty members and staff, but make no mistake about it, Mr. Brown was the "heart and soul" and the embodiment of MESP. The program was in fact often referred to on campus by engineering and non-engineering students as the "Fred Brown Program". In the spring 2006 issue of *Tennessee Engineer*, Mr. Brown is credited with increasing African-American student enrollment in the COE from 26, in 1972, to 133 in 1985, when he retired. I find those statistics to be all the more impressive when one accounts for the numerous MESP students who graduated annually between 1972 and 1985. Additionally, MESP produced more than one graduate to finish as the "*Top Graduate*" in the COE, and several MESP students were honored with *Chancellor's Citations for Excellence* and as *Torchbearers*. All of this demonstrates that the "Fred Brown Program" produced not only excellent engineering graduates, but well-rounded campus leaders as well. Many MESP students were able to graduate debt-free and several continued their studies in graduate and professional schools. Today, scores of MESP alumni can be found as successful professionals in many fields of endeavor including the various disciplines of engineering, scientific research and development, medicine, business, law, commercial real estate, public utilities management, government relations and more. The impact and legacy of Mr. Brown's tireless work expands exponentially if one considers the cumulative contributions of all MESP alumni to our University and society. I believe that all MESP alumni and the dedicated UT officials who have since supported today's Diversity Engineering Programs stand on the shoulders of one giant – Fred Brown.

The relationships and experiences that I enjoyed as a MESP student, and the life lessons that I learned from Mr. Brown still propel, inspire, and serve me well today. Albert Einstein once said – "*only a life lived for others is a life worthwhile.*" Mr. Brown lived his life in a manner that was "*worthwhile*" by any measure, and I am forever grateful to have been one of the many "*others*" for whom he lived. Someday I hope to be lucky enough to have my children and grandchildren live in the new residence hall to be named in honor of Mr. Brown. I know that I will experience great joy and pride in sharing the stories, wit and wisdom of Fred Brown with future generations of Tennessee Volunteers!

Sincerely,



Spruell Driver, Jr.
UT Trustee, BS/IE '87, MESP Group X

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Advancement and Public Affairs

CAMPUS/UNIT: UT Knoxville

ITEM: **Naming the Football Practice Facility as the Anderson Training Center**

RECOMMENDATION: Approval

PRESENTED BY: Jimmy G. Cheek, Chancellor, UT Knoxville

The recommendation to name the new football practice facility as the Anderson Training Center in honor of the Anderson family of Knoxville, Tennessee and Florence, Alabama is presented in the following memorandum from Chancellor Cheek, with President DiPietro's signature indicating his concurring recommendation.

MOTION:


That the new football practice facility on the campus of The University of Tennessee, Knoxville be named the Anderson Training Center.



Office of the Chancellor
527 Andy Holt Tower
Knoxville, TN 37996
Phone: 865-974-3265
865-974-4811

MEMORANDUM

TO: Joseph A. DiPietro
President, UT System

FROM: Jimmy G. Cheek 
Chancellor, University of Tennessee, Knoxville

DATE: February 6, 2013

SUBJECT: Request to Name the Football Practice Facility the Anderson Training Center

In accordance with the Board of Trustee Policy on Naming Facilities and Other Assets, the University of Tennessee, Knoxville is requesting to name the new football practice facility as the Anderson Training Center.

We believe recognizing the contribution of the Anderson family of Knoxville, TN and Florence, AL in this way is befitting of their generosity and leadership at the University of Tennessee, Knoxville.

Approved By: 
Joseph A. DiPietro, President

Cc: Catherine Mizell

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Trusteeship

ITEM: **Revised Resolution on Organization and Mission of the UT Knoxville Athletics Board**

RECOMMENDATION: Approval

At its January 28, 2013 meeting, the Trusteeship Committee reviewed and recommended for approval a proposal by UT Knoxville to change the structure of its Athletics Board to make it more effective and efficient in carrying out its important advisory and oversight purposes. The proposal includes changes in membership and a reduction in the size of the Athletics Board from 41 to 18 members. The changes are further explained in the following letter of endorsement from Dave Hart, Vice Chancellor and Director of Athletics, and Professor Don Bruce, NCAA Faculty Athletics Representative and Chair of the Athletics Board. The changes are incorporated in the Resolution following the letter of endorsement.

MOTION:

That the "Resolution on Organization and Mission of the Intercollegiate Athletics Board for The University of Tennessee, Knoxville" be adopted.



February 20, 2013

Dear Trustees,

We are delighted to endorse Chancellor Cheek's proposal to transform the Athletics Board on the Knoxville campus. The changes embodied in the proposal are long overdue and have broad support among the faculty and current Board members. The current Board is too large and meets too infrequently to be truly useful as an advisory body for both the Chancellor and the Vice Chancellor and Director of Athletics.

The proposal reduces the size of the Board from 41 (21 regular members plus 20 *ex officio*) to 18. It includes a wider set of relevant constituencies while preserving a necessary balance between trustees, faculty, administrators, students, Athletics Department staff, and others. It streamlines the Board's operations and obviates the need for a separate Executive Committee, which actually consists largely of *ex officio* members under the current structure.

Indeed, the central purpose of the proposal is to make the new Intercollegiate Athletics Board leaner and more efficient. It will meet more frequently and be privy to real-time information on the finances, any compliance issues, and other priorities and challenges facing our Athletics Department. It will thus be better able to function in its intended advisory and oversight role. These are necessary changes, and we look forward to implementing them immediately upon your approval.

Thank you for your consideration of this important proposal.

Sincerely,

A handwritten signature in black ink that reads 'Dave Hart'.

Dave Hart
Vice Chancellor and Director of Athletics

A handwritten signature in black ink that reads 'Donald Bruce'.

Donald Bruce
Douglas and Brenda Horne Professor of Business
And Faculty Athletics Representative

1551 Lake Loudoun Boulevard, Knoxville, TN 37996
PO Box 15016, Knoxville, TN 37901
865-974-1224 www.utsports.com

**RESOLUTION ON ORGANIZATION AND MISSION OF THE INTERCOLLEGIATE ATHLETICS BOARD
FOR THE UNIVERSITY OF TENNESSEE, KNOXVILLE**

WHEREAS, The University of Tennessee Intercollegiate Athletics Board was established pursuant to a Resolution of the Board of Trustees on November 5, 1951 and has been periodically revised since that date to reflect changes in organizational structure and responsibilities; and

WHEREAS, intercollegiate athletics constitute an important university function and student activity of The University of Tennessee, Knoxville, and are subject to the control and management of the Board of Trustees and the President through the Chancellor of the University of Tennessee, Knoxville, and recognizing that athletics has intense public interest and provides broad exposure to the University of Tennessee, and recognizing that many matters of minor policy should be settled within broad general policies adopted by the Board of Trustees and regulations and policies issued by the Chancellor; and

WHEREAS, the consolidation of the prior Men's and Women's Athletics Departments into a single Department of Athletics reporting through the Vice Chancellor and Director of Athletics necessitates certain revisions to the statement of the organization and duties of the Intercollegiate Athletics Board.

NOW THEREFORE BE IT RESOLVED, that the Intercollegiate Athletics Board for The University of Tennessee, Knoxville, is established to advise the Chancellor and the Vice Chancellor and Director of Athletics on the direction, management, and supervision of athletics as requested; to recommend athletics policies and programs to the Chancellor; to provide feedback to and from the University community regarding athletics policies, procedures and programs; to provide feedback on athletics compliance, athletics academic and athletics operations-related issues; and to serve as liaisons to Athletics for the constituencies they represent on the Intercollegiate Athletics Board and shall be constituted and function in accordance with the following bylaws.

BYLAWS – THE UNIVERSITY OF TENNESSEE, KNOXVILLE**INTERCOLLEGIATE ATHLETICS BOARD**

The Intercollegiate Athletics Board is established to advise the Chancellor and the Vice Chancellor and Director of Athletics on the direction, management, and supervision of athletics as requested; to recommend athletics policies and programs to the Chancellor; to provide feedback to and from the University community regarding athletics policies, procedures and programs; to provide feedback on athletics compliance, athletics academic and athletics operations-related issues; and to serve as liaisons to Athletics for the constituencies they represent on the Intercollegiate Athletics Board and shall be constituted and function as follows:

- I. Members of the Intercollegiate Athletics Board
 - A. The Intercollegiate Athletics Board shall be composed of the following:
 1. Members
 - Faculty Athletics Representative (Chair of the Intercollegiate Athletics Board)
 - Vice Chancellor and Director of Athletics
 - Two Representatives from the Board of Trustees
 - Vice Chancellor for Communications
 - Faculty Senate Athletics Committee Chair
 - Senior Woman Administrator
 - Director, Thornton Athletics Student Life Center
 - Senior Associate Athletics Director for Business Operations
 - Associate Athletic Director for Compliance
 - Two At-Large Faculty Members
 - At least one Non-Alumni Representative
 - Representative from Alumni Board of Directors

Student-Athlete Advisory Committee President

Student Government Association President

Student Affairs Representative

Director of Undergraduate Admissions

List of Ad Hoc Participants

Chancellor

University of Tennessee System President

Provost

Tennessee Fund Representative

Lettermen’s Club President

Registrar

Director of Financial Aid

Vice Chancellor for Finance and Administration

Associate Athletics Director for Finance and Administration

Other Athletics Staff as needed

Other Members of the Chancellor’s Cabinet as needed

Others as needed

- B. Each member shall have one vote. To transact business, a majority of voting members must be in attendance at a regularly called meeting. Ad hoc participants may not vote.

II. Mission of the Intercollegiate Athletics Board

Within policies established by the Board of Trustees, President, and Chancellor, the central mission of the Intercollegiate Athletics Board for The University of Tennessee, Knoxville, is to serve in an advisory capacity to the Chancellor and Vice Chancellor and Director of Athletics to

ensure that the University's intercollegiate athletics programs function as an integral part of the University's educational programs, that they operate in a manner which brings credit to the University, and that the men and women who participate in intercollegiate athletics are integrated into the University's student body as a whole. The Intercollegiate Athletics Board will be responsible for providing advice regarding the athletics program.

Furthermore, Board members will provide information to their constituent groups and members of the community about the role of athletics within the University. As one example, the Faculty Athletics Representative shall give an annual report to the Faculty Senate regarding the activities of the Intercollegiate Athletics Board.

III. Committees of the Intercollegiate Athletics Board

The Intercollegiate Athletics Board is authorized to establish appropriate special and standing committees to carry out functions of the Intercollegiate Athletics Board.

IV. Officers

- A. The Chancellor shall appoint the Chair of the Intercollegiate Athletics Board, who shall be a faculty member and shall act as NCAA Faculty Athletics Representative. The Chair of the Intercollegiate Athletics Board, along with the Vice Chancellor and Director of Athletics, shall keep the Chancellor apprised of the meetings of the Board.
- B. The Senior Woman Administrator shall serve as Vice Chair and shall serve as Chair of the Intercollegiate Athletics Board in the absence of the Chair.
- C. It shall be the duty of the Chair of the Intercollegiate Athletics Board to preside at the meetings of the Intercollegiate Athletics Board. The Chair shall act as faculty representative for the Intercollegiate Athletics Board in promoting athletics relations with other colleges and universities or with athletics conferences of which the University is a member. The Chair shall also assist the Chancellor and the Vice Chancellor and Director of Athletics in developing policies with respect to the oversight of athletics.

D. The Chair of the Intercollegiate Athletics Board shall also be responsible for seeing that the records are made and kept of all meetings of the Board.

V. Appointment and Term of Office

Position-specific members (e.g., Senior Woman Administrator, Student Government Association President) of the Intercollegiate Athletics Board shall be appointed for the duration of their tenure in the position named. At-large members and representative members (other than Trustee members) shall be appointed by the Chancellor and shall serve two-year terms, renewable at the discretion of the Chancellor for one successive term. The Chancellor appoints the NCAA Faculty Athletics Representative to a four-year term with a maximum of two terms, unless otherwise extended by the Chancellor in the best interests of the University. The Board of Trustees appoints the Trustee members to a two-year term, and the Trustee members shall be eligible for reappointment for one successive term.

VI. Meetings

The Intercollegiate Athletics Board shall meet at least once per semester or at the call of the Chair or Chancellor as the activities and affairs of intercollegiate athletics shall require. The meetings shall be regular in nature, focus on compliance oversight, and provide updates on policies, procedures, occurrences and issues and on campus as it pertains to athletics.

VII. Notice of Meetings

Notice of meetings and other pertinent material, together with an agenda, shall be issued by the Chair of the Intercollegiate Athletics Board or by the Chancellor, or by some person designated by them, by regular mail, electronic mail, telephone, facsimile transmission, or by a combination of these means.

VIII. Vacancies

Any vacancy in the membership of the Intercollegiate Athletics Board shall be filled by the process set forth for regular appointments. Appointments may be for either the unexpired term of the former members or the full term of office.

Approved by the Board of Trustees on the 1st day of March, 2013.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEESACTION ITEM

DATE: March 1, 2013

COMMITTEE: Trusteeship

ITEM: **Revision of the Health Affairs Committee Charter**

RECOMMENDATION: Approval

At its January 28, 2013 meeting, the Trusteeship Committee reviewed and approved the following revision of the Health Affairs Committee Charter to conform to the proposed Bylaw amendment allowing the Vice Chair, from time to time, to recommend appointment to the Health Affairs Committee of an at-large voting member with professional or business expertise particularly beneficial to the Committee. The Health Affairs Committee also approved the revision at its meeting on January 28, 2013.

MOTION:

That the proposed revision of the Health Affairs Committee Charter be approved, subject to adoption of the proposed Bylaw Amendment to Revise the Composition of the Health Affairs Committee.

**THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES**

**HEALTH AFFAIRS COMMITTEE
CHARTER**

PURPOSE

The Health Affairs Committee shall assist the Board in exercising oversight of the clinical activities of the Health Science Center.

POWERS AND RESPONSIBILITIES

The Health Affairs Committee shall review and recommend to the Board of Trustees or the Executive and Compensation Committee the following:

1. a strategic plan for the Health Science Center's statewide clinical activities; and
2. significant transactions related to the Health Science Center's statewide clinical activities including, but not limited to, the following:
 - a. acquisition or disposition of physician practices, hospitals, and other facilities or clinical and ancillary services;
 - b. creation of faculty practice plans; and
 - c. creation of or participation in joint ventures, corporations, or other legal entities.

COMPOSITION OF THE COMMITTEE

The Health Affairs Committee shall be composed of the following:

1. Vice Chair of the Board, Chair of the Audit Committee, Chair of the Finance and Administration Committee, and Chair of the Trusteeship Committee, all of whom shall serve as ex officio voting members; and
2. President of the University and Executive Vice President of the University, both of whom shall serve as ex officio non-voting members (but shall not be counted for quorum purposes).

If one of the ex officio voting members is not the immediate past Vice Chair of the Board, the immediate past Vice Chair shall serve as an ex officio voting member of the Committee.

If one of the ex officio voting members is not from Shelby County or the Ninth Congressional District, a Trustee from Shelby County or the Ninth Congressional District shall be appointed as a voting member of the Committee in the same manner as appointments are made to other standing committees of the Board.

From time to time, the Vice Chair of the Board may recommend to the Board of Trustees that another Trustee with professional or business expertise that would be particularly beneficial to the Health Affairs Committee be appointed as an at-large voting member.

The Chair of the Finance and Administration Committee shall serve as Chair of the Health Affairs Committee.

The President shall designate one or more members of his or her senior administrative staff to provide staff support to the Committee.

MEETINGS

Required Number and Call

The Committee shall meet at least three times annually, in conjunction with regular meetings of the Board of Trustees or at any other time upon the call of the Committee Chair. A meeting may also be called by the Chair of the Board, the Vice Chair of the Board, the President, or by the Secretary of the University upon the written request of two members of the Committee.

Notice

Notice of Committee meetings shall be given to all Committee members. Notice may be given by regular mail, electronic mail, or facsimile transmission. At least seven (7) days' notice shall be given when feasible, but less notice may be given when there is a need for urgent action by the Committee. If written notice is not feasible, by reason of urgency or other exigent circumstance, notice may be given by telephone.

All meetings of the Committee shall be open to the public unless otherwise provided by the Tennessee Open Meetings Act or a judicially-recognized exception to the Act.

Agenda

An agenda shall accompany the notice of every meeting of the Committee when feasible, but when not feasible, the notice shall state the purpose or purposes for which the meeting is called.

Development of the Committee agenda shall be the responsibility of the Committee Chair, in consultation with the President and designated Committee staff. The agenda shall list in outline form each matter to be considered at the meeting. The Committee may use a consent agenda in the manner provided by the Bylaws.

Matters not set forth on the agenda or in the notice may be considered only upon an affirmative vote of a majority of the entire Committee.

Quorum

A quorum shall be a majority (more than one-half) of the voting members of the Committee. In the absence of a quorum, those attending may adjourn the meeting until a quorum is present.

Minutes

Committee staff shall prepare minutes of all Committee meetings, review the minutes with the Committee Chair, and provide the minutes to all Committee members before the next Committee meeting.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Trusteeship

ITEM: **Revision of the Statement of Governance Principles**

RECOMMENDATION: Approval

The Board's Statement of Governance Principles grew out of the Governance Task Force appointed by Governor Bredesen in 2003. The Statement's Preamble declares its purpose to be "compiling in a single document key principles underlying the Board's governance practices." The Preamble also states that the Governance Committee (now known as the Trusteeship Committee) "will periodically review this Statement and recommend needed modifications to the Board."

At its December 18, 2012 meeting, the Trusteeship Committee reviewed the Statement to ensure its alignment with the new System Administration Strategic Plan. The revisions shown in the following copy of the Statement align the mission statement with the mission statement for The University of Tennessee System as approved by the Board in the System Administration Strategic Plan. In addition, "Trusteeship Committee" is substituted for "Governance Committee" in the Preamble to the Statement.

MOTION:

That the proposed revision of the Statement of Governance Principles be approved.

**THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES**

STATEMENT OF GOVERNANCE PRINCIPLES

~~Adopted by the Board of Trustees June 21, 2006~~
~~Last Revised by the Board of Trustees on March 1, 2013~~

PREAMBLE

The Board of Trustees of The University of Tennessee adopts this Statement of Governance Principles for the purpose of compiling in a single document key principles underlying the Board's governance practices. The ~~Governance~~Trusteeship Committee will periodically review this Statement and recommend needed modifications to the Board.

MISSION OF THE UNIVERSITY

~~The University of Tennessee serves the people of Tennessee and beyond through (1) access to and success in undergraduate, graduate, and professional education; (2) pursuit of research and scholarly achievement and its associated economic development; and (3) educational outreach and preparedness for the global marketplace.~~

The University of Tennessee System, through its multiple campuses and institutes, serves the people of Tennessee and beyond through the discovery, communication and application of knowledge. The System is committed to providing undergraduate, graduate and professional education programs in a diverse learning environment that prepares students to be leaders in a global society. The UT System's delivery of education, discovery, outreach and public service contributes to the economic, social and environmental well-being of all Tennesseans.

AUTHORITY AND RESPONSIBILITY OF THE BOARD

The Board of Trustees is vested with full authority and responsibility for governance of all component parts of The University of Tennessee.

The Board delegates to the administration the authority and responsibility necessary to carry out the University's mission.

The Board does not engage in matters of management or administration except through the President.

The Board reserves to itself all authority necessary to carry out its legal and fiduciary responsibilities, including but not limited to the following:

Approve the mission statement of the University and of each campus and institute of the University;

Control the scope of the educational opportunities offered by the University, including approval of new academic programs and revision of existing programs and approval of new campuses, colleges, and institutes;

Approve admission, progression, and retention standards;

Grant tenure to eligible members of the faculty upon the positive recommendation of the President and in accordance with a Board-approved policy on Academic Freedom, Responsibility, and Tenure;

Participate in the strategic planning process, approve final plans, and monitor progress against goals;

Approve any University-wide policy deemed by the Board to require its approval;

Elect, determine the compensation of, evaluate the performance of, and, if necessary, remove the President of the University;

Upon the recommendation of the President, elect, determine the compensation of, and, if necessary, remove other University officers designated in the Bylaws;

Upon the recommendation of the Audit Committee, appoint and, if necessary, reassign, demote, or remove the chief internal auditor for the University;

Ensure the integrity of the University's financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance;

Approve and monitor the University's annual operating and capital outlay budgets;

Approve student fees and tuition;

Approve the sale of real property (except that the President may approve the sale of gift property at or above the appraised value) and the conveyance of easements and rights of way;

Approve the acquisition of real property by purchase or condemnation, and by gift if expenditure of state funds for capital improvements or continuing operating expenses would be required;

Approve the facilities master plan for each campus;

Approve the construction of buildings and other capital improvements;

Approve the naming of buildings, colleges, schools, departments, and programs; and

Approve policies and procedures to ensure a prudent and efficient investment program for all funds subject to long-term investment, including endowment funds, quasi-endowment funds, and life income funds.

QUALIFICATIONS AND CORE COMPETENCIES REQUIRED FOR EFFECTIVE TRUSTEESHIP

The following qualifications and core competencies are critical to effective trusteeship:

An understanding of trusteeship as a public trust;

Commitment to promoting the welfare of the University over any parochial interest;

An understanding of the nonpartisan nature of trusteeship;

An understanding of the role of higher education in society and a strong interest in being an advocate for public higher education;

An understanding of the distinction between governance and management;

Experience with complex organizations and a basic understanding of how to interpret the financial condition of a complex organization;

A record of significant accomplishment in business, a profession, philanthropy, or volunteer work;

Intelligence, broad vision, and independent judgment; and

Willingness to commit the time and energy required to carry out the responsibilities of trusteeship in a conscientious and effective manner.

GUIDING PRINCIPLES OF GOVERNANCE

The primary role of the Board is one of oversight, with the goal of holding the University accountable to the public trust and ensuring the effective execution of its mission.

The Board governs by broad policies and objectives developed in concert with the President.

The Board will undertake a critical analysis of any matter coming before the Board for action and will require the administration to provide information necessary to carry out the Board's duty to act only in the best interest of the University.

The Board will promote a culture of constructive debate about major initiatives and transactions.

Individual Board members have complete access to all University officers and may arrange meetings or contacts directly or through the President.

The Chief Financial Officer and the Chief Internal Auditor are authorized and expected to communicate directly with the Audit Committee about issues of financial responsibility and accountability.

The Vice Chair of the Board is the spokesperson for the Board; other Trustees will not presume to speak for the Board. Trustees should refer all media inquiries to the University's public relations staff.

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

ACTION ITEM

DATE: March 1, 2013

COMMITTEE: Executive and Compensation

ITEM: **Revised Dates for 2013 Summer Workshop**

RECOMMENDATION: Approval

At its January 28, 2013 meeting, the Executive and Compensation Committee recommended that the Board approve moving the 2013 Summer Workshop from August 26-27 to September 5-6. A location for the workshop is still to be determined.