



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE EXECUTIVE COMMITTEE MEETING
February 6, 2019
Knoxville, Tennessee

The Executive Committee of The University of Tennessee Board of Trustees met at 10:00 a.m. EST on Wednesday, February 6, 2019 on the campus of The University of Tennessee, Knoxville.

I. CALL TO ORDER

Chair John Compton called the meeting to order and asked the Secretary to call the roll.

II. ROLL CALL

The Secretary first addressed the Open Meetings Act requirements for meetings conducted with members participating by telephone or videoconference, including the requirement that all votes be conducted by roll call. She announced that in addition to Trustee Miles, others present at the meeting location in Knoxville included President Randy Boyd, other members of the administrative staff, and representatives of the media. The Secretary then proceeded to call the roll, and the following members were present:

John C. Compton, Chair (by videoconference)
Amy E. Miles
William (Bill) C. Rhodes III (by videoconference)
Donald J. Smith (by telephone)
Kim H. White (by videoconference)

The Secretary announced the presence of a quorum. Trustees participating by telephone or videoconference confirmed that no one else was present at their location.

III. MINUTES OF THE LAST MEETING

Chair Compton called for any additions or corrections to the minutes of the October 18, 2018 meeting. Hearing none, the Chair directed the Committee's attention to the following prepared motion in the meeting materials:

I move that the reading of the minutes of the October 18, 2018 meeting of the Executive Committee be omitted and that 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 Rhodes so moved, Trustee Miles seconded, and the motion passed unanimously by a roll-call vote.

IV. UPDATES FROM THE PRESIDENT

President Boyd announced he would present his updates during the March 1, 2019 Board meeting in Martin.

V. EXECUTIVE COMMITTEE CHARTER

Secretary Catherine Mizell presented the proposed Executive Committee charter, explaining that many provisions in the charter are derived from the UT FOCUS Act, while others are carried over from the charter of the Executive and Compensation Committee or the Trusteeship Committee of the former Board. Concerning the proposed provision on approval of the compensation of officers of the University other than the President, Trustee Rhodes asked why approval of the Committee and the Board is limited to the initial compensation and expressed concern about oversight of officer compensation on an ongoing basis. Ms. Mizell explained that, by statute, approval authority beyond the initial compensation lies with the President, but a report could be provided to the Committee and the Board. Trustee Rhodes said he would prefer a process requiring Executive Committee or Board approval of changes in compensation for all University officers rather than an after-the-fact report. Ms. Mizell said she would need to review the statutory language more carefully to determine if the proposed charter could be revised as suggested by Trustee Rhodes. After discussion, the consensus of the Committee was that the proposed charter should be revised as suggested if doing so would be allowable under governing law. There being no further discussion, Trustee Rhodes moved that the Executive Committee recommend the proposed charter for approval by the Board of Trustees subject to a revision, if possible under governing law, requiring approval by the Executive Committee or Board of subsequent changes in compensation of Chancellors and other officers of the University. Trustee White seconded, and the motion passed unanimously by a roll-call vote.

VI. PROCESS FOR APPOINTMENT OF A NON-VOTING STUDENT MEMBER OF THE BOARD OF TRUSTEES

Ms. Mizell presented the process for appointment of a non-voting student member of the Board. She said the process is essentially the same as last year's process, but she noted changes in the nomination process (specifically, that each dean is expected to nominate one student) and the application form nominees must complete. She explained that under the proposed



process, the Chancellor would recommend a single nominee to the Chair of the Board instead of up to three nominees. She also pointed out that the deadline for making the appointment is May 31 of each year, and therefore the proposed process authorizes the Executive Committee to make the appointment when the Board is not scheduled to meet before the deadline. Chair Compton said it is important for the Chancellors to recommend a single student because they are in a better position to assess the nominees. He added, however, that the process gives the Chair the discretion to interview the nominee before recommending the appointment. There being no further discussion, the Chair directed the Committee's attention to the prepared motion. Trustee Miles moved that the Executive Committee recommend the Process for Appointment of a Non-voting Student Member of the Board of Trustees for approval by the Board. Trustee Rhodes seconded, and the motion passed unanimously by a roll-call vote.

VII. PROCESS FOR APPOINTMENT OF A FACULTY MEMBER TO THE EDUCATION, RESEARCH, AND SERVICE COMMITTEE

Ms. Mizell presented the process for appointment of a faculty member to the Education, Research, and Service Committee. She pointed out that last year's eligibility requirement of "without a concurrent administrative appointment" has been changed to "without a concurrent administrative appointment at the level of department head/chair or higher." As with the non-voting student Trustee appointment process, each college dean is expected to nominate one faculty member, and the Chancellor will recommend one faculty member from the nominees submitted by the deans and the Faculty Senate. The process gives the Chair of the Board discretion to interview the nominee before recommending the appointment. Chair Compton asked whether the Faculty Senate would support the revised eligibility requirement concerning administrative appointments. Ms. Mizell said she believes so because the Faculty Senate requested that the process be simple and as easy to apply as possible. Hearing no further questions, the Chair directed the Committee's attention to the prepared motion. Trustee White moved that the Executive Committee recommend the Process for Appointment of a Faculty Member to the Education, Research, and Service Committee for approval by the Board of Trustees. Trustee Rhodes seconded, and the motion passed unanimously by a roll-call vote.

VIII. STANDING COMMITTEE APPOINTMENT FOR TRUSTEE ALAN WILSON

The Chair explained that Alan Wilson was appointed to the Board of Trustees after the November 2, 2018 meeting of the Board. To allow Mr. Wilson to participate fully in the next meeting of the Board on March 1, 2019, the Chair requested that the Committee act for the Board to approve his recommendation for appointment of Alan Wilson to the Education, Research, and Service Committee. The Chair noted he has appointed Mr. Wilson to serve on the UT Foundation board. Hearing no questions, the Chair directed the Committee's attention



to the Resolution in the meeting materials. Trustee Rhodes moved adoption of *Resolution 001-2019*, Trustee Miles seconded, and the motion passed unanimously by a roll-call vote.

IX. APPOINTMENT TO FILL A VACANCY ON THE SPECIAL COMMITTEE ON UNIVERSITY OF TENNESSEE ATHLETICS PROGRAMS

The Chair explained that a vacancy exists on the Special Committee on University of Tennessee Athletics Programs as the result of Lang Weisman's resignation of his seat on the Board upon becoming Deputy to the Governor and Chief Counsel on January 19, 2019. To allow the special Committee to proceed to schedule its first meeting as soon as practical, the Chair requested that the Committee act for the Board to approve his recommendation for appointment of Bill Rhodes to fill the vacancy. After briefly describing Mr. Rhodes' background and hearing no objection to the recommendation, the Chair called for a motion to adopt the Resolution in the meeting materials. Trustee Miles moved adoption of *Resolution 002-2019*, Trustee White seconded, and the motion was approved by a roll-call vote with Trustee Rhodes abstaining.

X. TENTATIVE AGENDA FOR THE 2019 WINTER MEETING OF THE BOARD

Calling attention to the draft agenda in the meeting materials, the Chair said the agenda for the committee meetings and Board meeting on March 1, 2019 are being finalized and encouraged the Committee to provide comments and any suggestions for additional items. Trustee Miles asked when strategic items would be addressed, and Ms. Mizell responded that the President's Address at the March 1 meeting of the full Board would include strategic items. President Boyd invited Trustees to provide him with any topics they would like him to address at the March 1 meeting.

XI. EXECUTIVE COMMITTEE MEETING DATES IN 2019 AND 2020

The Chair announced this item would be deferred to the next meeting to allow more time to identify dates through 2020 that are available for all members of the Committee.

XII. EFFECTIVENESS AND EFFICIENCY

Looking back on the first six months of the new Board's service, the Chair mentioned the following accomplishments: election of Randy Boyd as interim President; implementation of meaningful changes to enhance and protect tenure for the faculty; listening tours to hear from legislators and other stakeholders; advancing transparency; and achieving a number 1 ranking in men's basketball. He thank President Boyd for coming out of the gates running and providing contagious leadership.



Turning to the future and the concept of UT 2030, the Chair said the challenge of leadership is thinking strategically about the future while running the day to day enterprise. Are we thinking strategically enough about UT and its future? If education is going to be our greatest source of competitive advantage for our state and for our country, then how are we going to change to meet the needs of this new generation with different needs and expectations? He urged that the Board, and specifically those who chair committees, begin thinking about UT in 2030. Where do we want to be in 10 years? What changes will be required and how do we resource to succeed in the future? The Chair offered the following thoughts on the core missions of enrolling and graduating students and engaging in leading edge research:

Enrollment

- PNationally, college enrollment is beginning to decline due to the demographic bubble; the cost of education is still out of reach for many people; and other specialized career choices that do not require a 4-year college degree.
- PRegionally, the South is still growing; and this is the market we largely serve.
- PLast year, UT grew enrollment 1-1.5% across our System and that was better than the national average, but it was below many of our aspirational peers; and the quality of our incoming students gets more impressive year after year.
- PBut if enrollment doesn't grow faster, we will be faced with raising tuition or cutting costs.
- PWe need to begin thinking about whether we could and should be growing enrollment 2-3% per year across the System. What would that look like, what is holding us back, and how much investment would be required to achieve it? How do we do that so the quality of students we are accepting continues to grow and get better? What should be the mix of in-state versus out-of-state? The President and the Chancellors have been thinking about this, and it needs to be discussed in depth by the Board.

Graduation

- PWe need to do a better job of retaining and graduating our students.
- POur 6-year graduation rate system-wide improved last year to around 71%, but that is simply not good enough and behind many of our peers.
- PThis issue needs to be carefully dissected to determine what is holding us back. How much more investment would be required to be in the top quartile among our aspirational peers? And we need to make sure graduates are landing in those aspirational jobs they came to our universities to achieve.

Research

- PWe have to improve our research reputation. It is clear we are not where we need to be as we benchmark ourselves against our peers.
- PWhat is holding us back? How fast can we become a billion dollar plus research



institution? How do we fully leverage our scale and collaborate horizontally across our campuses and with Oak Ridge National Laboratory and all those things that can contribute to our reputation and the absolute impact we can make on research? What investment is going to be required over the next 3-5 years to become a top quartile research institution?

In summary, the Chair said three big buckets – enrollment, graduation, and research – need to be examined critically through the lens of growing, reaching top quartile status, and the investment required. He said he expects \$100-150 million of addition funding is needed, but looking to increased tuition or increased tax dollars is not the answer. Instead, we need to ask some key questions: Are we structured in the most efficient and effective way? Are our faculty workloads appropriately balanced between the classroom, doing research, preparing for the classroom and other campus-related activities? Are we leveraging our scale on procurement? Should we think differently about online vs. in-class teaching? UT 2030 will require that we find answers to these questions and do so quickly.

The Chair said President Boyd has already asked David Miller to begin looking at overall system efficiencies because there clearly is duplication of effort in some areas and perhaps lack of resources in other areas. Dennis Hengstler is continuing work on the complicated issue of faculty workload in an effort to achieve an integrated dashboard where we would have visibility into our greatest asset, the faculty. With respect to procurement efficiencies, the Chair said he believes the University is just scratching the surface in fully leveraging its purchasing spend, and this is an area that needs careful analysis to determine if further efficiencies can be achieved through standardization or other means.

In closing, the Chair said we are just at the starting point, and there likely needs to be even more transformational thinking and more challenges to the status quo. Over the next year, areas in which resource dollars for reinvestment may be found will be presented to the Board. The Board will be engaged in thinking through strategic choices, working collaboratively with the President to look out 10 years and then work backward to determine how the goal is to be achieved.

The Chair recognized CFO David Miller to address effectiveness and efficiency. Mr. Miller described the top to bottom review of administration being conducted by a task force comprised of the chief business officers of each institution, Tonja Johnson, and David Miller. In addition, five working groups have been formed around the five major functions that consume the most people and the most dollars within administration: Procurement; Communications; Human Resources; Information Technology; and Capital Projects. He said the working groups are attempting to define more clearly the roles and responsibilities of system staff and institutional staff; mapping work flow processes; and tracking workflow to the requirements of statutes, state administrative policy, Board policy, and fiscal policy;



reviewing each step in workflow and determining whether it adds value. The task force will provide President Boyd with a report by no later than the end of May.

Trustee Rhodes applauded the process and said this is a unique time with a new Board and a new President with complete objectivity. He asked about setting quantifiable goals, and President Boyd said system-wide strategic plan goals were in place when he assumed office, but they need to be refreshed. For example, he has asked his team to identify graduation rates and number of graduates for year 2025. They are also reviewing other research strategies. He added that the focus needs to be on what drives graduation, student success, research, and community impact. While it is important and critical to become more effective and efficient by reducing costs and to reprioritize funding, he said there are other ways to increase funds and accomplish goals even without cost savings. Mr. Rhodes responded that every organization has opportunities to become more efficient, and President Boyd agreed.

Trustee Miles asked how the Board would hold itself accountable for change and suggested the Board might think, for example, of a 2030 metric for student success, adding that one of the Board's biggest fiduciary responsibilities is to produce students who are ready for a changing environment in the future. Trustee White expressed concern about time for discussion and strategic thinking, given the action-packed agenda for meetings. President Boyd said more things could be moved to the consent agenda to free up more time for discussion.

XIII. ADJOURNMENT

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

Respectfully Submitted,


Catherine S. Mizell, Secretary