



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE WINTER MEETING
March 1, 2019
Martin, Tennessee

The Winter Meeting of The University of Tennessee Board of Trustees was held at 1:00 p.m. CST, on Friday, March 1, 2019, on the campus of The University of Tennessee at Martin.

I. CALL TO ORDER AND INVOCATION

Chair John Compton called the meeting to order and asked Reverend Amanda Crice, Campus Minister for the Wesley Foundation at UT Martin, to offer the invocation.

II. ROLL CALL

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

John C. Compton, Chair
Decosta E. Jenkins
Kara M. Lawson
Amy E. Miles
Kenneth I. Packer
William (Bill) C. Rhodes III
Donald J. Smith
Kim H. White
Alan D. Wilson
Jamie R. Woodson

The Secretary announced the presence of a quorum. Commissioner Hatcher was unable to attend the meeting. Others present included University faculty, staff, and students, members of the general public, and media representatives. The meeting was also webcast for the convenience of the University community, the general public, and the media.

III. ADMINISTRATION OF TRUSTEE OATH OF OFFICE TO ALAN WILSON

Chair Compton welcomed the newest Trustee, Alan Wilson, to his first meeting of the Board and recognized Judge Jeff Parham, Circuit Court Judge for the 27th Judicial District of Tennessee, to administer the Trustee Oath of Office to Mr. Wilson. After the oath, the Chair presented Alan Wilson with a Trustee lapel pin.



IV. OPENING REMARKS AND INTRODUCTIONS BY THE CHAIR

The Chair thanked Todd and Jennifer Hampton for hosting a reception for the Board in their home the prior evening. Mr. and Mrs. Hampton are graduates of UT Martin and generous supporters of the University. The Chair also thanked Chancellor Carver and Hollianne Carver for doing an outstanding job at UT Martin. The Chair then recognized special guests in attendance: Bob Smith, UT Martin Chancellor Emeritus and Special Advisor to the President; Chris Caldwell, Faculty Member of the UT Martin Advisory Board; Devin Majors, Student Member of the UT Martin Advisory Board; and Julia Wells, Member of the UT Martin Advisory Board and former member of the Board of Trustees.

V. PRESIDENT'S ADDRESS

President Boyd began his first address to the Board by thanking the Trustees and students, faculty, and staff across the UT System for entrusting him with the opportunity to serve. He said what has surprised him most is the impact the University is making across the state of Tennessee: 70% of doctors in Tennessee graduated from the Health Science Center; UT Martin has a big impact in northwest Tennessee; UT Space Institute is working on a nuclear propulsion system to travel to Mars; the Oak Ridge National Lab has the fastest computer in the world; the University has offices in every county in the state through Ag Extension and supports the largest 4-H organization in the country; the UT System is educating 51,000 students; and the University had a \$9 billion dollar economic impact on the state last year. The President then provided updates on his six objectives, including the following points:

1. Identify successors for UT Knoxville Chancellor and UT System President positions
 - Seeking transformational leadership with a laser focus on student success
 - Importance of collaboration – stronger together
2. Increase talent development
 - State needs 79,000 new degrees each year to meet Drive to 55 goal
 - Focus on improving graduation rates
3. Increase research
 - Enhancing ORNL relationship
4. Advance engagement
 - Have a social impact on our state
 - Collectively we can have a greater impact: UTHSC, College of Social Work, ORNL, and UT Medical Center in Knoxville collaborating to reduce opioid use
5. Build the One UT Culture
 - Task Force on Effective Administration and Management—clarifying roles and responsibilities between system administration and campuses
6. Build the UT Brand
 - Transparent UT initiative



Chair Compton asked about metrics for the six goals, and the President said the team is working on developing key performance indicators. Trustee Woodson said she looks forward to seeing concrete goals for which the Board will be accountable.

VI. UT 2030

Chair Compton asked the Trustees to begin thinking about what UT would look like in 2030. Noting dramatic changes in industry and technology over the past 10 years, he said similar transformational change could be coming to higher education, and the Board needs to be prepared. Enrollment, graduation, and research will be primary drivers over the next 10 years, and the Board needs to ask whether there are ways to jump start progress in those three areas and leap frog to greater heights. Enrollment is growing across the system at about 1%, but could it grow 2 to 3%? The graduation rate system-wide is at 61%, and it should be better. Growing enrollment and increasing graduation rates would make a meaningful impact on the State of Tennessee. We need to ensure student success, and then students will be in jobs that have greater impact on the state. The University currently has about \$400 million dollars in research annually. Should it be \$600 million? \$750 million? A billion? Who should we partner with to achieve growth in research? How will that enrich faculty lives even more? Growing research has a significant reputational upside for the University.

If we could significantly move enrollment, graduation, and research over the next 10 years, he said the Board could look back with pride. The Board is new, and now is the right time to ask these questions. Strategy is about choosing, and this question of how we should be thinking about the UT System over the next 10 years and decisions we make could really matter. If the Board gets it right, it will materially matter for the good. The Board is changing the nature of dialogue to asking more probing and follow-up questions, modifying the agenda as necessary to take the time to get the answer right, and making sure we have input from all the stakeholders – students, faculty, administration, citizens of our state, and external parties who hire our students. The majority of our meeting time needs to be focused on the future. The faculty can be an in-house consultant to help the Board look at the future. Several Trustees and President Boyd concurred with the Chair's remarks.

VII. REVISED STANDING RULE GOVERNING REQUESTS TO ADDRESS THE BOARD OF TRUSTEES

Matthew Scoggins, General Counsel, presented the following revisions to the Standing Rule Governing Requests to Address the Board of Trustees:

1. Provide 30 additional minutes for the public to address the Board or a committee of the Board for a maximum cumulative time of 60 minutes;
2. Allow the presiding officer to extend the time to permit additional speakers and make such other accommodations as may be necessary or advisable in his or her opinion to achieve the purposes of this rule; and



3. Reduce from 5 to 3 calendar days the requirement to preregister to address the Board.

Trustee Rhodes moved adoption of *Resolution 003-2019* to approve the revised Standing Rule. Trustee Woodson seconded, and the motion passed unanimously by a roll-call vote.

VIII. REQUEST TO ADDRESS THE BOARD

The Chair recognized Mr. Ovi Kabir, the UTK Student Government Association President, to address the Board on the subject of the Comptroller's Special Report on Sex Week at UT Knoxville and the Revised Board Policy on a Student Programs and Services Fee. Mr. Kabir urged the Board to make students the primary decision-makers with respect to funding for student programs, arguing that this would promote development of students as leaders for the future.

IX. DISCUSSION OF STATE COMPTROLLER'S SPECIAL REPORT ON SEX WEEK AT UT KNOXVILLE / REVISED BOARD POLICY ON A STUDENT PROGRAMS AND SERVICES FEE

President Boyd introduced the next agenda item by reaffirming to students and faculty that the administration and the Board are committed to the First Amendment and understand that student programming is critical to the success of education. He said students stay at the University because they are engaged, and often that engagement is through organizations they join or events they attend. Members of the legislature felt, however, that their concerns about Sex Week have not been addressed, and the Comptroller was asked to conduct a review of Sex Week and report on potential policy considerations going forward. In response to the Comptroller's report, the administration is asking the Board to consider a change in the Board policy governing the Student Programs and Services Fee (SPSF).

Matthew Scoggins, General Counsel, presented the proposed revision to the Board policy, noting that the revisions address only SPSF funds that currently can be allocated to registered student organizations. He said SPSF funds are only one source of funding for student-organized programming, and the Comptroller's report points out that fewer than 10% of registered student organizations request and receive SPSF funds annually. In four of the past five years, Sexual Empowerment and Awareness at Tennessee (SEAT) received more SPSF funding than any other registered student organization.

Mr. Scoggins noted that the proposed policy revision eliminates student-organized programming as an authorized expenditure of SPSF funds. Registered student organizations and campus programming boards would not receive any SPSF funds. Mr. Scoggins emphasized the difference between student-organized programming and programming for students. The proposed policy revisions do not eliminate programming for students but change the decision maker with respect to how SPSF funds are spent. The administration will make the decision with input from students. Mr. Scoggins then explained that the proposed



policy revisions do not address the question of use of gift funds or E&G funds for student-organized programming or the question of use of University facilities for student-organized programming. He also explained that the proposed policy revisions would not affect student-organized programming already funded for the current year.

Trustee Rhodes asked how many other student organizations would be impacted by the change, and Mr. Scoggins responded that approximately 40 organizations (around 10%) would be impacted. The Chair asked Professor Bonnie Ownley to speak to the question of the small number of organizations impacted. Professor Ownley said the process of applying for funding is rigorous and includes responding to a request for proposals, preparing a budget, organizing, planning, marketing, carrying out the event, and experiencing accountability by reporting back. She said the process has educational value, and faculty members are concerned about the loss of co-curricular learning benefits, which are important in applying for jobs. She also said student-organized programming is a selling point for academic programs and important to marginalized students, such as women in STEM programs and ethnic minorities.

To put the item on the table for discussion, the Chair called for a motion, and Trustee Jenkins moved adoption of the Resolution to approve the revised Board Policy on a Student Programs and Services Fee as presented in the meeting materials, effective March 1, 2019. Trustee Wilson seconded.

Trustee Rhodes said the Board is faced with a challenge because it does not have a mechanism to govern student programming. The Chair reminded everyone that the funds for student programming are not going away, but the administration, with input from students, will determine what programs will be offered. He then recognized Vince Carilli, Vice Chancellor for Student Life at UT Knoxville. Vice Chancellor Carilli said his charge from President Boyd and Chancellor Davis is to actively look for ways to engage students in the process.

Trustee Smith requested clarification that the SPSF funds are still available, but the policy revision involves a change in allocation methodology. Mr. Scoggins responded that the allocation committee is being eliminated, administration will not allocate or distribute SPSF funds. The Chair explained that Vice Chancellor Carilli from UTK and Vice Chancellor Freeman from UTC would present in June the process they will put in place for student involvement in student programming funded by SPSF funds. Trustee Lawson asked what would happen if the Trustees do not agree with the campus plans to seek input from students and questioned why the plans were not proposed first. Vice Chancellor Carilli said the process of planning for student programming for the next academic year needs to happen before students depart for the summer. Trustee Wilson asked whether procedures could be put in place without Board approval, and President Boyd responded that Board approval is required only for a policy change.

Trustee Packer commented that a student has no oversight of funds he has paid, and asked how a student will know his input matters. Vice Chancellor Carilli said there will be greater



transparency, and development of a programming matrix to create a diverse palate of programming to appeal to as many students as possible is being considered.

Chair Compton applauded the thorough discussion and thanked Mr. Kabir, representing the students, and Professor Ownley, representing the faculty, for their perspective. In response to a question from Trustee Rhodes about UTC student reaction to the proposed policy changes, Chancellor Angle said concern has been expressed by the UTC Student Government Association about elimination of the allocation committee, but UTC administration will adjust to ensure students have input on student programming.

Hearing no further discussion, the Chair called for a voice vote on the motion to adopt *Resolution 004-2019* to approve the revised Board Policy on a Student Programs and Services Fee as presented in the meeting materials, effective March 1, 2019. The motion passed unanimously.

X. PROCESS FOR THE CAMPUS ADVISORY BOARD TO SUBMIT A RECOMMENDATION TO THE PRESIDENT ON THE PROPOSED STRATEGIC PLAN FOR THE CAMPUS

Chair Compton said the process for campus advisory boards to submit recommendations on proposed strategic plans for the campuses was developed by the Secretary in consultation with the Chancellors. He said the process ensures the advisory boards have a voice on the very important matter of strategic planning for the future of the campus.

Hearing no questions or requests for discussion, the Chair moved adoption of *Resolution 005-2019* to approve the process as presented in the meeting materials. The motion was seconded and passed unanimously.

XI. BYLAW AMENDMENT ON CHANGES IN COMPENSATION AND OTHER TERMS OF EMPLOYMENT OF CHANCELLORS AND OTHER OFFICERS OF THE UNIVERSITY

Chair Compton explained that at the February 6, 2019 Executive Committee meeting, the committee considered its charter and was concerned that it did not provide for the committee to recommend to the Board the compensation and terms of employment of Chancellors and other officers after their initial appointment. The Secretary explained, however, that statutory language enacted in 2016 authorizes the President to approve subsequent changes in compensation and other terms of employment of officers. Consequently, the Chair asked the Secretary to draft a Bylaw amendment to address the concern by requiring the President to inform the Chair of the Board prior to making changes in compensation and terms of employment of Chancellors and other officers of the University. The amendment also requires the President to inform the chair of any committee staffed by an officer, and requires the President to provide an annual report to the entire Board on the compensation and other terms



of employment of officers for the current fiscal year. President Boyd said he fully supports the proposed Bylaw amendment.

A motion to adopt the Resolution to approve the Bylaw amendment was made and seconded. Trustee Rhodes said the Bylaw amendment is an elegant solution but asked if this matter should be placed on the University's legislative agenda because it involves the Board's fiduciary duty to the institution. President Boyd said the matter could be added to the legislative agenda. Hearing no further discussion, the Chair requested a roll-call vote, and the motion to adopt *Resolution 006-2019* passed unanimously.

XII. REPORT AND RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE

The Chair reported that the Executive Committee met on February 6, 2019 and recommended the following three items for approval by the Board.

A. Executive Committee Charter

The committee responsibilities stated in the charter are primarily based on statutory language, including the authority to act for the Board when necessary between meetings, but other matters are also included, such as:

- Recommendation of system and campus strategic plans to the Board;
- Periodic review of the Board Bylaws and proposed amendments; and
- Conducting a self-evaluation of the Board at least every 4 years, which is an accreditation requirement.

On the recommendation of the Executive Committee, Chair Compton moved adoption of *Resolution 007-2019* to approve the Executive Committee Charter as presented in the meeting materials. Hearing no questions or requests for discussion, the Chair called for a voice vote, and the motion passed unanimously.

B. Process for Appointment of a Non-voting Student Member of the Board of Trustee

The proposed process is substantially the same as the process used last year that produced an outstanding appointee in Kenneth Packer. A few changes were noted in the materials, including:

- Requiring each college dean to submit one nominee; and
- Requiring the Chancellor to submit a single nominee to the Chair of the Board, instead of "up to three" nominees.

On the recommendation of the Executive Committee, Chair Compton moved adoption of *Resolution 008-2019* to approve the process for appointment of a non-voting student member of the Board as presented in the meeting materials. Hearing no questions or requests for discussion, the Chair called for a voice vote, and the motion passed unanimously.



C. Process for Appointment of a Faculty Member to the Education, Research, and Service Committee

The Chair explained that the UTK Faculty Senate requested a change to the process approved by the Executive Committee on February 6, 2019 to allow department heads to be eligible for this appointment. In response to this request, the process before the Board for approval changes the eligibility requirements by deleting the provision against holding an administrative appointment. The process is otherwise substantially the same as the process used last year. A few changes were noted in the meeting materials, such as:

- Requiring each college dean and the Faculty Senate to submit one nominee; and
- Requiring the Chancellor to submit a single nominee to the Chair of the Board, instead of “up to three” nominees.

Because the proposed process differs from that recommended by the Executive Committee, a motion and second were required. Chair Compton moved adoption of *Resolution 009-2019* to approve the process for appointment of a faculty member to the Education, Research, and Service Committee as presented in the meeting materials. The motion was seconded and passed unanimously.

XIII. REPORT AND RECOMMENDATIONS OF THE FINANCE AND ADMINISTRATION COMMITTEE

Trustee Bill Rhodes, Committee Chair, reported that the Finance and Administration Committee met earlier that day with most Trustees present for deliberation on the action items.

On the recommendation of the Finance and Administration Committee, Trustee Rhodes moved adoption of the Resolution to approve the FY 2018-19 Revised Operating Budget as presented in the meeting materials. There being no questions or request for discussion, the Chair called for a roll-call vote, and *Resolution 010-2019* passed unanimously.

On the recommendation of the Finance and Administration Committee, Trustee Rhodes moved adoption of the Resolution to approve the FY 2019-20 Tuition and Fees for the Health Science Center as presented in the meeting materials. There being no questions or request for discussion, the Chair called for a roll-call vote, and *Resolution 011-2019* passed unanimously.

XIV. REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE

Amy Miles, Chair of the Audit and Compliance Committee, presented the following report:

The Audit and Compliance Committee met on January 10, 2019. Representatives of the accounting and advisory firm Baker Tilly presented the results from their review of the UT



System institutional compliance function. Institutional Compliance is one of the two divisions of the UT System Administration Office of Audit and Compliance (OAC).

The Baker Tilly consultants identified numerous strengths, including (1) a culture of compliance throughout the institution, (2) active institutional compliance committees, and (3) assignment of responsibility for specific laws and regulations throughout the UT system, which is rare. They described the program as “a well-oiled machine” with an intensive bottoms-up approach to understanding and assessing compliance.

To evolve the program, the consultants recommended opportunities in three areas: (1) strategic compliance oversight, (2) monitoring, and (3) collaboration and communication. Using a maturity model based on US Federal Sentencing Guidelines, the consultants rated UT’s program at Level 3 on a five-point scale in five of the seven areas evaluated. They noted Level 3 is considered the desired balance of risk and resources in higher education because striving for Level 5 would be too costly. However, they noted the two areas in which UT rated Level 2—oversight and monitoring—are core areas; therefore, striving to achieve Level 4 in those would be appropriate.

The director of the Office of Institutional Compliance, Mr. Bill Moles, then presented the 2019 Institutional Compliance work plan. During the discussion, Mr. Moles indicated the specific objectives that address recommendations from Baker Tilly. These included the following: (1) involving System and campus/institute executives in validating and prioritizing top compliance risks, (2) implementing a feedback loop for monitoring effectiveness of the compliance program from management, and (3) expanding opportunities for sharing leading practices across the system. The committee approved the plan.

The committee also heard a presentation on the 2019 internal audit plan from Ms. Judy Burns, interim chief audit and compliance officer in the Office of Audit and Compliance (OAC), and Ms. Amy Wilegus, OAC director for west Tennessee. Ms. Burns explained the process for developing the annual plan, including the risk assessment process. She and Ms. Wilegus highlighted the objectives of key projects on the plan. The committee approved the plan.

Dr. Ashley Blamey, Title IX Coordinator for the UT System and the Knoxville campus, presented an overview of Title IX. She discussed the history of Title IX from 1972 to the present; recommendations from the 2017 Title IX Commission created by the UT president, which led to the creation of a system-wide coordinator; the mission of the University’s Title IX program with its emphasis on prevention; and objectives completed and planned for the next few years. The Committee also met in a non-public setting to review investigations and discuss the University’s enterprise risk management process.



XV. CONSENT AGENDA

For the benefit of the audience, the Chair explained that except for the items A through D at the beginning of the Consent Agenda, all items were considered in committee meetings held earlier in the day, and all were passed unanimously by the committees. Three items (F.10 through F.12) were deferred in the Finance and Administration Committee and will be considered at a later meeting. The Chair asked if any Trustee wanted an item moved to the Regular Agenda for discussion. Hearing no requests, the Chair called for a motion. A motion was made and seconded to approve the items on the Consent Agenda by adoption of the relevant Resolutions in the materials. The motion passed unanimously by a roll-call vote.

XVI. OTHER BUSINESS

There was no other business.

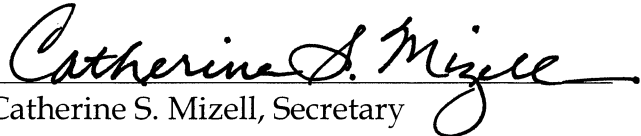
XVII. CLOSING REMARKS

The Chair asked Trustees to inform him of items they would like to see on the June agenda so they can begin framing it to be more strategic and forward looking. He said the onus is on Trustees to work with the Chancellors, the President, and his staff to ask questions the Trustees would like to have addressed in June. The Chair also said he would like to hear from the Special Committee on University of Tennessee Athletics Programs at the November meeting. He closed the meeting by thanking Chancellor Carver, Edie Gibson, Beth Gladden, and all the other members of the team who worked so hard in preparing to host this meeting.

XVIII. ADJOURNMENT

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

Respectfully Submitted,


Catherine S. Mizell, Secretary