

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE

June 22, 2017
Knoxville, Tennessee

The Finance and Administration Committee of The University of Tennessee Board of Trustees met at 10:15 a.m. EDT on Thursday, June 22, 2017, in in the Hollingsworth Auditorium on the Institute of Agriculture campus in Knoxville, Tennessee.

I. CALL TO ORDER

Charles C. Anderson, Chair, called the meeting to order.

II. ROLL CALL

David L. Miller, Chief Financial Officer, called the roll, and the following members of the Finance and Administration Committee were present:

Charles C. Anderson, Committee Chair
Shannon A. Brown
Joseph A. DiPietro
John N. Foy
Raja J. Jubran
John D. Tickle

Mr. Miller announced the presence of a quorum of the Committee. Other Trustees, administrative staff, members of the public, and representatives of the media were also present.

III. CONSENT AGENDA

Chair Anderson directed the Committee's attention to the Consent Agenda.

- A. Minutes of the Last Meeting (Committee Action Only)
- B. Ratification of FY 2016-2017 Quasi-Endowments (Exhibit 1)
- C. Disclosure of Additional Revenue/Institutionally Funded Capital Projects, FY 2017-18—Information (Exhibit 2)
- D. FY 2017 Distribution of UC Foundation Unrestricted Endowment Funds (Exhibit 3)

- E. FY 2017-18 President Emeritus Agreement with Dr. Joseph E. Johnson (Exhibit 4)
- F. President's Report on Use of Student Programs and Services Fee Funds at Each Campus—Information (Exhibit 5)
- G. Treasurer's Report on Endowment Investment Performance—Information (Exhibit 6)

Chair Anderson called for any other additions or corrections to the minutes of the March 29, 2017 meeting as presented in the meeting materials. Hearing none, adoption of the following Resolution was duly moved, seconded, and carried:

That the reading of the minutes of the March 29, 2017 meeting of the Finance and Administration Committee is omitted, and the minutes are approved as presented in the meeting materials, provided that the Secretary is authorized to make any necessary edits to correct spelling errors, grammatical errors, format errors, or other technical errors subsequently identified; and

That the following action items be recommended to the full Board for approval by unanimous consent:

- 1. Ratification of FY 2016-2017 Quasi-Endowments
- 2. FY 2017 Distribution of UC Foundation Unrestricted Endowment Funds
- 3. FY 2017-18 President Emeritus Agreement with Dr. Joseph E. Johnson

The motion was duly seconded and carried.

IV. REPORT AND RECOMMENDATIONS OF THE SUBCOMMITTEE ON TUITION, FEES, AND FINANCIAL AID

Trustee Foy, Chair of the Subcommittee on Tuition, Fees, and Financial Aid, informed the Committee that a teleconference was held on June 13, 2017. He presented the FY 2017-18 Student Fees Approved at the campus or system level (Exhibit 7) and advised the Committee that these approved fees were presented for the Committee's information to provide a complete picture of fee increases for the upcoming year, and no action was required.

Trustee Foy reported that the Subcommittee considered two action items. He then presented the following items and recommended them for Board approval.

A. Proposed FY 2017-18 Student Tuition and Fees Requiring Approval by the Board of Trustees

- 1. Student Tuition and Fee Schedules (Exhibit 8)

2. Course-Related Fees and Other Dedicated Student Fees (Exhibit 9)

On the recommendation of the Subcommittee, Trustee Foy moved that the Finance and Administration Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED: The proposed tuition and fee schedules for FY 2017-18 are approved as presented in the meeting materials and recommended to the Board of Trustees for final approval by incorporation in the FY 2017-18 Operating Budget.

As a recommendation of the Subcommittee, no second was required, and the motion carried

B. UTC Graduate Out-of-State Tuition Proposal (Exhibit 10)

On the recommendation of the Subcommittee, Trustee Foy moved that the Finance and Administration Committee recommend adoption of the following Resolution by the Board of Trustees:

RESOLVED:

- 1. The University of Tennessee at Chattanooga is authorized to assess an out-of-state tuition rate of \$8,064 to domestic out-of-state graduate students, beginning with the 2018-19 academic year, in addition to the maintenance fee and all mandatory fees approved for assessment from time to time.**
- 2. The University of Tennessee at Chattanooga is authorized to assess an out-of-state tuition rate of \$16,064 to international graduate students, beginning with the 2018-19 academic year, in addition to the maintenance fee and all mandatory fees approved for assessment from time to time.**

As a recommendation of the Subcommittee, no second was required, and the motion carried.

V. ADOPTION OF A PUBLIC RECORDS POLICY AND REPEAL OF RELATED UAPA RULE

Matthew Scoggins, General Counsel, informed the Committee that a new state law, Public Chapter 722 (2016), requires every governmental entity in Tennessee to establish a written public records policy, properly adopted by the appropriate governing authority, prior to July 1, 2017.

In compliance with Public Chapter 722, the proposed policy (Exhibit 11) does not impose requirements on persons requesting records that are more burdensome than state law and describes: (1) the process for making requests to inspect public records or receive copies of public records and a copy of any required request forms; (2) the process for responding to requests, including redaction practices; (3) a statement of fees that will be charged for copies of public records and the procedures for billing and payment; and (4) the names or titles and the contact information for the individuals within the University designated as public records request coordinators.

Simultaneously with adoption of the new policy, the Board must act to repeal the existing policy, Chapter 1720-01-11 of the Rule of The University of Tennessee (Exhibit 13), which addresses only the subject of charges the University assesses for producing public records and will be superseded by the new policy. Repeal of Chapter 1720-01-11 must be promulgated under the rulemaking procedures of the Uniform Administrative Procedures Act (UAPA), including a roll call vote in the full Board meeting.

Trustee Tickle moved that the Finance and Administration Committee recommend the following Resolution for adoption by the Board of Trustees:

RESOLVED:

- 1. The Board of Trustees adopts the Policy on Public Records as presented in the meeting materials to be effective June 26, 2017 and authorizes the President to approve future changes to the Policy on Public Records, in consultation with the Office of the General Counsel; and**
- 2. The Board of Trustees repeals Chapter 1720-01-11 of the Rules of The University of Tennessee to be effective upon completion of the rulemaking procedures under the Uniform Administrative Procedures Act.**

VI. REVISION OF UNIVERSITY AIRCRAFT POLICY

David Miller, Chief Financial Officer informed the Committee that at the March 29, 2017 meeting of the Board, Trustees requested that the University Aircraft policy be revised to recognize and accommodate the limited circumstance in which the President needs to attend an unexpected critical meeting or other event related to University business but doing so would not allow him to be present at a previously scheduled personal event, such as an important family occasion.

The proposed revision addresses this limited circumstance by making it clear that use of the University airplane to carry the President to a previously-scheduled personal

event (within the continental United States) shall not be construed as prohibited by the policy if the Vice Chair of the Board, after consulting with the Chair of the Audit and Compliance Committee, has determined in advance that use of the University plane in the particular circumstance presented is necessary to allow the President to attend a critical meeting or event related to University business. The proposed policy (Exhibit 12) provides that the University will issue an I.R.S. Form 1099 for the total cost of using the airplane if required by applicable I.R.S. regulations.

Trustee Foy moved that the Finance and Administration Committee recommend the following Resolution for adoption by the Board of Trustees:

RESOLVED: The Board of Trustees approves the revised fiscal policy on University Aircraft as presented in the meeting materials, effective July 1, 2017.

The motion was duly seconded and carried.

VII. BUSINESS INTELLIGENCE DISCUSSION

Jay Eckles, Director of Business Intelligence, informed the Committee about efforts to establish a business intelligence system to promote more effective and efficient management (Exhibit 13).

VIII. OTHER BUSINESS

There was no further business to come before the Committee.

IX. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned.

Respectfully Submitted,



David L. Miller
Chief Financial Officer