



BOARD OF DIRECTORS

Minutes of the Fall Meeting November 3, 2023

The Board of Directors held their 39th meeting at 9:30 a.m. EDT on Friday, November 3, 2023, in the Roy McDonald Junior Ballroom at Westin Chattanooga.

I. WELCOME, OPENING REMARKS and CALL TO ORDER

Chair Ron Frieson welcomed everyone and thanked Chancellor Angle and Kim White for hosting the Board on UTC campus yesterday. He welcomed new directors Lee Ann Adams, Doug Brown, Yancy Freeman, Shanea McKinney, Phenise Poole and Art Sparks. He also welcomed Brigitte Grant, UTHSC Vice Chancellor attending her first UTFI Board meeting.

The Chair stated the meeting was open to the public; however, media was not present. Two guests from UTHSC, Raaj Kurapati and Paul Wesolowski attended. He called the meeting to order and asked for the roll.

II. ROLL CALL

The Secretary called roll and the following members of the Board of Directors were present:

Ronald E. Frieson, Chair
Alan D. Wilson, Vice Chair
Kerry W. Witcher, President and CEO
Randal D. Boyd, University President
Lee Ann Adams
K. Jeannie Beauchamp
Karen M. Bowling
Douglas A. Brown
Chancellor Peter Buckley
Chancellor Yancy Freeman
C. Douglas Haney
Judith A. Herbert
Renee B. Iacona
Emily Capadalis Love
Shanea A. McKinney
J. Phenise Poole
Arthur L. Sparks
Charles A. Wagner III
Richard F. Warren

Board of Directors not present:

Isaac E. Bennett
Deborah A. Ingram

Philip A. Wenk

Ms. LeBlanc announced the presence of a quorum.

Treasurer Adam Heller, Vice chancellors for advancement and other Foundation leadership were also participating.

III. UNIVERSITY PRESIDENT'S REPORT

Mr. Frieson welcomed UT president Randy Boyd, and he thanked the UTFI Board and other Volunteers who passionately contribute so much to UT. He shared the attached report (Exhibit 1) including many of the great things happening across the state toward making this the greatest decade in the history of the university through progress of the five strategic pillars.

Enhancing Educational Excellence. Enrollment is up 4.8% in the past year to 58,836 across the system. UTK has a goal of 36,000 by year-end and 41,000 by end of the decade. System-wide will be 65-70,000, or more with online transformations. Recruitment and admissions have been working hard to make this happen. The President noted needing assistance with sharing the message of how affordable college really is at UT, despite what the national media says. 48% of all UT students who walked away with a degree did so without debt. The average graduate with debt had \$26,000 in debt. This semester, adjusted household income for UT Promise was raised to \$75,000, to include more students with a guaranteed minimum award of \$1,000 annually. Early guaranteed admissions at all UT undergraduate campuses have been approved for Tennessee high school students who achieve a 4.0+ GPA or graduate in the top 10% of their class. Martin, Pulaski and Chattanooga students would need to achieve a 3.2+ GPA and have a 23 or higher ACT score. One of the hallmarks of making this the greatest decade will be giving the most students access to education. Applications are up for all undergraduate campuses, and UTK is already over 49,000 for next year and expects ~60,000+. Demand is outpacing ability to accommodate.

Expanding Research Capabilities. Total Systemwide Research Expenditures have increased 3.5% and this space continues to expand.

Fostering Outreach and Engagement. One of our charges as a Land Grant University is to assure we serve all people of the state. Great progress has been made in the area of rural initiatives grand challenges. The Rural Disability Resource Network has grown from a project which started at UT Southern and has become a collaboration to assist rural families with children with disabilities to gain access to resources. Rural Health Initiatives is a joint BSN program operated by UTHSC and UTS to produce more nurses for rural communities. The UTHSC Nursing Mobile Health Unit is taking nurses into rural counties to provide proactive and diagnostic services. These are only a few of many initiatives. Another area the president asked Directors to help with messaging is Employer Engagement. UT is extremely engaged with many industry leaders to create opportunities such as Blue Oval City/UTM, Volkswagen/UTC and UTK, and Regional One/UTHSC. UTHSC is the most closely aligned employer in healthcare.

Ensuring Workforce and Administrative Excellence. UT continues to recruit great leaders. Chancellor Freeman is approaching 90 days on the Martin campus, and the students are

embracing him. The candidate pool for ORNL director is small, with only 16 national labs in the country. We are fortunate to have Stephen Streiffer's experience at ORNL. Keith Carver was the obvious permanent SVC/SVP for UTIA, with the highest approval rating of any candidate ever. UT staff ranked UT a *Best Place to Work*.

Advocating for UT. One more thing President Boyd asked Directors to assist with is raise awareness for the value of higher education. UT is partnering with all locally governing institutions on a statewide perception campaign launching mid-November, promoting higher education in TN as a great value. National collaborative efforts are also beginning. *Everywhere You Look* murals are in need of backdrops. If anyone has a barn or other building in a high traffic area, please consider advertising for UT. The goal is one in each TN county and one in any AL county. A special session of the Legislature focused on campus security completed in September. Fortunately \$30M was allocated, but unfortunately it's divided for all university campuses across the state. UT campuses are looking at current needs for future asks of security funding. UT's last sunset hearing had many findings for areas which needed improvements. This year's Sunset Hearing was much more brief and mostly accolades. President Boyd reminded the team that Fundraising is needed to achieve the Greatest Decade in History. We are already at 41% and he fully expects we will achieve \$3Billion!

Finally President Boyd reviewed 2024 Legislative Priorities and noted as UT President, he is also regularly asking for capital project funding. Unlike national trends, UT is growing and needs to maintain and replace buildings. Since the FOCUS Act, the other 6 universities each are allowed to recommend one capital project, and UT System can recommend only 3 across 5 locations. UTK with more students than the six universities combined, gets less proportionate votes. 2024 Priorities hopeful for funding are: \$66.4M for UTC Business Building; \$165.2M for UTK Chemistry Building; and \$29.7M for UTHSC Gross Anatomy Lab.

A question was asked about the South Knoxville bridge. The City of Knoxville has initiated building a bridge from UT campus to the waterfront in South Knoxville. The Legislature in its last session, awarded Knoxville \$20M toward ~\$70M total. UT is contributing land at Thompson Boling Arena and has purchased land on the south side of where the bridge would land. The project is still ~\$40M short, and we are waiting to hear how much of a federal grant will be awarded. The state will hopefully make up the difference. The bridge design continues and will release UT's campus to development across the river.

It was inquired whether there is a percentage a campus must raise in order to attain capital funding from the state? Yes, 5-10% is expected to be raised to match funding.

IV. 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 meeting. Chair Frieson read the report (Exhibit 2) in the material.

b. Audit and Finance Committee

Committee Chair Karen Bowling stated the committee had met on October 18 and received an update on the investment portfolio from the advisor, reviewed the budget, and heard current fiscal results from Adam.

She asked the Treasurer to review the FY2023 operating results (Exhibit 3). Adam briefly shared the budget to actual results as of June 30, with revenue as expected and expenses just slightly under budget, leading to additional surplus deposited into the strategic reserve. He also shared the accumulated asset and savings balances and noted the reserve fund was able to grow, even with the \$2.1M withdrawn for the new CRM. Adam mentioned a needed future discussion regarding target goals for reserves going forward. LCG investments were up 6.7% for FY23. The ACE CRM implementation is still on time and within budget.

The Treasurer stated the budget presented in June was a preliminary draft and the final budget is coming for approval today. Mr. Heller stated the final budget has minimal changes and exceeds the target of 50% university support ahead of schedule. He presented comparisons of draft FY24 v final FY24 and budgeted FY23 v FY24 budgets. Audit and Finance Committee had reviewed the draft final budget and are recommending it for board approval. Karen Bowling moved approval, the motion was seconded, and the final FY2024 budget (Exhibit 4) was approved as submitted.

Mr. Heller also shared the FY24 budget to actual results (Exhibit 5) as of September 30. He stated UTFI had managed in excess of \$112M in programmatic support on behalf of UT campuses last year.

c. Nominating and Governance Committee

Committee Chair Emily Love reported that Nominating and Governance Committee had met by conference call October 26 to discuss the Annual Foundation Governance Review.

Each committee is reviewing their charter. Nominating and Governance charter was revised in 2022 and Real Estate was up to date; so no changes were recommended from these committees. Audit and Finance has just launched a full committee review of their charter and will bring back suggestions in 2024. We have been informed of a clarification needed regarding the Foundation President's annual review process, so Executive Committee charter will be reviewed shortly.

The Committee also reviewed Board governance policies and UTFI Bylaws, with no recommended changes. If any Board member has suggestions for policies, procedures or Bylaws changes, please reach out to let us know.

Nominating and Governance Committee will be meeting again in December to begin the annual director nomination process and bring you new Directors for election in June 2024. Please submit nominations when called for this winter, if you have anyone you believe would be good Foundation Directors.

Emily noted the annual Ethics and Responsibility forms had been left at each one's space (except for new Directors and UT affiliates), and she asked that each Director sign the form and leave it for the Secretary. The policy and list of vendors were made available.

d. Real Estate Committee

Committee Chair Charlie Wagner shared the report (Exhibit 6) on the Real Estate Committee activities since the June 2023 meeting and noted there was some duplication with items reported by Executive Committee. Additional transactions did not require committee approval. Evan Beech was asked and shared that the executor of the Wilson estate had alerted him that the hearing regarding the holographic will had been moved from preliminary to final, whereby the property will be transferred by court order to UTFI on behalf of UTS. The status of the oil and gas lease in PA was asked about, and we have agreed to and await the quit claim deed transfer from UT to UTFI for sale.

V. FOUNDATION PRESIDENT'S REPORT

President Kerry Witcher thanked the Board of Directors for their time and reported (Exhibit 7) on FY23 Results, Historical Trends since 2011, Goals and Priorities for FY24, and Board Engagement. Given the highest year in donors, engaged alumni and advocacy, as well as the second highest year in fundraising, Mr. Witcher would argue FY23 was UTFI's best year yet. He complimented the vice chancellors and central staff teams for a tremendous run. The president showed the connection between UTFI and UT's 5th strategic pillar and shared the positive growth UTFI has experienced in its short history. Kerry also mentioned the FYTD comparison report which had been added for information.

The search for the Knoxville Vice Chancellor will begin at the new calendar year. Martin will have an interim Vice Chancellor December 1, and the search will launch in March. Effective December 1, Charley Deal will be taking on the Institute of Agriculture, and the Board recognized Tom Looney for having served in that role as interim for over a year. Marts and Lundy will conduct the program reviews at UTHSC and UTK, including staffing assessment, budget and prospect review, and will tell us what they think our fundraising capacity is based on our prospects, benchmarking against peers, and donor insights. Going forward, we will be rethinking key things we should be tracking to measure the effectiveness of our advancement teams. Foundation Leaders have ideas to review in February and will be looking at building toward the future (such as portfolio management, effectiveness, etc.).

Strategic planning will begin with the workshop in March. UTFI Board can help us by continuing to engage in committee and board work. The donor prospect lists are on hold until ACE is implemented. Please continue to participate with making connections with your contacts. UTHSC and UTK alum will be asked to participate in the program review process, and we ask you all to make your annual gift to the program of your choice.

Chair Ron Frieson thanked Mr. Witcher and the UTFI team for a job well done, and the Board led by the president thanked Ron Frieson and Alan Wilson for their continued leadership.

VI. CONSENT ACTION AGENDA


Having received no requests to discuss any item on the consent agenda, Mr. Frieson called for a motion. The consent agenda was moved for approval and seconded, and the June 9, 2023 Minutes and Proposed Foundation Staff Awards (Exhibit 8) were approved.

VII. INFORMATIONAL ITEMS

Items were included for the information of the board – the FY24 YTD Comparison and FY23 Annual Report (Exhibit 9), a current list of Committees of the Board (Exhibit 10) and 2024 Board meeting dates and locations (Exhibit 11). It was noted that the next meeting will be the Spring Workshop and Showcase in Martin on March 14-15, 2024, and the fall date is pending the Vols football schedule.

VIII. ADJOURNMENT

With no additional business, the meeting was adjourned.


Rachael LeBlanc, Secretary