



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF A SPECIAL MEETING
August 1, 2018
Nashville, Tennessee

Upon the call of Governor Bill Haslam pursuant to Public Chapter 657 (2018), a special meeting of The University of Tennessee Board of Trustees was held at 1:30 p.m. CDT on Wednesday, August 1, 2018, in the Nashville Public Library.

I. CALL TO ORDER AND ROLL CALL

Governor Haslam called the meeting to order and explained he would chair the meeting until the Board elects a Chair. He also noted that under the Bylaws, only items listed on the agenda may be considered at a special meeting of the Board.

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

John C. Compton
Kara Lawson
Amy E. Miles
William (Bill) C. Rhodes III
Donald J. Smith
Commissioner Jai Templeton
Kim H. White
T. Lang Wiseman

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

II. ADMINISTRATION OF THE TRUSTEE OATH OF OFFICE

Governor Haslam recognized Tennessee Supreme Court Chief Justice Jeffrey S. Bivins to administer the oath of office to the Trustees.

III. OPENING REMARKS BY THE GOVERNOR

Governor Haslam described the inaugural meeting of the newly-constituted Board of Trustees as a historic occasion and thanked the new Trustees for their willingness to



serve. He also thanked the former Board for positioning the University so well – four consecutive years with tuition increases less than 3% and two years in a row of 0% increases; highest rated student body in the history of the University in terms of academic credentials; increasing graduation rates; fundraising at record levels; campuses facilities in the best condition ever, and the student experience better than ever before.

The Governor noted that the new Board faces new challenges: Commissioner Templeton is the only member with prior service; President DiPietro is in his last year of service to the University; and a new Governor will take office in January. Despite the fairly uncharted waters, the Governor said he has full confidence in the new Board. The nation and State of Tennessee have been in good economic times, he said, and the state has been able to fund both operational and capital requests for higher education to strong levels, but going forward, controlling expenses is key to not getting behind the curve. He said the Trustees have a bigger mission than just what happens on campuses; rather, it is about what happens across the state. Noting that although the smaller Board will be able to function more efficiently, each member has more responsibility. The Governor reiterated the value of the University of Tennessee as a system and said it would be unwise to dismantle the system. At the same time, he said, how the campuses and the system administration relate needs to be examined to determine if there are ways to eliminate confusion in roles and streamline processes to make the campus-system relationship more effective.

The Governor closed by saying the University has never been in better shape, and he has full confidence in the Trustees and their view and vision for the future of the University.

IV. REMARKS BY THE PRESIDENT

President DiPietro thanked Governor Haslam for his advocacy for increased funding for higher education in the state's budget and the General Assembly for approving his funding requests, all of which allowed the University to close a large projected funding gap. He also thanked the former Board for their efforts in that regard. He thanked the new Board for their willingness to serve and asked for their indulgence as he offered some advice for going forward:

- Remember that you represent the interests of UT's shareholders, that being the citizens of the state.
- Stay in touch – we are committed to keeping you informed; and when you read or hear from someone about us that troubles you or impresses you, don't be reluctant to make contact with us to let us know or get more information.
- You are an impressive group with incredible and valuable credentials, accomplishments, and experience. Be willing to share frequently and openly



insights and perspectives from your careers to benefit us. Many of our biggest successes over my tenure are the result of your predecessors doing so.

- Strive to learn all you can about higher education and all components of UT.
 - Care about all the campuses and institutes.
 - Care as much about the Institute for Public Service as you do UT Knoxville.
 - Remember, while there are many similarities between campuses and institutes, each is also very unique and different from one another.
 - You have no idea how much it means to the University for you to visit a campus or institute to become better acquainted. I encourage you to do so.
- Ask questions and challenge us.
- Resist the temptation to micromanage the University, and be willing to counsel each other when you slip into doing so ("we're down in the weeds").
- Weigh merits of a decision based on what is the best interest of the institution for both internal and external constituencies – students, faculty and staff as well as the citizens of the state.
- Challenge us with stretch goals and understand that sincere and documented efforts on the institution's part should be appreciated even if we don't always achieve the goal.
- Demand that we are relentless in striving for excellence and efficiency – that is, to be better at what we do day, after day, after day.
- Understand that we are a big, complex organization, with lots of moving parts, and with constituents with broad and varying views and opinions of us.
- While we strive to always please those we serve, at times (and it is inevitable) we are bound to disappoint some people.
- Always focus on advancing our core mission, that is, to educate, to discover and to connect.
- Be engaged, come prepared, hold us accountable, strive for transparency, and be absolute truth tellers with us.
- Engage in a strategic partnership with the president.
- Lastly, thrill in our successes with us, and help us get better when we fall short of the mark.

V. ADOPTION OF BYLAWS OF THE BOARD OF TRUSTEES

The Governor recognized the Secretary, who explained that the Trustees had received the proposed Bylaws well in advance of the meeting and had been given an opportunity to ask questions for clarification. She then presented a brief overview of the proposed Bylaws.

Trustee Compton asked the Secretary to clarify how the process for selecting the President differs from that for a Chancellor. She explained that the Bylaws incorporate



provisions from state law concerning the confidentiality of information about candidates for the positions of President and Chancellor. This year, she said, the statute concerning a search for President was amended to provide for information about the candidates to remain confidential until the search committee has selected "up to three" candidates for recommendation to the Board. For Chancellors, she explained, the statute is different; information is confidential until the search committee has selected three candidates as finalists to be recommended to the Board.

Governor Haslam called for a motion, and Trustee Miles moved adoption of the following Resolution presented in the meeting materials:

Resolution 001-2018
Adoption of Bylaws of the Board of Trustees

Resolved:

1. The Bylaws of the Board of Trustees are adopted as presented at the meeting of the Board on August 1, 2018; and
2. The Secretary is authorized to make format changes and any necessary grammatical, spelling, or other technical corrections to the Bylaws before publication.

Adopted this 1st day of August, 2018.

Trustee Wiseman seconded the motion, and the motion passed by roll-call vote.

VI. ELECTION OF THE CHAIR OF THE BOARD

Governor Haslam opened the floor for nominations for Chair of the Board to serve for a term beginning on the date of election and ending June 30, 2020.

Trustee Rhodes nominated John Compton, whom he described as uniquely qualified to lead the Board because he has served on many governing boards, has been very close to the University, especially the College of Business, and lives in Knoxville, all of which are advantages.

The Governor called for any other nominations. Hearing none, he called for a motion that nominations cease. Trustee Smith so moved, Trustee White seconded the motion, and the motion carried.

Returning to the motion to elect John Compton as Chair, the Governor called for a second. Trustee Smith seconded the motion, and the Governor called for discussion. Trustee Smith said Trustee Compton has proven successful over the years in many different



leadership roles, has had a long engagement with the University, and has an appreciation for our culture, which will be very important during this transition. Trustee Miles added that she has had the opportunity to work with Trustee Compton and that he embodies all the characteristics needed as leader of the Board. She also said that having served with him for many years on the College of Business Advisory Board, she can attest to his commitment and passion for the University.

Hearing no further comments, the Governor called for a voice vote on the motion to elect John Compton as Chair, and the motion passed.

As he assumed the Chair, Trustee Compton turned to the Governor and said on behalf of all Trustees that they are honored, humbled, and proud to serve on the Board. He committed to do his very best as Chair to serve the Board and the University's stakeholders. He also paid a memorial tribute to his sisters, both of whom spent their careers in the public school system of Tennessee and would be his guardian angels as he serves in this role.

VII. APPOINTMENT OF STANDING COMMITTEES AND COMMITTEE CHAIRS, AUGUST 1, 2018 THROUGH JUNE 30, 2020

Chair Compton directed the Board's attention to the Resolution concerning appointment of the standing committees of the Board and committee chairs for a term beginning August 1, 2018 and ending June 30, 2020. After naming the members and chair of each committee, he ask if there were any objections. Hearing none, he called for a motion. Trustee White moved adoption of the following Resolution presented in the meeting materials:

Resolution 002-2018

Appointment of Standing Committees and Committee Chairs August 1, 2018 through June 30, 2020

Resolved: The Board of Trustees appoints the following standing committees and committee chairs for a term beginning August 1, 2018 and ending June 30, 2020:

Executive Committee*

John Compton

Amy Miles

Bill Rhodes

Donnie Smith

Kim White

*** Chair of the Board is ex officio Chair of the Executive Committee**



Audit and Compliance Committee

Amy Miles, Chair
Crawford Gallimore, External Member
Lang Wiseman
Chair of the Board, Ex Officio Voting

Education, Research, and Service Committee

Donnie Smith, Chair
Kara Lawson
Commissioner of Agriculture, Ex Officio Voting
Student Trustee
Faculty Representative
Chair of the Board, Ex Officio Voting
President, Ex Officio Voting

Finance and Administration Committee

Bill Rhodes, Chair
Amy Miles
Kim White
Chair of the Board, Ex Officio Voting
President, Ex Officio Voting

Adopted this 1st day of August, 2018.

Trustee Rhodes seconded the motion, and the motion passed by a voice vote.

VIII. AUTHORIZATION FOR THE EXECUTIVE COMMITTEE TO APPOINT A STUDENT TRUSTEE

Chair Compton directed the Board's attention to the Resolution concerning appointment of a student Trustee. The Chair explained that the UT FOCUS Act provides for the Board to select and appoint a non-voting student in a manner determined by the Board and for the initial appointment to come from the UT Health Science Center. The Chair added that a Board determination that the Executive Committee should select and make the initial appointment will ensure it is completed before the Fall Meeting of the Board.

Hearing no questions or objections, the Chair called for a motion, and Trustee Rhodes moved adoption of the following Resolution presented in the meeting materials:



Resolution 003-2018
Authorization for the Executive Committee
to Appoint a Student Trustee

Resolved: The Board of Trustees authorizes the Executive Committee to select and appoint a student enrolled at the UT Health Science Center to serve as a non-voting member of the Board of Trustees for a term beginning on the date of the appointment and ending on June 30, 2019.

Adopted this 1st day of August, 2018.

Trustee Miles seconded the motion, and the motion passed by a voice vote.

IX. AUTHORIZATION FOR THE EXECUTIVE COMMITTEE TO APPOINT A FACULTY MEMBER TO THE EDUCATION, RESEARCH, AND SERVICE COMMITTEE

Chair Compton directed the Board's attention to the Resolution concerning appointment of a faculty member to the Education, Research, and Service Committee. The Chair noted that the UT FOCUS Act provides for the faculty member to be elected and appointed in a manner determined by the Board and for the order of rotation among the campuses also to be determined by the Board. The Chair said it is recommended that the initial appointment come from UT Knoxville so that the student and faculty member are from different institutions in the UT System and that allowing the Executive Committee to make the initial appointment will ensure it is completed before the Fall Meeting.

The Chair called for a motion, and Trustee Smith moved adoption of the following Resolution presented in the meeting materials:

Resolution 004-2018
Authorization for the Executive Committee to Appoint
a Faculty Member to the Education, Research, and Service Committee

Resolved:

- 1. The Board of Trustees authorizes the Executive Committee to select and appoint a full-time faculty member at the University of Tennessee, Knoxville to serve as a voting member of the Education, Research, and Service Committee for a term beginning on the date of the appointment and ending on June 30, 2019; and**



2. Beginning July 1, 2019, the faculty position on the Education, Research, and Service Committee shall rotate among the campuses according to the following sequence: UT Martin, UT Chattanooga, UT Health Science Center, and UT Knoxville.

Adopted this 1st day of August, 2018.

Trustee White seconded the motion, and the motion passed by a voice vote.

X. SETTING FUTURE DATES FOR REGULAR MEETINGS OF THE BOARD

Chair Compton directed the Board's attention to the Resolution in the materials setting future regular meeting dates for the remainder of 2018 through 2020. He noted that the Secretary had asked the Trustees about any known conflicts on these dates, and it appeared these dates are currently available for everyone. He then called for a motion, and Trustee Miles moved adoption of the following Resolution presented in the meeting materials:

Resolution 005-2018 Future Meeting Dates for Regular Meetings of the Board

Resolved: The Board of Trustees sets the following dates for regular meetings of the Board through calendar year 2020:

November 1-2, 2018	Fall Meeting, Knoxville
February 28-March 1, 2019	Winter Meeting, Martin
June 20-21, 2019	Annual Meeting, Knoxville
November 7-8, 2019	Fall Meeting, Knoxville
February 27-28, 2020	Winter Meeting, Chattanooga
June 25-26, 2020	Annual Meeting, Knoxville
November 5-6, 2020	Fall Meeting, Knoxville

Adopted this 1st day of August, 2018.

Trustee Rhodes seconded the motion, and the motion passed by a voice vote.

XI. REQUESTS TO ADDRESS THE BOARD

Chair Compton asked if anyone present would like to address the Board. There were no requests, but Trustee Rhodes asked for an explanation of how the public would have access to the Board at future meetings. The Secretary gave the following explanation. A state law enacted in 2016 requires the Board to provide an opportunity for members of the public to address the Board, or a committee of the Board, at all regular meetings of the Board. In response, the Board adopted a Standing Rule on Requests to Address the



Board. Depending on the subject, the individual will be scheduled to speak in the appropriate committee or in the full Board meeting. The standing rule requires an individual to register five calendar days in advance of the meeting either online or by submission of a printed form to the Board office. The subject may be any matter germane to the responsibilities of the Board and is not limited to items on the meeting agenda. The rule provides for comment period of 30 minutes with each speaker limited to five minutes, allowing for a maximum of six speakers but only four on the same subject.

Trustee White said the Board desires to be open and transparent and to build good relationships with various constituencies. She suggested that at a future meeting, the Board should discuss how to make the process for having access to the Board less cumbersome. The Chair noted that Trustees with experience in public companies are certainly familiar with an environment in which shareholders have an opportunity to express their views.

XII. CLOSING REMARKS BY THE CHAIR

Chair Compton thanked the Governor and the First Lady for hosting a wonderful dinner the night before, providing an opportunity for the Trustees to get to know each other and to spend time with the Chancellors and the President's Staff.

He thanked the Board for having confidence in him to serve as Chair, saying he takes the responsibility with a great personal commitment and understands he will have to carefully manage his time and calendar. He said he has given Dr. DiPietro and his team full access every Monday afternoon as a placeholder in case they need it. He said he has enjoyed getting to know the President's key leadership team, and that the Trustees are thankful for a quality team leading our University system.

He said he and other Trustees have been on a listening tour since the confirmation hearings, recognizing there are issues the Trustees need to address or at least need to understand opposing points of view. He described the following early takeaways:

First, we are stewards of an amazing University system. Having spent the better part of fifteen years serving the UTK College of Business in an advisory role, I am proud of all that has been accomplished but had no idea about all the other achievements across our system—engineering, nursing, print making, theatre, agriculture and the list goes on. So many disciplines are nationally recognized, and the faculty has much to be proud of. The unique partnership with the Oak Ridge National Lab deserves special attention. We serve over 50,000 students across the UT system, and our stakeholders are diverse—students, faculty, administrators, legislators, citizens. It has been helpful these past couple of months to sit back and



think about all we are charged to do and the implications our decisions may have.

Second, we must keep raising the bar and elevate the campuses in turn to elevate the system. It is increasingly clear that our work to serve students happens at the campus level, and each campus is setting new standards of excellence in terms of enrollment, graduation rates, and rankings. Importantly, our campuses benefit from the horizontal system efforts of capital planning, financial governance, legal, government relations, and audit and compliance. This is really no different than a corporation with multiple divisions. One UT system pulling together for the greater good was true 50 years ago and remains true today. Foundational to our success in this operating environment is trust. Each of us has to trust that our debates and decisions are grounded in a higher purpose and not meant to be self-serving. I am proud of the success to date and know and have heard that we can continue to improve going forward.

Third, key stakeholders want to make sure their voice is being heard. It is clear to me that some have felt left out. I do not know if that is true, but it is certainly a perception. So we have to work harder to ensure transparency in our decision making. Materials for board meetings may need to be posted earlier, access to Trustees from key stakeholders may need to be expanded, and Trustee meetings will require more dialogue and time for open discussion. I do not have the answers, but I have heard enough from several constituencies that transparency and openness is something they desire.

Fourth, we have key leadership decisions to make beginning as soon as possible. Our President, Dr. DiPietro, has been clear about his decision to retire at some point in the near future. He has been gracious to give us a little more time as we are just beginning our Board service. But I know we need to get our plans together and formulate our search process and governance, and I will do so in the near future. Likewise, we have an Interim Chancellor at UTK where Dr. Davis is doing a terrific job. Just know that these decisions will be grounded on the future needs of our University in a marketplace that is full of disruption. And as such we must be thoughtful about how and why we select our next leaders.

In closing, the Chair expressed appreciation to the Governor and the Legislature for passing the UT FOCUS Act, noting that the Trustees have been given a unique opportunity to prove that change can be a positive force. He said he is eager to get started



and looks forward to working with the Trustees to leave our legacy of excellence and purpose.

XIII. ADJOURNMENT

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

Respectfully Submitted,


Catherine S. Mizell, Secretary