

THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE ADVANCEMENT AND PUBLIC AFFAIRS COMMITTEE

February 5, 2018
Knoxville, Tennessee

The Advancement and Public Affairs Committee of The University of Tennessee Board of Trustees met at 2:30 p.m. EDT on Monday, February 5, 2018, by tele/videoconference originating from Andy Holt Tower in Knoxville, Tennessee.

I. CALL TO ORDER

Chair Sharon Pryse called the meeting to order.

II. ROLL CALL

The Secretary, Catherine S. Mizell, called the roll, and the following members of the Committee were present at the meeting location in Knoxville or by telephone or video:

Ms. Sharon Pryse, Chair
Dr. Joe DiPietro
Mr. Raja J. Jubran
Ms. Rhedona Rose
Mr. David A. Shepard
Ms. Julia Wells
Mr. Charles Wharton

Members of the administrative staff and a representative of the UT Knoxville Faculty Senate were also present in person or by telephone or video.

The Secretary Mizell announced the presence of a quorum and reminded the committee of requirements of the Open Meetings Act applicable to meetings conducted with members participating electronically, including the requirement of a roll-call vote on all action items. All members indicated that no one else was present at their locations.

III. CONSENT AGENDA

Chair Pryse asked for any corrections to the minutes of the last meeting. Hearing none, Chair Pryse called for the following motion:

I move that the reading of the minutes of the March 28, 2017 meeting of the Advancement and Public Affairs Committee be omitted and the minutes be approved as presented in the meeting materials, provided that the Secretary be

authorized to make any necessary edits to correct spelling errors, grammatical errors, format errors, or other technical errors subsequently identified.

Trustee Shepard so moved. The motion was seconded and carried by roll-call vote (Exhibit 1).

IV. COMMUNICATIONS AND MARKETING REPORT

Tiffany Carpenter, Associate Vice President for Communications and Marketing, reported the UT System News app was launched in July to aggregate press releases and announcements from UT entities and facilitate social sharing. To date, the iOS app has been downloaded more than 3,000 times and about 10% of the users are currently signed up for push notifications. These notifications allow users to immediately see when a UT entity posts a release. She encouraged the Committee to download the app and noted that an Android version of the app is in process.

The Board's Annual Report to the General Assembly was distributed to all legislators electronically last week and distributed by a new release to media statewide. The report is available on the front page of tennessee.edu.

The President's third annual State of the University address will take place on Wednesday, February 28, 2018 at the library in downtown Nashville. It will begin with a coffee and dessert reception and will have an artist doing a live painting that will be representative of the new marketing theme. UT Martin's percussion band will also be on site to perform. The speech itself will have more video elements to demonstrate stories across the enterprise in the three mission areas of educate, discover and connect, as well as a video that demonstrates how all three areas are pulled together across the System to solve some of the state's biggest problems. She hopes all Trustees will plan to attend.

For the past several years, the need for a branding campaign has been discussed. This past summer, there was a competitive bid process and the firm known as "160 over 90" was selected to aid in this endeavor. The firm works with about 50 percent of higher education clients, including the University of Illinois System, the University of Nebraska System, Texas A&M University, and the University of Florida. They also work with consumer brands like Nike Golf and Ferrari. Creative elements will begin to be seen in the State of the University address. The date to have the campaign on the streets is March 1.

V. GOVERNMENT RELATIONS REPORT

Anthony Haynes, Vice President for Government Relations and Advocacy (GR&A), reported that his staff is currently tracking approximately 400 bills in the Tennessee General Assembly, with the possibility of adding more. These bills could impact varied aspects of the University's statewide interests, and about 40 bills specifically name the University of Tennessee, a continuing upward trend from past legislative sessions.

Governor Bill Haslam issued his budget proposal for the state last week, and President DiPietro will present UT's budget before various legislative committees in the coming weeks.

Mr. Haynes stated that the University's Sunset Hearing is set for February 12. Earlier, the University received a clean performance audit from the Division of State Audit.

The Governor's legislative package includes legislation to reduce the size of the Board of Trustees. President DiPietro released a statement offering his full support for the legislation.

A bill relating to conflicts of interest for members of governing boards or state boards and commissions is being introduced. Representative Martin Daniel has legislation to make efforts to tie this to higher education boards. (Chair Pryse asked how the bill would differ from the current conflict of interest policy.) Mr. Haynes said the bill will be more restrictive than current policy by prohibiting any registered lobbyist from serving on the Board of Trustees.

Mr. Haynes reported that one of the key issues this legislative session is teacher preparation programs. Several educational advocacy groups want the legislature to look at the effectiveness of teacher education training programs. The GR&A team has been working with UTK, UTM, and UTC campuses and with the leadership of the General Assembly's education committees on this issue. Legislators seem to like reports they have received on UT Martin's Teacher Warranty Program. If a school superintendent or school is not satisfied with a teacher's performance, UT Martin will give that teacher additional training at no charge to the school district.

Mr. Haynes added that there are several well-intended bills that would mandate changes in higher education curriculums. The University holds strongly to the position that curriculum needs to be set by professionals at the institution to best prepare graduates to become leaders and contribute to society.

Another curriculum proposal would require students to take a civics exam (the same one taken to become a US citizen) during the first year of college and score at least 80 percent. If a student does not score at least 80, the institution would be required to provide courses to help the student pass the exam as a requirement for graduation.

Mr. Haynes noted additional issues being tracked by the GR&A team:

- Sign language substituted for foreign language requirement. Foreign language is critical to the curriculum of some programs, so GR&A staff are working to achieve an acceptable outcome.
- Tenure reform. The Board of Trustees has been proactive on this subject, and legislative discussion is not expected until next year.
- Tuition transparency. Senator Steve Dickerson filed legislation that would require reports to the General Assembly with justification for tuition increases, how previous increases were used, and projections for future tuition rates. Senator Dickerson's goal is for parents to be able to budget the cost of tuition for the next four to five years.

Page 3

Advancement and Public Affairs Committee

Board of Trustees

February 5, 2018

- Confidentiality of gift records. The Government Relations team is working to ensure that existing confidentiality is not eroded.
- Tuition waivers. President DiPietro plans to meet with Governor Haslam about options related to unfunded mandates for tuition waivers.
- Guns on campus. Currently, the NRA is not actively working legislation.

Federal Relations. Mr. Haynes noted that the federal government still has not passed a budget; but the good news is that as each Continuing Resolution is passed, the University remains funded at Obama Administration levels, which helps UT's science and technology budgets benefitting UT-Battelle, UTK, and UTHSC. When a budget is passed, it likely will have reductions for research enterprises across the board.

Mr. Haynes concluded by reporting that he and his team are looking at opportunities to promote UT's work on the opioid crisis and hypersonics, along with funding for Lone Oaks Farm.

VI. UT FOUNDATION, INC. REPORT

Mr. Kerry Witcher, Interim President & CEO of the UT Foundation, gave the following update on fundraising totals. As of June 30, 2017, UT Foundation received \$221,158,109 million from 61,268 donors. Although the total dollars raised is slightly below the previous year, it is historically one of the top five years of fundraising. For the period July 1, 2017 through December 31, 2017, total dollars raised is \$132,419,326, and total number of donors is 36,301.

Mr. Witcher highlighted some impacts of the tax reform legislation signed into law on December 22, 2017 with respect to charitable giving and the charitable deduction:

- Doubling the standard deduction. The expectation is that fewer people will be itemizing as a result of that change, but no major impact on fundraising is expected.
- Increase in AGI limitations for cash gifts. This increases the deduction from 50 to 60 percent of Adjusted Gross Income per tax year, which could be beneficial to the University.
- Repeal of college athletics seating deduction. This repeals the current rule that allows donors to deduct 80 percent of their gift made for the right to purchase tickets to college athletic events. Beginning January 1, 2018 and beyond, gifts made for this purpose are no longer tax deductible. This could potentially have a major impact, primarily at UT Knoxville, on total dollars raised as well as total donors.

Mr. Witcher reported that the alumni office has defined alumni engagement by the following categories.

- a. Alumni attending events, programs, etc.
- b. Contacting the University by email/social media interactions
- c. Those that volunteer in some way.

With this definition, engagement can be measured by scores ranging from 0 – 5. This is still relatively new and tracking has only been over the last couple of years. There is still more work to do by adding more data from previous years. One trend noted is a strong correlation between engagement and giving.

Over the past weekend the UTAA Alumni Legislative and Advocacy Council (ALC) met. This group gets together once a year in Nashville to talk about issues. They held the first ever gubernatorial forum inviting all 15 possible candidates to attend the session. Out of this group, eight actually attended and were given the opportunity to respond to questions with moderator Pat Nolan. The video will be posted online.

VII. OTHER BUSINESS

There was no other business to come before the Committee.

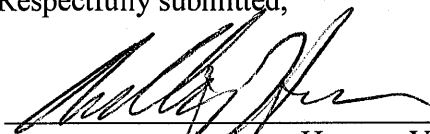
Before adjournment, President DiPietro announced that Kerry Witcher has agreed to serve in the interim role of Vice President for Development and Alumni Affairs and President and CEO of the UT Foundation, Inc. while a determination is made about filling the position. Dr. Bob Smith will be conducting a review of the UT Foundation that will include the position and current structure. If Dr. Smith concludes it necessary after the review has been completed, a consultant will be retained. President DiPietro said defining what the Foundation should be and what kind of leader it needs is critical. A search will not begin until this has been determined. This plan will also be going before the UT Foundation Board at a workshop in a few months. With all of this in mind, the President said the search could start by the end of May or first of June of this year.

Chair Pryse asked if the members of this Committee could be involved in this review and Dr. DiPietro agreed.

VIII. ADJOURNMENT

There being no other business, the meeting was adjourned.

Respectfully submitted,



Anthony Haynes, Vice President
for Government Relations & Advocacy