



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE SPECIAL MEETING

December 9, 2020
Knoxville, Tennessee

A Special Meeting of the University of Tennessee Board of Trustees was held at 3:30 p.m. (EST) on Wednesday, December 9, 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 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; Bradford D. Box; Leighton Chappell, Student Trustee; Charles Hatcher, Commissioner of the Tennessee Department of Agriculture; Decosta E. Jenkins; Kara Lawson; Amy E. Miles; William (Bill) C. Rhodes III; Donald J. Smith; Kim H. White; Alan D. Wilson; and Jamie R. 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.

Chair Compton reviewed the items listed on the agenda. He reported that the Standing Rule to address the Board was extended to this specially-called meeting in order to provide an opportunity to hear from constituents on any of the specific topics contained on the agenda. Chair Compton recognized Shawn Spurgeon, Associate Professor in the Educational Psychology and Counseling Department, College of Education, Health and Human Sciences, UT Knoxville, who requested the opportunity to address the Board on the topic of the proposed acquisition of Martin Methodist College (MMC) in his capacity as President of the UT Knoxville Faculty Senate.



Professor Spurgeon introduced himself and indicated that he wished to convey some of the thoughts and concerns expressed by members of the faculty related to the expansion of the UT system through the possible acquisition of MMC. He stated that Dr. Louis Gross provided some thoughtful points for consideration in his address to the Board on October 23, 2020. Dr. Spurgeon stated that he would like the Board to consider the benefit of more analysis and discussion about this acquisition with University stakeholders, who may be affected by the acquisition. He requested that the Board consider establishing a process and timeline for a more detailed cost/benefit analysis of the proposed acquisition of MMC. He advocated for the establishment of a forum with stakeholders, namely faculty and staff who, at this point, have not been deeply or substantively engaged in the process. He closed his remarks by thanking the members of the Board for their service, time, and consideration of the request.

A copy of the prepared remarks of Dr. Spurgeon are filed with these minutes.

II. Appointment of Carey Whitworth as Vice President for Government Relations and Advocacy

President Boyd recommended the promotion and appointment of Carey Whitworth as Vice President for Government Relations and Advocacy. The Office of Government Relations and Advocacy acts as the chief liaison between the University and federal, state and local government offices and legislative bodies. The office develops partnerships, policy and provides support to policymakers by engaging University experts, capabilities and resources. President Boyd highlighted the qualifications and experience of Ms. Whitworth, including her strong relationships with lawmakers and stakeholders. He also noted that transitioning Ms. Whitworth into this role will ensure that there are no gaps or loss of momentum in this important area of focus. The trustees expressed their support of Ms. Whitworth to serve in this role.

Upon motion duly made and seconded, a roll call vote was taken, and the Board adopted **Resolution 073-2020**

III. UT Knoxville Spring 2021 Housing Rates

David Miller, Senior Vice President and Chief Financial Officer, stated that UT Knoxville proposes a 5% reduction to housing rates for the Spring 2021 term. The rates approved by the Board of Trustees on June 25, 2020 as part of the FY 2020-21 annual operating budget were based on a normal academic schedule for Spring 2021. UT Knoxville has adjusted plans in response to the ongoing pandemic, which will result in fewer days on campus and fewer days in residence halls.

The rates approved for Fall 2020 were set 10% lower than those for Fall 2019 for similar reasons. This adjustment combined with the proposed revision for Spring 2021 would set rates for the full academic year 7.5% lower than those assessed for the 2019-20 academic year.

Upon motion duly made and seconded, a roll call vote was taken, and the Board adopted **Resolution 074-2020**



IV. Revisions to Board Policies Governing Academic Freedom, Responsibility, and Tenure (BT0006)

Linda Martin, Vice President for Academic Affairs and Student Success, noted that in accordance with the resolution adopted by the Board on March 27, 2020, each campus Chancellor was granted broad authority to address needed changes to tenure-track faculty members' probationary periods in light of the coronavirus (COVID-19) pandemic.

It was recognized that certain tenure-track faculty members would continue to make adequate progress toward the grant of tenure, despite the disruptions caused by the coronavirus crisis, and may not wish to receive any extension of their probationary periods. However, other tenure-track faculty members may wish to receive an extension of their probationary periods due to the disruptions caused by the coronavirus crisis during 2020. Faculty members, who request such an extension by no later than December 31, 2020, are to be freely granted such an extension without the need to make an individualized showing of how the coronavirus crisis has impeded the faculty member's opportunity to conduct research or other required scholarly activity. For all such faculty members, the timely request for an extension of a probationary period shall be granted, but it lies within the Chancellor's discretion whether to extend the probationary period for one year or two years.

In implementing the Policy, certain issues were identified associated with: (1) reconciling the extension granted due to the coronavirus crisis with other unrelated extensions, and (2) addressing the timing of the enhanced review of tenure-track faculty members that is to occur approximately halfway through their probationary period. The proposed changes to the Board Policy are intended to clarify certain language and provide further flexibility.

Upon motion duly made and seconded, a roll call vote was taken, and the Board adopted ***Resolution 075-2020***

V. Potential Acquisition of Martin Methodist College (MMC)

President Boyd began his remarks by indicating that there is an historic opportunity to bring another campus into the UT family for the first time in nearly 50 years. President Boyd highlighted how the proposed acquisition of MMC aligns with the University's mission of growing enrollment and increasing the number of college-going Tennesseans and the State's *Drive to 55* initiative of ensuring that 55% of all Tennesseans obtain post-secondary attainment – something beyond high school – by the year 2025. Since signing the non-binding letter of intent, the University has undertaken an intensive due diligence effort, with the assistance of Huron Consulting Group, to better assess the potential benefits and risks associated with an acquisition of the college. President Boyd shared with the Board some of the key findings.



- Education Landscape. Southern middle Tennessee has one of the lowest college-going rates and college attainment rates. MMC is the only four-year college in a 13-county area, and there are no four-year Tennessee public institutions in the nearly 300-mile distance from Chattanooga to Memphis along the southern border of Tennessee.
- Brain Drain. While the southern middle Tennessee region is a higher education desert, there are public Alabama universities within miles of the border that offer in-state tuition for Tennesseans residing within 50 miles of the Alabama border, and these universities are aggressively recruiting Tennessee students. Once in Alabama, many students never return, which impedes the region's economic development. An acquisition of MMC will provide additional opportunities for southern middle Tennessee families to have greater access to a UT undergraduate and graduate programs. By providing these increased opportunities, these students may stay in the area to begin their careers, start their own families, and contribute to the region's long-term economic success.
- Enrollment. Across the nation, enrollment in higher education institutions has dropped. MMC's enrollment has been negatively impacted by the COVID-19 pandemic. Long term, it will be necessary to increase the student enrollment in order for the campus to generate positive cash flow. Currently, thousands of Tennessee students go to school in neighboring Alabama. If the University can capture 10-15% of those, who are currently leaving Tennessee, the University would be able to meet its short-term enrollment target for the campus. With nominal growth (100-150 students), the campus is projected to breakeven. It is estimated that the University could double the size of the student body (to as many as 1,500 students) without the need to invest in additional buildings or infrastructure.
- Tuition Reduction. If funded on par with other state schools, it is anticipated that tuition could be reduced by approximately 60%, from \$25,000 to \$10,200, which will make a high-quality education more affordable.
- Acquisition Cost and Benefits. As proposed, substantially all of the assets of MMC would be transferred to the University, without charge. MMC has net assets of approximately \$26.1 million, including \$16.8 million in real property, that would be transferred to the University. From a financial perspective, the financial impact is small and will not materially change the financial position of the UT System.
- Opportunity. President Boyd noted that MMC has not achieved the same level of academic success as the other UT campuses; however, he is confident in the University's ability to not only improve retention and graduation rates, but to change the lives of thousands of young people and the future of southern middle Tennessee.



President Boyd shared a video of support from current students, local business and governmental leaders and others from the community.

Following the presentation, there was an extensive discussion by the members of the Board as to the possible advantages and disadvantages associated with pursuing the proposed acquisition. The trustees' inquiries and dialogue pertained to, among other things, the following areas:

- Projected enrollment figures and market demographics;
- Actions necessary to improve recruitment, retention, and graduation rates;
- Whether the acquisition would be the highest and best use of University resources, in terms of financial and human capital necessary to integrate the campus, as compared to other opportunities across the entire UT System;
- Ranking of legislative priorities for financial support;
- Opportunities to expand academic programs;
- How the acquisition aligns with the University's strategic priorities; and
- The University's mission and land grant status and its role in serving the needs of the state, especially with respect to more rural communities.

The Board members also inquired as to the projected timeline for seeking state funding.

Upon motion duly made and seconded, a roll call vote was taken, and the Board adopted **Resolution 076-2020**, authorizing the University leadership to: (i) seek legislative support and governmental approvals, and (ii) continue negotiations with representatives of the college. Such approval was conditioned upon the University leadership reporting back to the Board in January on the following four items:

- Student demographic information for southern middle Tennessee and the strategy for growing the campus;
- Academic disciplines where the campus can excel;
- A financial model for the strategy to address enrollment, retention, and academic success; and
- Plans for engaging stakeholders, including faculty and staff, in ongoing discussions regarding the proposed acquisition.

The Board of Trustees also requested ongoing updates, with the final approval of the proposed acquisition to be considered at a future meeting.



VI. 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