



THE UNIVERSITY OF TENNESSEE  
BOARD OF TRUSTEES

MINUTES OF THE ANNUAL MEETING

June 25, 2021

Memphis, Tennessee

(Morning Session)

The Annual Meeting of The University of Tennessee Board of Trustees was held at 10:00 a.m. (CDT) on Friday, June 25, 2021, in the Refectory, Mooney Building, located at the University of Tennessee Health Science Center, Memphis, Tennessee.

**I. Call to Order and Invocation**

The Chair of the Board, John C. Compton, called the meeting to order and recognized Edwin Jeffres, Director of Operations in the Facilities Department of UTHSC, 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; Bradford D. Box; Leighton Chappell, Student Trustee; Charles Hatcher, Commissioner of the Tennessee Department of Agriculture; Decosta E. Jenkins; Kara Lawson; Amy E. Miles; Christopher L. Patterson; William (Bill) C. Rhodes III; Donald J. Smith; Kim H. White; and Jamie R. Woodson.

Others present included: President Randy Boyd; Brian Daniels, Chief Audit and Compliance Officer; Linda C. Martin, Vice President for Academic Affairs and Student Success; David L. Miller, Senior Vice President and Chief Financial Officer; Stacey S. Patterson, Vice President for Research, Outreach and Economic Development; Tiffany U. Carpenter, Vice President for Communications and Marketing; C. Ryan Stinnett, General Counsel; Chancellors Carver, Plowman and Schwab; Mark La Branche, President, Martin Methodist College; 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

#### Moment of Remembrance

Chair Compton began his remarks by sharing the sad news that former University Trustee, George E. Cates, tragically died in an airplane crash earlier in the week. Mr. Cates, who served on the Board of Trustees from 2007 - 2018, was a well-respected civic leader, philanthropist, and real estate entrepreneur from Memphis, Tennessee.

Chair Compton indicated that, as a graduate of the Georgia Institute of Technology, Mr. Cates was an untraditional choice, but that the University remains most grateful for his appointment and faithful service. During his term of service on the Board, he was actively engaged in numerous committees and sub-committees that spanned the full breadth of the University's operations, including – finance and investment matters; health affairs; academic affairs and student success; and research, outreach and economic development. Chair Compton shared recollections from former trustees, who had the opportunity to serve with him as a fellow board member. Chair Compton stated that Mr. Cates was a smart and caring individual, who will be deeply missed by many in our University community and, especially, by those individuals who reside in Memphis. He extended the University's condolences to Mr. Cates' wife, Bena, his children, and other family members.

Trustee Bill Rhodes reflected on the extraordinary life of Mr. Cates and his legacy, especially his years of public service and many charitable contributions benefiting the City of Memphis and the State of Tennessee. Trustee Rhodes shared that Mr. Cates was a true giant among men and offered a prayer of thanksgiving for the life of Trustee Cates, care for Bena and the Cates family, and, a blessing for Georgia Tech.

#### Announcements and Updates

Chair Compton noted that the last time the Board met as a group in-person was February 2020. On behalf of the Board, Chair Compton extended his gratitude to all the members of the University community for their efforts during this unprecedented health crisis. Chair Compton encouraged everyone to consider taking the vaccine and to stay vigilant in observing health and safety measures with the hope of having a more normal fall semester. He also thanked Chancellor Steve Schwab and his team for hosting the Board. Chair Compton provided an overview of the meeting schedule and key topics on the agenda for the morning and afternoon sessions of the Annual Meeting.

Chair Compton then introduced Chris Patterson, an alumnus of UT Knoxville and an attorney at the law firm of Wiseman Bray, who was recently appointed by Governor Lee to serve on the Board of Trustees. Chair Compton noted that Trustee Patterson's wife, Dr. Carrie Patterson, is a two-time



alumnus of the University (UT Knoxville and UTHSC). Chair Compton presented a trustee pin to Trustee Patterson.

Chair Compton recognized Student Trustee, Leighton Chappell, whose term will end on June 30, 2021. Chair Compton noted that Leighton has been a great advocate for students. Although Leighton has graduated, he will not be leaving UT. He will be a Graduate Teaching Assistant in UT Knoxville's sport management department this fall. On behalf of the Board, Chair Compton presented Leighton with a plaque commemorating his service to the Board of Trustees as a Student Trustee and wished him well on his future endeavors. Leighton received a round of applause from the members of the Board of Trustees. Chair Compton indicated that Lane Gutridge, a rising senior at UT Chattanooga, will serve as the next Student Trustee, starting July 1, 2021.

Chair Compton also advised that Professor Christina Vogel will be ending her term as the faculty representative to the Education, Research, and Service Committee on June 30, 2021. On behalf of the Board, Chair Compton thanked Professor Vogel for her service and many contributions. Chair Compton introduced Phyllis Richey, a tenured professor in the Department of Preventive Medicine, College of Medicine, UTHSC, who will serve as the faculty representative for the upcoming fiscal year.

#### **IV. Trustee Appointment to Standing Committee**

Chair Compton recommended the appointment of Trustee Patterson as a member of the Finance and Administration Committee. As Committee assignments are on 2-year cycles (2020-2022), the appointment will expire next June 30, 2022.

Upon motion duly made and seconded, the Board approved *Resolution 026-2021*, by unanimous roll call vote, with the abstention of Trustee Chris Patterson.

#### **V. Committee Reports**

##### Report of the Audit and Compliance Committee

Trustee Amy Miles, Chair of the Audit and Compliance Committee, gave the Committee's report to the Board. She highlighted several reports including the UT System Title IX Update (calendar year 2020) provided by Dr. Ashley Blamey. Trustee Miles reported this past year was particularly challenging not only due to the pandemic, but also because of the new federal regulations. She thanked the Title IX Coordinators and others who worked collaboratively to review the regulations, adopt new policies and procedures, and to ensure compliance in such a short period of time.



Trustee Miles advised that the Committee received an athletics compliance update, as required by the Board's Policy on Oversight of Intercollegiate Athletics. She explained that the annual report to the Committee encompasses information pertaining to: (i) organizational structure for the compliance function, (ii) processes for handling compliance investigations, (iii) levels of staffing as compared to peers, and (iv) reported rules infractions during the year. Ryan Stinnett, General Counsel, who provided the athletics report, also discussed emerging topics including the new name, image, and likeness (NIL) landscape in higher education. Trustee Miles concluded the Committee report by highlighting a number of items that were presented on the Committee's Consent Agenda and noting that a nonpublic, executive session was held, as permitted by law, which focused on audits, investigations, fraud, waste and abuse, and litigation.

#### Report of the Education, Research, and Service Committee

Trustee Donnie Smith, Chair of the Education, Research, and Service Committee, gave the Committee's report to the Board. He reviewed the items that were considered by the Committee and listed on the Board's Consent Agenda for approval. In addition, he highlighted the presentations that were provided to the Committee regarding: (i) the University's research efforts; (ii) the work done by UTHSC with respect to education, research and service surrounding COVID-19; (iii) the School of Dental Medicine's initiative on rural dental care; and (iv) the results of the Spring 2021 Student Experience Survey.

#### **VI. Revisions to Board Policy (BT0006) - Policies Governing Academic Freedom, Responsibility, and Tenure**

Linda Martin, Vice President for Academic Affairs and Student Success, explained that the Board-approved Policies Governing Academic Freedom, Responsibility, and Tenure (BT0006) sets forth specific grants of authority pertaining to the award of tenure (University Officers, Initial Appointment, and Early Consideration). However, the Policy does not contemplate the transition of tenure in connection with an acquisition of or merger with another institution. A new paragraph is proposed to address this particular consideration. As each transaction may be unique, the proposed language allows for flexibility regarding how tenure will be considered, based on the terms approved by the Board in connection with any such transaction. The revisions to the Policy were provided under Tab 2 of the meeting materials.

Upon motion duly made and seconded, the Board approved *Resolution 027-2021*, by unanimous roll call vote.



## VII. President's Address

President Boyd extended his appreciation to Student Trustee Leighton Chappell and Professor Christina Vogel and welcomed new Trustee Patterson, incoming Student Trustee Lane Guttridge, and Dr. Richey, Faculty Representative to the Education, Research, and Service Committee.

President Boyd expressed his excitement for what may be a very historic meeting of the Board of Trustees with consideration of the proposed acquisition of the assets of Martin Methodist College. If approved, The University of Tennessee Southern (UT Southern) will be the first new undergraduate campus in the UT System in fifty years, as well as the first new public institution in Tennessee in fifty years.

President Boyd highlighted a number of this year's achievements, including:

- The efforts of UTHSC faculty, staff and students (e.g., testing centers, surge hospitals, vaccination sites, and education/research contributions) that were and remain critically important for combatting COVID-19 not only in Shelby County, but across the State of Tennessee.
- The announced gift intention by Ms. Melanie Taylor of Wildwood Farm (approximately 350 acres located in Germantown, Tennessee) for the benefit of UT Martin. President Boyd stated that it will be the largest gift received by UT Martin, and it may even be the largest to the University. He described how the Farm will be a great resource for UT Martin students, as well as those students in K-12 and 4-H.
- The tireless efforts of faculty and staff from across the UT System, who persevered through a very challenging year.
- The historic level of financial support provided by the Tennessee legislature to the University either directly or indirectly (i.e., largest salary pool, full performance funding for undergraduate campuses, operating increase for UTHSC, funding for graduate medical education, funding for extension agents in rural/distressed counties, grant funding for Oak Ridge Innovation Institute, record funding for capital maintenance and approval of other capital projects, and funding for UT Southern pending the Board's approval of the acquisition).

President Boyd recognized Dr. Tim Cross, Senior Vice President/Senior Vice Chancellor, UT Institute of Agriculture (UTIA), who will be retiring in August. President Boyd thanked Dr. Cross for his selfless service to the University and UTIA. He highlighted a number of UTIA successes under Dr. Cross' leadership and shared that there would be a more formal acknowledgement of his many years of service later in the fall.



President Boyd then recognized Dr. Steve Schwab, who recently announced his retirement. While Chancellor Schwab will be continuing to serve until his replacement is identified, President Boyd wanted to take the opportunity, while in Memphis and at the UTHSC campus, to highlight a few of the many accomplishments of Dr. Schwab during his tenure as Chancellor.

President Boyd concluded his remarks by announcing this year's recipients of the President Award.

- Educate Honoree – Dr. Ray Witmer, Professor in the Department of Engineering, UT Martin
- Discover Honoree – Dr. Colleen Jonsson, Professor and Van Vleet Chair of Excellence in Virology, Director of the Regional Biocontainment Laboratory (RBL), and Director of the Institute for the Study of Host-Pathogen Systems, UTHSC
- Connect Honoree – Dr. Altha Stewart, senior associate dean for Community Health Engagement, Associate Professor and Director of the Division of Social and Community Psychiatry and Director of the Center for Health in Justice Involved Youth, UTHSC
- Support (Exempt) Honoree – Ms. Valara Sample, Executive Director for Residential Education and Campus Life, UT Chattanooga
- Support (NonExempt) Honoree – Ms. Tammie Cole, an administrative coordinator with the UT System.
- Diversity Honoree – Anthony Prewitt, Interim Director for Multicultural Affairs, UT Martin

### **VIII. Proposed Acquisition of Martin Methodist College**

Chair Compton reviewed the history and the steps taken over the last nine months with regard to the proposed acquisition of Martin Methodist College (MMC). He noted the projected decline in the number of traditional college-aged students (based on age demographics) and the expected consolidations of higher education institutions.

At the Executive Committee meeting held on September 11, 2020, President Boyd presented the idea of a potential partnership with MMC, which was the subject of a non-binding letter of intent. Since then, the University administration has conducted due diligence, with the assistance of an outside consultant (Huron Consulting Group). One of the key findings of the report was the reduction in the number of high school students in southern middle Tennessee pursuing a college education and the potential adverse consequences to the State's *Drive to 55* initiative. At a specially called meeting of the Board held on December 9, 2020, the Board was updated on the findings of the administration's due diligence review and tasked the administration with performing further work and analysis in four key areas. Specifically, the administration was asked to provide the Board with the following:



- a market assessment regarding potential enrollment;
- a more in-depth analysis of the academic programs needed to support the vision for the campus;
- an economic model reflective of the changes needed to support the campus for long-term success; and
- a plan for stakeholder engagement.

Chair Compton stated that this follow-up information was shared with the full Board and presented at the January 22, 2021 Executive Committee meeting. In February, the Board was updated on Governor Lee's budget, including recurring and non-recurring funding. Chair Compton advised that it is very difficult to receive recurring funding and that Governor Lee and the members of the Tennessee legislature have taken significant steps in support of the proposed, new UT Southern campus.

Chair Compton, on behalf of the Board, thanked President Boyd for his efforts in keeping the Board fully informed through each step of this process.

#### Panel Presentation and Transaction Overview

President Boyd began by sharing his vision for the UT Southern campus and the impact that it will have on the surrounding community and the State of Tennessee. He noted that the area was in desperate need of an affordable, public institution of higher education. President Boyd extended his gratitude to: (i) the Board of Trustees for their constructive input throughout this process, (ii) Governor Lee for his support for rural communities and education; (iii) the State legislature for approval of the funding request; (iv) the various state agencies who have advanced this initiative; (v) the members of the teams who have worked on the project; and (vi) most importantly, to Mark La Branche, President of Martin Methodist College, for his altruistic approach and focus on the best interests of current and prospective students.

President Boyd introduced members of the senior leadership team (Linda C. Martin, Vice President for Academic Affairs and Student Success; David L. Miller, Senior Vice President and Chief Financial Officer; and Tiffany U. Carpenter, Vice President for Communications and Marketing), who provided an update regarding the work that was done since the Board's last meeting with state agencies, accrediting bodies, and others to obtain the necessary approvals to proceed with the acquisition of the assets of Martin Methodist in order to establish a new UT campus, to be known as The University of Tennessee Southern (UT Southern). Additionally, the senior leadership team reviewed the preparation and transition plans for each of their areas, along with next steps, should the Board vote to proceed. A copy of the full presentation is filed with the minutes.



Mark La Branche, President of Martin Methodist College, addressed the Board. In his remarks, he reflected on the trends in higher education, which have impacted small, private, church-affiliated institutions, especially those serving in rural areas. He acknowledged the work of MMC in continuing to develop a more sustainable model. However, as the only four-year and graduate institution in the region, the demands are much greater than a small college can provide. President La Branche discussed the work of the MMC board in being transparent prior to the pandemic, and the existential moment that arose out of the COVID-19 crisis. He shared that the MMC board felt that it was time to become more serious about pursuing partnerships, collaborations, and even mergers.

He reflected that the action before the two boards is one that is the culmination of more than a year's worth of planning. The prospective establishment of UT Southern campus, as the fourth undergraduate institution in the UT System, will rest on the foundation of more than 151 years of mission. Based on the stewardship of the MMC board and the dutiful care of the faculty and staff, MMC comes to this point not in a deficit, but poised for great growth. He believes that the proposed acquisition is not about what presently exists, but a tremendous promise for the future. He recognized the debt owed to the Methodist movement, which considered growing knowledge a divine pursuit and one that should be available for all. He hopes that the actions before the boards will further aid in the pursuit of that mission. President La Branche spoke of the fierce headwinds that MMC has battled over the years, and how it feels good to have some wind at their back. He also quoted the French poet, Victor Hugo, in saying that "*[n]othing is more powerful than an idea whose time has come.*"

President La Branche spoke of his leadership team's commitment to pursuing this initiative, even if it meant stepping aside for the sake of the mission. He extended his gratitude to both boards of trustees, to President Randy Boyd for thinking outside the box and for his personal, financial commitment for ensuring the resources necessary, to the elected officials who were willing to take on something of this magnitude during the biggest health crises in nearly 100 years, and to the leadership teams of both organizations for their tireless efforts.

President La Branche closed his remarks by stating that it will be an honor and privilege to serve the University and assist it in fulfilling its promise as a great land-grant university system. He then shared some of the immediate results in enrollment and retention that have occurred, and he believes that moving forward the campus will more than exceed the projections. His remarks were met with applause. A full copy of the remarks made by President La Branche are filed with these minutes.

Mr. Stinnett reviewed the following items: (i) the overall structure of the proposed of the asset acquisition; (ii) key provisions of the Asset Transfer and Transition Agreement and other related documents, and (iii) the approvals received and the remaining action items.





Chair Compton thanked the presenters and opened the floor to the Trustees for questions and comments. The Trustees engaged in a robust discussion of the merits of the proposed acquisition in general and, in particular, with respect to the University's land-grant mission, the UT System Strategic Plan, and the needs of the region and the State of Tennessee.

The Trustees agreed that the acquisition of the assets of MMC and establishment of UT Southern would be a win for students, the employees, and the citizens of the state. Trustee Hatcher also noted that the acquisition was strongly based in the mission of a land-grant university and aligned with Governor Lee's Rural Initiative. Growth in University enrollment is a stated objective of the UT System Strategic Plan. From a stakeholders' perspective, the acquisition includes strong local community support (i.e., business leaders and others closely connected to MMC). Moreover, the Trustees expressed their excitement about the alignment of the missions of the two institutions and the University's opportunity to make a meaningful difference in the lives of individuals who live in the area.

Moving forward with the implementation, the Trustees encouraged the teams to abandon the differences that do not matter, but to embrace items that are uniquely important. The Trustees also expressed their appreciation for the hard work demonstrated by the teams of both institutions, acknowledging the complexities associated with mergers/acquisitions.

### Action Items

#### *Asset Transfer and Transition Agreement*

Following the presentation by Mr. Stinnett, Chair Compton called for a motion to approve the Asset Transfer and Transition Agreement, as presented in Tab 3.2 of the meeting materials. Upon motion duly made and seconded, the Board approved **Resolution 028-2021**, by unanimous roll call vote.

#### *Appointment and Compensation of Chancellor*

President Boyd recommended the appointment of Mark La Branche as the inaugural Chancellor of The University of Tennessee Southern, based on the terms and compensation presented to the Board (Tab 3.3). Upon motion duly made and seconded, the Board approved **Resolution 029-2021**, by unanimous roll call vote. Chair Compton extended the Board's congratulations to Chancellor La Branche. Chancellor La Branche thanked his wife, Mona, for her support throughout this process.



### ***Approval of Academic Programs***

Dr. Martin provided a brief overview of the work done to ensure that UT Southern's academic programs are aligned and consistent with the policies set forth by the Tennessee Higher Education Commission (THEC). The Academic Programs for UT Southern were provided under Tab 3.4 of the meeting materials circulated in advance of the meeting. Upon motion duly made and seconded, the Board approved ***Resolution 030-2021***, by unanimous roll call vote.

### ***Proposed Commercial Loan - First Horizon Bank***

Chair Compton advised that he serves on the Board of Directors for First Horizon Bank. As such, he recused himself from participating in this portion of the meeting. He asked Trustee Donnie Smith to Chair the meeting.

David Miller, Senior Vice President and Chief Financial Officer, reviewed a proposed business loan agreement with First Horizon Bank, which terms were set forth in the meeting materials and circulated in advance of the meeting (Tab 3.5). The purpose of the loan is to repay a US Department of Agriculture (USDA) loan entered into previously by MMC, through its wholly-owned non-profit subsidiary. The aggregate principal amount of the loan will be \$7,175,620.98 and will be repaid from auxiliary revenues. The new loan will have a lower interest rate than the existing USDA Loan.

Trustee Smith called for a motion to approved the proposed commercial loan, which was made and seconded. The Board approved ***Resolution 031-2021***, by unanimous roll call vote, with the abstention of Chair John Compton.

### ***Banking Authorization - First National Bank, Pulaski, TN***

Chair Compton resumed chairing the meeting and called upon Mr. Miller, who recommended that the Board designate First National Bank, Pulaski, Tennessee (the "Bank"), as a University depository. First National Bank is conveniently located close to the UT Southern campus. Upon motion duly made and seconded, the Board approved ***Resolution 032-2021***, by unanimous roll call vote.

Chair Compton indicated that there was another step in the process, which includes the approval of the transaction by the MMC Board. He extended the Boards' congratulations.

The meeting was recessed until 1:30 p.m. (CDT).