



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

2020 FALL MEETING OF THE BOARD OF TRUSTEES

October 23, 2020	Virtual/Student Union (Ballroom)
10:00 a.m. – 12:00 p.m. (EDT)*	Knoxville, Tennessee

AGENDA

- I. Call to Order and Invocation
- II. Roll Call
- III. Opening Remarks and Introductions by the Chair
- IV. Requests to Address the Board (if any not heard in a Committee)
- V. President's Address — Information
- VI. Campus COVID Update — Information
- VII. Committee Reports — Information
 - A. Audit and Compliance Committee
 - B. Education, Research and Service Committee
 - C. Finance and Administration Committee
- VIII. [Annual Reports of Related Foundations — Information](#) Tab 1
 - A. [University of Tennessee Research Foundation](#) Tab 1.1
 - B. [University of Chattanooga Foundation](#) Tab 1.2
 - C. [University of Tennessee Foundation](#) Tab 1.3
- IX. [Reaffirmation of The University of Tennessee Diversity Statement—Action/Roll Call Vote](#) Tab 2
- X. [Consent Agenda—Action](#) Tab 3
 - A. [Minutes of Prior Meetings](#) Tab 3.1
 - B. [Annual Report to the General Assembly](#) Tab 3.2

Note concerning items X.C and X.D: The Bylaws of the Board provide that any item unanimously approved by a committee that is meeting in conjunction with a meeting of the Board will be placed on the consent agenda of the Board meeting. Therefore, if any item listed under X.C and X.D is not unanimously approved in committee, the item will be moved to the regular agenda of the Board. Further, any Trustee may request that an item on the consent agenda be moved to the regular agenda even if unanimously approved in committee.

(*) Estimated Start Time. Meeting will begin immediately following the Rulemaking Hearings.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

C. Items from the Education, Research, and Service Committee Tab 3.3

1. Approval of Comprehensive List of Academic Programs
2. Ratification of Administrative Action to Terminate or Inactivate Academic Programs
3. Grant of Tenure Upon Initial Appointment

D. Items from the Finance and Administration Committee Tab 3.4

1. FY 2021-22 Operating Budget Appropriations Request for Specialized Units
2. Use of UHS Proceeds
3. Revisions to the Board Policy on Travel
4. Knox Blount Greenway Easement Expansion - UTIA
5. Cumberland Forest Property Transfer - UTIA
6. Sale of Gift Property at Hickory Orchard Way, Knoxville, TN - UTK
7. Proposed Naming of UTHSC Building
8. Updated Corporate Authorization - Transfer of Securities

XI. Other Business

[Note: Under the Bylaws of the Board, items not appearing on the agenda may be considered only upon an affirmative vote representing a majority of the total voting membership of the Board. Other business necessary to come before the Board at this meeting should be brought to the Chair's attention before the meeting.]

XII. Closing Remarks

XIII. Adjournment



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: October 23, 2020

Item: **Annual Reports of Related Foundations**

Type: Information

Presenters: Stacey Patterson, President, UT Research Foundation
Lofton Stuart, Executive Director, UC Foundation
Kerry Witcher, President and CEO, UT Foundation

Background Statement

Pursuant to the Board's Policy on Related Foundations (BT0029), an annual report is required to be delivered to the Board of Trustees that highlights the operations of each of the following related foundations:

- University of Tennessee Research Foundation;
- University of Chattanooga Foundation; and
- University of Tennessee Foundation.

The annual reports are attached. The Board's Policy on Relate Foundations and the cooperating agreements by and between the University and the related foundations are included in the Board Appendix.

THE UNIVERSITY OF TENNESSEE RESEARCH FOUNDATION

Where Discovery and Opportunity Connect



UTRF Background

Created in 1934, UTRF is a 501(c)(3) Tennessee corporation, legally separate from the University of Tennessee, acting under State law, TCA 49-9-1401 et seq., to enhance UT's competitive position for research and development (R&D) funding, facilitate expanded R&D activities, commercialize UT research outcomes, and transfer UT technology to commercial and industrial enterprises, in furtherance of Tennessee's economic development.

UTRF is managed by a seven-member board with a majority external to the University of Tennessee. UTRF acts in accord with the UT BOT's "Policy on Related Foundations" and "Patent, Copyrights, and Other Intellectual Property Policy," the UT – UTRF Operating Agreement. With Board of Trustee and UT research interests represented, UTRF's Board consists of a majority of independent representatives nominated by UT's President, based on outside business, research and economic development capabilities.



Commercializing UT Innovations & Furthering Economic Development

Referred to as "**tech transfer**," UTRF core functions are to identify, protect, manage and license UT inventions and discoveries in line with the federal Bayh Dole Act and to share licensing revenue with originating campuses and departments and with UT inventors. Under the direction of Dr. Stacey Patterson who serves the dual role of UTRF President and UT's Vice President for Research, Outreach and Economic Development, UTRF's staff serve all UT campuses and institutes. UTRF operates out of two offices - the Health Sciences Center Office in Memphis serving UTHSC and UT Martin, and the Multi-campus Office in Knoxville which serves UT Knoxville, including the UT Institute for Agriculture and the UT Space Institute, UT Chattanooga, the UT Graduate School of Medicine. UTRF reached an all-time high of 201 invention disclosures in FY20.

Over the past five years, UTRF had 141 U.S. Patents issued, executed 134 commercial options/licenses, and earned \$10.6 million in license revenue. UTRF has also promoted the spinout of 17 technology-based companies since 2015 and holds minority equity positions in companies that raised at least \$214.5 million in private capital during that same time.



Operations & Structure

UTRF's annual budget is ~\$5 million and includes an investment from UT of ~\$1.9 million through the UTRF operating agreement; principal expenses are personnel, including licensing professionals with advanced degrees.

UTRF works with each campus research office to ensure and protect the intellectual property of UT researchers while facilitating sponsored research agreements with private sector partners. UTRF also takes on the outreach responsibility for promoting a technology based entrepreneurial culture within the University and within the community. That effort includes providing incubator facilities in both Knoxville and Memphis, and engaging in entrepreneurial training and awareness, as well as working toward efforts to make early stage investment funds available for UT-related start-ups.

UTRF's (and its subsidiaries') financial statements are **audited annually** and are consolidated with UT's financial statements. UTRF's President formally provides an annual report to UT's President.

A valuable feature of its structure is that UTRF's research expenditures are counted as part of UT's metrics in comparing the University's performance to other research institutions. In FY20, UTRF will account for \$26.4 million of UT's total **research expenditures for UT campuses (\$25.3M for UTK and \$1.1M for UTHSC)**.

UTRF Subsidiaries

In addition to its tech transfer activities, UTRF holds a portfolio of tax exempt and for-profit subsidiaries that focus on particular research-related projects UT has chosen not to carry out directly itself; the start-up or operating expense of some of these subsidiaries has been funded from UTRF reserves; others rely on UT or other grants and contracts.



Cherokee Farm Development Corporation, and its taxable subsidiary, **Cherokee Farm Properties Inc.**, are charged with managing development of the **UT Research Park at Cherokee Farm** with privately funded buildings occupied by tenants with strong research ties to UT.



Clinical Trials Network of Tennessee/CTN2 created and maintains a Tennessee-wide network of hospitals and large physician practice groups, leveraging Big Data science, to attract clinical trials for the benefit of the health of Tennesseans.



Collaborative Composites Solutions Corporation administers a DOE Cooperative Agreement managing the **Institute for Advanced Composite Manufacturing Innovation (IACMI)/The Composites Institute** made up of over 150 private entities, five states and multiple academic institutions in addition to the University of Tennessee to address technology hurdles to the widespread adoption of low-cost composite materials in the automotive, wind turbine and compressed gas storage industries.



TennEra LLC/Genera Energy Inc./Prisma Renewable Composites LLC and a biomass processing facility in Vonore, TN, were spawned from the UTRF subsidiary originally created to manage the UT Biofuels Initiative. TennEra holds title to minority interests in Genera and Prisma, spin-out companies that have obtained private financing and are creating for-profit ventures.

UTRF also manages the 5-MW **Solar Farm** off I-40 near Brownsville, TN, an income-producing legacy asset of the Tennessee Solar Institute, funded by a grant that UTRF managed several years ago.



UTRF ANNUAL REPORT

**Board of Trustees
October 23, 2020**

Stacey Patterson, PhD, President

Maha Krishnamurthy, PhD, Vice President (MCO)

Richard Magid, PhD, Vice President (HSC)

UTRF STRUCTURE/ORGANIZATION



Operating
Agreement
for Services



PORTFOLIO



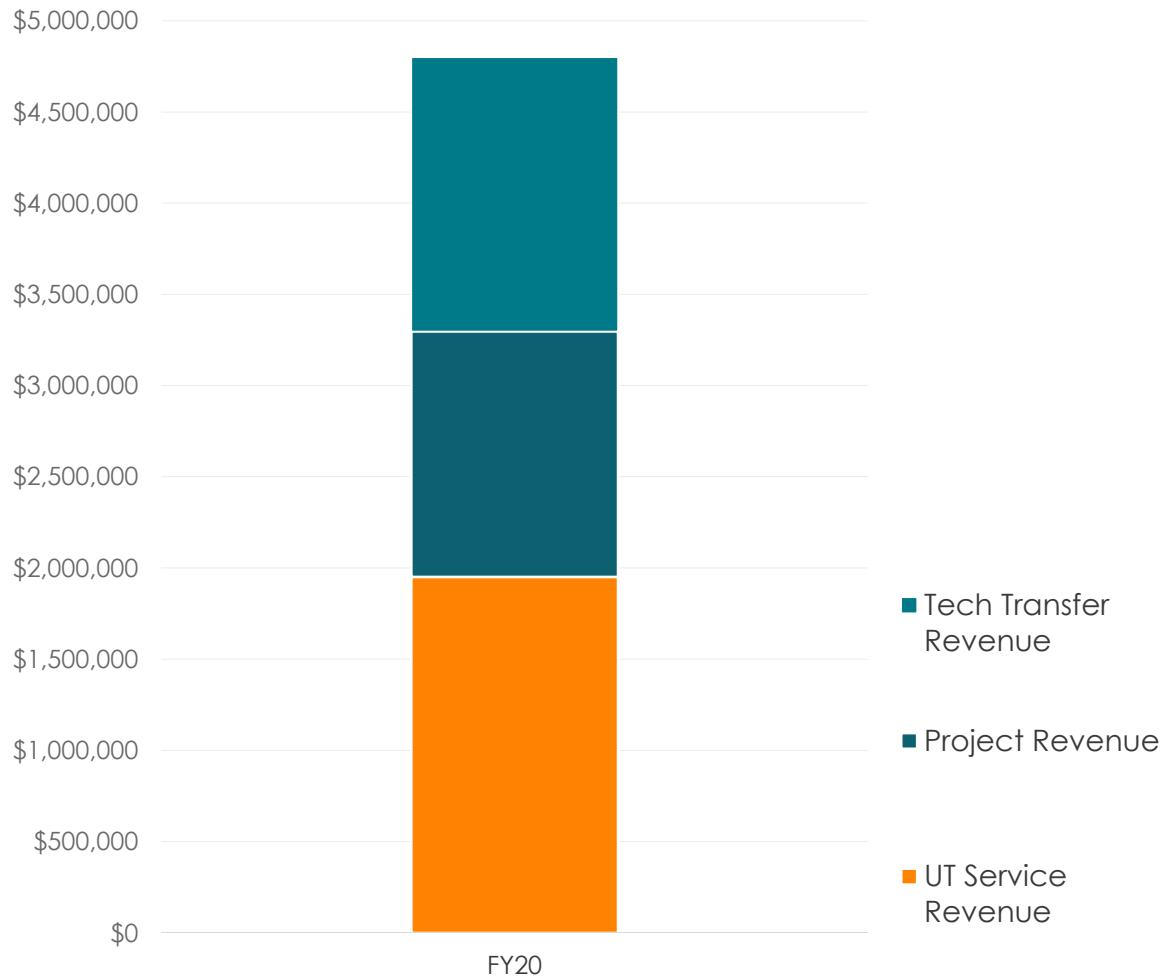
SUBSIDIARIES

NON-PROFIT



FOR-PROFIT

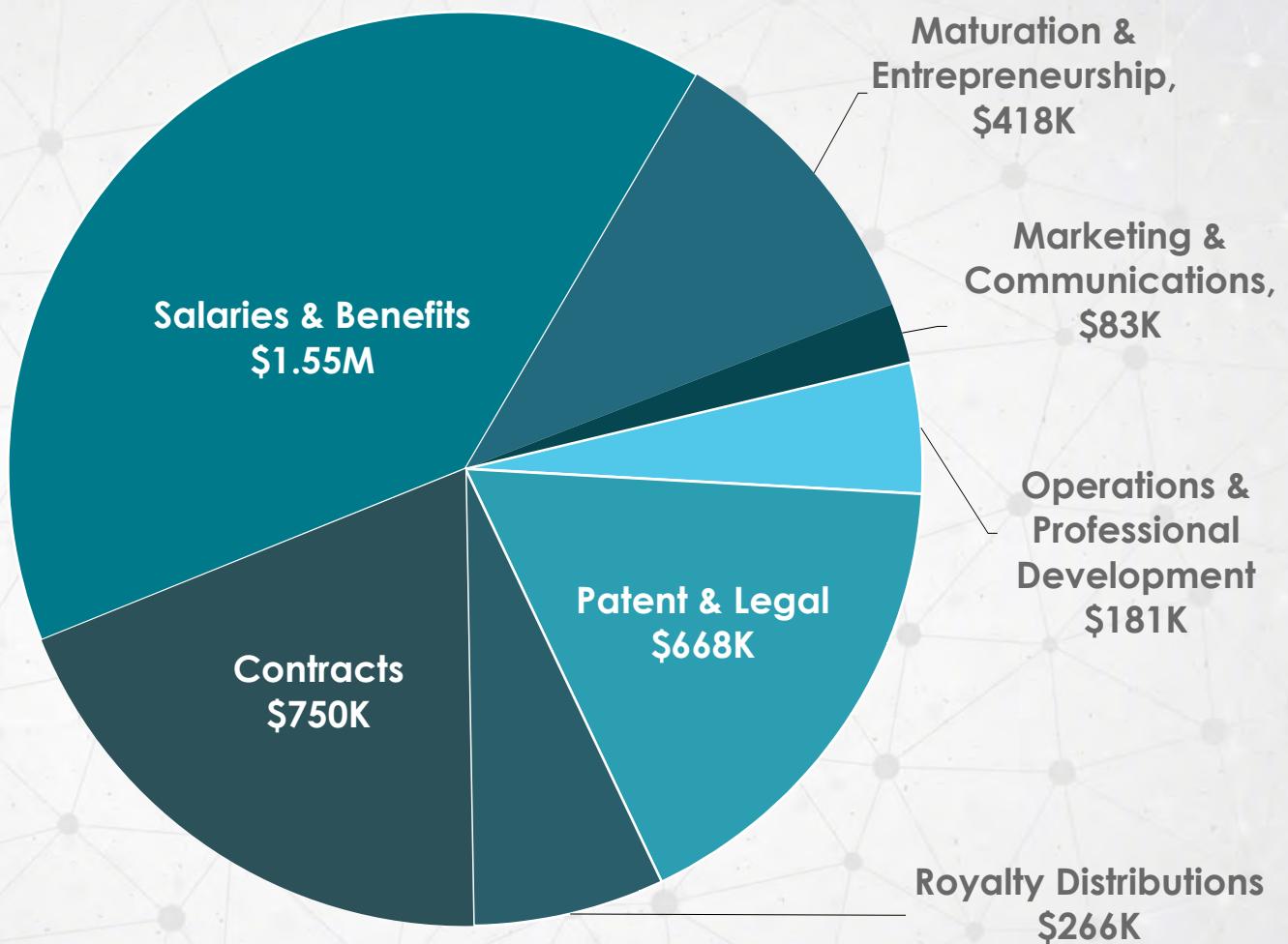




FY20 UTRF REVENUE

- Fees and Royalties from Agreements
- UT Funding Under Annual Operating Agreement

FY21 BUDGET - EXPENSES



DISCLOSURES

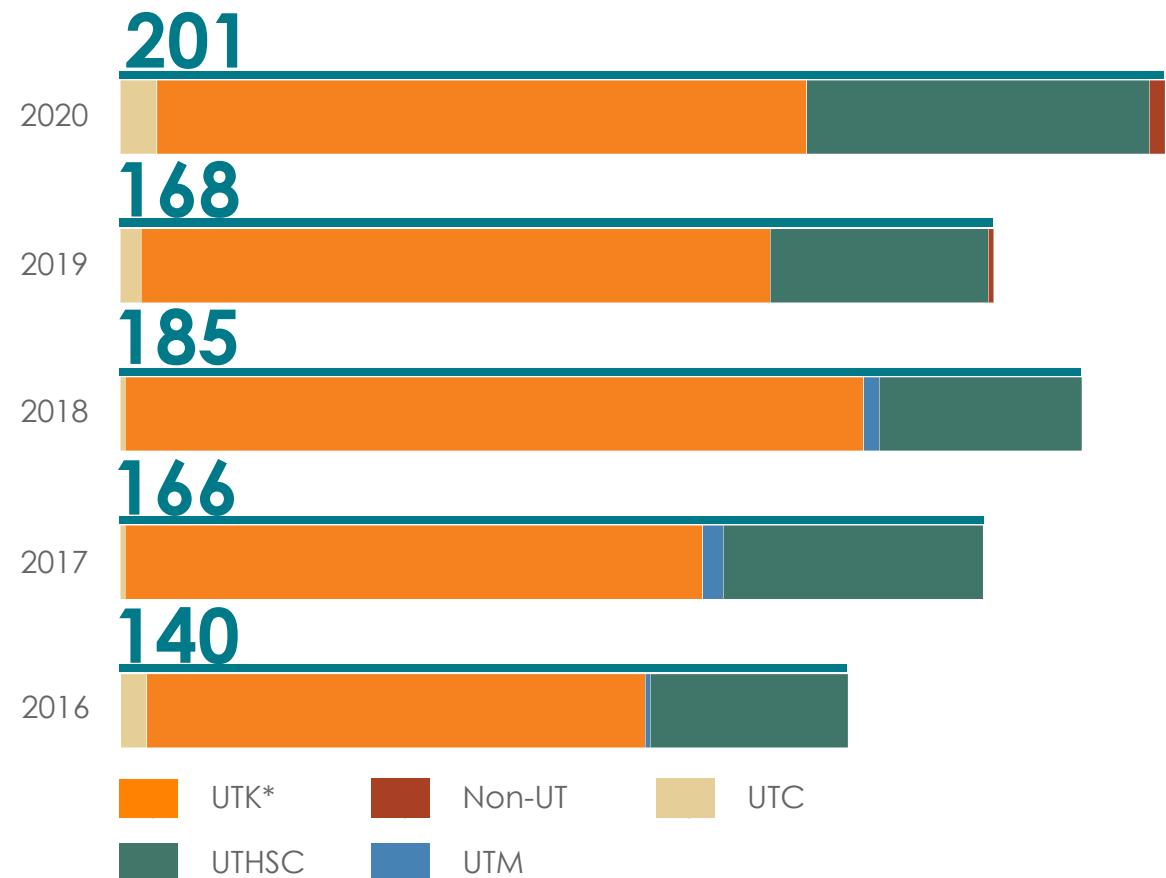


201

Total Disclosures in FY2020

Disclosures come from all corners of our state-wide university system: from engineering and medicine to business and agriculture, and everything in between.

Disclosures by Campus



*UTK disclosure numbers encompass data for UTK, UTIA, and UTSI.

PATENTS

477
Filed

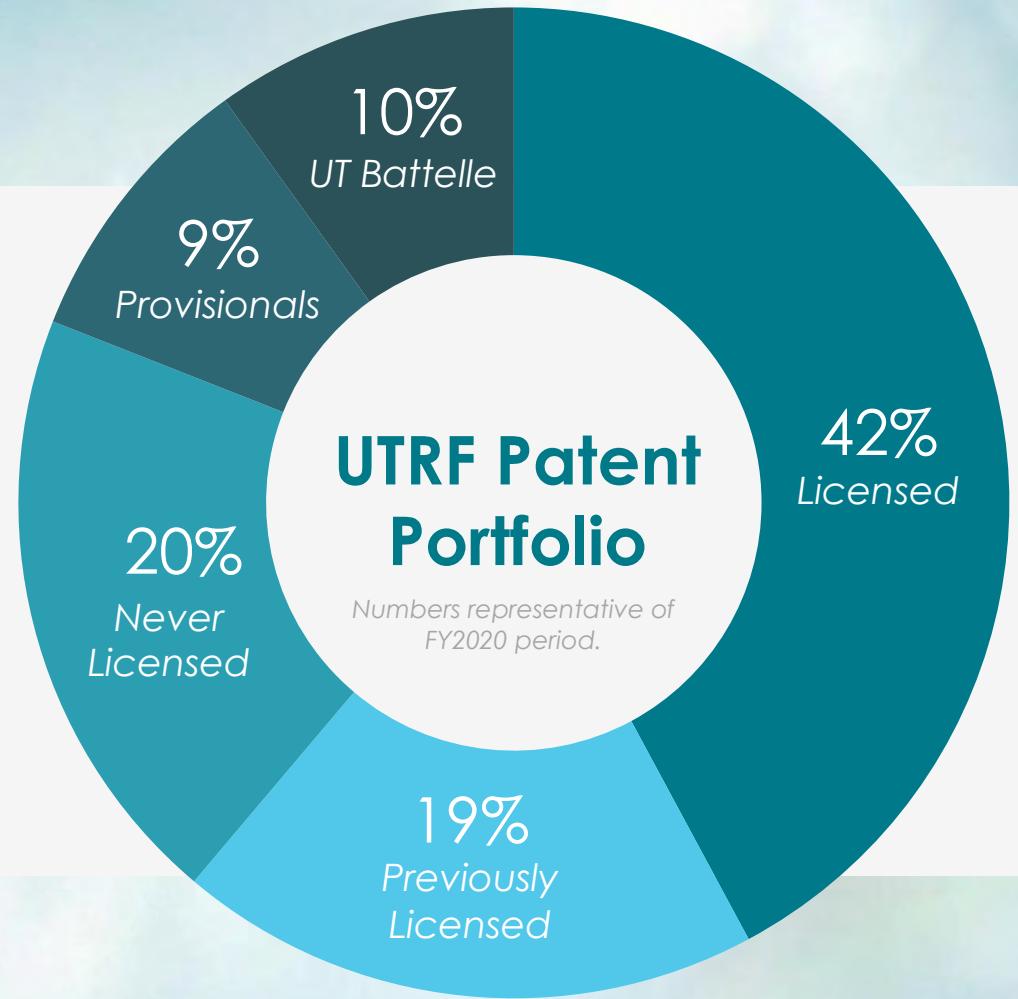
over the last 5 yrs

111
Filed FY20

141
Issued

over the last 5 yrs

28
Issued FY20



Deal Flow



LICENSES

*Licenses/
Options*

Over Last 5yrs

134

Startup

17

Over Last
5yrs

Licenses

**\$10.6
MILLION**

*License
Revenue*
Over Last 5yrs

Licensing Revenue

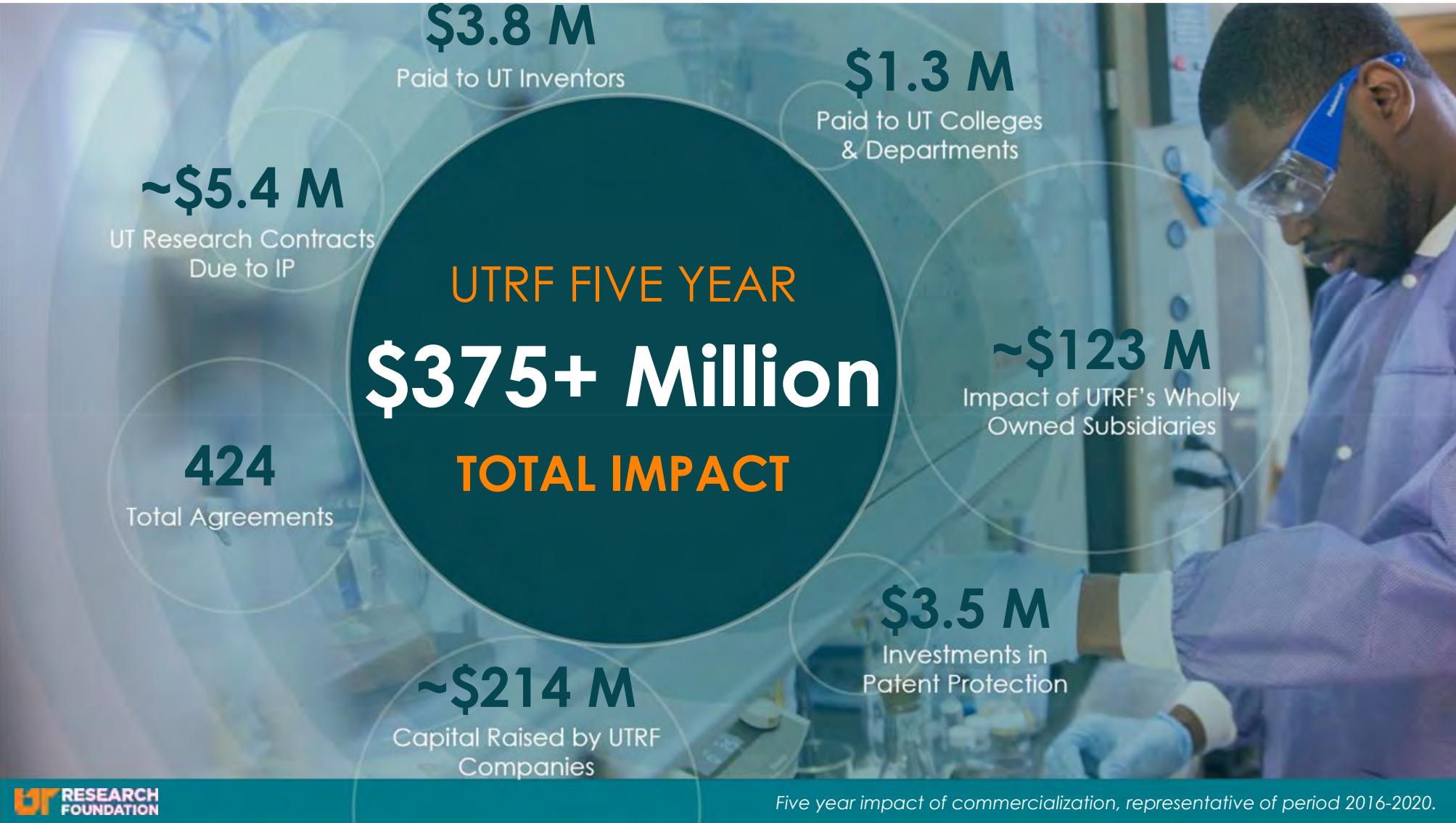
\$1.5 M

\$1.2 M

\$5.1 M

\$1.6 M

\$1.3 M



~\$5.4 M

UT Research Contracts
Due to IP

424

Total Agreements

\$3.8 M

Paid to UT Inventors

\$1.3 M

Paid to UT Colleges
& Departments

**UTRF FIVE YEAR
\$375+ Million**

TOTAL IMPACT

~\$214 M

Capital Raised by UTRF
Companies

\$3.5 M

Investments in
Patent Protection

~\$123 M

Impact of UTRF's Wholly
Owned Subsidiaries

COVID-19 PROJECTS



Dr. Peter Tsai, Inventor of Filter Media in Face Masks Including Medical & N95



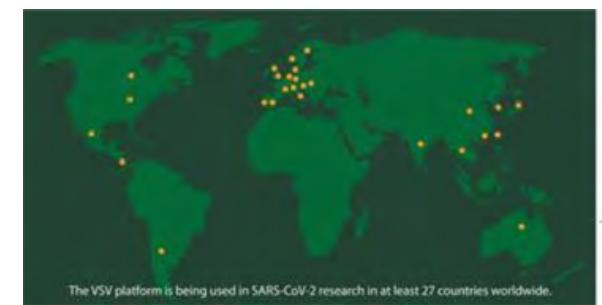
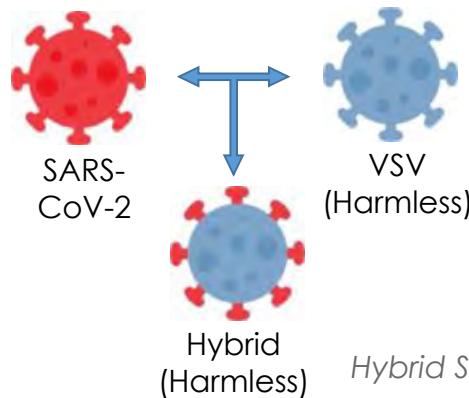
Production of N95 Mask Material at ORNL



Uniquely Designed Protective Face Shields



UTHSC Regional Biocontainment Lab
Secure Biosafety Level 3 Facility



The VSV platform is being used in SARS-CoV-2 research in at least 27 countries worldwide.
Hybrid Screening Platform developed by Mike Whitt



THANK YOU!

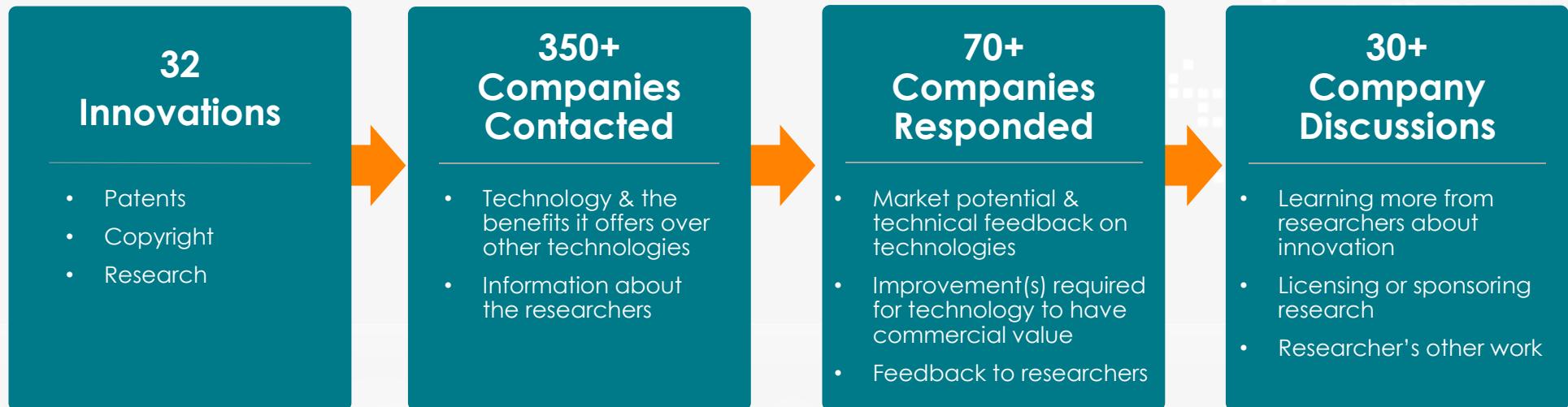
utrf@tennessee.edu



SUPPLEMENTAL INFORMATION

utrf@tennessee.edu

UTRF MARKETING OUTREACH 2020



Below are examples of companies in UTRF's marketing outreach:



ASSISTANCE & OUTREACH



- UTRF gives tech transfer presentations to under graduate students, graduate students, etc.
- Continue to meet with deans and researchers of the various colleges.
- Actively marketing new innovations and working with researchers on business models for potential startups.

R&D SUPPORT

Technology Maturation Grant

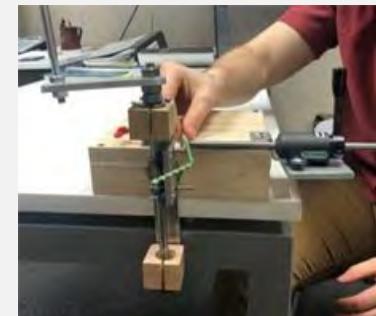
The UTRF Technology Maturation Grant aims to assist innovators in advancing new technologies on the path to market by awarding up to \$15,000 in direct costs to the highest ranking proposals. The program is open to researchers, faculty, staff, and students across all University of Tennessee campuses and institutes.

Senior Design Projects

The students worked closely with the doctors and UTRF Licensing Associates to design and build the preliminary prototype. Each team includes four to five students. Of the six senior design projects; at least three projects have commercial potential, and we plan to pursue patent applications.



Surgical Cheek & Lip Protector



Bone Plate Adjustment



Oral Hygiene Suction Attachment



INTERNSHIP PROGRAM

Interns in UTRF's Commercialization Analyst Program work closely with the technology managers, getting an inside look at the progression of innovations, from initial discovery to commercial product. In this year-long program, interns benefit from an approach that merges science with law, business development, and entrepreneurship. As a result, students leave the program with a greater understanding of the commercialization process and the impact of intellectual property on research growth and economic development.

SUPPORTING ENTREPRENEURSHIP



The Entrepreneur-In-Residence furthers UTRF's activities by acting as a business mentor and commercialization advisor for UTHSC researchers with the goal of helping them translate their research innovations into commercial products or startup companies.

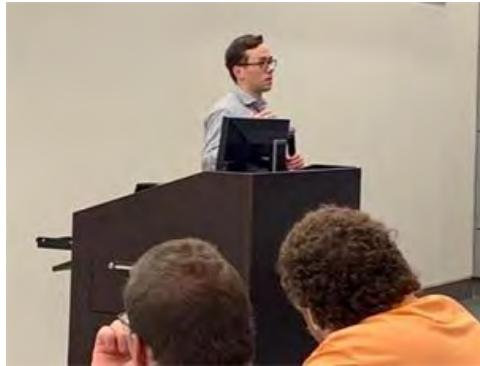
Providing office space and resources, the UTRF Business Incubator affords startups the unique opportunity to focus their limited assets and capital on the development of their business in a professional environment.



INNOV865 ALLIANCE

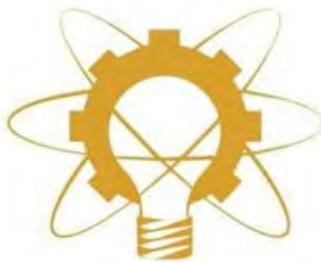
UTRF is a founding member of the Innov865 Alliance, which develops, supports, and promotes the Knoxville region's entrepreneurial ecosystem. It is a collaborative effort to celebrate and showcase Knoxville as a great place for entrepreneurs to start and grow businesses and increase access to capital. Innov865 Week is our signature event; however, the Alliance coordinates other activities throughout the year, including pitch competitions, educational opportunities, and social events.



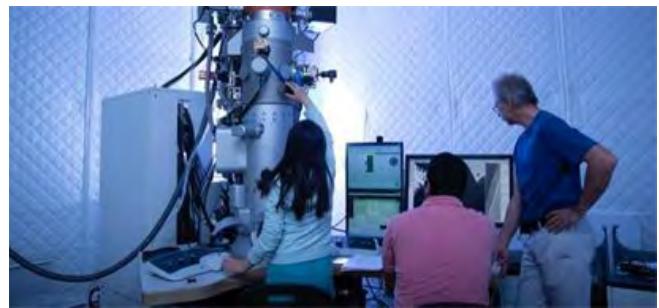


Partnering with UTK Haslam College
of Business for NSF I-Corps customer
discovery program.

SCIPRENEUR CHALLENGES



Entrepreneurship-based competitions organized by LifeSciTN in collaboration with UT & other local research institutions in Memphis & Knoxville. The training & outreach programs showcase STEM-related IP & provide entrepreneurship training to teams of students & postdoctoral fellows.



SPARK INNOVATION CENTER

The Spark Innovation Center helps early stage technology companies gain their footing. It provides startups with the right kinds of support they need to become successful companies and continue to grow in East Tennessee.

Six current startup companies:

- American Nanotechnologies Inc.
- Chem Chip, LLC
- Eonix
- Neptune Fluid Flow Systems
- Sky Nano
- Qubit Engineering

The Spark Innovation Center wins 2020 DOE EPIC Prize and is named one of the most innovative and impactful incubators in the country!

The University of Tennessee Research Park at Cherokee Farm

UNIVERSITY OF CHATTANOOGA FOUNDATION 2020 ANNUAL REPORT

PRESENTED TO THE
UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES



University of Chattanooga
Foundation, Inc.

FROM THE EXECUTIVE DIRECTOR

Thank you for this opportunity to share some of the history and success of the University of Chattanooga Foundation, Inc. While my direct affiliation with the UC Foundation has been relatively recent, the long-term impact of the Foundation's support of the University of Tennessee at Chattanooga can be seen throughout the campus and in the lives of faculty and students supported by UC Foundation efforts.

The UC Foundation has continually evolved through the years, but the mission has remained the same: To provide resources that support distinctive programs and promote bold initiatives that enrich the educational experience at UTC.



The past few months have presented both the University and the UC Foundation unique stresses and challenges. COVID-19 has caused the UC Foundation Board of Trustees and staff leadership to evaluate its size, structure and focus moving forward. In this report, we have noted the impact of this past year's efforts, but we are continuing to evaluate how we operate and plan in these uncertain times.

Moving forward, we will focus on the health and safety of our employees and volunteers, seek new and effective means to connect with our alumni and donors in a virtual environment, increase opportunities for young alumni to stay connected with our University, and enhance stewardship activities.

In that vein, we have already spearheaded new programming this fall, creating the GOLD Leadership Academy. This select group of UTC graduates of the last decade will learn about what it takes to become fully engaged alumni while networking with each other and University, community and city leaders. We envision that they will become future leaders and officers of the UC Foundation and the UTC Alumni Association.

Later this fall, we will hold a special Mocs Give Day, a digital 24 hours of fundraising in which the whole Mocs family will come together socially and virtually to support what they love about this University.

I want to thank Chancellor Angle, our staff, UC Foundation board leadership and the University of Tennessee System for your continued support and understanding during these uncertain times.

Sincerely,

A handwritten signature in black ink, appearing to read "Lofton K. Stuart".

Lofton Stuart

Interim Vice Chancellor of Development and Alumni Affairs, University of Tennessee at Chattanooga
Executive Director of the UC Foundation, Inc.



ABOUT THE UC FOUNDATION

The by-product of a 1969 merger in which the private University of Chattanooga united with Chattanooga City College and joined the University of Tennessee system of statewide campuses, the University of Chattanooga Foundation is best known for supporting students and faculty through the value of its consistently growing endowments.

Since its inception, the UC Foundation has grown from \$3 million in assets to more than \$200 million. During the 2019-2020 fiscal year, the UC Foundation's endowment funds provided 1,550 scholarships and 42 endowed professorships.

The mission of the UC Foundation is to provide resources that support distinctive programs and promote bold initiatives that enrich the educational experience at UTC. The UC Foundation serves as a catalyst for educating men and women for meaningful and productive lives by:

- assisting in the attraction and retention of bright, dedicated, and diverse students and faculty;
- directly funding distinct initiatives;
- encouraging and participating in the incubation of creative opportunities;
- providing leadership and funding for the development of strategic partnerships; and
- engaging and overseeing the financial enhancement and alumni outreach of the University.

In the late 1990s, the UC Foundation was asked about the possibility of building student housing for the University to increase enrollment. The housing facility, named Scott L. Probasco Jr. South Campus, is a 1,683-bed complex consisting of five buildings adjacent to the UTC campus. The facility was completed in three phases over four years, starting in 2001.

A little over 20 years later, more than \$100 million worth of student housing has been built by the Foundation. Enrollment has increased by almost 50% to nearly 12,000 students. The brick-and-mortar investment taken by the Foundation changed the growth trajectory of UTC while transforming the economic viability and prosperity of the neighborhoods surrounding campus.

Two agreements signed in June 2017 gave the UC Foundation more control of its own destiny. The agreements—officially known as the Affiliation Agreement and the Employee Service Agreement—shifted the responsibility for day-to-day administrative tasks of the UC Foundation from the University of Tennessee Foundation Inc. to the UTC campus. The new setup gave clarity to the UC Foundation's efforts as the fundraising arm of the University so it could respond more quickly to donors and supporters. The arrangement also provided added flexibility to manage the finances of the UC Foundation locally for the benefit of the students, faculty, staff and alumni of UTC.



University of Chattanooga
Foundation, Inc.

2019-2020 UC FOUNDATION BOARD OF TRUSTEES

OFFICERS

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D. Michael Costello '75 '96

CPA and Shareholder
Elliott Davis

VICE CHAIR

William B. Kilbride

Member
TVA Board of Directors

TREASURER

Roy D. Vaughn

Senior VP and CCO
BlueCross BlueShield
of Tennessee

SECRETARY

Fred Decosimo

CPA and Shareholder
Elliott Davis

TRUSTEES

Corinne A. Allen

Executive Director (ret.)
Benwood Foundation

Steven R. Angle

ex officio
Chancellor
University of Tennessee
at Chattanooga

Alexis Guerry Bogo

Executive Director
Hamico, Inc.

Randy Boyd

ex officio
President
University of Tennessee

Betsy Blunt Brown

CEO
Pendleton Square Trust
Company

Douglas A. Brown '85

Senior Vice President
UBS Financial Services

Charles D. Cofield '15 (HON)

COO
ArrowStar & StarChem LLC

Nancy J. Collum '78

Underwriter
BrightBridge, Inc.

Jay Dale '94 '01

Market President
First Horizon Bank

David DeVaney

President
NAI Charter

Gregory S. Eaves '86

Executive Vice President
and CFO
EPB

John N. Foy

Chairman
Noon Management, LLC

Steven L. Frost '75

President
Tuftco Corp.

Vicky B. Gregg

Co-Founder and Partner
Guidon Partners

Zan Guerry

President
Hamico, Inc.

Dr. Keith Helton '87

Physician, CEO
One to One Health

Richard A. Johnson '81

President
RichNet Consulting, Inc.

Mike Kramer

Chairman
Southeastern Trust Co.

Donna Lawrence '81

Partner
Deal Properties, LLC

F. Scott LeRoy '79

Vice President and COO
Southeastern Salvage/
Home Emporium

Ladell McCullough

Partner (ret.)
Henderson, Hutcherson &
McCullough, PLLC

Ben Miller '87

Vice President and Senior
Managing Director
Unum

Ashley Nichols '09

Senior Investment Officer
Unum

Mitch Patel

President and CEO
Vision Hospitality Group, Inc.

Ashlee Patten

CEO and Managing
Member
The Patten Group, Inc.

Scott L. Probasco III

Chairman and CEO (ret.)
Livingston Company

Brett W. Rousch

COO
ELD Associates, LLC

BettyeLynn Smith '74

Management Consultant
Thornhill-Smith LLC

Roger P. Smith '73

Vice President (ret.)
BB&T Huffaker Insurance

Edna E. Varner, Ed.D. '71 '82

Senior Advisor, Leading &
Learning
Public Education Foundation

Greg A. Vital

President and CEO
Independent Healthcare
Properties, LLC

Dr. Andy Walker III '81

Emergency Physician

Marie Webb

Vice President, Human Resources
EPB

Miller Welborn

Chairman
SmartBank
SmartFinancial, Inc.

Kim H. White '82

Past Chair, UC Foundation
Former President/CEO
River City Company

Frank Williamson

Founder/CEO
Oaklyn Consulting

Clint Wolford

President
Wolford Development, Inc.

Todd Womack '95

President and CEO
Bridge Public Affairs

Jo Ann Yates

Community Volunteer

LIFE TRUSTEES

T. Maxfield Bahner

Joseph F. Decosimo

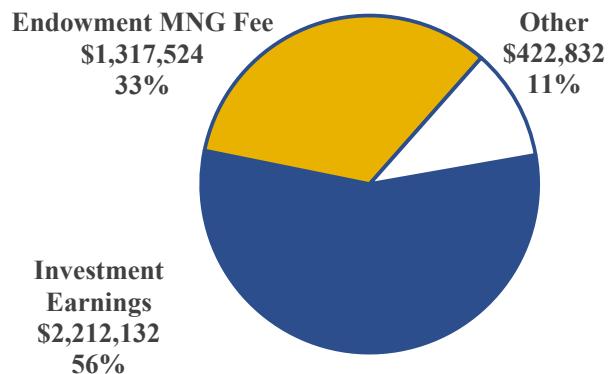
John P. Guerry



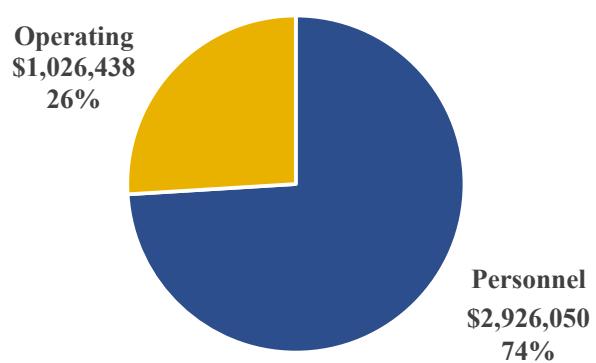
University of Chattanooga
Foundation, Inc.

FISCAL YEAR 2020 BUDGET

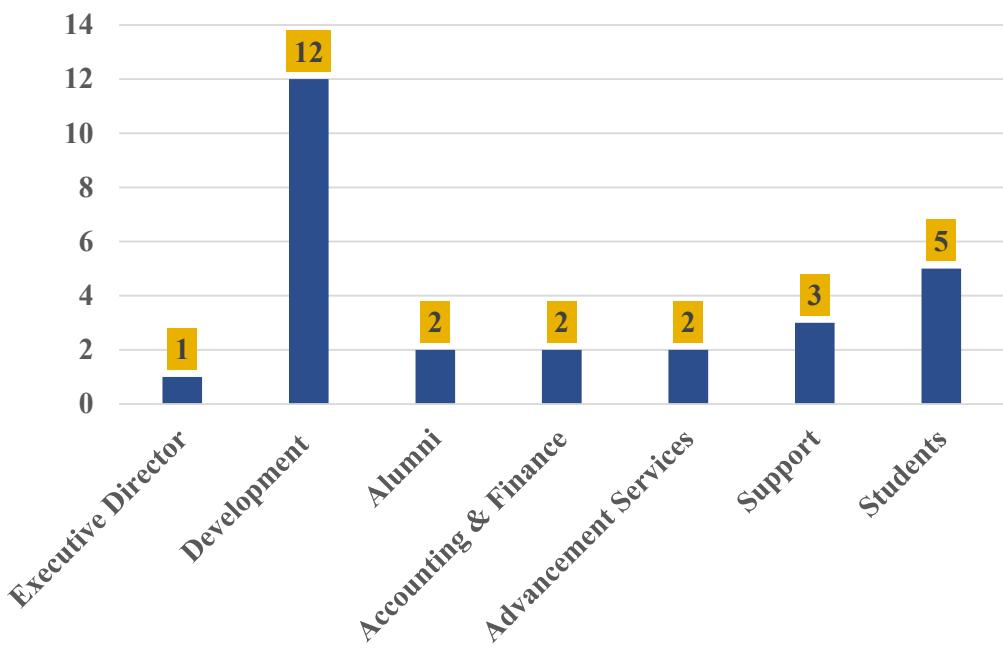
REVENUE: \$3,952,488



EXPENSES: \$3,952,488



STAFF SIZE: 27



University of Chattanooga
Foundation, Inc.

GIFTS AND FUNDRAISING

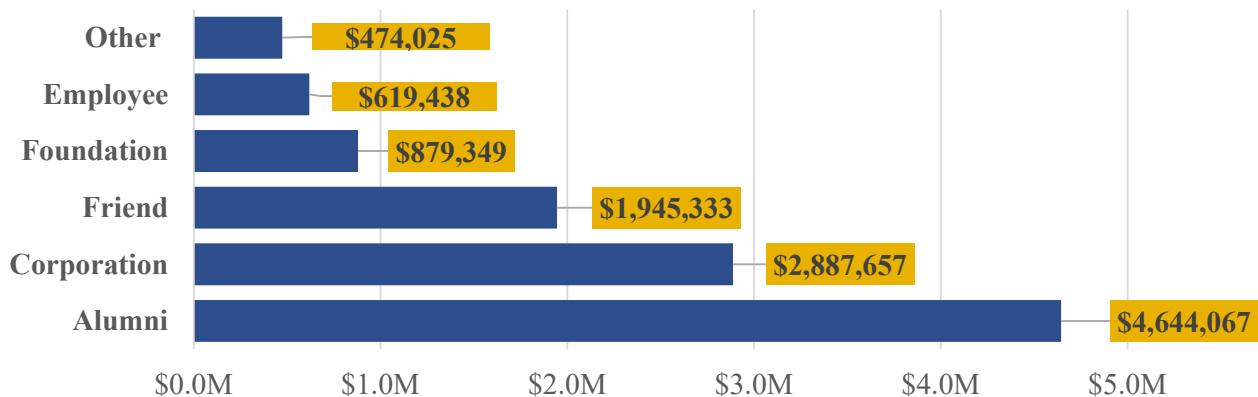
UTC fundraising for fiscal year 2020 resulted in \$11.45 million raised towards a \$15.4 million goal (74.4% of the goal was reached).

A total of \$15.2 million in cash receipts represented a 125% increase over last year encompassing 5,245 total donors—79% of the goal of 6,618 donors.

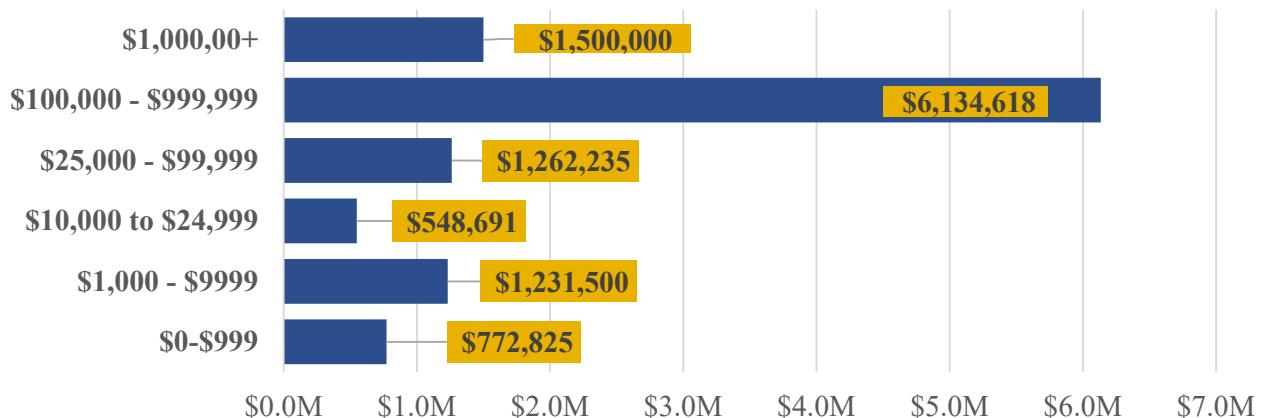
Fundraising for the UTC campus, including cash gifts and new pledges in FY 2020, totaled \$11.45 million. In comparison, the figures for the previous two years were \$25.2 million for FY 2019 and \$56.8 million for FY 2018.

TOTAL GIFTS: \$11,449,869

GIFTS BY SOURCE

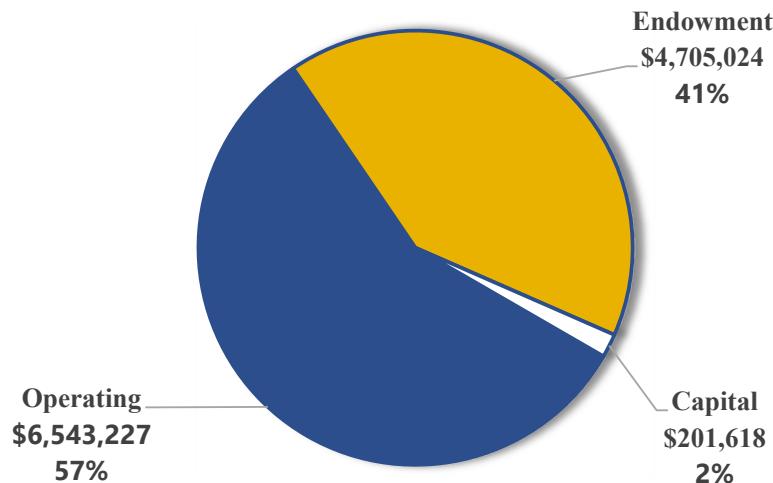


GIFT SIZE

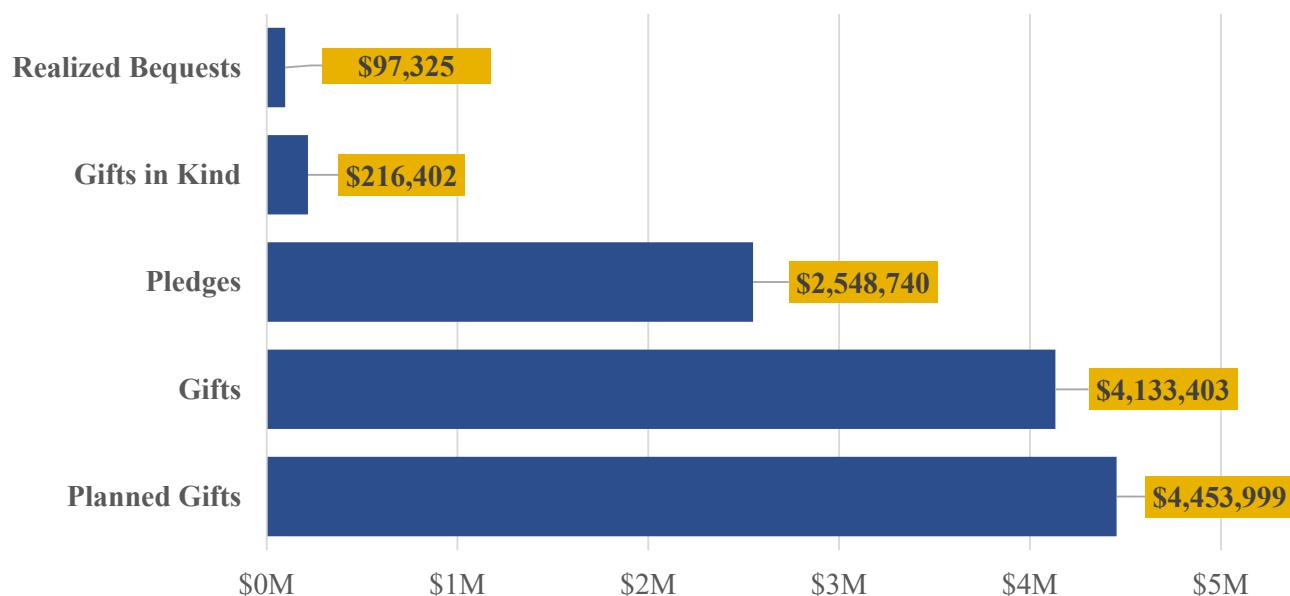


University of Chattanooga
Foundation, Inc.

GIFT PURPOSE



DOLLARS RAISED BY TRANSACTION TYPE



NUMBER OF DONORS: 5,245



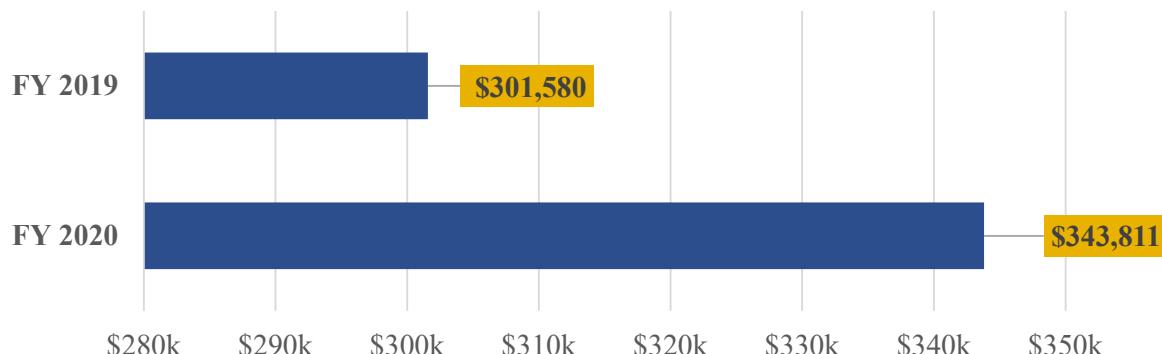
University of Chattanooga
Foundation, Inc.

ONLINE GIVING TOTAL: \$343,811

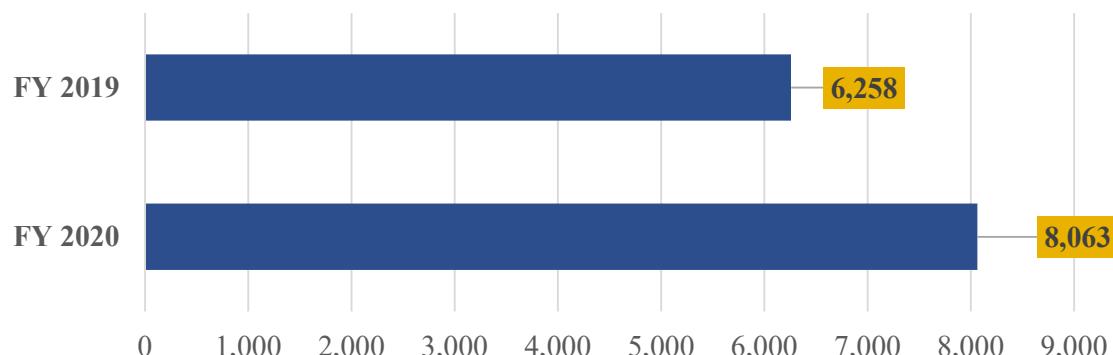
Online giving through alumni.utc.edu has become an area of growth for the UC Foundation, and there remains tremendous opportunity to cultivate online transactions. In fiscal year 2020, a total of 8,063 gifts were received tallying \$343,811. Compared to FY 2019, the online giving amount increased by 14.0% while the total number of gifts increased by 28.8%.

Online growth has been driven by gifts to WUTC, Chattanooga's National Public Radio affiliate. The radio station, owned and operated by UTC, accounted for 81.2% of FY 2020 online transactions. Excluding the WUTC figures, UTC had 1,091 online gifts totaling \$189,099—an average gift size of more than \$173.

TOTAL DOLLARS



TOTAL TRANSACTIONS



MISCELLANEOUS

Total gifts and pledges to UC Foundation outstanding in FY 2020 is \$27,550,744 discounted for net present value.

The UC Foundation has not received any gifts that would place a financial liability on the University.



University of Chattanooga
Foundation, Inc.

UC FOUNDATION ENGAGEMENT

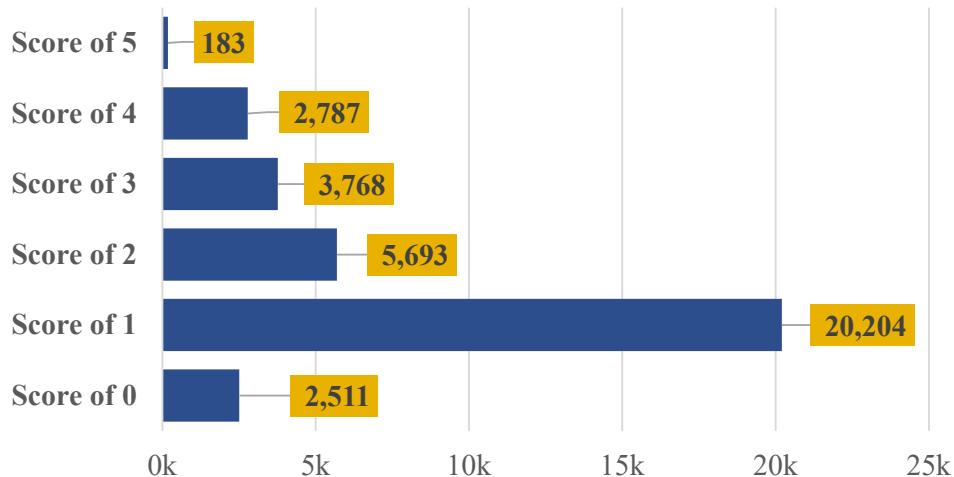
The UC Foundation continues to emphasize the importance of engagement and building meaningful relationships with alumni of both the University of Chattanooga and UTC. The alumni affairs staff redefined their work in mid-March when in-person events came to a halt due to COVID-19. The team acted quickly in developing virtual programming to connect alumni, utilizing new platforms and technologies.

TOTAL ALUMNI: 67,781

ENGAGED ALUMNI: 35,146

LEVELS OF ENGAGEMENT

The engagement score is calculated using factors such as event attendance, email engagement, volunteer activities and giving. Every alumni member with a score of 1-5 is counted as engaged, with 5 being the most engaged. Those with a score of 0 are unengaged.



University of Chattanooga
Foundation, Inc.

UC FOUNDATION ENDOWMENT

The UC Foundation's overall endowment value was \$147.9 million as of June 30, 2020.

In fiscal year 2020, there were 253 endowments providing scholarships and 10 annual scholarship programs—supporting a total of approximately 1,550 UTC students. The Foundation currently has 42 endowed professorships supporting UTC faculty.

Since the UC Foundation's inception in 1969 through FY 2020, approximately \$132.4 million has been provided to UTC from Foundation endowments.

Cash received by the UC Foundation into the endowment for FY 2020 totaled \$10.3 million as of June 30, 2020. These receipts included gifts in the amount of \$9.9 million and the return of prior year unspent endowment payouts totaling \$390,000.

Along with the endowment value of \$147.9 million, funds held on a short-term basis totaled \$10.3 million. Both balances were reported at the end of FY 2020 (June 30, 2020) and will be included in the final audit report.

The endowment portfolio's performance for the 2020 calendar year was -3.6% against the short-term benchmark of -4.2% and long-term benchmark of -3.2%.

The endowment portfolio's performance for FY 2020 was 0.46% against the short-term benchmark of 0.7% and long-term/passive benchmark of 3.2%.

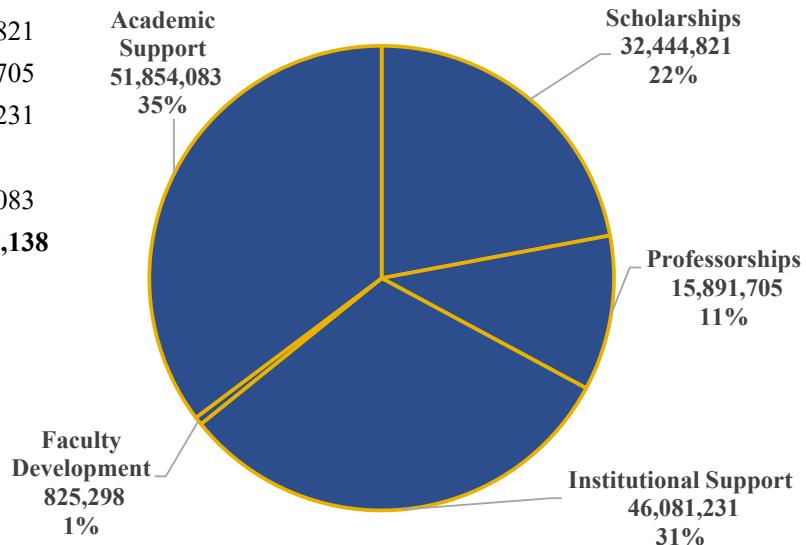
The endowment portfolio's performance for the past three-year period was 4.0% against the short-term benchmark of 4.4% and long-term/passive benchmark of 5.7%.



University of Chattanooga
Foundation, Inc.

FY 2020 ENDOWMENT BALANCE BY CATEGORY

Scholarships.....	\$32,444,821
Professorships.....	\$15,891,705
Unrestricted/Institutional Support.....	\$46,081,231
Faculty Development.....	\$825,298
Academic Support.....	\$51,854,083
TOTAL.....	\$147,097,138

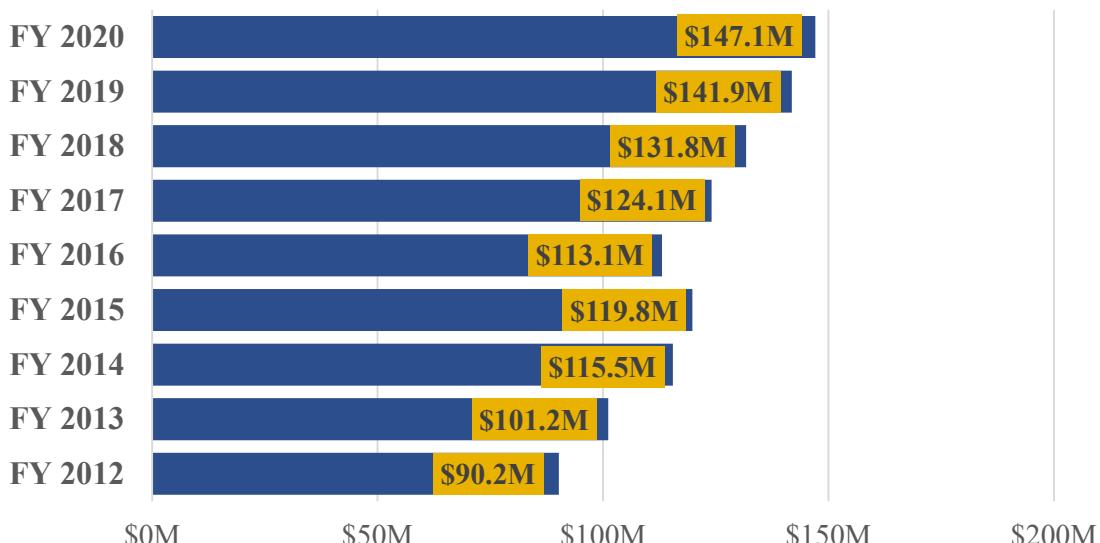


253 ENDOWMENTS PROVIDE SCHOLARSHIPS TO 1,550 STUDENTS

NEW GIFTS TO ENDOWMENTS TOTAL OVER \$9.9 MILLION

42 ENDOWED PROFESSORSHIPS SUPPORT UTC FACULTY

UC FOUNDATION ENDOWMENT VALUE



University of Chattanooga
Foundation, Inc.

PROBASCO RESIDENCE HALL PROJECT

Scott L. Probasco Jr. South Campus, a 1,683-bed student housing complex, is the largest housing complex on the UTC campus. The housing facility is the landmark distinction between the University and the M. L. King neighborhood.

The complex is comprised of five buildings: Guerry, Decosimo, Stophel, Walker and UC Foundation. The three- and four-story buildings provide apartment-style living in a range of floor plan configurations.

Campus Development Foundation, Inc., a subsidiary of the UC Foundation, owns Probasco South Campus. The value of this property, based on a 2014 appraisal, is \$114 million. The current debt on the property is \$59.2 million.



Decosimo Apartments, part of Probasco South Campus

UTC Housing and Residence Life manage the property via a management agreement with the UC Foundation.

During the summer of fiscal year 2019, the UC Foundation engaged in a major renovation project on the Probasco South Campus housing complex. The end of FY 2020 saw two of the five buildings—Guerry and Decosimo—fully renovated internally and externally. The renovations included updates to meet the federal Americans with Disabilities Act (ADA) standards. Sinks and cabinets were lowered with spaces at the bottom of cabinets to accommodate wheelchairs. Showers were installed that allow wheelchairs to be rolled directly into them. Beds were lowered to make it easier to get in and out.

The renovations should give another 15-to-20 years of life to the buildings, originally built in 2001. The total renovation project is expected to span five years, with a total cost of \$40 million.

The COVID-19 pandemic resulted in a ripple effect to Probasco South Campus during FY 2020. The University's decision to shut all student housing March 16 and provide refunds had a revenue and cash flow effect that required UC Foundation contribution to meet debt service and the required debt service ratio. The Foundation contributed \$1.56 million to cover refunds to students while maintaining all bond requirements.

(continued)



University of Chattanooga
Foundation, Inc.

PROBASCO RESIDENCE HALL PROJECT

Total rental revenue during FY 2020 is projected at approximately \$9.95 million compared to the prior year revenue of \$11.9 million.

Occupancy was 97% for Fall 2019 and 94% for Spring 2020 at the 14-day count for each semester. The COVID-19 shutdown caused Spring 2020 occupancy to drop to 61%.

Current occupancy for Fall 2020 is 87%, with an expected historical 4% drop to 83% in the Spring 2021 semester. Predictions for Spring 2021 are subject to change due to COVID-19.

Bond and interest payments were covered during FY 2020, along with allocations to the repair and replacement fund and all operating expenses. These payments are supported by the UC Foundation contribution for student refunds.

Debt service requirements were met in FY 2020 revenue of \$9.95 million and the Foundation contribution of \$1.56 million.



University of Chattanooga
Foundation, Inc.



UNIVERSITY OF TENNESSEE FOUNDATION 2020 ANNUAL REPORT



PRESENTED TO THE
UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

THE UNIVERSITY OF TENNESSEE
UT FOUNDATION

FROM THE PRESIDENT

Fiscal year 2020 began with enthusiasm and excitement as the UT Foundation announced the Vision for 2025. Our organization has evolved since its establishment and the creation of a framework for success is essential. This initiative unites the organization and drives it towards the mission to raise financial, public and political support for the University of Tennessee.

Our vision is to be recognized as one the top performing advancement organizations affiliated with any university system. Three objectives are at the core of this vision:

1. Enhance philanthropic support for the University of Tennessee System and its core institutional priorities.
2. Expand constituent engagement by developing meaningful relationships with University of Tennessee alumni, students and friends.
3. Build and protect the UT brand dedicated to the mission of discovery, education and connection.



The UT Foundation progressed through year one with a readiness to accomplish our goals, and ended the year with resilience as we navigated the COVID-19 pandemic. Late in our third quarter we had to reimagine our work, our strategies and our daily lives. Collectively, we worked quickly to reinvent our alumni outreach, how we communicate with our constituents and how we steward our donors. All hands were on deck as we moved through, and continue to move through, an unprecedented time in history.

In the end, the UT Foundation had a record-breaking year in the number of donors with 67,281 alumni and friends committing to the university and demonstrating their passion for the great things happening on all of our campuses.

The success from fiscal year 2020 is a compliment to the dedication and proficiency of our staff, a show of confidence in the University from our donors and made possible by the achievements of students, faculty and staff on each campus.

Thank you for recognizing and supporting the University of Tennessee System's excellence. Your commitment creates opportunity for achievement within every person walking through the doorways on our campuses and institutes.

A handwritten signature in black ink that reads "Kerry Witcher".

Kerry Witcher
President and CEO
University of Tennessee Foundation



UT FOUNDATION OPERATIONS

The University of Tennessee Foundation, Inc. (UTFI) is an interdependent not-for-profit 501(c)3 created in 2001. From inception, the Foundation was passive in fundraising efforts. In 2011, UTFI gained legislative approval to become a proactive fundraising organization and the preferred channel for all private contributions benefitting the University of Tennessee.

In June 2017, the University of Chattanooga Foundation, the University of Tennessee and the University of Tennessee Foundation signed an agreement indicating UC and UT Foundation's commitment to collaborating on private gift fundraising and alumni engagement for UT Chattanooga. Through this agreement, all alumni affairs and development staff at UT Chattanooga became leased employees to the UC Foundation. UC Foundation also maintains their own operating budget.

UT FOUNDATION MISSION STATEMENT

TO RAISE FINANCIAL, PUBLIC AND POLITICAL SUPPORT FOR THE UNIVERSITY OF TENNESSEE.

FISCAL YEAR 2020 BUDGET

REVENUE: \$33,900,000



EXPENSES: \$32,800,000



RETURN ON INVESTMENT



Over the past 10 years, UTFI has increased fundraising totals at an average of 17 percent each year. Between fiscal years 2010-2012, the Foundation raised \$5.76 for every \$1.00 invested. Currently, between fiscal years 2018-2020, UTFI raises an average of \$8.22 for every \$1.00 invested, a 43 percent increase on ROI.

STAFF SIZE: 205



● KNOXVILLE 103 ● HEALTH SCIENCE CENTER 25 ● INSTITUTE OF AGRICULTURE 14 ● MARTIN 16 ● CENTRAL 47

JOB FAMILIES



● ALUMNI 13% ● COMMUNICATIONS 6% ● DEVELOPMENT 54% ● FINANCE 2% ● HUMAN RESOURCES 1%
● DONOR RELATIONS 5% ● ADVANCEMENT SERVICES 19%

UT FOUNDATION FUNDRAISING



TOTAL GIFTS

\$196,463,340

FISCAL YEAR 2020 HIGHLIGHTS

- During the fourth quarter, in the height of the COVID-19 pandemic, \$645,000 was raised system-wide to support student emergency funds on each campus.
- The UTHSC College of Health Professions received a \$2,000,000 bequest, creating pathways for students to earn degrees in audiology, physical therapy and more.
- The UT Knoxville Join the Journey fundraising campaign wrapped up with 114,000 donors committing \$1.33 billion, exceeding its goal of \$1.1 billion two years early.
- UT Martin exceeded its \$325,000 fundraising goal for the sixth annual Captain's Challenge. Over \$400,000 was raised during the 24-hour campaign, making it the most successful challenge to date.
- The UT Institute of Agriculture Together We Grow fundraising campaign surpassed its \$175 million goal two years early, reaching \$191 million during fiscal year 2020.

KNOXVILLE



\$139,429,983

HEALTH SCIENCE CENTER



\$16,383,302

INSTITUTE OF AGRICULTURE



\$15,564,945

MARTIN



\$9,849,404

CHATTANOOGA SYSTEM



\$11,449,869



\$3,785,837

GIFTS BY SOURCE

ALUMNI		\$93,226,434
FRIENDS		\$43,830,226
EMPLOYEES		\$2,977,303
CORPORATE		\$34,512,069
FOUNDATION		\$14,167,707
OTHER		\$9,359,144

- The total of pledges for gifts to UTFI outstanding in fiscal year 2020 is \$28,589,011.

- UTFI did not receive any gifts during FY20 that would place a financial liability on the University.

GIFTS BY SIZE

TOTAL DOLLARS	GIFT RANGE	TOTAL DONORS
\$8,813,178	\$0 - \$999	50,946
\$21,828,569	\$1,000 - \$9,999	10,090
\$14,710,254	\$10,000 - \$24,999	1,201
\$24,570,423	\$25,000 - \$99,999	617
\$55,769,303	\$100,000 - \$999,999	226
\$72,381,155	\$1,000,000+	45

GIFT PURPOSE

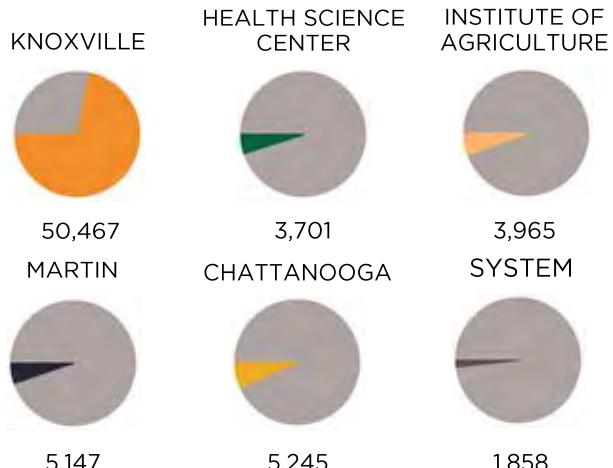
OPERATING	ENDOWMENT	CAPITAL	DEFERRED
\$81,986,499	\$34,643,224	\$19,913,853	\$61,529,307

UT FOUNDATION FUNDRAISING

TOTAL DONORS

67,281

**HIGHEST NUMBER OF
DONORS IN UT HISTORY**



REAL ESTATE AND BEQUESTS

- Two properties were acquired in fiscal year 2020. Appraised value: \$401,300
- UTFI owns 14 properties and is presently seeking buyers for 11. Appraised value: \$1,745,000
- UTFI has total bequest expectancies and insurance policies outstanding of \$475,061,430 as of June 30, 2020.

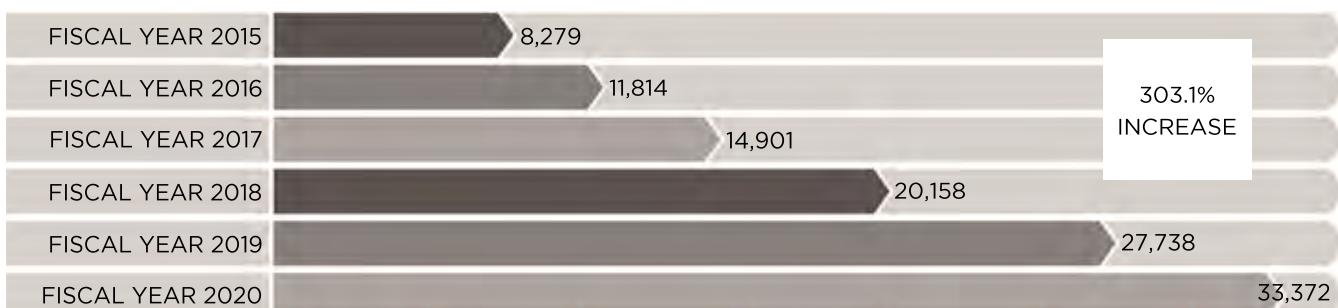
ONLINE GIVING

ONLINE GIVING TOTAL
\$4,281,583

UTFI AVERAGE ONLINE GIFT: \$189.82



TOTAL TRANSACTIONS



UT FOUNDATION ENGAGEMENT

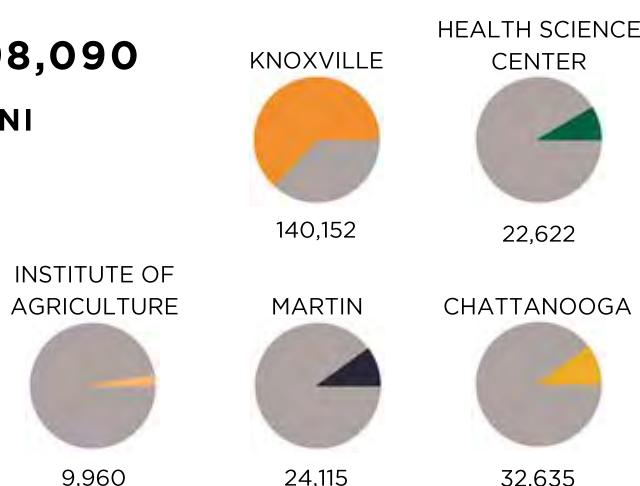


TOTAL ALUMNI 398,090

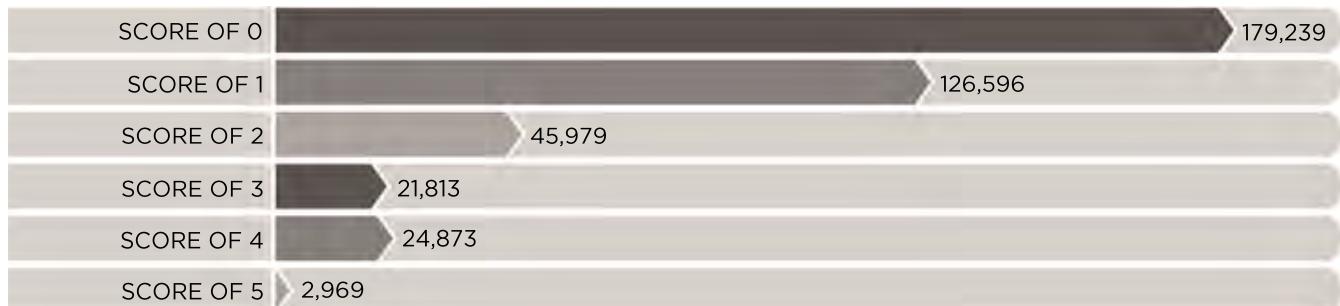
TOTAL ENGAGED ALUMNI

222,230

The UT Foundation continued to emphasize the importance of engagement and building meaningful relationships with University of Tennessee alumni. The alumni relations staff throughout the Foundation reimagined their work late in the third-quarter as in-person events came to a halt due to coronavirus. Teams acted quickly to develop virtual programs to connect alumni, utilizing new platforms and rethinking the way we use current technology.



LEVELS OF ENGAGEMENT



The UTFI alumni engagement score is calculated using factors such as event attendance, email engagement, volunteer activities and giving. Every alum with a score of 1-5 is counted as engaged, with 5 being the most engaged. Those with a score of 0 are unengaged.

ADVOCACY NETWORK MEMBERS



To advance the UT System's stature as a best in class system, the UT Foundation has prioritized advocacy and continues to work closely with the UT Office of Government Relations and Advocacy to help grow the Advocacy Network. The Advocacy Network grew in fiscal year 2020 from 6,266 members to 6,900.

UT FOUNDATION BOARD OF DIRECTORS

Michael Littlejohn, Chair
Philip Wenk, Vice Chair
Kerry Witcher*
Randy Boyd*
Hans Airee
Alexis Bogo
Christopher Bollinger

Phillip Clendenin
Gregory Cox
Kimberly Cross
Tim Cross
Fred Decosimo
Ronald Frieson
James Herbert Jr.

Kathy Ledbetter
Donde Plowman
John Staley
Betty Ann Tanner
Charles Wagner III
Alan Wilson

*Ex-officio



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: October 23, 2020

Item: **Reaffirmation of the University of Tennessee Diversity Statement**

Type: Action

Presenter: Dr. Brian K. Dickens, Chief Human Resources Officer/Chief Diversity Officer

Background Statement

Boards of Trustees have a significant leadership role to play when addressing issues of diversity, equity and inclusion in higher education. Diversity touches multiple aspects of board oversight, including mission and values, strategy, finance and even intercollegiate athletics. Working collaboratively with administrators, faculty and staff, boards can keep sustained attention on diversity matters over the long term (*Eckel and Trower, 2016*).

On June 19, 2014, the Board of Trustees approved a Diversity Statement for the University affirming the educational value of a diverse and fully inclusive community. On June 21, 2019, the Board of Trustees approved the Strategic Plan Refresh for 2019-2025 (the “Strategic Plan”) in which “*Championing Diversity and Inclusive Excellence*” is a foundational element encompassed in all five goals of the Strategic Plan, namely:

- Goal 1 – Enhancing Educational Excellence,
- Goal 2 – Expanding Research Capacities,
- Goal 3 – Fostering Outreach and Engagement,
- Goal 4 – Ensuring Workforce and Administrative Excellence, and
- Goal 5 – Advocating for UT

Board Action

A resolution is being presented for consideration by the Board of Trustees, which provides for the reaffirmation of the University of Tennessee Diversity Statement to align the updated Diversity Statement with the current strategic plan and to evidence the Board’s support of the efforts of the administration to promote diversity, equity, and inclusion.

Strategic Plan 2019 – 2025

Enhancing Educational Excellence

Diversity & Inclusive Excellence Goal

Expand inclusive access and overall student support and achievement



Expanding Research Capacities

Diversity & Inclusive Excellence Goal

Increase participation of underrepresented minorities in research across UT

Fostering Outreach & Engagement

Diversity & Inclusive Excellence Goal

Reach new and more diverse audiences through outreach efforts that ensure contacts are more demographically representative of Tennessee's diverse population

Ensuring Workforce & Administrative Excellence

Diversity & Inclusive Excellence Goal

Improve recruitment and retention strategies and outcomes for underrepresented faculty and staff

Advocating for UT

Diversity & Inclusive Excellence Goal

Increase the number and engagement of diverse volunteers in UT leadership/advocacy groups

DIVERSITY ACROSS THE UT SYSTEM

Board of Trustees – October 22-23, 2020

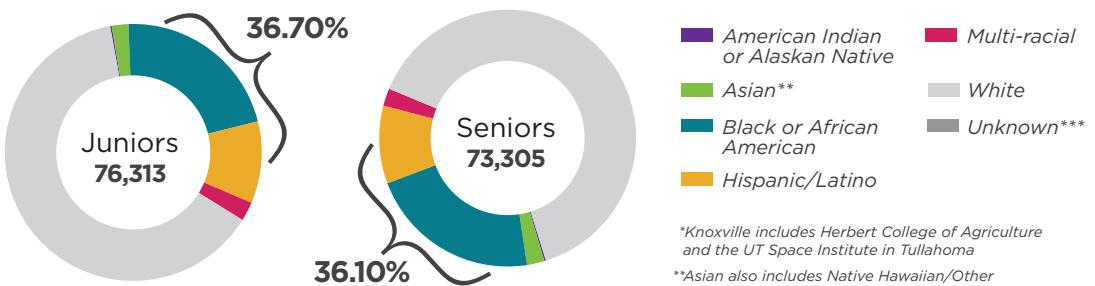
STUDENT SNAPSHOT

Percentage of Minority Students by Campus



State of TN Public School Demographics

2020-2021 Upcoming Juniors & Seniors



EMPLOYEE SNAPSHOT

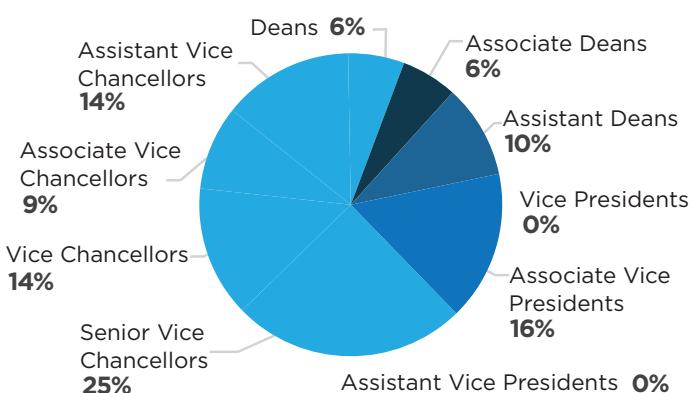
Regular Employees Breakdown

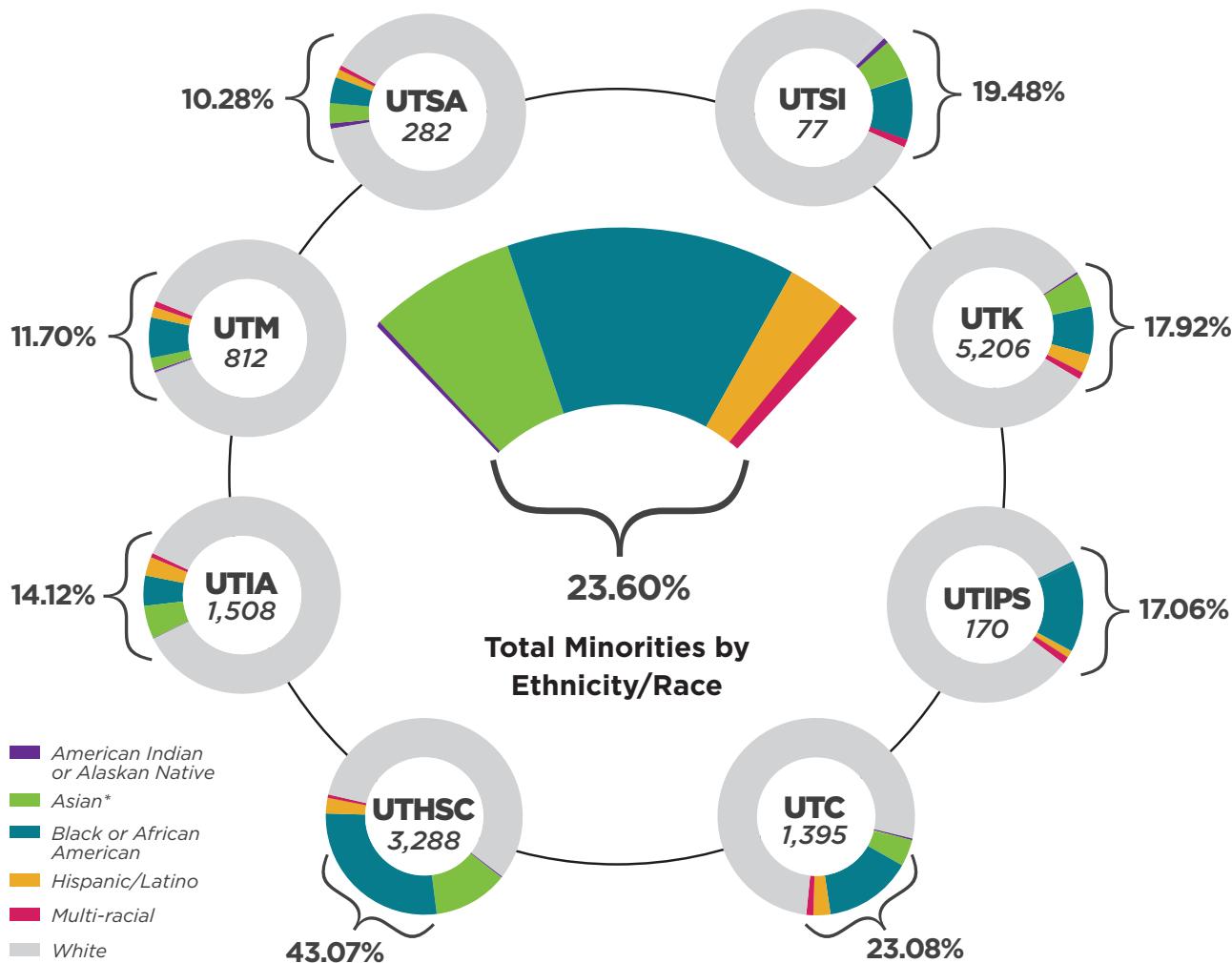
Full Time 12,143 Part Time 595 >

Total Employees 12,738

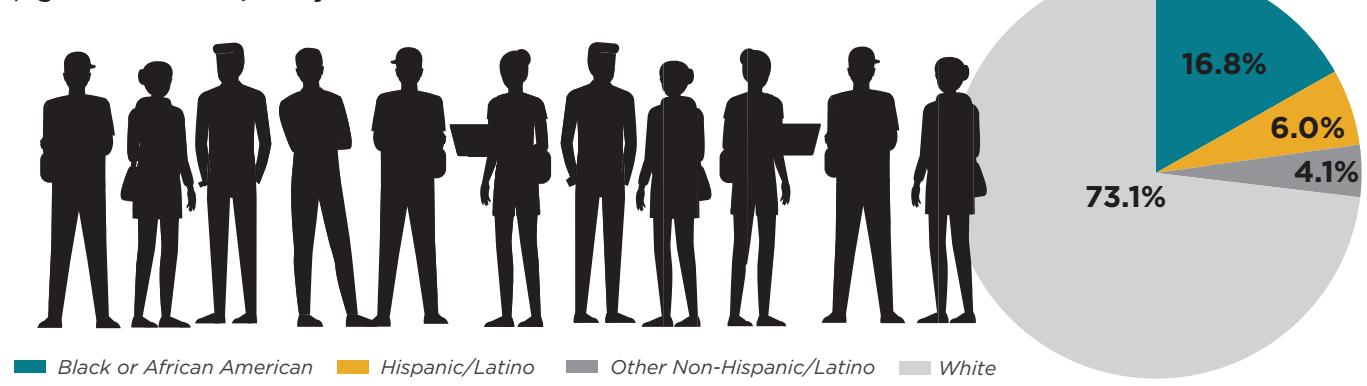
Staff 8,418 Faculty 4,320

Percentage of Minorities at Executive Levels



EMPLOYEE SNAPSHOT**Number of Regular Employees & Percentage of Minorities by UT Entity****State of TN Potential Workforce Demographics**

(Age 15 and Above) - July 2020



*Asian also includes Native Hawaiian/Other Pacific Islander Race/Ethnicity



The University of Tennessee
Board of Trustees

Resolution ___-2020*

The University of Tennessee Diversity Statement

WHEREAS, on June 19, 2014, upon the recommendation of the Academic Affairs and Student Success Committee, the Board of Trustees approved a Diversity Statement for the University affirming the educational value of a diverse and fully inclusive community;

WHEREAS, on June 21, 2019, the Board of Trustees approved the Strategic Plan Refresh for 2019-2025 (the "Strategic Plan");

WHEREAS, "Championing Diversity and Inclusive Excellence" is a foundational element encompassed in all five goals of the Strategic Plan, namely:

- Goal 1 – Enhancing Educational Excellence,
- Goal 2 – Expanding Research Capacities,
- Goal 3 – Fostering Outreach and Engagement,
- Goal 4 – Ensuring Workforce and Administrative Excellence, and
- Goal 5 – Advocating for UT; and

WHEREAS, President Boyd has recommended that the Diversity Statement be updated as noted in Attachment A;

NOW, THEREFORE BE IT, RESOLVED:

1. Diversity Statement. The Board of Trustees hereby affirms the Diversity Statement, as revised, as set forth in Attachment A.
2. Strategic Plan and Annual Reporting. In support of the Diversity Statement and the Strategic Plan, the President shall be responsible for the establishment of system-wide metrics for diversity and inclusive excellence, which accountability measures shall be reported upon annually to the Board of Trustees.

(*) Number will be inserted after adoption.

**Attachment A**

The University of Tennessee
Diversity Statement

One of the principal missions of The University of Tennessee is to provide quality educational opportunities for the people of this state. One measure of the quality of an educational experience is the extent to which it enables the recipient to compete and be productive in society and contribute to the quality of life. The Board of Trustees recognizes that diversity in the educational environment, including an outstanding and diverse student body, faculty, ~~and~~ staff, and alumni, and an environment conducive to learning⁷ adds value to the educational experience and the degree earned. Interacting with people from diverse backgrounds and perspectives augments the curricular experience and affords every student the opportunity to gain the knowledge and skills necessary to be a productive and contributing citizen of this state and nation, capable of competing in a global society. Thus, diversity is fundamental to a sound twenty-first century education.

The Board affirms the educational value of a diverse and fully inclusive campus community, one that is enriched by persons of different backgrounds, points of view, cultures, socioeconomic status, and other diverse characteristics. The Board expects the University to engage in a variety of initiatives to advance diversity in all aspects of University life.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: October 23, 2020

Item: **Consent Agenda**

Type: Action

Presenter: John C. Compton, Chair of the Board

Certain items have been placed on the Consent Agenda of the full Board meeting, including all or most items recommended by a standing committee that met in conjunction with this regular meeting of the Board. Only the Minutes of Prior Meetings and the Annual Report to the General Assembly (Tab 3.2) were not considered in a committee meeting.

Items on the Consent Agenda will not be presented or discussed in the Board meeting unless a Board member requests removal of an item from the Consent Agenda. In accordance with the Bylaws, before calling for a motion to approve the Consent Agenda, the Chair will ask if any member of the Committee requests that an item be removed from the Consent Agenda. The Bylaws provide that an item will not be removed from the Consent Agenda solely for the purpose of asking questions for clarification. Those questions should be presented to the President or the Secretary before the meeting.

Board Action

If there are no requests to remove items on the Consent Agenda, the Chair will call for a motion for approval of all of the items on the Consent Agenda by adoption of the applicable Resolutions as set forth in the meeting materials.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

3.1

AGENDA ITEM SUMMARY

Meeting Date: October 23, 2020

Item: **Minutes of Prior Meetings**

Type: Action

Minutes of the following meetings of the Board of Trustees follow this memorandum:

- Special Focus Session (COVID-19) held on Thursday, June 25, 2020; and
- Annual Meeting held on Friday, June 26, 2020.

Resolved:

The reading of the minutes of the meetings of the Board of Trustees held on June 25 and 26, 2020 is hereby omitted, and the minutes are approved. The Secretary is hereby authorized to make any necessary edits to correct spelling, grammatical, or format errors or other technical errors subsequently identified.



**THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES**

**MINUTES OF THE ANNUAL MEETING
(SPECIAL FOCUS SESSION – COVID-19)**

June 25, 2020
Knoxville, Tennessee

The University of Tennessee Board of Trustees held a Special Focus Session on COVID-19 in conjunction with the Annual Meeting. The meeting was held at 11:30 a.m. (EDT) on Thursday, June 25, 2020. Following continuing guidance from the U.S. Centers for Disease Control and Prevention (CDC) regarding COVID-19 and in compliance with the Tennessee Pledge and other state and local guidelines, the meeting was held virtually with Board members participating electronically and by telephone. The meeting was hosted from the University of Tennessee, Knoxville campus.

I. Call to Order and Roll Call

The Chair of the Board, John C. Compton, called the meeting to order. Board Secretary Cynthia Moore called the roll, and the following members of the Board were present: John C. Compton, Chair; Student Trustee Spencer Ammen; Brad Box; Commissioner Charlie Hatcher; Decosta E. Jenkins; Kara Lawson; Amy E. Miles; William (Bill) C. Rhodes III; Donald J. Smith; Kim H. White, Alan Wilson and Jamie Woodson.

Others present included: President Randy Boyd; Tiffany Carpenter, Vice President for Communications and Marketing; Linda Martin, Vice President for Academic Affairs and Student Success; David Miller, Senior Vice President and Chief Financial Officer; Stacey Patterson, Vice President for Research, Outreach and Economic Development; Ryan Stinnett, General Counsel; Chancellors Angle, Carver, Plowman and Schwab; Tim Cross, Senior Vice President/Senior Vice Chancellor for the University of Tennessee Institute of Agriculture; and other members of the UT senior leadership and administrative staff.

Ms. Moore addressed requirements for meetings conducted with members participating electronically and announced the presence of a quorum. The meeting was webcast for the convenience of the University community, the general public, and the media.

II. Opening Remarks of the Chair

Chair Compton began his remarks by noting that the Board has received regular updates from President Boyd, and the University's response to the coronavirus pandemic has been discussed at two special meetings of the Board held on March 27, 2020 and April 24, 2020. He indicated that,



over the next two-day period, the Board will hear more details of the administration's plan for re-entry for the upcoming Fall 2020 academic semester. Chair Compton reflected on the scale of this planning effort, based on the size of the student body, the number of employees, and the countless number of visitors to the University's campuses.

Chair Compton remarked that there is a lot for the Board to consider, including how the University will be positioned to:

- provide students with the highest level of academic instruction;
- continue to promote discovery;
- connect through the University of Tennessee Institute for Agriculture (UTIA) and other important outreach and service programs;
- deliver an exceptional college experience; and
- ensure the health, safety, and welfare of all those involved.

In closing his introductory remarks, Chair Compton noted that there are no actions that would be voted upon by the Board during the meeting. The Finance and Administration Committee and the Education, Research, and Service Committee will meet later in the day (Thursday, June 25, 2020), and the Board will consider the re-entry plan and related actions at the Annual Meeting (Friday, June 26, 2020).

III. Requests to Address the Board

There were no requests to address the Board pertaining to matters set forth on the meeting agenda.

IV. COVID-19 Update and Planning for Fall 2020

President Boyd thanked the Board members for attending an additional and critically important session. He indicated that the overarching goal has been to deliver a great educational experience, while protecting the health, safety, and wellbeing of the entire University community. He provided an overview of the planned presentation and stated that the financial implications to the University associated with the pandemic would be discussed in detail at the Finance and Administration Committee meeting.

President Boyd expressed how proud he was of the University's response to this unprecedented situation. He emphasized the extraordinary level of teamwork that has been demonstrated across and within the UT System. President Boyd reviewed a COVID-19 timeline of events, beginning with the initial announcement of the interim suspension of in-person instruction on March 11, 2020, followed by the suspension of in-person instruction for the remainder of the Spring 2020 academic semester, and the subsequent cancellation of in-person instruction for Summer 2020 classes. He explained that, while the University did not hold commencement ceremonies, students did graduate.



Throughout the process, decision-making has been guided by four key principles -

- Teamwork;
- Communication;
- Transparency; and
- Decisiveness.

Following a decision made collectively to return to in-person instruction this fall, task forces were established at the campus level. In addition, a UT System Task Force was created under the leadership of Dr. Jon McCullers, Senior Executive Associate Dean of Clinical Affairs at UTHSC and an accomplished researcher in infectious diseases. The UT System Task Force released its "Best Practices for Re-opening University of Tennessee Campuses." Subsequently, each campus has published detailed operational plans following this guidance.

President Boyd advised that, in connection with the Annual Meeting, the administration will be presenting its proposed guiding principles for Fall 2020 for consideration and approval by the Board. He stated that today's presentation is intended to be a deep dive discussion with respect to the University's planning efforts. He asked for the Board members to critically examine the assumptions, plans, and scenarios and to challenge the administration where there may be opportunities for further improvement. President Boyd called upon Chancellor Keith Carver to cover the first topic area.

- **Academic Affairs** – Chancellor Carver provided an overview of various academic-related matters, including: (i) adjustments to academic calendars and course schedules; (ii) instruction (in person, hybrid, online); (iii) accommodations for high risk individuals; and (iv) travel restrictions (study abroad/research). Chancellor Donde Plowman reviewed space planning assessments and the resulting impacts to the class schedule. Chancellor Steve Schwab indicated that the academic calendar is different for UTHSC and that clinical training experiences were continuing. In response to questions raised by the Trustees, the Chancellors addressed: (i) revisions to the class day/week (e.g., extended hours); (ii) bandwidth capacity to support online and hybrid classes in the fall; and (iii) technology support (e.g., laptops and hot spots) for students.
- **Campus Life** – Chancellor Plowman reviewed planning details associated with campus life and the unique challenges pertaining to: (i) residence halls (density levels, capacity for students in isolation/quarantine); (ii) student organizations; (iii) face coverings, signage, and other health and safety expectations; and (iv) campus events and other gatherings. The Trustees raised concerns about off-campus activities. The Chancellors updated the Board about ongoing conversations with local city officials and business owners to enforce best practices. General Counsel Ryan Stinnett answered questions regarding liability and risk concerns, and he highlighted risk mitigation efforts and potential state legislation that would provide immunity for COVID-19 claims.



- **Education and Support Services** – Chancellor Steve Angle explained the efforts being taken by the campuses to address: (i) COVID-19 education for students, faculty, and staff; (ii) health services, inclusive of expanded mental health services (e.g., telehealth); (iii) financial aid for students (CARES Act, donations for student emergency funds, and UT Promise); and (iv) work from home policies for faculty and staff (reduce density and protect vulnerable populations). In response to questions raised by the Trustees as to special considerations for faculty, the Chancellors emphasized efforts undertaken to promote safe working environments (e.g., plexiglass, face shields, reduced density). It was also noted that the goal has been to work with and accommodate those individuals who may be in a high-risk category or have other members of their immediate household at high risk. Additional information was shared as to technology training that has occurred over the summer.
- **Extension** – Dr. Tim Cross updated the Board on (i) UTIA programming; and (ii) the status of the work being performed through the extension offices. He advised that UTIA has employed the same approach as UTK with regard to public access, phased reopening, and ongoing educational activities. Dr. Cross stated that the operations of the extension offices vary widely, as they are impacted by restrictions set at the local community level. He highlighted certain COVID-related initiatives (publications, online programming, sewing of masks, and food delivery), along with research and other services that have continued throughout the pandemic. Dr. Cross closed his remarks by discussing veterinary services and clinical education. President Boyd remarked on the critical work being performed through the extension offices, especially with respect to food assistance given the closures of schools and summer camps.
- **Health and Safety** – Chancellor Schwab began his remarks by providing an overview of the work being performed by UTHSC in setting up testing centers and offering lab services for COVID testing. He then reviewed the plans in place to address health, safety, and welfare concerns, including: (i) personal protective equipment, face coverings, and hand sanitizer; (ii) immunizations and self-health checks; (iii) research lab safety; (iv) clinical rotations; (v) facilities (cleaning, signage, access, etc.); and (vi) testing, contact tracing, and reporting. Chancellor Schwab advised that UTHSC faculty, staff, and students are also required to follow the health and safety requirements of partner hospitals/clinics. The limitations of the effectiveness of one-time testing for students prior to arrival on campus were outlined, and he offered support for the recommended influenza immunization requirements for faculty, staff, and students. In response to questions, Mr. Stinnett explained the proposed immunization and vaccine requirements and exemptions therefrom, along with the rulemaking requirements pertaining to students.
- **Preparedness Plans** – Tiffany Carpenter, Vice President for Communications and Marketing, shared the University's planning activities involving: (i) crisis communication; and (ii) tabletop exercises with the Tennessee Emergency Management Agency. The Trustees recommended the development of a communication strategy for COVID, such as identifying the top 5 to 10 things everyone should know for returning to campus. Ms. Carpenter highlighted examples of



signage and other materials being developed by the campuses in this regard. It was also suggested that advertising the support services, technology, and financial support being offered by the University to students during COVID could be beneficial from a recruitment perspective.

Following the presentations, the trustees and the administration discussed the following COVID-related matters –

- Impact on student success (in class v. online) for the spring and summer semesters;
- New initiatives to support student success for the upcoming fall semester;
- Peer benchmarking; and
- Engagement and support from the Tennessee Higher Education Commission.

Trustee Kara Lawson shared information as to the testing and safety protocols being followed by the Boston Celtics applicable to players and coaches. She also recommended that the administration reach out to other colleges/universities where students have returned to see what lessons may have been learned from their actual experiences.

V. Other Business

None.

VI. Closing Remarks

Chair Compton acknowledged the complexities and significance of the issues facing the University in light of the current environment. He expressed his gratitude for the efforts of the faculty, staff and students in responding to the crisis and for the thoughtful and detailed work that has been undertaken in planning for a reopening of the University's campuses for the upcoming fall semester. It was noted that additional information would be provided in the Committee meetings and that there would be opportunities for further questions before any formal action is taken by the Board at the Annual Meeting.

VII. Adjournment

With no further questions or other business to come before the Board, the Chair adjourned the meeting.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Cynthia C. Moore".

Cynthia C. Moore
Secretary and Special Counsel



**THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES**

MINUTES OF THE ANNUAL MEETING

June 26, 2020
Knoxville, Tennessee

The Annual Meeting of the University of Tennessee Board of Trustees was held at 9:30 a.m. (EDT) on Friday, June 26, 2020. Following continuing guidance from the U.S. Centers for Disease Control and Prevention (CDC) regarding COVID-19 and in compliance with the Tennessee Pledge and other state and local guidelines, the meeting was held virtually with Board members participating electronically or by telephone. The meeting was hosted from the University of Tennessee, Knoxville campus.

I. Call to Order and Invocation

The Chair of the Board, John C. Compton, called the meeting to order and recognized Steve Moldrup, Co-Director of Collegiate Abbey, who gave the invocation.

II. Roll Call

Board Secretary Cynthia Moore called the roll, and the following members of the Board were present: John C. Compton, Chair; Student Trustee Spencer Ammen; Brad Box; Commissioner Charlie Hatcher; Decosta E. Jenkins; Kara Lawson; Amy E. Miles; William (Bill) C. Rhodes III; Donald J. Smith; Kim H. White, Alan Wilson and Jamie Woodson.

Others present included: President Randy Boyd; Tiffany Carpenter, Vice President for Communications and Marketing; Linda Martin, Vice President for Academic Affairs and Student Success; David Miller, Senior Vice President and Chief Financial Officer; Stacey Patterson, Vice President for Research, Outreach and Economic Development; Ryan Stinnett, General Counsel; Chancellors Angle, Carver, Plowman and Schwab; Tim Cross, Senior Vice President/Senior Vice Chancellor for the University of Tennessee Institute of Agriculture; and other members of the UT senior leadership and administrative staff.

Ms. Moore addressed requirements for meetings conducted with members participating electronically and announced the presence of a quorum. The meeting was webcast for the convenience of the University community, the general public, and the media.

III. Opening Remarks of the Chair

Chair Compton welcomed everyone to the meeting and provided an overview of the items on the agenda for the meeting. He then shared his reflections from the previous day's meetings, noting three themes that emerged during those conversations.



- ***Collaboration*** – The level of collaboration across the system is quite impressive. Chair Compton provided a number examples that demonstrated the teamwork of the leadership team, the faculty, staff, and students in responding to the COVID crisis, as well as the approaches being implemented in other areas such as mental health and Title IX. He complemented President Boyd and the entire team for their efforts to find common ground to the extent possible, while respecting the qualities that make each campus distinctive.
- ***Fiscal Responsibility*** – Chair Compton expressed his deep gratitude to the trustees and chief financial officers that served the University previously for their foresight in establishing and maintaining a healthy balance of reserves for those “rainy days.” He stated that COVID has been much more than a few rainy days. In fact, it has been a monsoon. Essentially, over a period of six weeks, the financial impact of COVID has totaled approximately \$70 million. While there are certain offsets from federal and state funds, the University has absorbed losses of approximately \$50 million to date. While it is difficult to anticipate the full impact of this pandemic over the long-term horizon, the University is in a much better position to weather this storm than many other entities both within and outside of higher education. The University is in this unique position due, in large part, to the steadfast commitment of Governor Bill Lee to higher education and the support of Mike Krause, Executive Director of the Tennessee Higher Education Commission.
- ***Greatest Decade in the History of the University*** – In terms of enrollment, graduation, and research the University, the numbers remain encouraging. Fall enrollment figures remain relatively strong. Although graduation figures for spring are not yet final, the preliminary information is optimistic. With respect to research, Chair Compton anticipates that it may be a very challenging year for grants, but that the University is off to a great start with the recent award to the Oak Ridge Institute at UT. He recognized the support received from U.S. Senator Lamar Alexander, Governor Lee, and many other members of the federal and state legislatures.

Chair Compton concluded his remarks by thanking Dr. Mia Romano for her address to the Board at the meeting of the Education, Research, and Service Committee. He commended her professional approach to sharing her concerns. Chair Compton noted that other lecturers have raised similar concerns. He asked the leadership to consider these remarks seriously, to follow-up where appropriate, and to report back on these concerns at a future meeting.

The floor was opened for comments from other members of the Board of Trustees. Trustee Kim White shared her observations from the prior day's meetings. She is encouraged that there will be opportunities to build a new and better normal, based on what has been learned from responding to this crisis.

IV. Requests to Address the Board

There were no requests to address the Board pertaining to matters set forth on the meeting agenda.



V. President's Address

President Boyd thanked the members of the Board for all of their support and dedication through these challenging times. He also complemented Board Secretary Cynthia Moore for her efforts in organizing the meetings and for the improved format.

In his address, President Boyd discussed two challenges facing the University. The first being the issue of social justice. It is a matter of world-wide concern, but it is especially acute in the United States. He expressed his gratitude to the University's leaders, who have condemned racism and are promoting social justice. President Boyd shared his vision for the University to serve as a beacon of light. In this regard, he also believes that are three elements needed for meaningful progress, namely – communication, commitment, and change. President Boyd reflected on unique ways that the University can lead in this area. He provided an example of a new initiative of the Law Enforcement Innovation Center (LEIC), housed within the University's Institute for Public Service, to develop new curriculum for law enforcement in partnership with the Museum of Tolerance, located in Los Angeles, California. The new program will first be offered to the University's campus police departments.

The second challenge facing the University is the ongoing COVID crisis, which was discussed with the full Board at length in the Special Focus Session held the previous day. President Boyd reviewed the guiding principles of teamwork, communication, transparency, and decisiveness that have been at the center of the University's response to date. He thanked the faculty and staff for all their tremendous efforts in support of the University's students.

President Boyd then highlighted a number of accomplishments over the last six months in each of the five goal areas specified in the strategic plan: (i) Enhancing Educational Excellence; (ii) Expanding Research Capabilities; (iii) Fostering Outreach and Engagement; (iv) Ensuring Workforce and Administrative Excellence; and (v) Advocating for UT.

The following recipients of 2020 President's Awards were announced during the meeting.

- EDUCATE HONOREE: Richard Robinson
- DISCOVER HONOREE: Robert Williams
- CONNECT HONOREE: Karen Armsey
- SUPPORT (EXEMPT) HONOREE: Ashlie Czyz
- SUPPORT (NON-EXEMPT) HONOREE: Davis Rash
- DIVERSITY HONOREE: Michael Alston

Trustee Miles stated that she has served on the selection committee for the last two years and that it is very difficult it is to select a single winner in each of the categories. She congratulated all the award winners and nominees.



President Boyd concluded his remarks by once again thanking the trustees, faculty, staff, students, Chancellors, and other leaders from across the entire UT System. He remains confident that the University will be a beacon of light, will create a new and better normal, and, as result, this will be the greatest decade in the history of the University.

Chair Compton opened the floor for questions and comments. He extended his appreciation to President Boyd for raising the issue of social unrest. He encouraged the Administration to develop and provide diversity metrics (e.g., procurement spending; representation information relating to faculty, staff, and students; and enrollment, retention, graduation data) that can be used to measure progress.

VI. COVID-19 and Guiding Principles for Fall 2020 Reopening

Chair Compton indicated that that full Board participated in a lengthy discussion on the previous day regarding the Administration's plans for Fall 2020 re-entry. In addition, the Finance and Administration Committee and the Education, Research, and Service Committee both met yesterday afternoon. As such, there have been multiple opportunities to ask questions and learn more about the reopening plans. He underscored the Board's fiduciary responsibilities associated with protecting the health and safety of the members of the University community.

Chair Compton stated that the proposed resolution before the Board includes a framework for approving the resumption of in-person instruction for the Fall 2020 Academic Semester, built on certain Guiding Principles (System-Wide Directives), as informed by the CDC, the American College Health Association (ACHA), and other public health guidance.

Before considering the action item, the floor was opened for any additional questions or suggestions from the trustees. Members of the Board expressed their general support for the re-opening plan. The trustees recommended that the Administration consider (i) identifying objective criteria that could be used to assess if the University would need to reverse course; and (ii) creating a simple checklist to set expectations for those returning to campus (e.g., mask, hand sanitizer, temperature self-checks, flu vaccine, and social distancing). Chair Compton thanked Trustee Lawson for her insights on testing and other safety protocols that were shared in the Special Focus Session.

Upon motion duly made and seconded, a roll call vote was taken, and the Board approved the Guiding Principles for Fall 2020, as set forth in *Resolution 025-2020*.

VII. Adoption of UAPA Rule (Student Immunization Requirements)

Chair Compton advised that the proposed emergency rule on student immunizations was discussed in the meeting of the Education, Research, and Service Committee. Chair Donnie Smith requested that General Counsel Ryan Stinnett review the specifics of this emergency rule with the full Board prior to its consideration.



Mr. Stinnett noted that, under the Guiding Principles approved by the Board, the System-Wide Directives require all employees and students to obtain a flu immunization and a COVID vaccine, if one becomes available. The President of the University may authorize this requirement as it applies to employees. However, the Uniform Administrative Procedures Act (UAPA) applies to students. Mr. Stinnett explained the requirements and process under UAPA for the adoption of emergency and permanent rules. Certain exceptions, including for medical and religious reasons, are available under the proposed rule. Following his remarks, Mr. Stinnett responded to questions from the trustees with respect to the availability, student health insurance, and costs associated with the flu vaccine.

Upon motion duly made and seconded, a roll call vote was taken, and the Board approved the emergency student immunization rule, as set forth in *Resolution 026-2020*.

VIII. Committee Reports

Report of the Education, Research and Service Committee

Committee Chair Donnie Smith brought to the attention of the Board members three items included on the Consent Agenda that have been recommended by the Committee for approval. These items include: (i) the granting of tenure to upon initial appointment to 13 candidates; (ii) the granting of early tenure to 28 faculty members; and (iii) approval of a new academic program that will award a Bachelor of Science degree in elementary education at the UTK campus.

In addition, Committee Chair Smith reported that Leigh Cherry, Coordinator for Student Success Initiatives, presented the OneUT Mental Health Task Force's findings and planned action items in response to the recommendations set forth in the Performance Audit Report prepared by the Comptroller (the "Sunset Audit"). Committee Chair Smith encouraged the Board members who do not serve on the Committee to read the report which is available in the Committee meeting materials. He also advised that Dr. Ashley Blamey, UT System Title IX Coordinator, and Rachel Powell, Associate General Counsel, provided the Committee with an update on the final Title IX regulations released by the U.S. Department of Education scheduled to become effective in August. Changes to existing University policies will be required to comply with the regulations. There is pending litigation challenging the Title IX regulations. Depending on the outcomes of these cases, a special meeting of the Board may need to be called to adopt emergency rules to comply with these regulations.

Committee Chair Smith concluded his remarks by stating that the Committee is recommending for approval by the Board of certain revisions to the Education, Research, and Service Committee Charter. The revisions were included in the meeting materials (Tab 3.1) and circulated in advance of the meeting. Upon motion duly made and seconded, a roll call vote was taken, and the Board approved the revised Committee Charter, as set forth in *Resolution 027-2020*.



Report of the Finance and Administration Committee

Committee Chair Rhodes reported that the Committee is recommending the proposed FY 2020-21 Operating Budget for approval by the Board. He explained that it is an unusual year and that there are a lot of unknowns (enrollment, auxiliaries, etc.). At present, the proposed operating budget does not reflect any significant adjustments for COVID impacts. He highlighted that, after removing a one-time distribution of \$10 million that was received for security upgrades last year, the budget is essentially flat. He expressed his gratitude to the state for its continued support of higher education and for the University. There are no salary increases proposed, but, so far, there are no general system-wide wage decreases or furloughs either. The operating budget contemplates no increases in tuition or mandatory fees for any of the campuses for the upcoming fiscal year.

Committee Chair Rhodes made a motion that the Board adopt the FY 2020-21 Operating Budget (including Salary Plan, Student Tuition and Fees, and Room and Board Rates). Before acting on the motion, Chair Compton concurred with Committee Chair Rhodes' assessment of the operating budget and the challenges in predicting what may happen with regard to, among other things, attendance at athletic events or whether students will remain on campus for the full academic year. Trustee Miles commented upon the emphasis that has been placed on identifying and mitigating risks, as well as scenario planning. She indicated that she was pleased with the answers to the "what if" questions that were raised in the Committee meeting.

There being no further discussion, the motion was seconded, a roll call vote was taken, and the Board approved the Operating Budget, as set forth in ***Resolution 028-2020***.

Committee Chair Rhodes highlighted: (i) a number of other items on the Consent Agenda pertaining to capital projects, including the proposed use of UHS Proceeds to assist with UTHSC capital projects; and (ii) the five-year strategic plan update provided by Chancellor Carver. He encouraged the members of the Board to reach out to Chancellor Carver to learn more about the details of the plan.

Report of the Audit and Compliance Committee

Committee Chair Amy Miles provided an update on the items that were discussed at the Committee's last two meetings held on February 3, 2020 and May 8, 2020. These items included a number of reports from various offices on a range of topics that were raised in the Sunset Audit. These presentations covered, among other things, (i) emergency management and campus safety; (ii) Title IX; and the (iii) the Clery Act. The Committee also received reports pertaining to COVID, including the Federal Emergency Management Agency (FEMA) claims process. In addition, Mr. Brian Daniels, the Chief Audit and Compliance Officer, has provided updates on the operations of the operations of the Audit and Compliance offices and plans for the reprioritization of projects based on changing risk considerations due to COVID (e.g., assessment of internal controls in light of a remote work environment).



Committee Chair Miles directed the Board members attention to the Annual Report on the Internal Audit Function for Calendar Year 2019 included in the meeting materials (Tab 3.3.). She advised that this report is required pursuant to the University's Bylaws. She concluded the Committee's report by providing an overview of the audit plan progress to date.

Report of the Special Committee on UT Athletics Programs

Chair Compton informed the Board members that the Special Committee on UT Athletics Programs has completed the charge given to it by the Board. He reviewed the six primary items covered under the charge and stated that a full copy of the final report of the Special Committee was circulated and included in the meeting materials. Chair Compton thanked Mr. Charlie Anderson who chaired the Special Committee, along with Trustees Lawson and Rhodes who also served on the Special Committee. He also extended his appreciation to Athletic Directors Fulmer, McGuffin, and Wharton, and to the other members of the senior leadership team that provided support to the Special Committee. Chair Compton indicated that there may be other issues, such as those involving name, image and likeness, that may warrant further consideration by the Board.

Trustee Lawson indicated that she was generally comfortable with the items that were reviewed by the Special Committee as part of its charge, but that she had a separate item that she wished to raise with Board concerning athletics separate from the report. Trustee Lawson shared that she was pleased to hear the comments of President Boyd and Chair Compton pertaining to social justice initiatives. She stated that athletics is one of the most diverse areas the University as it relates to the student population. However, what she finds striking is the lack of diversity as it relates to the senior leadership across all three athletics departments. Trustee Lawson encouraged the members of the Board, the President, and Chancellors Angle, Carver, and Plowman to examine critically this lack of diversity to see where the University can improve and grow. She challenged the Chancellors to engage in a dialogue with the Athletic Directors on this issue. Trustee Lawson noted that with respect to her alma mater, UTK, there is not a single African American head coach. She stated that the same does not true for the majority of other schools in the Southeastern Conference. She believes that the University is not leading and is actually behind in this regard. Given that the University routinely benchmarks itself against peers and aspirational peers in other areas of success (enrollment, graduation, etc.), she recommended that the same approach be applied to examining the University's diversity efforts.

President Boyd thanked Trustee Lawson for her comments and responded by saying that you cannot manage what you do not measure. He provided his commitment to developing metrics and reporting this information to the Board. Chair Compton also expressed his appreciation to Trustee Lawson for raising her concern with the Board and Trustee Woodson offered her full support.



IX. Board Governance Matters

Chair Compton indicated that there were a number of Board governance matters on the agenda. The first of which is the election of the Chair of the Board. He thanked for the Board for the opportunity to serve as Chair for the last two years. He then turned this portion of the meeting over to Trustee Miles, Chair of the Audit and Compliance Committee, to chair.

Trustee Miles advised that under the University's Bylaws, the Chair of the Board is to be elected at the Annual Meeting. The Board Chair serves a two-year term, which will cover the period from July 1, 2020 through June 30, 2022. In general, the Chair may be elected to serve no more than three (3) consecutive terms. Trustee Miles then opened the floor for nominations.

Trustee Decosta Jenkins nominated John Compton to continue to serve as the chair. He recognized Mr. Compton's leadership skills, creative thinking, and passion for the University. Trustee Rhodes offered his support for the nomination. He stated that Mr. Compton has given generously of his time and energy, is a calming influence, and is unafraid to ask the tough questions. As the newest member of the Board, Trustee Brad Box shared his positive experiences and concurrence with the nomination. Trustee Miles also stated that she was thankful for Mr. Compton's expertise, time, and his overall manner in serving as chair of the Board.

Upon motion duly made and seconded, a roll call vote was taken (John Compton abstained from the vote), and the Board elected John Compton as Chair to serve a two-year term, beginning on July 1, 2020 and ending June 30, 2022. (This Board action was documented in *Resolution 029-2020*.)

Chair Compton expressed his gratitude to the members of the Board. He indicated that it has been a true labor of love and that it has been rewarding to work with each and every member of the Board. He stated that he was very proud of the accomplishments of the Board over the last two years and is happy with the direction of the University.

Appointment of Standing Committees and Chairs

Mr. Compton advised that, under the Bylaws (except for the student and faculty members of the Education, Research and Service Committee), the Board is responsible for appointing the members and chairs of the standing committees. Appointments are for a 2-year term (July 1, 2020 through June 30, 2022). The proposed appointments of the committee chairs, and the appointments to the committees were included in the materials circulated in advance of the meeting. Given that all Board members were just recently appointed under the UT Focus Act, Chair Compton expressed his view that continued continuity of the Committee assignments and Committee Chairs would be beneficial.

Upon motion duly made and seconded, a roll call vote was taken, and the Board approved the appointments to the Committees and the Committee Chairs, as set forth in *Resolution 030-2020*.



Revision to Bylaws

Cynthia Moore, Secretary and Special Counsel to the Board, reviewed the proposed revision to Section 3.1 of the Bylaws. She explained that the current language calls for required annual reports to be delivered at the Annual Meeting of the Board. Ms. Moore advised that the related foundations (UT Research Foundation, the UC Foundation, and the UT Foundation) are each required to provide annual reports. However, the current timing does not permit the preparation of annual reports with complete fiscal year end information. Further, there are a number of required annual reports, which has resulted in a disproportionate number of written reports being presented to the Board at a single meeting. To address these concerns, the proposed change to the Bylaws would eliminate the restriction that the required reports be delivered at the Annual Meeting of the Board.

Upon motion duly made and seconded, a roll call vote was taken, and the Board approved the revision to Section 3.1 of the Bylaws, as set forth in *Resolution 031-2020*.

X. Consent Agenda

The Chair reviewed the items listed in the Consent Agenda and asked whether any trustee wanted to remove an item from the Consent Agenda for discussion. Hearing no requests, the Chair called for a motion to adopt the relevant Resolutions set forth in the materials. Upon motion duly made and seconded, a roll call vote was taken, and the Board approved the items set forth in the Consent Agenda. (A complete list of the approved items on the Consent Agenda appears at the end of these minutes.)

XI. Other Business

Trustee Rhodes remarked that he was reflecting on Trustee Lawson's earlier comments, and he believes that the Board should also think about the future diversity of the Board's leadership as well.

X. Closing Remarks

Chair Compton recognized Student Trustee Spencer Ammen for his dedicated service to the Board over the last year. He stated that Spencer graduated this past spring with a Bachelor of Science in Business Administration, with a major in Finance. He had a cumulative GPA of 4.0 and was a Chancellor's Honors Program student. Chair Compton thanked Spencer for providing a student perspective to the work of the Board. Spencer Ammen expressed his gratitude for the opportunity to serve on the Board.

Chair Compton also recognized Jeff Rogers, Professor of Geography, from the University of Tennessee at Martin, who has served as a voting member of the Education, Research and Service



Committee this past year. On behalf of the Board, he thanked Jeff for his many contributions to the University.

Chair Compton advised that Christina Vogel, Associate Professor in the Department of Art, College of Arts and Sciences, at the University of Chattanooga will join as the next faculty representative to the Education, Research, and Service Committee. In addition, Leighton Chappell, an outstanding student from the UT Martin campus, will serve as the next Student Trustee.

In closing, Chair Compton offered prayers for the health and safety of everyone.

VII. Adjournment

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

Respectfully Submitted,

A handwritten signature in blue ink that reads "Cynthia C. Moore".

Cynthia C. Moore
Secretary and Special Counsel

Approved Consent Agenda Items

- Minutes of Prior Meetings
- Resolution Appointing a Managerial Group for U.S. Government Contracts
- Reappointment of a UT Member of the U
- University Health System Board of Directors
- Approval of Board Meeting Dates (2020-2021)
- Items from the Education, Research, and Service Committee
 - 1) Grant of Tenure upon Initial Appointment
 - 2) Grant of Tenure upon Early Consideration
 - 3) New Academic Programs
 - 4) Program Modifications
 - 5) Authorization for Conferral of Degrees, 2020-21 Academic Year
- Items from the Finance and Administration Committee
 - 1) Capital Outlay Funding Requests, FY 2021-22 through FY 2025-26
 - 2) Capital Maintenance Funding Requests, FY 2021-22 through FY 2025-26
 - 3) Revenue/Institutionally-Funded Capital Projects, FY 2020-21 and FY 2021-22
 - 4) Use of UHS Proceeds
 - 5) Distribution of Corpus from Haslam College of Business Quasi-Endowment
 - 6) Ratification of Quasi-Endowments Created during FY 2019-20
 - 7) Granting of Easements
 - 8) FY 2020-2021 President Emeritus Agreement with Joseph E. Johnson
 - 9) Procedures Governing Compensation Increases during FY 2020-21



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

3.2

AGENDA ITEM SUMMARY

Meeting Date: October 23, 2020

Item: **2019-20 Annual Report to the General Assembly**

Type: Action

State law requires the Board of Trustees to submit an annual report to the General Assembly including enrollment information, financial information, and other information about the operations of the University. The Annual Report for 2019-20 follows.

Resolved: The Board of Trustees approves the 2019-20 Annual Report to the General Assembly as presented in the meeting materials, which shall be attached to this Resolution after adoption. The President and the Secretary are hereby authorized to make any necessary edits to correct spelling, grammatical, format errors, or other technical errors as may be subsequently identified.

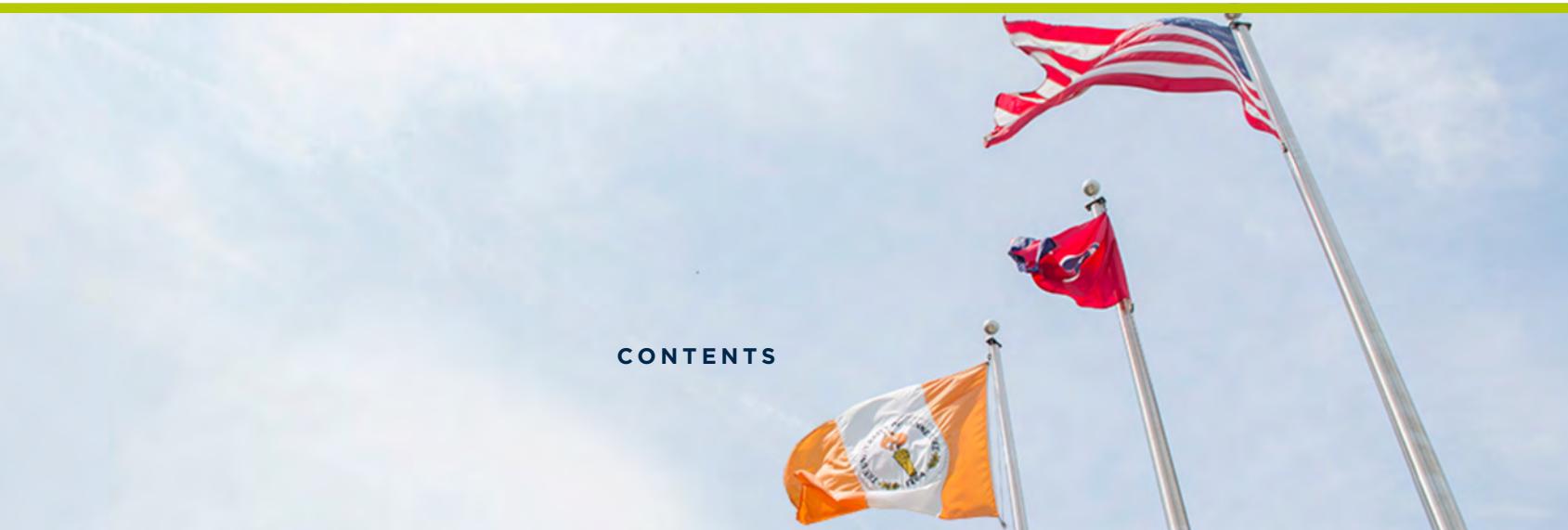
The background image is an aerial photograph of the University of Tennessee's main campus in Knoxville, Tennessee. The campus features several modern buildings with red roofs, green lawns, and trees. In the foreground, a multi-lane road with yellow dashed lines runs diagonally. A few cars are visible on the road. To the right, there's a large parking garage and more university buildings. In the far distance, the city skyline of Knoxville is visible, including the distinctive arch of the Market Street Bridge and the pyramid-shaped Gaylord Opryland Hotel. The overall scene is bright and sunny.

ANNUAL REPORT TO THE
GENERAL ASSEMBLY

2020







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**From
President
Randy Boyd**

The University of Tennessee System has the responsibility to lead and support. That became abundantly clear on March 11, 2020, when we made the very difficult decision to transition all of our campuses to an entirely online instructional platform due to the novel coronavirus sweeping across

the nation. Our faculty had roughly two days to make this happen. Meanwhile, staff were hard at work transitioning students from on-campus housing back to their hometowns. This was an unprecedented, historic challenge, but together, we did it.

Our singular focus was on making decisions that were in the best interests of students—the way it must always be despite a pandemic. We believed in ourselves and our strategy to remain strong through resilience, revival and resurgence.

Resilience – From day one, our administration, faculty, staff and students exemplified resilience. COVID required us to turn on a dime and our faculty, as challenging as it was, did just that with perseverance and grace. A few highlights:

- *Less than 60,000 online semester credit hours (SCH) on March 1; On March 23, there were 567,487 online SCH in response to COVID-19.*
- *Loaned laptops and hotspots to students in need so they could finish coursework from home.*
- *Call campaigns at several campuses to current and incoming students.*

Revival – As we sought to bring our students back on campus in the fall, our chancellors exhibited exceptional leadership in rallying their best and brightest to pull together thoughtful, solid and safe plans to resume operations. Learning on our campuses has been entirely reimagined, thanks to the creativity of our campus leadership, faculty and staff.

Resurgence – Many have said that we have entered a new normal. I believe we have entered a *better* normal. We have reimagined what learning looks like on a college campus, and we are certainly not doing things as we've always done. Our new...our BETTER mindset on helping students achieve their dreams of a college degree is stronger than ever.

I remain inspired by what we have accomplished in a year against considerable adversity, and I am encouraged on what we will accomplish together as we continue moving forward to make this the greatest decade in the history of the University of Tennessee.

- **Enrollment increases** - despite a pandemic that has had a largely negative impact on many organizations, the UT System experienced a 2.7% increase in enrollment above last year. UT Knoxville led the way with a 5% increase, UT Chattanooga experienced a modest increase, while UT Martin and the UT Health Science Center both had very slight declines in undergraduates.
- **Access and affordability** - the launch phase of UT Promise, which was announced in September 2019 with a statewide tour, yielded 1,121 eligible students and 1,407 mentors. UT Promise is an undergraduate scholarship program guaranteeing free tuition and mandatory fees for qualifying Tennessee residents attending UT's campuses in Knoxville, Chattanooga, Martin and Memphis. We are excited about the first year's success, and expect to build on this foundation and experience to grow it in the future.
- **Diversity and equity** - in order to better define and advocate for diversity and inclusion across the state, Delphia Howze was appointed executive director of diversity and equity at the System level. She will consult and partner with UT's campuses and institutes to advance efforts to identify and remove social, financial and health disparities that impede diversity, equity and inclusion. Howze will work to prioritize diversity and inclusion initiatives, as well as serve as a resource to campuses and as a statewide advocate.
- **Rural law enforcement** - Rural law enforcement officers will see the benefits of a \$1.3 million grant awarded to the UT Law Enforcement Innovation Center (LEIC) by the United States Department of Justice's Office of Community Oriented Policing Services (COPS Office). LEIC plans to use the funds to establish a rural law enforcement training center.
- **Supporting innovation** - To promote the University's three-pronged mission to educate, discover and connect, the UT System announced the One UT Collaboration and Innovation Grants. The goal of this new program is to support innovative ideas, create

collaborative opportunities and advance the University in three key areas - student success, research and outreach and engagement. The UT System is investing up to \$500,000 in each of the three categories, up to \$1.5 million total.

- **Substantial investment in the Oak Ridge Institute** - one year ago we announced the creation of the Oak Ridge Institute (ORI), which was designed to be the “go to” destination for top-level talent and discovery. This year, the U.S. Department of Energy announced a \$20 million investment to expand the University’s partnership with the Oak Ridge National Laboratory (ORNL) to train the next generation of American scientists and engineers.
- **Everywhere you look** - our communications and marketing team has done an excellent job of growing the UT brand. This year, eight new locations of “Everywhere you look, UT” murals emerged on canvases ranging from grain bins to downtown businesses to barns. While our goal is to have murals in every county in Tennessee, what we’ve accomplished so far represents millions of exposures by motorists and tourists across our great state to our great university. This unique, impactful advertising costs a fraction of the usual expense for billboards.

- **Commitment to transparency** - the UT System launched its “Transparent UT” website to provide greater and easier access to information for UT’s faculty, staff, students and the communities it serves. The web page represents some of the most frequently requested information by UT constituencies. Also added was a new online system for public records requests that provides a more streamlined workflow process and greater accountability for UT System public records custodians.

- **Extending to the finish line** - completing my visits to every extension office in the state of Tennessee remains one of my most enjoyable accomplishments of 2020. UT Extension supports more than 180,000 youth 4-H Club members and has the largest 4-H Club membership in the country. Beyond raising and showing animals, students also learn skills ranging from public speaking to civics to personal finance to civic engagement.

I remain inspired by what we have accomplished in a year against considerable adversity. The challenges won’t defeat us, they will define us. I am encouraged about what we will accomplish together as we continue moving forward to make this the greatest decade in the history of the University of Tennessee.

A handwritten signature in black ink, appearing to read "John M. Morgan".

sky's the limit!
#beUTproud

UT
MARTIN



A Better Normal

The novel coronavirus has brought out ingenuity in all of us. Adversity is making us better, stronger, more effective and more efficient. Our post-coronavirus environment is not a new normal, but rather a “better” normal.

The UT System has sponsored research to help UT Knoxville prepare for pooled surveillance testing and wastewater testing from on-campus housing, to use supercomputing to help identify drug targets, to 3D print PPE and develop new, more comfortable and effective designs, and stand up a N95 line at ORNL. At UTHSC, we've supported the development of a novel antibody test as part of its comprehensive research initiatives to help confront this pandemic.



Now, UT is seeking to solve our state's most complex problems. We've launched our "Pandemic to Possibility" webinar series—a partnership between the UT System, the Tennessee Chamber and the Alliance for Better Nonprofits of East Tennessee—to address issues born by COVID-19.



Together, we are combining our collective expertise to support our neighbors, whether it involves protecting at-risk workers, selecting the best platform for virtual fundraisers or mitigating supply chain disruptions—UT is here to help serve Tennessee businesses and organizations, and UT alumni and nonprofits across our great state.

Exploring New Growth Opportunities

The UT System is embarking on a potential partnership opportunity with Martin Methodist College by entering into a nonbinding letter of intent as a first step in discussions to possibly join the UT family.

Martin Methodist, a small private college located in Pulaski, has a long-standing reputation of providing a quality educational experience in the critical areas of nursing, education, criminal justice,



social services and business. What began 150 years ago as a college for women has evolved into a college that serves as a workforce and talent development engine for southern Middle Tennessee, and its graduates are vital to the long-term economic success of the region.

While we will be careful to do our due diligence, we are undeniably excited about the potential to expand our reach and provide more opportunities for Tennesseans.

Partnerships Abound

The UT System announced the creation of the Spark Innovation Center at the UT Research Park at Cherokee Farm. The center, with six client companies, assists early stage technology companies gain their footings.

The companies, under one- or two-year agreements with the center, have space in the Joint Institute of Advanced Materials laboratories and work with staff to meet milestones to graduate to commercially available space in the region.



Additionally, the Texas A&M University System and the UT System have joined forces to compete for the management-and-operations contract of the Y-12 National Security Complex in Tennessee and the Pantex Plant in Texas.

Both university systems bring extensive experience in understanding the missions of these plants and experience in working with the U.S.

Department of Energy and the National Nuclear Security Administration, which oversee Y-12 and Pantex.



Partnering with Texas A&M to explore ways in which our university systems can further serve the U.S. Department of Energy at Y-12 and Pantex makes sense. Both institutions bring experience in management and operations contracting, broad workforce and talent development programs, and a commitment to serve our students, states and the nation.

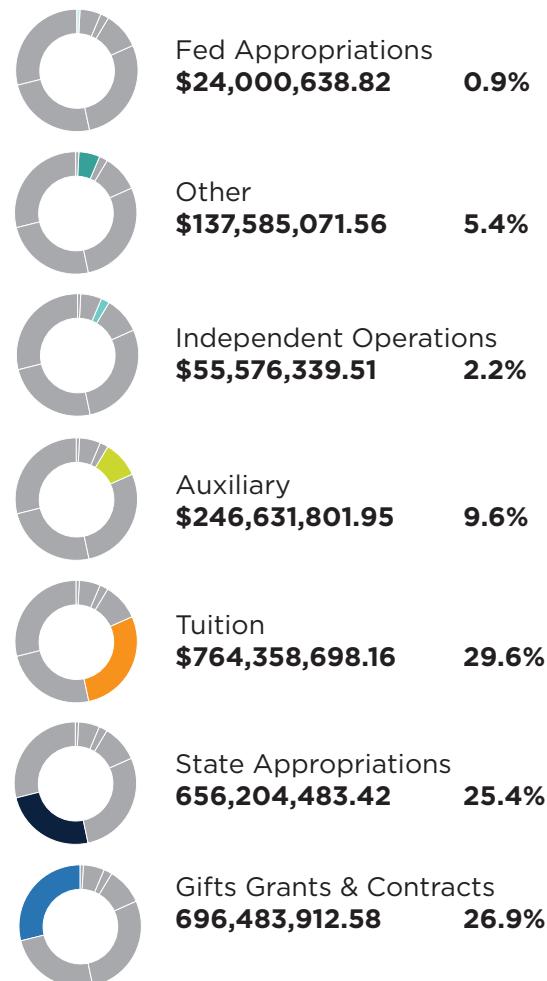
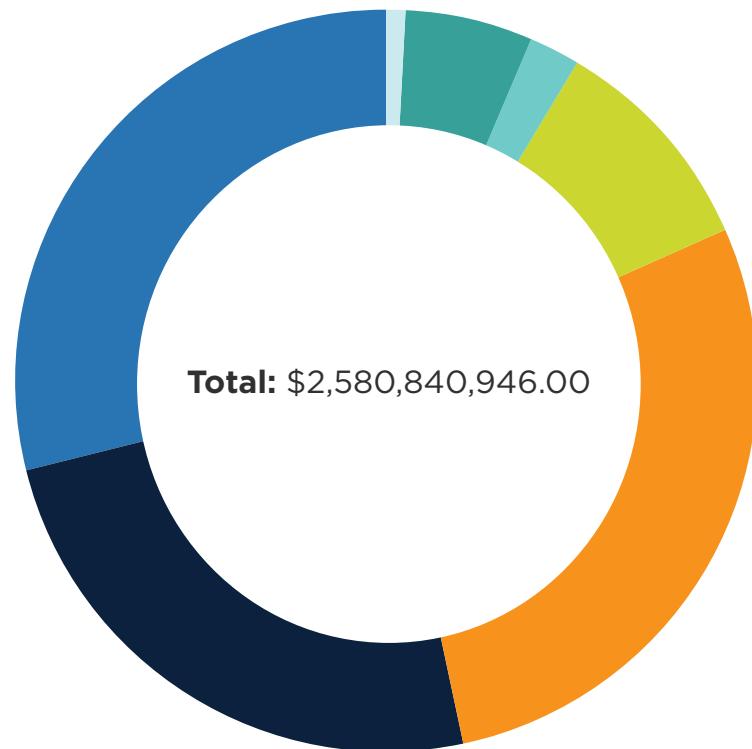
UT also announced earlier in the year a partnership involving Volkswagen Group of America; the University of Tennessee, Knoxville; the UT Research Foundation; and Oak Ridge National Laboratory to create Volkswagen's first innovation hub in North America at the UT Research Park at Cherokee Farm.



The partnership is leveraging the expertise of ORNL scientists and several faculty members within the Tickle College of Engineering at UT to develop lighter vehicle components made from composite materials and to electrify vehicles—two areas where UT is at the forefront of research and expertise.

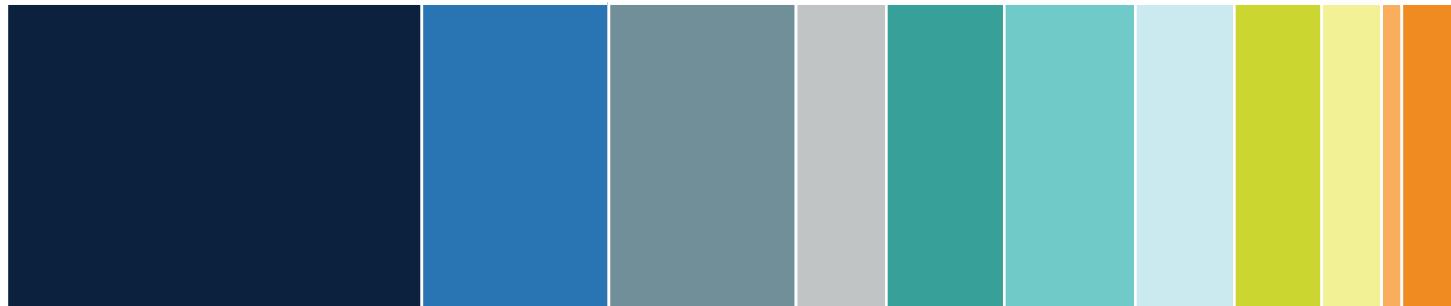
Sources of Current Funds

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



Uses of Current Funds

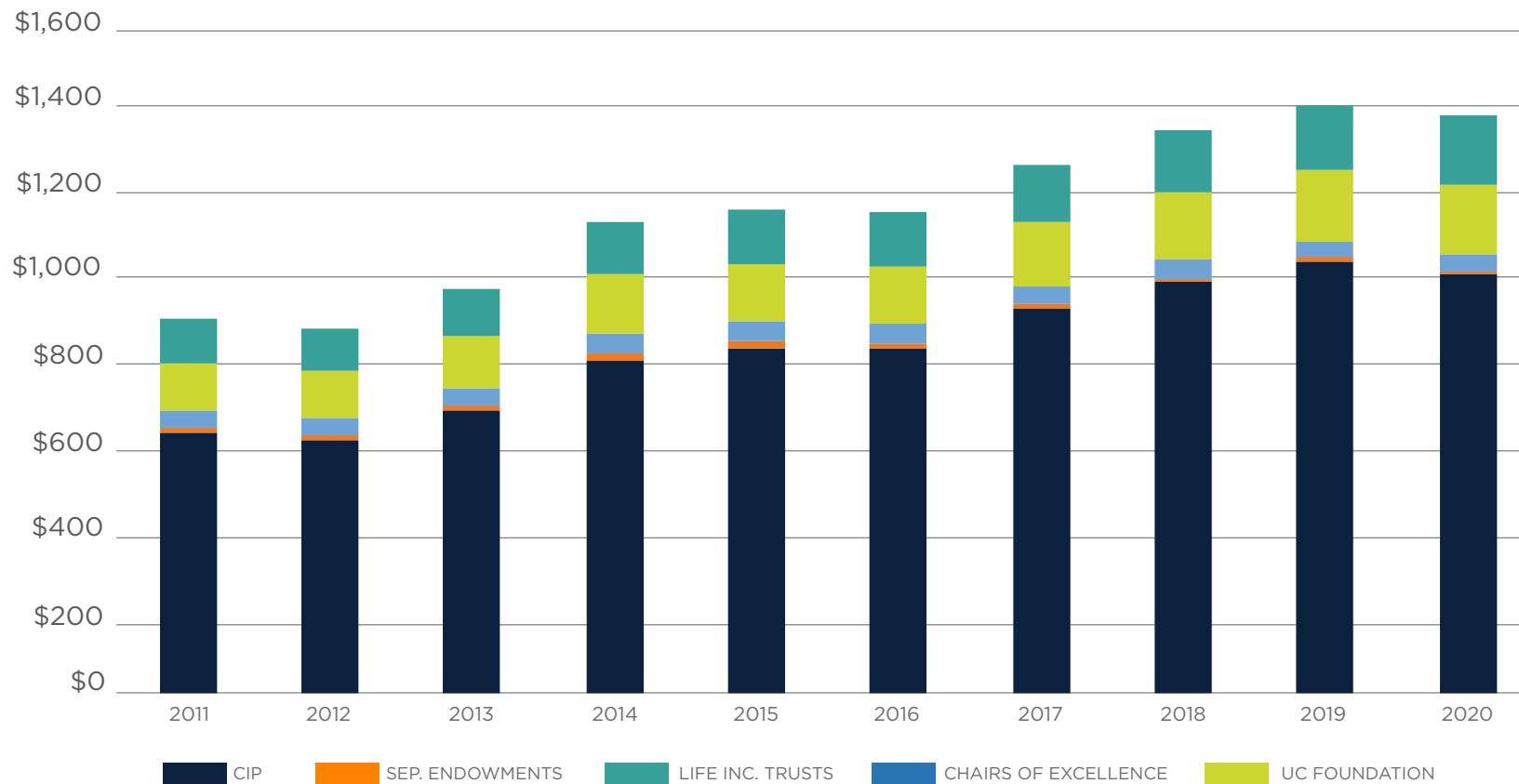
FOR THE FISCAL YEAR ENDED JUNE 30, 2020



● Instruction	729,083,559.04	28.2%	● Physical Plant	161,413,884.81	6.2%
● Research	345,523,661.62	13.3%	● Student Services	103,875,223.89	4.0%
● Student Aid	336,147,410.33	13.0%	● Independent Operations	32,237,706.07	1.2%
● Public Service	150,283,999.24	5.8%	● Long Term Debt & Other Transfers	110,391,057.16	4.3%
● Auxiliary Enterprises	204,715,130.10	7.9%			
● Academic Support	233,321,179.40	9.0%			
● Institutional Support	185,125,789.84	7.1%			

Total: \$2,592,118,601.50

Total Funds Invested for the Benefit of UT, 2011-2020



	CIP	SEP. ENDOWMENTS	LIFE INC. TRUSTS	CHAIRS OF EXCELLENCE	UC FOUNDATION	TOTAL ASSETS
2011	\$ 619	\$ 11	\$ 42	\$ 113	\$ 103	\$ 888
2012	\$ 601	\$ 11	\$ 42	\$ 114	\$ 101	\$ 869
2013	\$ 672	\$ 12	\$ 44	\$ 123	\$ 112	\$ 963
2014	\$ 791	\$ 15	\$ 50	\$ 139	\$ 127	\$ 1,122
2015	\$ 822	\$ 15	\$ 44	\$ 137	\$ 131	\$ 1,150

	CIP	SEP. ENDOWMENTS	LIFE INC. TRUSTS	CHAIRS OF EXCELLENCE	UC FOUNDATION	TOTAL ASSETS
2016	\$ 820	\$ 14	\$ 43	\$ 140	\$ 125	\$ 1,141
2017	\$ 911	\$ 15	\$ 42	\$ 152	\$ 135	\$ 1,255
2018	\$ 976	\$ 10	\$ 43	\$ 160	\$ 149	\$ 1,339
2019	\$ 1,025	\$ 9	\$ 40	\$ 167	\$ 153	\$ 1,394
2020	\$ 993	\$ 9	\$ 38	\$ 170	\$ 164	\$ 1,374

University of Tennessee

Fall Student Enrollments Headcount

	2016	2017	2018	2019	2020	N	1-Yr Change %	% 5-Yr CHANGE	5-Yr TREND
UT SYSTEM									
Undergrad	38,875	39,162	40,043	40,589	41,184	595	1.5%	5.9%	
Grad / Professional	10,512	10,717	10,767	10,993	11,375	276	3.5%	8.2%	
Total	49,387	49,879	50,810	51,582	52,559	1,703	1.9%	6.4%	
UT KNOXVILLE									
Undergrad	22,139	22,317	22,815	23,290	24,254	964	4.1%	9.6%	
Grad-Academic	5,244	5,280	5,350	5,431	5,558	127	2.3%	6.0%	
Grad-Professional	669	724	729	739	747	8	1.1%	11.7%	
Total Graduate/Prof	5,913	6,004	6,079	6,170	6,305	135	2.2%	6.6%	
Total	28,052	28,321	28,894	29,460	30,559	1,099	3.7%	8.9%	
Knoxville Campus									
Undergrad	22,139	22,317	22,815	23,290	24,254	964	4.1%	9.6%	
Grad	5,455	5,523	5,606	5,719	5,841	122	2.1%	7.1%	
Total	27,594	27,840	28,421	29,009	30,095	1,086	3.7%	9.1%	
Vet Med									
Undergrad	-	-	-	-	-	-			
Grad	345	373	369	370	381	11	3.0%	10.4%	
Total	345	373	369	370	381	11	3.0%	10.4%	
Space Institute									
Undergrad	-	-	-	-	-	-			
Grad	113	108	104	81	83	2	2.5%	-26.5%	
Total	113	108	104	81	83	2	2.5%	-26.5%	
Incl Concurrent	164	181	126	84	84	-	0.0%	-48.8%	
UT CHATTANOOGA									
Undergrad	10,170	10,176	10,195	10,239	10,311	72	0.7%	1.4%	
Grad	1,363	1,411	1,393	1,351	1,384	33	2.4%	1.5%	
Total	11,533	11,587	11,588	11,590	11,695	105	0.0%	1.4%	
UT MARTIN									
Undergrad	6,279	6,330	6,674	6,763	6,395	(368)	-5.4%	1.8%	
Grad	426	442	374	517	722	205	39.7%	69.5%	
Total	6,705	6,772	7,048	7,280	7,117	(163)	-2.2%	6.1%	
UT HEALTH SCIENCE									
Undergrad	287	339	359	297	224	(73)	-24.6%	-22.0%	
Grad-Academic	1,068	1,099	1,133	1,154	1,159	5	0.4%	8.5%	
Grad-Professional	1,742	1,761	1,788	1,801	1,805	4	0.2%	3.6%	
Total Graduate/Prof	2,810	2,860	2,921	2,955	2,964	9	0.3%	5.5%	
Total	3,097	3,199	3,280	3,252	3,188	(64)	-2.0%	2.9%	

NOTES: Includes non-degree seeking and dual enrollment (high school) students Excludes students enrolled in audited classes and co-op courses
 UTK includes Space Institute and Veterinary Medicine students UTHS excludes Residents in Health Sciences
 Grad- Professional = Medicine: MD, Dentistry: DDS, Pharmacy: PHARMD, Law: JD, and Vet Med: DVM



The University of Tennessee is an EEO/AА>Title VI>Title IX/Section 504/ADA/ADEA Institution.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

3.3

AGENDA ITEM SUMMARY

Meeting Date: October 23, 2020

Item: Items from the Education, Research, and Service Committee

Type: Action

Education, Research, and Service Committee agenda items approved in the Committee and coming forward to the full Board Consent Agenda are in the meeting book of the Committee and not repeated here.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

3.4

AGENDA ITEM SUMMARY

Meeting Date: October 23, 2020

Item: **Items from the Finance and Administration Committee**

Type: Action

Finance and Administration Committee agenda items approved in the committee and coming forward to the full Board Consent Agenda are in the meeting book of the Committee and not repeated here.