

THE UNIVERSITY OF TENNESSEE  
BOARD OF TRUSTEES

MINUTES OF THE ANNUAL MEETING  
June 22, 2018  
Knoxville, Tennessee

The Annual Meeting of The University of Tennessee Board of Trustees was held at 1:00 p.m. EDT, on Friday, June 22, 2018, in the Hollingsworth Auditorium on the campus of the Institute of Agriculture in Knoxville.

**I. CALL TO ORDER AND INVOCATION**

Raja J. Jubran, Vice Chair of the Board, called the meeting to order. Mike Buckley, UT Knoxville advisor for the Christian Student Center, offered the invocation.

**II. ROLL CALL**

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

Raja J. Jubran, Vice Chair  
Charles C. Anderson, Jr.  
George E. Cates  
Terrance G. Cooper  
Joseph A. DiPietro  
Spruell Driver, Jr.  
John N. Foy  
D. Crawford Gallimore  
Vicky B. Gregg  
Brad A. Lampley  
Beauvais Lyons  
Andrew P. McBride  
Sharon J. Miller Pryse  
David A. Shepard  
Jai Templeton  
John D. Tickle  
Charles Weber  
Julia T. Wells  
Charles E. Wharton

The Secretary announced the presence of a quorum. Governor Haslam, Commissioner McQueen, and Trustees Brown, Evans, Krause, and Whittaker were unable to attend the

meeting. Administrative staff, faculty, members of the public, and media representatives were present. The meeting was webcast for the convenience of the University community, the general public, and the media.

### III. OPENING REMARKS

Vice Chair Jubran thanked Chancellor Tim Cross of the Institute of Agriculture for hosting a luncheon for the Trustees. He then introduced the newly appointed Non-voting Student Trustee, Charles Weber, a student at UT Knoxville, and presented him with a Trustee lapel pin. The Vice Chair also introduced the newly appointed Non-voting Faculty Trustee, Dr. Beauvais Lyons, a Professor at UT Knoxville, and presented him with a Trustee lapel pin.

The Vice Chair introduced and welcomed three individuals appointed and confirmed by the General Assembly to begin service on the newly-constituted Board of Trustees, effective July 1, 2018: William (Bill) C. Rhodes III, John C. Compton, and Kim H. White.

Professor Lyons asked to make a short statement regarding the May 10, 2018 special meeting. Vice Chair Jubran recognized him to make the following statement:

I could not attend the May 10 special meeting of the Board of Trustees in Nashville, as I was having a root canal that morning. I wish to make the following statement for the record regarding the resolution presented in the meeting minutes:

1. At the May 7th UTK Faculty Senate meeting, a resolution of no-confidence in President DiPietro was defeated, with 52 no votes, 22 yes votes, and 7 abstentions. The leadership of the Faculty Senate was against a vote of no confidence.
2. At the same meeting, the resolution for censure, proposed by our Executive Council passed with 72 yes votes, 17 no votes, and 1 abstention. Faculty Senators elected by their colleagues from all academic units at UTK and UTIA supported this resolution. The minutes and supporting documents from our meeting provide factual evidence that serves as the basis for our resolution. We appreciate the opportunity that President DiPietro has given to our Faculty Senate Executive Council to meet starting next month to discuss how to improve campus/system relations and look at ways to create systemic change.
3. Proud of our university while also mindful of our many professional peers across the nation and the world, our faculty are devoted to preserving and advancing the reputation of UT

through our commitment to academic excellence, civility, shared governance, and the dignity of work, and these values informed our censure vote.

4. We have had a system of post-tenure review for over two decades, and two years ago, faculty leadership worked with the UT system administration and the Board of Trustees to strengthen our Enhanced Post-Tenure Performance Review (EPPR) policy. While faculty members and campus administrators have concerns about the proposed Periodic Post-Tenure Performance Review (PPPR) policy, to assert that the Faculty Senate is, or that I am, opposed to the requirement of post-tenure review is simply not true. A significant majority of my colleagues are concerned that PPPR will be a duplicative, inefficient administrative process that will take the faculty away from our core mission of discovery, teaching and engagement.

I greatly appreciate the opportunity to share these concerns.

Vice Chair Jubran then called for any requests to remove an item from the Consent Agenda. Hearing none, he proceeded with the Regular Agenda.

#### **IV. RECOGNITION OF JAMES AND JUDITH HERBERT FOR A TRANSFORMATIONAL GIFT TO THE INSTITUTE OF AGRICULTURE AND RATIFICATION OF NAMING THE HERBERT COLLEGE OF AGRICULTURE**

Dr. Tim Cross, Chancellor of the Institute of Agriculture, requested that the Board ratify the action of the Executive and Compensation Committee on April 17, 2018 to name the College of Agricultural Sciences and Natural Resources as “The Herbert College of Agriculture” (Exhibit 1). He confirmed that the gift agreement with James and Judith Herbert has been executed, and the terms of the gift agreement have been fulfilled. Dr. DiPietro moved adoption of the following Resolution:

**RESOLVED: In recognition of the extraordinary generosity of James and Judith Herbert demonstrated by their recent transformational gift to the Institute of Agriculture for the benefit of the College of Agricultural Sciences and Natural Resources, the Board of Trustees hereby ratifies the action of the Executive and Compensation Committee on April 17, 2018, to name the College the “Herbert College of Agriculture.”**

Trustee Pryse seconded the motion, and the Resolution was adopted unanimously. Mr. and Mrs. Herbert addressed the Board, expressing appreciation for the honor and their deep affection for the University.

## V. UTC NAMING

UTC Chancellor Steve Angle requested approval to name the UTC College of Business in honor of Gary W. Rollins in recognition of a transformational gift by the Gary W. Rollins Foundation to the UC Foundation, Inc., for the benefit of the College (Exhibit 2). As a condition of this gift, the Naming Agreement provides that the name can only be changed in the limited circumstances described in the materials, which represents an exception to the Board's policy on naming facilities. Dr. DiPietro moved adoption of the following Resolution:

### **NOW THEREFORE BE IT RESOLVED:**

- 1. The Board of Trustees approves the Naming Agreement attached to this Resolution and thereby, as an exception to the Board Policy on the Naming of Facilities and other Significant Assets, approves naming the College of Business at The University of Tennessee at Chattanooga the "Gary W. Rollins College of Business" in accordance with the terms of the Naming Agreement; and**
- 2. The Board of Trustees authorizes execution of the Naming Agreement on behalf of The University of Tennessee by the President, Chief Financial Officer, and Chancellor of The University of Tennessee at Chattanooga; and**
- 3. The Board of Trustees authorizes the President, Chief Financial Officer, and Chancellor of The University of Tennessee at Chattanooga to sign the Grant Agreement attached to this Resolution for the purpose of acknowledging and agreeing to the provisions of the Grant Agreement concerning use of the funds.**

Trustee Gregg seconded the motion, and the Resolution was adopted unanimously. The Rollins family was unable to attend the meeting, but a special ceremony to honor them for this transformation gift will be held at a later date in Chattanooga.

## VI. NAMING THE INTEGRATED BUSINESS AND ENGINEERING PROGRAM IN THE TICKLE COLLEGE OF ENGINEERING

On behalf of Interim Chancellor Wayne Davis, who was unable to attend the meeting, Chip Bryant, Vice Chancellor for Development and Alumni Affairs, requested approval to name the Integrated Business and Engineering Program in honor of one of its most distinguished and generous alumni, Ralph D. Heath (Exhibit 3). Dr. DiPietro moved adoption of the following Resolution:

**RESOLVED: The Integrated Business and Engineering Program in the Tickle College of Engineering at The University of Tennessee, Knoxville shall be named the “Ralph D. Heath Integrated Business and Engineering Program” in recognition of Ralph D. Heath’s generous gift for the benefit of the program.**

Trustee Charles Wharton seconded the motion, and the Resolution was adopted unanimously.

## **VII. PRESENTATION OF RESOLUTION HONORING DR. DAVID E. MILLHORN**

Dr. Stacey Patterson presented House Joint Resolution No. 737 (2018) adopted by the Tennessee General Assembly in honor of Dr. David Millhorn (Exhibit 4). She thanked the Speaker of the House, Beth Harwell, Speaker of the Senate, Randy McNally, and Governor Haslam for helping the University of Tennessee honor Dr. Millhorn’s legacy in this way. The Resolution reflects not only Dr. Millhorn’s storied career, which includes his leadership of more than \$500M in extramural funding and his enduring commitment to the UT-Battelle relationship and the partnership with Oak Ridge National Laboratory, but also his dedication to his family, including his wife, Sherry, of nearly 49 years, their three daughters (Amy, Emily and Lauren) as well as their husbands (Kevin, Adam, and Drew), and his pride and joy, six grandchildren (Sydnie, Madeline, Jackson, little David, Millie, and Tennessee, the grandson born just two days after his death).

Dr. Patterson said Dr. Millhorn was typically a man of few words, and he always wanted to be in the background giving credit to others. Just ten days before his death, he was awarded the Muddy Boot award by the East Tennessee Economic Council for his contributions in Oak Ridge. During his acceptance, Dr. Millhorn told an incredible story about when he was a young assistant professor at UNC Chapel Hill and noticed a young post doc down the hall who would run every day at lunch. He decided to join him, and soon they became fast friends and running partners running 5, 6, or 7 miles each day. One day, his department head asked, “Do you know who that is that you run with every day?” Dr. Millhorn said “Yeah, that’s Tony the post-doc down the hall.” His department head said, “That’s Tony Waldrop, the current world record holder in the mile!” Dr. Millhorn’s message was, “You need to know who you are running with,” and he often cited fortunate encounters in his life that allowed him to “run” with the right people helping him to accomplish his big goals.

Dr. Patterson said Dr. Millhorn always challenged those around him to think big and work hard to make big ideas a reality. He was a man of great integrity, and he often referred to setting high principles and never breaking your own rules, no matter how hard that may seem. Quoting from the Resolution, Dr. Patterson said “Dr. David Millhorn leaves behind an indelible legacy of integrity and probity in public life, compassion and loyalty in private life, and diligence and dedication in all his chosen endeavors.” In

closing, she said the University was extremely fortunate to “run” with Dr. Millhorn. She then thanked Dr. Millhorn’s wife, Sherry, and daughter, Emily, for sharing Dr. Millhorn with the University and presented them with a framed copy of House Joint Resolution No. 737.

## **VIII. PRESIDENT’S ADDRESS**

Dr. DiPietro began his presentation (Exhibit 5) with good news, reporting zero percent tuition increases at UT Chattanooga, UT Knoxville and for undergraduate studies at UTHSC and adding that UT Chattanooga and UT Knoxville have not had zero percent tuition increases since 1984. He reported UT Martin will have an increase of 3% (within the THEC range) and UTHSC graduate programs will have a 1-2% increase. This is the fourth consecutive year of increases across the UT System at or below 3 percent. He noted that this would not have been possible without the support of the Governor and the General Assembly for robust funding for the University over the past several years, along with efficiency and effectiveness efforts of the administration and the Board. He also reported that the debt burden of graduating UT students is lower than the national average, with 44% of UT undergraduate students graduating without debt compared to 30% at other public institutions.

Turning to advances in research, Dr. DiPietro reported an all-time system-wide high of \$481 million dollars in research and sponsored program expenditures in the previous year. He said the partnership with Battelle to manage ORNL has placed UT at the forefront of innovations and discovery in many key areas. He mentioned the Summit supercomputer—the most powerful and smartest scientific supercomputer in the world—which at peak performance can do 200 trillion calculations per second. Access to the Summit allows the University to have unprecedented computing power for research in energy, advanced materials, and artificial intelligence.

Dr. DiPietro provided updates on several key leadership positions, starting with Dr. Wayne Davis, a UT alumnus who has been involved with the University for over 45 years, who agreed to postpone his retirement to serve as interim Chancellor of UTK. He described Dr. Davis’ many achievements at UT, and his most recent role as Dean of what is now The Tickle College of Engineering. He also updated the Board on the ongoing search for the Vice President for Human Resources, noting that interviews are planned for July. He explained that the chief human resources officer for UT Knoxville will be an Associate Vice Chancellor. The system-level position will focus on strategy and policy matters, and the UT Knoxville position will be operationally focused. Finally, he described the Executive Leadership Institute (ELI) developed by UT Martin Chancellor Emeritus Bob Smith, Special Advisor for Talent and Leadership. The year-long program will support succession planning for the University. He reported that ELI is designed to provide individualized development experiences based on the University’s future needs for executives as well as the individual’s aspirations to be a high performing executive.

Each participant will complete a concentrated educational academy experience, have a professional executive coach (mentors drawn from current University executives), and have alternative experiential learning assignments to expand their horizons and make them stronger. He noted that the program cost will be borne by the System along with campuses or institutes that have employees in the training program. Dr. DiPietro thanked Dr. Smith for his hard work in developing the program.

Addressing the subject of tenure, Dr. DiPietro made the following remarks:

As you know we have been discussing the importance of protecting the academic freedoms afforded our faculty through tenure. We have also been stressing to all that our tenure process, especially at the initial stages of award, is rigorous and ensures only the most exceptional faculty members are able to earn it. Faculty members who earn tenure do so only after rigorous review which establishes that their teaching, research (including scholarly and artistic work), service and clinical care meets the highest standards within their discipline. By all means we have to continue to embrace and support tenure and promotion of faculty.

The Board's concerns about the rigor of our tenure process have been widely dismissed over the past two years. While I did not dismiss those concerns, I believed that our process was rigorous. Unfortunately this year, as I took a detailed look at whether I was reviewing tenure cases with an appropriate level of rigor, I was very disappointed after reviewing dossiers; it became apparent that the our claim to rigor was not uniformly supported by the tenure process we observed, and there were examples that vindicated Board concerns. I want to make sure that our message gets thru to everyone up and down the chain of approval – we must do better. Again, what I observed was very disappointing and frustrating.

This year, as cases were reviewed at the System, it became apparent that there were inconsistencies in the process—some lacked rigor; some dossier preparation was sloppy and contained errors; and in many cases, thorough vetting at all levels of review was not performed. Administrators involved in those cases would be embarrassed if I gave specifics. We must change this culture and assure a rigorous approach to the tenure process. I do not fault individual faculty in the preparation of their dossiers for review. Ultimate responsibility for tenure recommendations that come to the President lies with administrators – department heads, deans, provosts, and chancellors.

Some have claimed I want to eliminate tenure and that is absolutely not true. I fully support tenure and believe it is necessary for university-based intellectual life to flourish. It is essential to our mission. However, it is unacceptable for

administrators to pass the buck on these decisions so the system administration can be the check and balance. Checks and balances need to be in place at all levels of review on campuses. Let me reassure you that at the System level we rigorously reviewed cases where we had questions and gathered the needed additional information to assure that approval of cases by me, as well as by the Board, were well documented and supported promotion and/or tenure.

When the rigor or integrity of the process is questioned due to relaxed procedures, it compromises the value of tenure for all, especially those that are well worthy of the award. As a result of our recent experience, I recommend, subject to the new Board's approval, appointment of an external committee to review our current processes and procedures for considering faculty for tenure and promotion and make recommendations to achieve greater rigor and consistency.

On the legislative front, Dr. DiPietro noted the following:

- The state's budget fully funds the higher education outcomes funding formula, resulting in an \$8.3 million dollar operating increase for the UT System. The budget also includes funds for a 2.5% salary increase for state employees with full funding of that increase for employees at UT's non-formula units such as the Institute for Public Service.
- The Tennessee Foreign Language Institute was transferred to the UT Institute for Public Service. The Center's mission is in-line with IPS' mission and presents an exciting opportunity for IPS to further its work in the State of Tennessee.
- Legislation was passed to allow a presidential search committee to select "up to three" finalists (amending prior law requiring three finalists).
- The state's budget includes \$2 million in non-recurring funds to the UT Health Science Center for the Center for Addiction Science to help tackle the state's opioid epidemic.

Finally, Dr. DiPietro reviewed some key accomplishments during his eight years in office:

- A system strategic plan with metrics tied to the Complete College Tennessee Act formula and the outcomes of that formula.
- The Budget Advisory Group, which grew out of concerns expressed by former Vice Chair Brian Ferguson and Vice Chair Jubran about the lack of sustainability of the University's business model. An anticipated budget gap in 2025 was identified, and with hard work on efficiencies and larger than expected state appropriations, the gap was addressed. Nevertheless, continued efforts to be more effective and efficient are needed because there



will eventually be a downturn in the economy, and the University must be prepared to deal with less favorable state funding.

- Four years of record-low tuition increases.
- Record private giving, including the naming of three colleges--Haslam College of Business and Tickle College of Engineering at UTK; Herbert College of Agriculture in the Institute of Agriculture; and the Rollins College of Business at UT Chattanooga.
- Research funding at historic levels.
- Enhanced compliance with Title IX, with increased emphasis on education and prevention.
- Improved transparency and willingness to have frank conversations as a Board about both the good and the bad. This Board as a whole has made the University much better over the last seven or eight years.

Dr. DiPietro thanked the Governor and First Lady Crissy Haslam and Raja and Michelle Jubran for hosting the special event the previous evening to honor the outgoing Board. He thanked the entire Board for their engagement and support throughout his time in office. He added that one of the best experiences in his career has been his strategic partnership with Vice Chair Raja Jubran. He also expressed deep appreciation for Governor Haslam's steadfast support for the University. Following a standing ovation, Vice Chair Jubran praised and thanked Dr. DiPietro for his leadership skills and his candidness.

Trustee Driver, the longest serving member of the Board, said he was privileged to be one of the eleven Trustees who voted in favor of Dr. DiPietro and thanked Dr. DiPietro for a job well done. Speaking to the three newly confirmed Trustees, he emphasized that the process of searching for and selecting the next President of the University of Tennessee System will be singularly the most important vote they cast as a Trustee.

Addressing Dr. DiPietro's remarks on the tenure process, Trustee Cooper, a tenured faculty member, said that although the administration has responsibility in the process, the faculty as a whole has responsibility to make the process as rigorous and as transparent as possible because to do less cheapens tenure for all.

Trustee Gallimore, another one of the eleven Trustees who voted for Dr. DiPietro to be President, thanked him for bringing respect, integrity, and stability to the office. He complimented Dr. DiPietro for making it look easy, for his listening skills, his patience, and his ability to consider all points of view.

Trustee Cates said he was one of the ten who did not vote for Dr. DiPietro but now would reverse his vote if he could.

## **IX. TITLE IX BRIEFING**

The presentation (Exhibit 6) by Dr. Ashley Blamey, UTK and System-wide Title IX Coordinator, provided an update on tasks and objectives in response to the recommendations of the Title IX Commission issued in 2017. She said the Title IX model described in her presentation has been adopted by all of the campuses and institutes, and a Five Year Plan is in place. She added that the goal is not only to comply with the recommendations of the Title IX Commission, but also to be a program for others to emulate.

Vice Chair Jubran thanked Dr. Blamey and added that focus needs to be maintained on prevention, investigation, and patterns and trends not only with students, but also with faculty and staff.

In response to a question about how sexual assault is addressed in student orientation, Dr. Blamey said orientation sessions at UT Knoxville address the code of conduct and expectations, including the meaning of “consent,” accountability, decision making, and respect for others. She said students and their parents have been very engaged during the orientation sessions on this subject.

## **X. FY 2019 OPERATING BUDGET, STUDENT TUITION AND FEES, AND COMPENSATION PROCEDURES FOR ADDITIONAL SALARY INCREASES DURING THE FISCAL YEAR**

David Miller, Chief Financial Officer, presented the FY 2019 Operating Budget, Student Tuition and Fees, and Compensation Procedures for Additional Salary Increases during the fiscal year (Exhibit 7).

Regarding carry-forward funds, Mr. Miller said the report for FY 2018 funds will describe the funds with more detail as to the level of commitment. He noted that for the first time, the Resolution to approve the operating budget contains the dollar amounts for Unrestricted, Education and General, and Auxiliary funds. He called the Trustees’ attention to the language in the Resolution requiring the CFO to develop for the Board’s consideration a policy to govern the expenditure of carry-forward funds.

For the record, the Vice Chair noted that the policy on carry-forward funds will be brought to the new Board for approval. He added that under the UT FOCUS Act (2018), the Board’s full control and authority over all University funds is specified. In the past, campuses could transfer funds between accounts to balance their budgets, but there will be greater accountability going forward.

In response to a question about “rainy day” operating funds and guidelines, Mr. Miller said one of the four major criteria in the Composite Financial Index that establishes the

financial health of the University is the primary reserve ratio, which is a University-wide ratio. He said it might be wise to consider at least a guideline of what are the right boundaries for that amount, which is a common practice in other institutions.

The Vice Chair reiterated that the new Board needs to establish an approval process for expenditure of carry-forward funds.

Trustee Pryse moved adoption of the following Resolution:

**THE UNIVERSITY OF TENNESSEE  
BOARD OF TRUSTEES**

**Resolution for Approval of the  
FY 2019 Operating Budget**

**WHEREAS, by state law, the Board of Trustees must approve an annual operating budget for the University; and**

**WHEREAS, the Bylaws further require the Board of Trustees to approve student tuition and fees;**

**WHEREAS, the FY 2019 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 2019 Unrestricted, Educational and General Operating Budget in the amount of \$1,471,503,026 and the Auxiliary Operating Budget in the amount of \$264,359,683 are approved with the understanding that if the General Assembly or the Department of Finance and Administration further alters the FY 2019 appropriations, or if changes in estimated resources require, the budget shall be modified accordingly so expenditures will not exceed available resources.**
- 2. The FY 2019 student tuition and fee schedules, course-related fees, and other dedicated student fees presented in the FY 2019 operating budget are approved.**
- 3. The FY 2019 salary and wage compensation plan and the FY 2019 Compensation Procedures for Additional Salary Increases during the Fiscal Year are approved.**

4. Any additional general salary increases that exceed the FY 2019 salary and wage plan may only be granted upon approval by the Board of Trustees.
5. Any remaining Unrestricted Current Fund balances may be considered as a reserve for contingencies to be used for the following purposes, provided that all such changes shall be reported in a Revised Budget presented to the Board for approval:
  - 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.
6. The Chief Financial Officer is directed to develop and submit to the Board of Trustees at the 2018 fall meeting a proposed Board policy to govern the approval of expenditures from year-end carry forward unrestricted funds.

**Adopted by the Board of Trustees, this 22<sup>nd</sup> day of June, 2018.**

Trustee Anderson seconded the motion. In accordance with the Bylaws, a roll-call vote was taken, and the motion carried unanimously (Exhibit 8).

#### **XI. VICE CHAIR'S REPORT ON THE PRESIDENT'S ANNUAL PERFORMANCE REVIEW**

Vice Chair Jubran called the Trustees' attention to his report on the annual presidential performance review process (Exhibit 9), explaining that the Chairs of the Audit and

Compliance and Trusteeship Committees, who are designated by Board policy to participate in the process, have reviewed the Vice Chair's report and have indicated their concurrence with the report. The report also includes a list of six performance goals the Vice Chair and Dr. DiPietro have agreed upon for FY 2018-19, subject to approval by the Board. The Vice Chair said the proposed goals were discussed with some members of the newly-constituted Board of Trustees.

Vice Chair Jubran moved adoption of the following Resolution:

**RESOLVED: The Vice Chair's assessment of President DiPietro's performance in FY 2017-18 and recommendation of performance goals for FY 2018-19 are approved.**

The motion was duly seconded and carried unanimously by voice vote.

## **XII. INCENTIVE COMPENSATION PAYMENTS UNDER THE FY 2016-17 PLAN**

Proposed payments to President DiPietro, Chancellor Angle, and Chancellor Schwab under the FY 2016-17 Incentive Compensation Plan were presented along with supporting materials (Exhibit 10). Dr. DiPietro recommended approval of the payments to the two Chancellors, and Vice Chair Jubran recommended approval of the payment to Dr. DiPietro. A motion to adopt the following Resolution was duly made and seconded:

**RESOLVED:**

- 1. The Board of Trustees approves the following payments under the Performance Incentive Compensation Plan for FY 2016-17, subject to all provisions and conditions of the Plan:**

<b>Joseph A. DiPietro</b>	<b>\$100,821</b>
<b>Steven R. Angle</b>	<b>\$25,882</b>
<b>Steve J. Schwab</b>	<b>\$72,214</b>

- 2. In accordance with the Plan, one-third (1/3) of the payments shall be paid within thirty (30) days of this Board action approving the payment; one-third (1/3) shall be paid one (1) year after this Board action approving the payment; and one-third (1/3) shall be paid two (2) years after this Board action approving the payment; provided that the final two-thirds of President DiPietro's payment shall be paid upon his separation from service as President by reason of the expiration of the term of his employment agreement or the mutually agreed upon early termination of his employment agreement.**

The motion carried unanimously by voice vote.

### **XIII. INCENTIVE COMPENSATION PAYMENT TO THE PRESIDENT UNDER THE FY 2017-18 PLAN**

Vice Chair Jubran explained that in June 2017, the Board approved three “stretch” goals for Dr. DiPietro as outlined in the meeting materials (Exhibit 11). Discussing his evaluation of the President’s performance on the goals, the Vice Chair said no goal was fully accomplished, but some progress had been made on each, and for the most part concrete initial steps have been put in place for ultimate achievement. He recommended approval of the proposed payment and moved adoption of the following Resolution:

**RESOLVED: The Board of Trustees approves an incentive compensation payment to President DiPietro under the 2017-18 interim compensation plan in the amount of \$ 67,376, with one-half to be paid in the normal payroll process one month following this Board action approving the payment, and the other one-half to be paid in the normal payroll process one year after this Board action approving the payment or upon the President’s separation from service with the University if separation occurs sooner than one year after this Board action approving payment.**

The motion was seconded and carried unanimously by voice vote.

### **XIV. TENURE RECOMMENDATIONS REQUIRING BOARD APPROVAL**

#### **A. Grant of Tenure upon Initial Appointment**

In accordance with the revised Board tenure policy approved on March 23, 2018, President DiPietro presented his recommendations for tenure upon initial appointment (that is, without serving a probationary period) (Exhibit 12).

#### **UT Chattanooga** (Exhibit 13)

President DiPietro moved adoption of the following Resolution to grant tenure to one faculty member at UT Chattanooga:

**RESOLVED: Tenure is granted to Ahad Nasab in his faculty appointment in the Department of Engineering Management and Technology at The University of Tennessee at Chattanooga.**

The motion was duly seconded and carried unanimously by voice vote.

**UT Health Science Center** (Exhibit 14)

President DiPietro moved adoption of the following Resolution to grant tenure to one faculty member at UT Health Science Center:

**RESOLVED: Tenure is granted to Penny Asbell in her faculty appointment in the Department of Ophthalmology at The University of Tennessee Health Science Center.**

The motion was duly seconded and carried unanimously by voice vote.

**UT Knoxville** (Exhibit 15)

President DiPietro moved adoption of the following Resolution to grant tenure to six faculty members at UT Knoxville:

**RESOLVED:**

- (1) Tenure is granted to Melissa Cardon in her faculty appointment in the Department of Management at The University of Tennessee, Knoxville.**
- (2) Tenure is granted to Michael Galbreth in his faculty appointment in the Department of Business Analytics and Statistics at The University of Tennessee, Knoxville.**
- (3) Tenure is granted to Roberta Lavin in her faculty appointment in the College of Nursing at The University of Tennessee, Knoxville.**
- (4) Tenure is granted to Susan Lawrence in her faculty appointment in the Department of History at The University of Tennessee, Knoxville.**
- (5) Tenure is granted to David Manderscheid in his faculty appointment in the Department of Mathematics at The University of Tennessee, Knoxville.**
- (6) Tenure is granted to Timothy Pollock in his faculty appointment in the Department of Management at The University of Tennessee, Knoxville.**

The motion was duly seconded and carried unanimously by voice vote.

## **B. Grant of Tenure upon Early Consideration**

In accordance with the revised Board tenure policy, the President presented his recommendations for granting tenure to faculty members who have served less than a six-year probationary period at a University of Tennessee campus (Exhibit 16).

UT Chattanooga (Exhibit 17).

President DiPietro moved adoption of the following Resolution to grant tenure to five faculty members at UT Chattanooga:

### **RESOLVED:**

- (1) Tenure is granted to Hunter Holzhauer in his faculty appointment in the Department of Finance and Economics at The University of Tennessee at Chattanooga.**
- (2) Tenure is granted to William Kuby in his faculty appointment in the Department of History at The University of Tennessee at Chattanooga.**
- (3) Tenure is granted to Hong Qin in his faculty appointment in the Department of Computer Science & Engineering at The University of Tennessee at Chattanooga.**
- (4) Tenure is granted to Jill Shelton in her faculty appointment in the Department of Psychology at The University of Tennessee at Chattanooga.**
- (5) Tenure is granted to Anne Wilkins in her faculty appointment in the Department of Accounting at The University of Tennessee at Chattanooga.**

The motion was duly seconded and carried unanimously by voice vote.

UT Health Science Center (Exhibit 18).

President DiPietro moved adoption of the following Resolution to grant tenure to six faculty members at UT Health Science Center:

### **RESOLVED:**

- (1) Tenure is granted to Chester Brown in his faculty appointment in the Department of Pediatrics at The University of Tennessee Health Science Center.**



- (2) Tenure is granted to Jarrod Fortwendel in his faculty appointment in the Department of Clinical Pharmacy and Translational Science at The University of Tennessee Health Science Center.**
- (3) Tenure is granted to Marion Boyd Gillespie in his faculty appointment in the Department of Otolaryngology at The University of Tennessee Health Science Center.**
- (4) Tenure is granted to Joan Han in her faculty appointment in the Department of Pediatrics at The University of Tennessee Health Science Center.**
- (5) Tenure is granted to Susan Miranda in her faculty appointment in the Department of Orthopaedic Surgery and Biomedical Engineering at The University of Tennessee Health Science Center.**
- (6) Tenure is granted to Bruce Shack in his faculty appointment in the Department of Plastic Surgery at The University of Tennessee Health Science Center.**

The motion was duly seconded and carried unanimously by voice vote.

**UT Knoxville** (Exhibit 19).

President DiPietro moved adoption of the following Resolution to grant tenure to nine faculty members at UT Knoxville:

**RESOLVED:**

- (1) Tenure is granted to Molly McCanta in her faculty appointment in the Department of Earth and Planetary Sciences at The University of Tennessee, Knoxville.**
- (2) Tenure is granted to Amy Rauer in her faculty appointment in the Department of Child and Family Studies at The University of Tennessee, Knoxville.**
- (3) Tenure is granted to Isaac Buck in his faculty appointment in the College of Law at The University of Tennessee, Knoxville.**

- (4) Tenure is granted to Sunha Choi in her faculty appointment in the College of Social Work at The University of Tennessee, Knoxville.
- (5) Tenure is granted to Jennifer Jabson in her faculty appointment in the Department of Public Health at The University of Tennessee, Knoxville.
- (6) Tenure is granted to Maik Kurt Lang in his faculty appointment in the Department of Nuclear Engineering at The University of Tennessee, Knoxville.
- (7) Tenure is granted to Tadele Mengesha in his faculty appointment in the Department of Mathematics at The University of Tennessee, Knoxville.
- (8) Tenure is granted to Sean Morey in his faculty appointment in the Department of English at The University of Tennessee, Knoxville.
- (9) Tenure is granted to Anthony Pellegrino in his faculty appointment in the Department of Theory and Practice in Teacher Education at The University of Tennessee, Knoxville.

The motion was duly seconded and carried unanimously by voice vote.

UT Martin (Exhibit 20).

President DiPietro moved adoption of the following Resolution to grant tenure to two faculty members at UT Martin:

**RESOLVED:**

- (1) Tenure is granted to Emalee Buttrey in her faculty appointment in the Department of Agriculture, Geosciences, and Natural Resources at The University of Tennessee at Martin.
- (2) Tenure is granted to William Dooley in his faculty appointment in the Department of Family and Consumer Sciences at The University of Tennessee at Martin.

The motion was duly seconded and carried unanimously by voice vote.

## XV. RECOMMENDATIONS OF THE FINANCE AND ADMINISTRATION COMMITTEE

Finance and Administration Committee Chair Anderson reported on three items considered by the Committee at its meeting earlier in the day, which most Trustees attended. On the recommendation of the Committee, he moved adoption of each of the following Resolutions:

### A. FY 2019-20 Capital Outlay Projects (Exhibit 21)

**RESOLVED: The Capital Outlay Funding Requests for FY 2019-20 and subsequent years are approved, with authorization to enter into contracts for design and construction for these projects within available funds.**

As required by the Bylaws, a roll-call vote was taken, and the motion carried (Exhibit 22).

### B. FY 2019-20 Capital Maintenance Projects (Exhibit 23)

**RESOLVED: The Capital Maintenance Funding Requests for FY 2019-20 and subsequent years are approved, with authorization to enter into contracts for design and construction for these projects within available funds.**

As required by the Bylaws, a roll-call vote was taken, and the motion carried (Exhibit 24).

### C. FY 2019-20 Revenue/Institutionally Funded Capital Projects (Exhibit 25)

**RESOLVED: The Revenue/Institutionally Funded Projects for FY 2019-20 are approved, with authorization to enter into contracts for design and construction of these projects, within available funds, and, with the approval of the President, for design and construction of other revenue/institutionally funded projects identified during the fiscal year within available funds, provided that any other projects approved by the President shall be reported to the Board of Trustees at its next regularly scheduled meeting.**

As required by the Bylaws, a roll-call vote was taken, and the motion carried (Exhibit 26).

## XVI. REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE

Committee Chair Gallimore made the following report of the work of the Audit and Compliance Committee since the last Board meeting.

The Audit and Compliance Committee held its last meeting on May 10, 2018. The following were a few of the key items reviewed:

### **State Audit Report**

The Committee heard from the State Auditors on the results of the 2017 annual financial and compliance audit. The auditors identified nine areas where the University did not provide adequate internal controls. The details of the findings were discussed with the Committee, and management has indicated that all findings are being addressed and recommendations are either implemented or are in progress.

### **Athletics Financials and Agreed-Upon Procedures**

The Committee reviewed the agreed-upon procedures report issued by State Audit. Each year, the State Auditors perform agreed-upon procedures for Athletics to comply with NCAA Bylaws. A copy of the report is included in the materials (Exhibit 27).

### **Self-Assessment Report**

The internal audit team recently completed a self-assessment to determine compliance with professional standards. While identifying opportunities to continue to enhance processes, the office was in conformance with the Institute of Internal Auditor standards.

### **Annual Report**

As required by the bylaws, the Chief Audit and Compliance Officer has provided two reports in the materials.

- First, a copy of the 2017 annual report, which provides a summary of the 2017 accomplishments and 2018 plans for the Office of Audit and Compliance, is included (Exhibit 28). The Office of Audit and Compliance completed over 60 engagements, including audits required by statute, administrative policy, or other requirements; departmental operations audits and other risk-based projects; projects in progress from 2016; and investigations.
- Also, a copy of the 2018 plan for the Office of Audit and Compliance is included (Exhibit 29). The plan was reviewed and approved by the Audit and Compliance Committee and includes the annual audit plan, the compliance workplan, and plans for Title IX.

Trustee Gallimore added that over the last five years, the Committee has focused on maturing the IT security posture of the University. The chief information officers have worked to improve controls and management continues to expand oversight of this critical area. Mr. Gallimore urges Dr. DiPietro to continue to focus on this area. UT cannot rest on its laurels and should continue to strengthen controls and mitigate the risks from cybersecurity threats. Mr. Gallimore also encouraged Ms. Sandy Jansen to continue to bring IT security updates to the Audit and Compliance Committee and focus audit hours on this important area.

Trustee Gallimore thanked Vice Chair Jubran and Trustees Driver, Lampley, Whittaker and Pryse for serving on the Audit and Compliance Committee over the last few years. The Vice Chair thanked Trustee Gallimore for doing a great job as committee chairs.

## **XVII. CONSENT AGENDA**

The Vice Chair noted that all items on the Consent Agenda, except items A. and B., were recommended by a standing committee that met earlier in the day and that most Trustees attended the meetings and were allowed to participate in the deliberation. He called for any requests to remove an item from the Consent Agenda for further deliberation. Hearing none, he called for a motion to approve the Consent Agenda, consisting of the following items:

- A. Minutes of the Last Meeting
- B. Minutes of Prior Committee and Subcommittee Meetings
- C. Items Recommended or Received by Academic Affairs and Student Success
  - 1. Amendment of Student Conduct Rules (Exhibit 30)
  - 2. Program Modification: Construction Science and Agricultural Systems Major, B.S. (UTIA) (Exhibit 31)
  - 3. Program Modification: Agricultural Business, B.S. (UTM) (Exhibit 32)
  - 4. Honorary Doctorate of Humane Letters, Carla Hayden, Ph.D. (UTK) (Exhibit 33)
  - 5. 2018 Comprehensive List of Academic Programs (Exhibit 34)
  - 6. Ratification of Administrative Action to Terminate or Inactivate Academic Programs (Exhibit 35)
  - 7. Revised Campus Tenure Review Procedures to Comply with New Requirements of Appendix A of the Board Policy (Exhibit 36)
  - 8. Revised Appendix B and Appendix C of the Board Tenure Policy (Exhibit 37)
  - 9. New Academic Program: Bachelor of Applied Science in Mechatronics and Engineering Technology (UTC) (Exhibit 38)
  - 10. UT Health Science Center Five-Year Strategic Plan (Exhibit 39)
  - 11. UT Martin Five-Year Strategic Plan (Exhibit 40)
- D. Items Recommended or Received by Finance and Administration
  - 1. Disposal by Easement of Property at Eagle Flight Way in Knoxville (Gas Line) (Exhibit 41)
  - 2. Disposal by Easement of Property at Eagle Flight Way in Knoxville (Waste Water Line) (Exhibit 42)
  - 3. Annual Report of Sale of Gift Property (Exhibit 43)
  - 4. Ratification of Quasi-Endowments (Exhibit 44)
  - 5. FY 2018-19 Distribution of UC Foundation Unrestricted Endowment Funds (Exhibit 45)
  - 6. FY 2018-19 President Emeritus Agreement with Dr. Joseph E. Johnson (Exhibit 46)
  - 7. Revised UAPA Parking Rule, UT Martin (Exhibit 47)
  - 8. President's Report on Use of Student Programs and Services Fee - Information (Exhibit 48)

9. UTHSC Facilities Savings Plan - Information (Exhibit 49)
  10. UTK Facilities Savings Plan - Information (Exhibit 50)
  11. Disclosure of Additional Revenue/Institutionally Funded Capital Projects for FY 2017-18 - Information (Exhibit 51)
  12. Revision of UTC Regional Tuition Discount for Graduate Programs (Exhibit 52)
  13. Revision of Board Policy on Approval of Student Fees (Exhibit 53)
  14. Acquisition by Gift of Property Located at 2705 Riverside Drive and Amendment of UTK/UTIA Facilities Master Plan (Exhibit 54)
- E. Annual Reports - Information
1. Annual Report of Naming Interior Spaces and Grounds (Exhibit 55)
  2. Annual Report of UC Foundation, Inc. (Exhibit 56)
  3. Annual Report of UT Foundation, Inc. (Exhibit 57)
  4. Annual Report of UT Research Foundation, Inc. (Exhibit 58)
- F. Cherokee Farm Report - Information (Exhibit 59)
- G. Government Relations and Advocacy Report - Information (Exhibit 60)

Trustee Pryse moved approval of the Consent Agenda; Trustee Driver seconded; and the motion carried by a roll-call vote (Exhibit 61).

## **XVIII. CLOSING REMARKS**

Vice Chair Jubran said it has been a great honor to serve as a Trustee and thanked the Board for the trust and confidence in electing him as Vice Chair and for their support and advice during the past three years. He thanked Governor Haslam for his support and leadership in advocating for better educational systems and improved performance across the board. He also thanked Dr. DiPietro for his integrity, his high ethical standards, and his accommodating personality in welcoming the Vice Chair's engagement and willingness to share the good, the bad, and the ugly. Dr. DiPietro truly embraced the concept of a strategic partnership and never wavered.

Lastly, he thanked the entire executive team for their efforts on his behalf and apologized for his demanding nature. He acknowledged that his was not the traditional role for a Vice Chair, but the team accommodated him graciously, recognizing that they shared a common goal of seeking the long-term best interests of UT, including a higher standard of accountability. He saw the need to change some cultural norms, and together with other Trustees, he worked diligently to change the traditional notion of a Trustee as holding a seat of honor, a seat for a booster, a seat for a cheerleader, or worse, a seat that will rubber stamp administrative decisions. The Board recognized that tax payers and tuition payers could no longer afford traditional passive roles for higher education, which is so critical for the preparation of future leaders.

Given the national state of higher education, he said it is not surprising that most governors, state legislators, governing boards, top university executives, and others have begun to speak seriously about the need for higher education reform, often adding

legitimate criticism. On the other hand, higher education across the nation has faced some extreme measures, including some extreme legislative action or, even worse, legislative action from a purely political standpoint instead of what is right for the future of American higher education.

Mere passive oversight of this institution is no longer acceptable, he said, and it was essential that the newly-appointed Board, with the support of the Governor, challenge the status quo to inject more accountability, focus on real metrics, discuss openly the various taboo subjects, and force critical cultural or traditional changes needed to ensure a sustainable overall business model. Fortunately, he added, under the overall direction of Dr. DiPietro, tough changes were made at UT. In fact, UT is delivering on its core mission to educate, discover, and connect. And as a whole, the University has managed to do more with less, but the University will still face many challenges ahead. In that regard, he thanked the newly appointed Board of Trustees for accepting the Governor's invitation to join the newly created Board of Trustees. He said he is convinced they will work with the top executives, as strategic partners, and will continue to press for more improvements, insist on proper measurements, and demand results.

Vice Chair Jubran offered the following advice to the newly created Board:

- Demand timely, accurate, and concise reports along with meaningful and relevant actionable data that will allow you to make informed decisions and assess the educational quality and the success of student outcomes.
- Challenge the administration to determine ways to close the vast gaps between the skillset of our graduating students and what's necessary to compete in the fast-moving global economy and technology.
- Challenge the administration to establish criteria with high standards to be used in determining academic program viability or performance and make sure that procedures are in place to avoid failures.
- Ask the tough questions, demand transparency, and insist on knowing the good, the bad, and the ugly.
- Guard the central values of academic excellence through the preservation of academic freedom. Protect and reward our most valuable asset, our faculty. I assure you that at UT, we are fortunate to have many committed and very productive, results-oriented faculty members that deserve to be rewarded and paid market salaries. At the same time, some are not as productive or committed and are in need of improvement or termination. The concept of tenure should be protected as part of academic freedom, but tenure should never become the protector of a "job for life." Or, as one of our current Trustees called it, "Rest in Place."
- Remain keenly aware that the economic pressures our students may experience are as real as the economic pressures our universities, the legislature, and other businesses may be experiencing. Therefore, maintaining affordable tuition and fees has to be a goal that is always on top of our minds.

In closing, Vice Chair Jubran said, "Trustees come and go, politicians come and go, presidents and chancellors come and go, but our institution will always survive as long as it delivers on its promises to the greater community." He noted that in 2019, the University will celebrate its 225<sup>th</sup> anniversary.

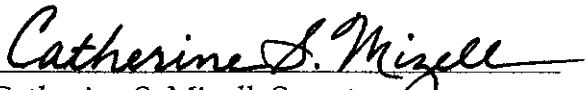
**XIX. OTHER BUSINESS**

There was no other business.

**XX. ADJOURNMENT**

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

Respectfully Submitted,

  
Catherine S. Mizell, Secretary