



BOARD OF DIRECTORS

Minutes of the Fall Meeting October 23, 2020

The Board of Directors held their 33rd meeting at 2:30 p.m. EDT on Friday, October 23, 2020, virtually on Zoom at <https://tennessee.zoom.us/j/96002274956>.

I. WELCOME, OPENING REMARKS, and INTRODUCTIONS

Chair Phil Wenk welcomed everyone and introduced Tim Tucker, UTAA past president attending his first board meeting. Dr. Wenk then called for the roll.

II. CALL TO ORDER AND ROLL CALL

The Secretary stated the meeting was being held virtually in accordance with COVID-19 guidelines and was webcast for public viewing. Ms. LeBlanc called roll, and the following members of the Board of Directors were present:

Philip A. Wenk, Chair
Ronald E. Frieson, Vice Chair
Kerry W. Witcher, President and CEO
Randal D. Boyd, University President
Hans N. Airee
Alexis G. Bogo
Phillip A. Clendenin
Gregory E. Cox
Kimberly W. Cross
Tim L. Cross
Robert F. Decosimo
James L. Herbert Jr
Kathy W. Ledbetter
Michael K. Littlejohn
Donde L. Plowman
Betty Ann Tanner
Timothy L. Tucker
Charles A. Wagner III
Alan D. Wilson

Board of Directors not present:
Christopher B. Bollinger

Ms. LeBlanc announced the presence of a quorum.

Officers of the foundation and vice chancellors for advancement were also participating, as well as foundation leadership and counsel Dan Holbrook. Additional foundation staff and university

leadership were watching via livestream at <https://mediasite.utk.edu/UTK/Play/6ba3c9e2752f424ba6df0be4793ae7551d>.

III. UNIVERSITY PRESIDENT'S REPORT

Dr. Wenk welcomed UT president Randy Boyd, who informed the board of his recent honorary doctorate from Carson Newman. Congratulations Dr. Boyd! He thanked Phil Wenk, Delta Dental, and the board members across the country who are also major donors and volunteers.

To say the least, 2020 has been challenging; but Mr. Boyd holds fast to the belief that this will still be the greatest decade for UT. How we overcome adversity will define us he says. Mr. Boyd gave an update on things happening across the state with the five strategies.

Enhancing Educational Excellence: Nationally, enrollment is down 16% in public 4-year institutions. This year is full of new enrollment records, and Randy Boyd loves records! Any time we can set a record, it's great; but in these difficult times, it's even more extraordinary! Congratulations to our teams across the state for setting these all-time records:

- UT System enrollment experienced a 1.9% increase, to 52,559 students
- Undergraduate enrollment is now 41,184 students
- We have 8,844 new first year students system-wide
- Bachelor's degrees conferred were 8,622
- Graduate and professional enrollment is up to 11,375 students
- Graduate degrees conferred this year were 3,655

UT Promise launch phase yielded 1,121 eligible students and 1,407 mentors. It was estimated UT Promise would cost \$4.5-5M annually, so \$100M endowment was targeted. Over \$25M has been met in the first year. The actual cost was ~\$860,000 this year.

Martin Methodist opportunity to grow the UT System

- 15-county area of southern middle TN with not another institution of higher education
- A win for the faculty and staff, a win for the community, a win for the students.
- Also a win for the state: 1) more choice and opportunity for students already going, 2) more students that might not have gone, 3) Keep students from going south, and 4) recruit students from Alabama to us.
- We will conduct our due diligence and report back to the Trustees later this fall

Expanding Research Capacities: Fourth straight record breaking year for System-wide total research expenditures - FY20 is projected to be \$431.4M, up ~1.4% over FY19 and the fourth consecutive all-time high year for the UT System.

Oak Ridge Institute has launched, with interim co-directors Stacey Patterson and Michelle Buchanan in place. National search for a permanent director is underway. \$20M grant has been received from DOE; looking at areas we can begin critical research. Also joined forces with Texas A&M to compete for the management-and-operations contract of the Y-12 National Security Complex in Tennessee and the Pantex Plant in Texas.

Fostering Outreach and Engagement

- The Substance Misuse and Addiction Resource for Tennessee (SMART) Policy Network grew out of last year's Summit for Opioid Abuse Response. Led by UT Knoxville nursing professor Jennifer Tourville, the Network aims to become a valued resource for data-driven, evidence-based, non-partisan and actionable policy information on substance misuse and addiction for the State of Tennessee.
- Law Enforcement Innovation Center in Oak Ridge has received a \$1.3 million grant to create new programs to train police officers in de-escalation tactics.

Ensuring Workforce and Administrative Excellence

- ERP system has been explored for over a year. Current plan to install by 2024 at ~\$40M
- 350 system employees move to UT Tower downtown starting in May 2021
- Pulse surveys to gauge satisfaction
 - Students
 - 80% were undergraduates
 - Top concerns: access to healthcare, students living conditions, and social justice/racial climate.
 - Were mostly positive, but 45% are struggling to adjust
 - 20% believed they weren't offered necessary resources, and 20% reported not being able to access the support they needed
 - 52% agreed or strongly agreed that they matter and belong at UT
 - 2/3 would recommend UT as a great place to study
 - UTSA Employees
 - 53% participation
 - 66% of employees are promoters; 70% of organizations land at 50-60%
 - 10% are detractors, giving us overall net promoter score of 56%
 - Most employees feel supported; but are reluctant to return post-COVID19

Advocating for UT

- Anthony Haynes departing after 15 years, but leaves a talented team
- The coming year budget still looks strong. THEC proposal asks for same money which was proposed in last year's budget: About \$20M for specialized units, including \$6M for Extension and \$5.2 in operations for UTHSC; Funding for formula units: UTM \$383k, UTK \$7.05m, UTC \$1.470m; Capital: 3 new buildings – UTK Nursing \$56.5m, UTM Innovation Center \$17m, and UTHSC \$11m to complete an existing building.
- Everywhere you look, UT mural campaign - Eight locations emerged on canvases ranging from grain bins to downtown businesses to barns, which will generate more than 45 million impressions a year at a fraction of the usual expense for billboards.

Diversity and Inclusive Excellence: Hired Delphina Howze to serve as (system) executive director of equity and diversity. Each campus also has leadership. Board of Trustees passed an updated resolution reaffirming their commitment to Diversity and Inclusion and will review initiatives annually.

COVID Update

- 2020 brought us an unprecedented, historic challenge; but our teams across the state have done an incredibly great job reopening campuses, keeping students safe, and continuing to provide great educational experiences.
- Our singular focus was on making decisions that were in the best interests of students. Of all 17-25 year-olds across Tennessee, .71 are COVID positive. Every UT campus is below that number, so students are safer on campus than they would be in their communities.

Chancellor Plowman gave a brief update for the Knoxville campus with regards to COVID. She stated students, faculty and staff have adjusted and are doing what is needed to keep safe.

Dr. Wenk mentioned student emergency funds and suggested it be supported ongoing to assist closing the divide between higher and lower income students. Chancellor Plowman stated she feels it will continue to make a difference for some students who may otherwise have to drop out of school.

Mr. Decosimo inquired about the Total Cares Act distribution to the system. Of the \$38M received, about \$21M went to students directly; and the remainder to the campuses.

Mr. Herbert asked about spring semester enrollment in-person versus virtual. It has not been confirmed across the system, but Knoxville has encouraged faculty to provide more face to face classes. Chancellor Plowman hopes to offer more than 50% face to face in the spring. Not a single case of the virus was traced to in-person instruction on campus, but faculty are still fearful.

Dr. Wenk thanked Dr. Boyd for keeping the board informed, and he exited the meeting.

IV. FOUNDATION PRESIDENT'S REPORT

President Kerry Witcher reported to the board with year-end results from FY2020 (Exhibit 1). He noted that donors across the system reached an all-time record high over 67,200 for the year, unlike many non-profits across the nation. FY20 was the university's seventh best year for fundraising in the UT system, despite the pandemic. Mr. Witcher pointed out that COVID definitely had an impact on fundraising, reducing the average commitments from \$22M for the first eight months of the year to just about \$5M in May.

He went on to share metrics, goals and progress for 2021 (as of October 20), and other foundation priorities. The search for AVP of Alumni Affairs and Advocacy has been completed. David Golden will be returning to the Ag campus next month, and Mike McCay will be returning to the foundation as AVP in January. Progress has been made to reach over \$26M in the UT Promise Endowment, but still much work to be done to reach the ultimate goal. Travel limitations are still in place due to COVID-19, and most staff are still working remotely. The economy and presidential election are still a bit of a guessing game. Moving forward, we are working to define our new normal, with a mix of virtual and in-person events. Data integrity is an ongoing challenge, as we work to assure our database is up to date.

Greg Cox inquired about the Vice Chancellor for UTC, and Mr. Witcher stated Lofton Stuart would remain in the interim role much longer than anticipated due to the pandemic. Mr. Witcher thanked the board members for the leadership they provide in so many ways.

V. Approval of the June 12, 2020 Minutes

Dr. Wenk presented the minutes in the meeting information, Mr. Herbert moved approval, Ms. Bogo seconded the motion, and the June 12, 2020 meeting minutes were approved as submitted.

VI. COMMITTEE REPORTS

a. Executive Committee

Article VI Section 1 of the UTFI Bylaws states the Executive Committee shall report to the Board all decisions made since its last report. Chair Wenk reported that Executive Committee met October 5, to review material and prepare for today's meeting. The committee approved recommended changes to UTFI Gift Acceptance Policy 6.1. References to COO were changed to CFO, one additional development officer was added to the committee, and the policy will now be reviewed at least every five years.

The committee met again October 22, in order to review two real estate transactions. The first was a gift of commercial real estate subject to a lease, and the committee unanimously approved accepting the property in West Knoxville. The second item was the Wooten Farm at UT Martin. You will hear in Mr. Wagner's committee report the change requested from continuing to lease the farm to deeding the property to Martin. Executive Committee approved transfer of the deed following Martin's payment in full of the \$360,000 note, with the usual 5% fee to be paid over time.

b. Directorship Committee

- The UTFI Ethics and Responsibility Policy has been placed in Diligent for review, along with the assent form we sign annually (Exhibit 2). Rachael is working with Diligent to set the form for electronic signature. Please watch your email for instructions to complete the process.
- Because UTFI Board members are now working with donor prospect data, it is necessary that we all electronically sign the Data Confidentiality for Volunteers form (Exhibit 3). You will receive an email from Rachael through UTFI Advancement Services asking you to verify and agree to confidentiality.
- It has been a few years since we asked you to nominate and elect new board members, so the annual director nomination process (Exhibit 4) is included in the meeting material as a refresher. Next month, our board chair and president will contact those members who are eligible for re-election in 2021 to confirm their intent to serve another term. These members are Ron Frieson, Charlie Wagner, and Phil Wenk. In December, Directorship Committee will meet to review the areas of expertise, skills and talent which the ideal UTFI board should include, discuss any changes needed to the current demographics in our matrix, and discuss current needs based on vacancies. The members whose final terms are expiring in 2021 are: Fred Decosimo, Jim Herbert, Mike Littlejohn, and Betty Ann Tanner. Once the committee has a recommendation on board needs and how best to fill vacancies, we will call for nominations early in 2021. Please submit nominations of whom you believe would best serve UTFI system-wide.

c. Audit and Finance Committee

Committee Chair Greg Cox stated that in June, the preliminary draft budget for FY21 was presented and approved. He asked CFO Adam Heller to review the changes based on final FY20 numbers. Mr. Heller briefly reviewed the June 30, 2020 financial reports (Exhibit 5). Of the \$3.98M net surplus in fiscal year 2020, \$1.5M was transferred into the reserve fund, \$1M was carried forward as a FY21 funding source, and the remaining \$1.5M provided a favorable variance on behalf of the campuses for their future needs.

Mr. Heller then presented a summary of the differences between the draft and final fiscal year 2021 budget. He stated Audit and Finance Committee had met October 14 to review the final version and are recommending it for board approval. Greg Cox moved approval of the final FY 2021 budget, Mr. Littlejohn seconded, the secretary took a roll call vote, and the final FY2021 budget (Exhibit 6) was approved as submitted.

Chair Cox asked Mr. Heller to give an overview as of September 30, 2020 (Exhibit 7).

d. Real Estate Committee

Because Committee Chair Charlie Wagner had technical difficulties, Dr. Wenk asked Kerry Witcher to begin the committee report on his behalf. Mr. Wagner then completed the report on the Real Estate Committee activities since the June meeting (Exhibit 8).

VII. INFORMATIONAL ITEMS

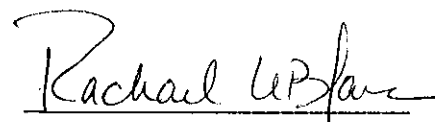
Kerry Witcher presented the UTFI 2020 Annual Report (Exhibit 9), which was presented to the UT Board of Trustees today. It will be tweaked and become the foundation's public annual report.

Dr. Wenk as Chair has completed committee chairs and general committee appointments, and they are provided in the material (Exhibit 10), as well as 2021 meeting dates and locations (Exhibit 11).

VIII. ADJOURNMENT

Dr. Wenk is hopeful 2021 meetings will be held in person. He thanked the Directors for continuing to give us their time and advice. He also thanked the Vice Chancellors for joining the meeting and all development officers for pivoting during this time of adversity.

With no additional business, the meeting was adjourned.


Rachael LeBlanc, Secretary