



THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES

MINUTES OF THE FALL MEETING
November 2, 2018
Knoxville, Tennessee

The Fall Meeting of The University of Tennessee Board of Trustees was held at 1:15 p.m. EDT, on Friday, November 2, 2018, in the Hollingsworth Auditorium on the campus of The University of Tennessee Institute of Agriculture, in Knoxville.

I. CALL TO ORDER AND INVOCATION

Chair John Compton called the meeting to order and asked Steve Moldrup, Co-Director of the Collegiate Abbey, to offer the invocation.

II. ROLL CALL

Chair Compton asked the Secretary, Catherine S. Mizell, to call the roll.

The Secretary proceeded to call the roll, and the following members of the Board of Trustees were present:

John C. Compton, Chair
Decosta E. Jenkins
Kara Lawson (by telephone)
Amy E. Miles
Kenneth I. Packer
William (Bill) C. Rhodes III
Donald J. Smith
Commissioner Jai Templeton
Kim H. White
T. Lang Wiseman
Jamie R. Woodson

The Secretary announced the presence of a quorum and addressed the Open Meetings Act requirements for meetings conducted with members participating by telephone, including the requirement that all votes be conducted by roll call. Trustee Lawson participated by telephone due to a scheduling conflict and confirmed no one else was present at her location. For the benefit of Trustee Lawson, the Secretary announced that in addition to the Trustees, others present at the meeting location in Knoxville included University faculty, staff, and students, members of the general public, and media



representatives. The meeting was also webcast for the convenience of the University community, the general public, and the media.

III. OPENING REMARKS

Chair Compton welcomed the newest members of the Board: Decosta Jenkins, CEO of Nashville Electric Service; Kenneth Packer, a Doctor of Nursing Practice student at the Health Science Center; and Jamie Woodson, Executive Chair and CEO of the State Collaborative on Reforming Education.

The Chair then recognized President DiPietro for his final address to the Board.

IV. PRESIDENT'S ADDRESS

Reflecting on his time in office, Dr. DiPietro said he is very proud of the following accomplishments achieved by working together with the Trustees and his team:

Education: Enrollments are up about 2.6% since 2011 in an environment where it is hard to maintain enrollment, much less grow it. The 50,000 mark was broken, and now there are 50,810 students in the System. Freshmen and sophomore retention is at 81%. The six-year graduation rate is up 6% system-wide.

Discovery: A new record was set in the past year with \$481 million dollars in research expenditures. The partnership with Battelle to co-manage the Oak Ridge National Laboratory continues to pay benefits for the University: more than 200 joint faculty appointments; 16 Governor's Chairs; a grant leading to creation of the Institute for Advanced Composites Manufacturing Innovation; and the Bredesen Center with exceptionally bright students enrolled in Ph.D. programs at UT Knoxville and doing research at ORNL.

Connecting: The University maintains direct contact with over 5 million people across the state through the Institute of Public Service, the Institute of Agriculture, and the Health Science Center.

Fundraising: The UT Foundation has had a record-breaking year of fundraising with \$397 million. Several colleges have been named in recognition of transformational gifts – in Knoxville, the Haslam College of Business, the Tickle College of Engineering, and the Herbert College of Agriculture; and in Chattanooga, the Rollins College of Business.



Building and Construction: Across the UT System 11 million square feet of space has been built or remodeled with support from the General Assembly and the Governor in the amount of \$727 million and about one and a half times that amount raised by the University. The research park at Cherokee Farm has grown to two buildings that are almost fully occupied, but it needs to continue to grow and should be a focus of the Board.

Tuition and Budget: Low tuition increases and the sustainability of the budget are a source of pride. Former Vice Chairs Brian Ferguson and Raja Jubran warned that the University's budget model was broken, which led to appointment of the President's Budget Advisory Group to address the projected gap of \$377 million in year 2025. In addition to the work of that group, Governor Haslam and the General Assembly provided seven consecutive years of increases in state appropriations that put the University in a great financial position and led to a record of 4 years of tuition increases below 3% and two campuses with 0% increases, UT Chattanooga and UT Knoxville.

Dr. DiPietro expressed his appreciation for the work of faculty, staff, and students in achieving these accomplishments, as well as the steadfast support, talent, and time of the former Board and the current Board. He said the University cannot be measured in graduation rates, funding, or statistics alone but rather in improving lives by accomplishing the University's mission to educate, discover, and connect.

Dr. DiPietro offered the following words of advice to the new Board:

- Thrill at your victories; they don't come all that often.
- Always regret your mistakes, but don't focus on them too long.
- Caring about people is very important. People don't care how much you know or how much you accomplish until they know how much you care.
- Always do what is best for the institution.
- Qualities needed in the President include those of a dove, dragon and diplomat. The President must be trusting, tough, absolute truth-teller and thick-skinned; must possess the skills and talents of a counselor, a cheerleader, a mediator and a 5-star general all rolled into one; mustn't take yourself too seriously, always maintain a sense of humor, and enjoy the ride.
- Do no harm until you know what you should do.

Dr. DiPietro then recognized his wife of 44 years, Deb, describing her as his fiercest advocate but most direct critic. He closed with a final word of appreciation for the distinct privilege of serving the University. The Trustees and audience honored him with a standing ovation.



V. RESOLUTION HONORING THE SERVICE OF PRESIDENT JOSEPH A. DIPIETRO AND BESTOWING PRESIDENT EMERITUS STATUS

Chair Compton said Dr. DiPietro's many successes over the past eight years have positioned the University and the new Board very well, and the Board intends to honor his accomplishments not only with the words of a formal Resolution, but also with their best efforts to build on his successes. The Chair then read the following Resolution:

WHEREAS, President Joseph A. DiPietro earned a bachelor's degree in consumer and environmental sciences at the University of Illinois, a master's degree in veterinary medicine at the University of Illinois, and a doctorate of veterinary medicine at the University of Illinois; and

WHEREAS, he served as instructor, professor, assistant dean for research, and associate dean for research at the University of Illinois College of Veterinary Medicine; and

WHEREAS, he served as professor and dean of the University of Florida College of Veterinary Medicine; and

WHEREAS, he joined The University of Tennessee as Vice President of the Institute of Agriculture in 2006 and was named Chancellor of the Institute in 2010; and

WHEREAS, he was elected President of The University of Tennessee in 2011, providing leadership to advance academic excellence, deliver discoveries, and serve Tennessee communities; and

WHEREAS, as President, he created a five-year strategic plan, "Defining the Future," to align University priorities with state and national goals to increase enrollment and graduation rates, enhance economic development and respond to the changing needs of the state's workforce; and

WHEREAS, he established the Budget Advisory Group in 2015 after University leaders discovered a then-projected \$377 million funding shortfall by 2025, and by 2018, the budget gap had been closed by cost cutting, fund reallocation, and unexpected increases in state appropriations; and

WHEREAS, he led efforts to hold tuition increases to 3 percent or lower for a record-setting four straight years; and



WHEREAS, he oversaw historic fundraising efforts, which included the addition of four named colleges across the University system; and

WHEREAS, during his time in office, the University increased student enrollment system-wide by 2.6 percent from 2011 to 2017; and

WHEREAS, the University's system-wide freshman retention rate rose from 75.6 percent in 2011 to 81 percent in 2017, while the University graduated almost 14 percent more students system-wide during that same time period; and

WHEREAS, the University achieved a record-high, system-wide \$481 million in sponsored-program expenditures under his leadership in 2017; and

WHEREAS, the University saw alumni donors increase by 17.5 percent, from 26,323 to 30,926 during his time in office; and

WHEREAS, Deb DiPietro, dearly loved wife and mother of Robin, Joe, and Rose, has been a constant source of support and counsel to President DiPietro throughout his distinguished career and has graciously consented to his devotion of countless evening and weekend hours away from home on University business;

NOW, THEREFORE, BE IT RESOLVED that The University of Tennessee Board of Trustees, meeting in Knoxville, Tennessee, on November 2, 2018:

1. Bestows on President Joseph A. DiPietro the honorary status of President Emeritus in recognition of his exceptional service to The University of Tennessee;
2. Invites him to return to Tennessee every year to attend the Annual Meeting of the Board; and
3. Wishes him many years of happiness with Deb and their children and grandchildren.

Trustee Woodson moved adoption of the Resolution, and Trustee White seconded. The motion passed unanimously by a roll-call vote.

VI. APPOINTMENT OF NEW TRUSTEES TO STANDING COMMITTEES

The Chair recommended appointment of Decosta Jenkins to the Audit and Compliance Committee for a term ending on June 30, 2020. Given Mr. Jenkins' experience as a CPA



as well as a CEO, the Chair said he will be an excellent fit for this committee.

He also recommended that Jamie Woodson be appointed to the Education, Research and Service Committee for a term ending on June 30, 2020. Given Ms. Woodson's past experience as Chair of the Senate Education Committee and her role as CEO and Executive Chair of the State Collaborative on Reforming Education, the Chair is certain she will contribute significantly to the work of this committee.

Finally, in accordance with the UT FOCUS Act, the Chair recommended that non-voting student Trustee Kenneth Packer be appointed as a voting member of the Education, Research and Service Committee for a term ending with the expiration of his term on the Board on June 30, 2019.

The Chair called for a motion to adopt the following Resolution:

Resolved:

1. The Board of Trustees appoints Decosta E. Jenkins to the Audit and Compliance Committee of the Board and Jamie R. Woodson to the Education, Research, and Service Committee, each to serve a term beginning November 2, 2018 and ending June 30, 2020; and
2. The Board of Trustees appoints Kenneth I. Packer, the non-voting student member of the Board, as a voting member of the Education, Research, and Service Committee for a term beginning November 2, 2018 and ending upon the expiration of his appointment to the Board on June 30, 2019.

Trustee Smith moved adoption of the Resolution, and Commissioner Templeton seconded. The motion passed unanimously by a roll-call vote.

VII. RATIFICATION OF THE CHAIR'S APPOINTMENT OF THE SPECIAL COMMITTEE ON UNIVERSITY OF TENNESSEE ATHLETICS PROGRAMS

The Chair said that although the Board must delegate administrative responsibility for the athletics programs to the Chancellors in compliance with NCAA rules, ultimate accountability for athletics policy is just as much a fiduciary responsibility of the Board as other aspects of the University.

He explained that legislation passed in 2016 established an Athletics Committee as a standing committee of the former Board. Although the UT FOCUS Act repealed that provision, some of the work the former committee had planned to undertake is still



needed, especially for an entirely new Board, which led to the Chair's appointment of the special committee. He appointed former Trustee Charlie Anderson to lead the committee because of his experience as chair of the former committee and his knowledge of intercollegiate athletics. He also appointed Kara Lawson and Lang Wiseman because their experience as student-athletes would contribute significantly to the committee's work.

Hearing no questions or requests for discussion, the Chair called for a motion to adopt the following Resolution:

Resolved: The Board of Trustees ratifies the appointment of the Special Committee on University of Tennessee Athletics Programs composed of Charlie Anderson, Kara Lawson, and Lang Wiseman to carry out the committee charge issued by the Chair of the Board, which shall be attached to this Resolution after adoption, and for a term ending on June 30, 2020 or upon the earlier completion of the committee charge.

Trustee Jenkins moved adoption of the Resolution, and Trustee Rhodes seconded. The motion passed unanimously by a roll-call vote.

VIII. REPORT OF THE EDUCATION, RESEARCH, AND SERVICE COMMITTEE

Committee Chair Donnie Smith presented the report of the Education, Research, and Service Committee on five action items, noting that other items unanimously recommended by the Committee were placed on the consent agenda of the Board meeting. The five items brought forward to the regular agenda of the Board meeting were campus procedures for periodic post-tenure review of all tenured faculty members.

The Committee Chair explained that each campus started with a template developed by the system administration and then modified the template as deemed appropriate for the specific campus. During the ERS Committee meeting, the chief academic officer for each campus described the proposed procedures and answered questions from the Trustees. The Committee Chair said it was readily apparent that this had been a collaborative process among the system administration, the campus administrations, and the Faculty Senates resulting in procedures that are well-considered and appropriately reflective of the culture of each campus. The Committee engaged in a robust discussion, especially about the reason for differences from campus to campus, but ultimately voted unanimously to recommend Board approval of the procedures for each campus.

Dr. DiPietro then highlighted some of the similarities and differences in the procedures from campus to campus:



- For UTHSC, Institute of Agriculture, and UT Knoxville, the chief academic officer is responsible for post-tenure review and appoints the review committee.
- At UT Chattanooga and UT Martin, the college deans are responsible for post-tenure review and appoint the review committee.
- Voting is anonymous at all campuses except UT Chattanooga.
- Regarding improvement plans, only the Institute of Agriculture appoints a peer review committee to develop the plan. The other campuses use the process in place for Enhanced Periodic Post-Tenure Review (a triggered review based on annual performance ratings).

Dr. DiPietro said putting these procedures in place for a periodic post-tenure review of all tenured faculty is an important first step, but at some point in the future, the Board should assess how the procedures are working.

A. UTC Procedures for Periodic Post-Tenure Review of all Tenured Faculty

On the recommendation of the Committee, the Committee Chair moved adoption of the following Resolution:

Resolved: The Board of Trustees approves the UTC procedures for periodic post-tenure review of all tenured faculty as presented in the meeting materials, which shall be attached to this Resolution after adoption.

There being no further discussion, a roll-call vote was taken, and the motion passed unanimously.

B. UTHSC Procedures for Periodic Post-Tenure Review of all Tenured Faculty

On the recommendation of the Committee, the Committee Chair moved adoption of the following Resolution:

Resolved: The Board of Trustees approves the UTHSC procedures for periodic post-tenure review of all tenured faculty as presented in the meeting materials, which shall be attached to this Resolution after adoption.

There being no further discussion, a roll-call vote was taken, and the motion passed unanimously.



C. UTIA Procedures for Periodic Post-Tenure Review of all Tenured Faculty

On the recommendation of the Committee, the Committee Chair moved adoption of the following Resolution:

Resolved: The Board of Trustees approves the UTIA procedures for periodic post-tenure review of all tenured faculty as presented in the meeting materials, which shall be attached to this Resolution after adoption.

There being no further discussion, a roll-call vote was taken, and the motion passed unanimously.

D. UTK Procedures for Periodic Post-Tenure Review of all Tenured Faculty

On the recommendation of the Committee, the Committee Chair moved adoption of the following Resolution:

Resolved: The Board of Trustees approves the UTK procedures for periodic post-tenure review of all tenured faculty as presented in the meeting materials, which shall be attached to this Resolution after adoption.

There being no further discussion, a roll-call vote was taken, and the motion passed unanimously.

E. UTM Procedures for Periodic Post-Tenure Review of all Tenured Faculty

On the recommendation of the Committee, the Committee Chair moved adoption of the following Resolution:

Resolved: The Board of Trustees approves the UTM procedures for periodic post-tenure review of all tenured faculty as presented in the meeting materials, which shall be attached to this Resolution after adoption.

There being no further discussion, a roll-call vote was taken, and the motion passed unanimously.

The Committee Chair concluded his report by reiterating that the Committee's discussions were robust, transparent, and enlightening, and questions were answered thoroughly. Trustee Rhodes commented that the entire Board was present for the discussion, and he then asked how the Board would follow up on Dr. DiPietro's suggestion of the need for the Board to assess this process in the future.



Chair Compton responded that as a minimum the Board should hear annually from the Chancellors, Linda Martin, and the Provosts about how the process is working. Linda Martin added that all the campus procedures require the chief academic officer to prepare an assessment report of post-tenure review processes, procedures, and outcomes for submission to the Board of Trustees in June of each year.

IX. REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE

Amy Miles, Committee Chair, presented the following report:

The Audit and Compliance Committee met on September 27, 2018. Ms. Sandy Jansen, Chief Audit and Compliance Officer, provided an orientation for the benefit of the newly appointed Chair and Committee members. The orientation included an overview of the two divisions of the Office of Audit and Compliance (OAC): Audit, which encompasses the internal audit function and information technology audits and security assessments, and Compliance, which includes the institutional compliance function and Title IX oversight for the UT System.

Ms. Jansen presented information on the annual audit plan development and approval process, discussed the current process for distributing audit reports and other information to the Committee, and provided an overview of staffing. She also provided information on the University of Tennessee's Code of Conduct and the UT Compliance Hotline.

The Committee reviewed OAC's 2018 goals and the status of the 2018 audit plan. Ms. Jansen highlighted audits that were added during the year and those that had been cancelled.

Ms. Jansen also presented a report of outstanding audit issues for the Committee's review and explained the monitoring process for audit recommendations and management's corrective actions. The report is provided to the Committee at each meeting and includes the significant audit recommendations to be addressed by management.

At the meeting, the members also reviewed and approved the Committee charter. Afterward, they discussed the importance of ensuring the requirements outlined in the charter are addressed each year. Ms. Jansen reviewed the meeting agendas for the upcoming year which include standing items to address the requirements.

The Committee also met in a nonpublic session to review ongoing investigations.



X. CONSENT AGENDA

Chair Compton directed the Board's attention to the Consent Agenda and noted that the item "Transfer of Jurisdiction of Property along Alcoa Highway and Cherokee Trail Interchange to TDOT" had been withdrawn from the Finance and Administration Committee Agenda and would be presented at a later meeting. In addition, the Finance and Administration Committee voted to defer action on the item "New Policy on Expenditure of Year-End Carry Forward Unrestricted Funds." Bill Rhodes, Committee Chair, added that he appreciated the robust discussion of this item in the Committee meeting and recognized David Miller and the team for the excellent work pulling the information together, noting the extensive work at the campuses to determine the different classifications of carry-forward funds revealing that most of the \$515 million are funds committed or planned for other projects.

For the benefit of the audience, the Chair explained that except for three routine items at the beginning of the Consent Agenda, all items were considered in committee meetings, and all were passed unanimously by the committees. He asked if any Trustee wanted an item moved to the Regular Agenda for discussion. Hearing no requests, the Chair called for a motion to approve the following items on the Consent Agenda and adopt the relevant Resolutions in the materials:

- A. Minutes of Prior Meetings of the Board of Trustees
- B. Resolution Appointing a Managerial Group for U.S. Government Contracts
- C. Authorization to Confer Degrees, December 2018
- D. Audit and Compliance Committee Charter
- E. Items from the Education, Research, and Service Committee
 1. Education, Research and Service Committee Charter
 2. Campus Policies and Procedures Governing Application for Tenure before the Sixth Year of the Probationary Period
 - a. UTC Policies and Procedures
 - b. UTHSC Policies and Procedures
 - c. UTIA/UTK Policies and Procedures - Extension of Time for Submission
 - d. UTM Policies and Procedures
 3. Campus Procedures for Enhanced Tenure-Track Review
 - a. UTC Procedures
 - b. UTHSC Procedures
 - c. UTIA/UTK Procedures - Extension of Time for Submission
 - d. UTM Procedures
 4. Tenure upon Initial Appointment at UTHSC
 - a. Paul Hauptman, M.D.
 - b. John Lynn Jefferies, M.D.
 - c. Scott Strome, M.D.



- F. Items from the Finance and Administration Committee
1. FY 2018 Annual Flight Operations Report
 2. Authorization for Check Signature
 3. UAPA Public Records Rule
 4. Disposal by Easement of Property on Phillip Fulmer Way to KUB (UTK)
 5. Disposal by Easement of Property on Cherokee Farm to City of Knoxville for Water Quality (UTK)
 6. Disposal by Easement of Property along Alcoa Highway and Cherokee Trail Interchange to KUB (UTK/UTIA/UHS)
 7. Transfer of Jurisdiction of Property along Alcoa Highway / Singleton Station Road to TDOT (UTIA)
 8. Transfer of Jurisdiction of Property at Maloney Road to TDOT (UTIA)
 9. Finance and Administration Committee Charter
 10. FY 2019-20 Operating Budget Appropriations Request for Non-Formula Units
 11. Revised Policy on Approval of Student Fees to Include Factors to be Considered when Developing Recommendations to Increase Tuition and Mandatory Fees
 12. Revised Investment Policies and Procedures
 13. Second Amendment of Lease and Transfer Agreement with University Health System, Inc.
 14. Authorization for the President to Approve an Affiliation Agreement with West Tennessee Medical Group, Inc., Related to the Physician Practice Plan for Family Medicine in Jackson, Tennessee

The motion was made by Trustee Jenkins, seconded by Trustee Wiseman, and passed unanimously by a roll-call vote.

XI. CLOSING REMARKS

Chair Compton applauded the individuals who addressed the Board during the committee meetings for their professionalism and constructive criticism. The Board will keep working hard to be transparent and provide materials in advance so people can review and reflect, and if they decide to address the Board, be prepared.

Dr. DiPietro announced that he and Mrs. DiPietro had decided to make a commitment to endow the Executive Leadership Institute that UT Martin Chancellor Emeritus Bob Smith helped create. Former Vice Chair Raja Jubran will chair a fundraising campaign for the endowment. The program is aimed at the leadership development of mid-level professionals to prepare them for executive positions with the University.

The Chair closed the meeting by asking the Trustees to identify three to five strategic priorities that they would like Randy Boyd to focus on. He said he is looking for priorities



for three, five, and ten years out—how the Trustees envision the University going forward now that they have had a good overview of the System, the challenges, the opportunities and the successes.

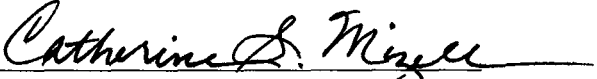
XII. OTHER BUSINESS

There was no other business.

XIII. ADJOURNMENT

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

Respectfully Submitted,


Catherine S. Mizell, Secretary