



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

MINUTES OF THE EXECUTIVE COMMITTEE May 10, 2024

The Executive Committee of The University of Tennessee Board of Trustees met at 9:00 a.m. (EDT) on Friday, May 10, 2024. The meeting was held virtually with all Committee members participating electronically or by telephone. The meeting was hosted from the University of Tennessee, Knoxville campus.

Committee Members Present: John C. Compton, Board Chair; Decosta E. Jenkins; William (Bill) C. Rhodes III; Donald J. Smith; and Jamie R. Woodson.

Others in Attendance:

Trustees: Bradford D. Box; David N. Watson; Woodi H. Woodland; and T. Lang Wiseman.

University Officers: President Randy Boyd; David L. Miller, Senior Vice President and Chief Financial Officer; Cynthia Moore, Board Secretary and Special Counsel; Chancellor Steve Angle (UT Chattanooga); Chancellor Peter Buckley (UT Health Science Center); Chancellor Yancy Freeman (UT Martin); Interim Chancellor Linda Martin (UT Southern); and Chancellor Donde Plowman (UT Knoxville). In addition, other members of the UT senior leadership and administrative staff were present.

Ms. Moore announced the presence of a quorum. The meeting was webcast for the convenience of the University community, the general public, and the media.

Remarks of the Chair

Board Chair John C. Compton, who also serves as Chair of the Executive Committee, opened the meeting and provided an overview of the meeting agenda. He offered his congratulations to the students who would be completing their studies at the University's campuses and wished them well as they moved on to the next phase of their academic and/or professional careers.

Approval of the Minutes of the Last Meeting

Board Chair Compton noted that the minutes of the January 26, 2024, meeting were included in the meeting materials (Tab 1). He asked for any corrections to the minutes. Hearing none, the minutes were accepted as presented.

Update from the President

President Boyd began his remarks by announcing that a record number of students (8,813) will graduate from the University's campuses this spring. He expressed his gratitude to the

Chancellors, faculty, and staff for their efforts to ensure that the Class of 2024 successfully completed their studies.

Legislative Outcomes. President Boyd provided a detailed update to the Committee on the outcomes associated with the recent legislative session, including the state's finances, upcoming state budget, and investments being made by the state in the University. He credited Carey Whitworth, Vice President of Government Relations and Advocacy, and the members of her office for the success the University achieved in advancing its legislative priorities. President Boyd noted that Ms. Whitworth and her team have worked tirelessly to craft strong relationships, and in doing so, have ensured that the Governor, legislature, and state agencies have a positive view of the University. However, this does not guarantee that the University will not face future headwinds given that there are several items impacting the state's financial position, including revenue growth flattening to a new normal as well as the suspension of franchise taxes (which has reduced the state budget by \$400 million, with an additional \$1.5 billion set aside to provide refunds to those who paid the franchise tax in prior years). The Fiscal Year 2025 budget proposal is 16% smaller than the Fiscal Year 2024 budget. Nevertheless, President Boyd noted that the University successfully navigated these state budgetary challenges and secured important funding for a number of projects, including:

- A 3% salary pool increase for state employees;
- \$66.4 million to fund UT Chattanooga's Fletcher Hall/Rollins College of Business building;
- \$29.6 million for the UT Health Science Center's Gross Anatomy Lab;
- Authorization to expend \$10 million in plant funds to allow UT Knoxville to proceed with planning for a new chemistry building;
- \$22.5 million for five capital maintenance projects;
- Fully funded outcomes formula, which will result in \$13.3 million for UT Chattanooga, UT Knoxville, and UT Martin; and
- \$899,700 recurring funding for operating increases at the UT Health Science Center, UT Knoxville's College of Veterinary Medicine, and UT Southern.

In addition, the University and its partner organizations were the grateful recipients of funding for initiatives that will benefit the citizens of Tennessee:

- \$18 million to support the Healthy Smiles Initiative, aimed at increasing the number of dentists practicing in Tennessee in partnership with the UT Health Science Center;
- The City of Kingsport received \$6.5 million in funding to build a dental clinic that will be managed and staffed by the UT Health Science Center;
- The TNGO initiative received a \$2.5 million increase in the funding to support the state's economic development strategy to attract more research and development, engineering, and innovation jobs. The University has played a key role in the launch of this initiative;
- \$10 million for nuclear development grants to strengthen Tennessee's nuclear energy sector. UT Knoxville has the number one nuclear engineering school in the country and will directly benefit from this grant; and

- \$10 million in non-recurring to support Small Business Innovation and Small Business Technology Transfer matching funds and efforts to support technology commercialization through LaunchTN. Approximately 90% of the UT Research Foundation’s startup companies have received funds from LaunchTN, and this additional funding will help advance the University’s efforts in this area.

President Boyd also reported that the University had seen success on other legislative matters, including securing a four-year extension until the next Sunset review.

Fundraising Efforts. President Boyd reported that the University is on track to raise \$3 billion by 2030. It is anticipated that 2024 will break the record set in 2023, becoming the second-best year for fundraising in the University history.

Board and Administrative Policies. In discussing current world events in the Middle East and the concerns being expressed on college campuses across the nation, President Boyd presented an overview of relevant Board and administrative policies:

- Philosophy on Institutional and Leadership Statements (GE0004). Published in 2023, this policy outlines the University’s position on institutional neutrality. President Boyd emphasized that, as stated in the administrative policy, “[T]he role of the University is to provide an impartial platform for scholarly debate. It is not to pronounce judgment” so that the University is able to “...be a true marketplace of ideas in which students, faculty, and staff have the broadest possible attitude to speak, write, listen, challenge, learn, and discuss any issue.”
- Policy Affirming Principles of Free Speech for Students and Faculty – Time, Place and Manner (BT0010). President Boyd stated that the University is committed to freedom of speech on its campuses and ensuring that everyone has the right to share their point of view in an appropriate manner at an appropriate time and in appropriate place. This policy ensures that the right to freedom of speech is preserved while also guaranteeing that the University can foster an environment where faculty, students, staff, and visitors feel safe.
- Statement of Investment Policy (BT0025). President Boyd noted that there have been questions regarding the University’s investments and investment policy. The Statement on Investment Policy sets forth the University’s investment philosophy for the consolidated investment pool. As a public institution, serving a variety of stakeholders, the University does not base investment decisions on political or social stances. Moreover, President Boyd emphasized that the University does not invest tuition funds in any vehicle other than cash and/or cash equivalents.

Challenges and Opportunities. President Boyd closed his remarks by discussing certain anticipated challenges and opportunities for the upcoming year.

- Title IX. The U.S. Department of Education has issued new guidance pertaining to Title IX, which is being challenged by the Tennessee Attorney General, along with attorneys general in several other states. As these challenges continue, the University

System is preparing for all possible scenarios. More information regarding this matter will be provided at future meetings of the Board.

- Free Application for Federal Student Aid (FAFSA). As reported extensively in the media, changes to the FAFSA application have caused a crisis across the country and negatively impacted students and their families, particularly those from the lower socioeconomic sectors. The University has made progress in encouraging students to complete the form, but challenges remain. President Boyd noted that an update on this situation will be provided at the Annual Meeting of the Board in June.
- Growth and Expansion. President Boyd explained that the University needs to continue to grow and expand to meet the state's workforce needs, particularly as Tennessee continues to attract new industry. Two challenges that impact the University's ability to grow are:
 - Housing and Parking - The University is making progress on finding solutions for addressing the increased need for housing and parking on its campuses and will be providing an update on this issue at the Annual Meeting of the Board.
 - State Funding for Academic Buildings - The University is working to develop a more sustainable solution for funding construction of academic buildings and maintaining/renovating existing buildings.
- Maintaining Affordability. President Boyd concluded his presentation by discussing the steps the University is taking to address affordability. He noted that while tuition will be increasing for this coming year, the expanded UT Promise and other programs are intended to ensure that the University is able to provide affordable options for its students. He noted that, when compared to five years ago, the amount of debt carried by University students averages \$26,000 (a decrease of 4.5%), with 47% of students graduating with no debt. Moreover, for the five-year period from 2020 to 2025, tuition for attending the University has risen only slightly (.8%), while the Consumer Price Index averaged 5.2% over that same period. President Boyd stated that the University will continue to be mindful of its expenses and strive to provide Tennesseans with an affordable education so that they can craft lives of impact for themselves and their families.

Chair Compton thanked President Boyd for his report. He noted that this past academic year began with record enrollment growth and retention across all of the University's campuses and concluded with a new record number of graduates. He reminded the Committee members that more than 60% of the University's graduates stay in the state, adding to Tennessee's talent pool and underscoring the fact that a strong state of Tennessee needs a strong University of Tennessee. He asked President Boyd to keep the Board advised on the student debt and the impact the UT Promise has on addressing that issue.

Proposed Budget Increase for the Library Storage Building (UT Knoxville)

David L. Miller, Senior Vice President and Chief Financial Officer, advised the Board that the Library Storage Building project at UT Knoxville (the “Project”) was included in the Fiscal Year 2020-21 Capital Budget. The approved budget for the Project was in the amount of \$10,000,000, which was to be financed with non-auxiliary Plant Funds. Subsequent to the completion of the design development phase, UT Knoxville Chancellor Donde Plowman is requesting an increase in the Project budget to account for scope changes, including: (i) transitioning from a renovation project to the construction of a new building; (ii) relocating the Project site; and (iii) the addition of specialized storage shelving. The University Administration is requesting that the Board approve increasing the budget by \$5,370,000 to \$15,370,000, with a corresponding increase in financing from non-auxiliary Plant Funds (as further described in the meeting materials).

Upon motion duly made and seconded, a roll call vote was taken, and the Board of Trustees unanimously approved *Resolution 030-2024* increasing the capital project budget for the Library Storage Building at UT Knoxville and increasing and adjusting the financing plan as set forth in the meeting materials (Tab 2).

Appointment of the Student Member of the Board

Chair Compton recognized Student Trustee Woodi Woodland, whose term is expiring in June, for her outstanding service to the Board, particularly given her intensive course of study in her final year of medical school at UT Health Science Center. Chair Compton also extended the Board’s best wishes to Ms. Woodland will be starting her residency at the University of California San Francisco in the Department of Otolaryngology - Head and Neck Surgery.

He noted that each year a student is to be appointed as a non-voting member of the Board of Trustees and as a voting member of the Education, Research, and Service (ERS) Committee. This year’s nominee is from the UT Knoxville campus. Chancellor Donde Plowman has recommended the appointment of Ms. Lisa Patel, a student in the Tickle College of Engineering. In addition to her outstanding academic record, Ms. Patel participates in a number of campus organizations, including the Society of Women Engineers, the Biomedical Engineering Society, and the Student Alumni Associates. Ms. Patel also serves as a mentor for First Year Programs. Ms. Patel’s letter of interest, resume, and letter of recommendation were included in the meeting materials sent in advance of the meeting (Tab 3).

Upon motion duly made and seconded, a roll call vote was taken, and the Board of Trustees unanimously approved *Resolution 031-2024* appointing Ms. Lisa Patel as the Student Trustee to the Board for a term beginning on July 1, 2024, and ending June 30, 2025.

Appointment of a Faculty Member to the Education, Research, and Service Committee

Chair Compton extended the Board’s gratitude to Dr. Sean Walker, whose term as the faculty representative to the ERS Committee expires in June. Chair Compton also recognized Dr. Walker’s service and partnership with the University Faculty Council.

Similar to the student appointment, a faculty member of the University is to be appointed as a voting member of the ERS Committee annually. For the upcoming year, the faculty member is to be selected from the UT Chattanooga campus, and Chancellor Steve Angle has nominated Dr. Elizabeth K. Crawford to serve in this role. Dr. Crawford serves as the full-time, tenured UC Foundation Professor and Program Advisor for the Learning and Leadership Programs and previously served as Chair of the University Faculty Council (2020-2021). Dr. Crawford's full curriculum vitae and letter of recommendation were included in the meeting materials (Tab 4).

Upon motion duly made and seconded, a roll call vote was taken, and the Board of Trustees unanimously approved *Resolution 032-2024* appointing Dr. Elizabeth Crawford as voting member of the ERS Committee, for a term beginning on July 1, 2024, and ending June 30, 2025.

Planning for the Annual Board Meeting

Chair Compton reviewed key topics planned for the upcoming meetings of the Board and its Committees, which meetings will be held at UT Knoxville, on June 24 and 25, 2024. Among other things, the agenda for the Board meeting will include a review of President Boyd's annual performance review and his potential reappointment for a five-year term to expire in 2030.

Other Business and Adjournment

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

Respectfully Submitted,

/s/Cynthia Moore

Cynthia C. Moore

Secretary and Special Counsel

Attachments. Copies of the following items are filed with the official minutes of this meeting:

- PowerPoint Presentation – Igniting the Greatest Decade