



THE UNIVERSITY OF TENNESSEE, KNOXVILLE  
CAMPUS ADVISORY BOARD  
MINUTES  
October 11, 2019  
KNOXVILLE, TENNESSEE

The University of Tennessee, Knoxville, Advisory Board met at 9:00 a.m. on Friday, October 11, 2019, in the Stokely Residence Hall, Multipurpose rooms 119ABC on the campus of the University of Tennessee, Knoxville.

**I. CALL TO ORDER**

Chair John Tickle called the meeting to order at 9:02 a.m.

**II. ROLL CALL**

Roll call of board members conducted with all present.

Members present: Mr. John Tickle, Chair, Dr. Louis Gross, Ms. Alexia Poe, Mr. Johnelle Simpson, Mr. Tom Smith, Ms. Syreeta Vaughn, Mr. Tim Williams

**III. OPENING REMARKS BY THE CHAIR**

Chair John Tickle welcomed the board members and invited Chancellor Donde Plowman to address the group.

Chancellor Plowman expressed her appreciation to the board members for their service and emphasized she looks forward to working with them as her advisors. Chancellor Plowman will work to provide the members with information in order for them to gain knowledge and understanding of the workings of the university. She encouraged them to reach out to her in between meetings. She acknowledged the advisory board's role in making budgetary recommendations and strategic planning for the campus.

**IV. ELECTION OF A SECRETARY**

Syreeta Vaughn made a motion to elect Susan England as Secretary of the University of Tennessee, Knoxville Advisory Board. Tim Williams seconded the motion. The motion was unanimously approved.

**V. MINUTES OF THE LAST MEETING**

Tom Smith made a motion to approve the May 15, 2019 minutes provided the Secretary is authorized to make any necessary edits to correct spelling, grammatical, or format errors or other



technical errors subsequently identified. Lou Gross seconded the motion. The motion was unanimously approved.

## **VI. CHANCELLOR'S UPDATE**

Chancellor Plowman shared her background and her personal definition of leadership – a willingness to act. A willingness to act is consistent with being a Volunteer. Chancellor Plowman is committed to acting based on evidence and information. Over the past three months she has worked to meet students, faculty, staff, alumni, community members, and members of the local, state, and federal governments to listen to what they have to share regarding the campus.

In celebrating our 225<sup>th</sup> year, Chancellor Plowman would like to bring light to the value and the critical role a land grant university plays in the well-being of our state. Land grant universities provide access and opportunity to allow individuals to better their lives through education. Through our Extension Stations in all 95 counties, we have the opportunity to touch the lives of so many individuals across our state.

At the June Board of Trustees meeting, an amendment was approved to change the reporting relationship between UTIA, UTK, and the UT System. Dr. Tim Cross now has a place on the Chancellor's cabinet and the Interim President's cabinet. Work is ongoing to determine how best to structure the working relationship between UTIA and UTK.

In order to provide a more consistent coordination of services for all students, a new position, Vice Provost for Student Success, has been established and a search is in process. Providing coordinated support for students with a variety of needs is critical to their success and to the success of the University.

Research is vital to the University. Faculty are conducting incredible research that impacts lives locally, nationally, and globally. It is important to make research opportunities available to students. Having an opportunity to participate in research is a key component to the success of our students. Last year we were able to provide research opportunities for 4,000+ students.

Chancellor Plowman identified two key strengths the University of Tennessee has – the Volunteer experience and Oak Ridge National Laboratory. Chancellor Plowman asked for input on how to harness the energy around being a Volunteer. Syreeta Vaughn described the experience as being a culture. We volunteer because of what others have done for us and others so it is a natural response. Young people have a desire to be a part of a positive community and service promotes that culture. Johnelle Simpson stated the opportunities provided by the College of Law has helped him grow as a servant leader. Lou Gross shared information on the role of service learning within our curriculum.

Another action of the Board of Trustees this past June was the establishment of the Oak Ridge Institute. The Institute will allow a more coordinated effort to establish joint partnerships.



Randy Boyd and Thomas Zacharia are working to obtain funding. A committee has been established and they are working to develop the idea further and will provide more information when available. ORI could provide opportunities for additional faculty and graduate students.

Chancellor Plowman provided details related to the development of a t-shirt in support of a young boy in Florida. Chancellor Plowman was very complimentary of the work performed by the staff of the Vol Shop to make this all possible in a matter of a few days. Their work garnered positive feedback for the University from around the world.

The Dean of Students' office began a campaign this fall to promote everyone matters and belongs here at the University of Tennessee. Chancellor Plowman shared a video clip of the Dear World event held earlier this fall. These efforts are in response to an unwelcomed and condemned act of hatred at the Rock in September. The campus is working together as a community to speak out against such acts.

Since coming onboard Chancellor Plowman has established weekly office hours for anyone to visit with her, met with 65 lawmakers from across the state, and worked to build and solidify a leadership team. She feels the leadership of the University, the UT System, and athletics are working well together. She looks forward to celebrating the future accomplishments of the University.

Chancellor Plowman asked the members to share their thoughts on the following questions:

How realistic is it to make the "Vol Experience" a true differentiator?

The group discussed the need for this to be a voluntary effort not a mandatory requirement. Incentives could play a part if done correctly. Leadership should be intentional in developing partnerships within the community. Over time the culture will reflect the expectation that every student will participate in service rather than seeing it as a requirement.

What other audiences should the chancellor be engaging and listening to?

Continue to engage with state and federal legislators. Develop a strategic proactive approach to speaking engagements. Consider meeting with the leadership at Vanderbilt, MTSU, and ETSU. Encouraged to visit with alumni in Memphis, Union City, Jackson, and Dyersburg.

## **VII. PERFORMANCE METRICS PRESENTATION AND DISCUSSION**

### **David Manderscheid, Provost and Senior Vice Chancellor**

David Manderscheid provided an overview of enrollment for fall 2019. Total enrollment for fall stands at 29,430. This reflects a 2% growth in undergraduate enrollment and is the highest reported total enrollment in twenty years. The market is very competitive for first time first year students. We were able to offer 90% of applicants a pathway to UTK this fall. Our enrollment management division led by Kari Alldredge should be commended for the work they have done.

The retention rate for our students has been essentially flat over the last two years. We typically lose more students between the first and second year. First generation students tend to struggle more than students from homes with at least one college graduate. Two of the main reasons for students leaving are feeling as if they do not belong and financial issues. We are working to address both issues. We are currently searching for a vice provost for student success. This person will work closely with the enrollment management and student life teams and focus on how to assist students to be successful.

We monitor four- and six-year graduation rates. Graduation in four years allow students to decrease costs, enter the workforce timely, and is a higher return on state funding. UTK is the only public university in the state with a six-year graduation rate above 70%. A request was made to monitor degrees that require five years to complete.

The University recently became a member of the American Talent Initiative. The membership provides an opportunity to share best practices in assisting students with lower socio-economic backgrounds succeed. We are looking forward to working with this group.

David reviewed the Strategic Enrollment Plan with the group. The plan has been adjusted to account for the decline in Tennessee high school graduates over the coming years and the deep discounts being offered by out of state schools to attract students. We must look to out of state students to maintain or increase enrollment numbers. We have increased the number of recruiters both in Tennessee and in key states. It takes time to develop relationships with the schools in these locations. We are beginning to see the effects of those relationships in our applications. The group discussed accounts of high school counselors recommending out of state schools over UTK. The importance of the high school counselor is recognized by the enrollment management team and they are working to connect with the counselors and students. We currently engage with every high school in the state. We are also evaluating our discount rate for out of state students. We have room to increase the discount without lowering it below what in state students would pay.

Additional ideas related to recruitment of students were shared by the group. Some of the recommendations included targeting those areas experiencing population growth due to new companies in Tennessee. Connecting with grandparents to encourage their grandchildren to attend in order to be closer to family. Educating the workforce of the great things happening at UTK to attract them to move businesses to Tennessee.

Transfer students are another key group. Students who attend the local two-year schools do not travel great distances to continue their education. We work closely with the community colleges. The College of Arts and Sciences is implementing a new degree to completion program that should be attractive to future transfer students. We are working with 4-H programs to help attract students from rural and urban areas. A review of the Academic Common Market is being conducted to evaluate the need to continue or make adjustments.

David provided an overview of the Tri Star Scholarship Program that includes the Promise, Pledge, and Flagship scholarships. These scholarships are last dollar scholarships, so they would be in addition to the HOPE, and Pell. The UT Promise scholarship is a system-wide scholarship program. The hope is to change the aspirations of students and families in any area of Tennessee. The goal is to establish a \$100 million endowment. Approximately \$17 million has been raised.

David shared the latest US News and World Report rankings and provided an explanation of how the rankings are calculated. We will continue to monitor the variables factored into the rankings.

Tim Williams questioned the response rate to those who apply to the University of Tennessee. Kari shared the team has a rolling admissions process. Once they receive the application, school transcript, and test scores a review of the application takes place. Some colleges require a faculty review as well. The goal is to respond quickly in early September. Mr. Williams asked them to consider sending a conditional acceptance while they wait for the additional information to arrive.

## **VIII. LUNCH**

### **IX. BUDGET PRESENTATION AND DISCUSSION**

**Chris Cimino, Senior Vice Chancellor, Finance and Administration**

Chris Cimino provided an overview of the budget recommended by the advisory board earlier this year, which was approved by the Board of Trustees. Chris reminded the group the campus is essentially a subsidiary of the larger UT System. The campus now has access to campus specific reports, which were shared with the group. The approved budget allowed for a 2% tuition increase. The state provided \$11.8 million, which was used for merit increases for employees and provided support for student success initiatives and faculty support. In October the budget was revised based on the 14-day count. The 14-day count provides a more accurate account of our enrollment and tuition dollars. We received approximately \$5 million in one-time funds from the state for security upgrades on campus.

Chris reported work is taking place to implement a new budget allocation model for the campus. The new budget allocation model will allow deans to have more control over where and how their funds are used in their college.

Lou Gross asked where the HOPE scholarship was listed in the financial reports. Chris explained the funds went directly to financial aid to adjust the balance owed by each individual student. The HOPE scholarship funds are not paid to the University, but serve as a credit for the students.

Chris provided an explanation of how the new funding formula works. The new model is based on retention, number of degrees awarded, research and service, degrees per 100 FTE, and six-year graduation rate. Each item is assigned a weight. Sometime within the next year we will be able to adjust our weights. Chancellor Plowman asked that this group be included in the conversation on changing the weights. Chris and his team will provide a sensitivity analysis of potential changes and the calculation methodology for the formula with the group at our next meeting. Tim Williams asked for clarification around what could be changed. Chris reported the outcomes will remain the same, but the definitions of the outcomes could change. The group will discuss this item in depth at the next meeting.

Chris provided an explanation of the information contained in the statement of balances. This document is the closest report to an income statement in higher education. The report is for the previous fiscal year ending June 30, 2019. The report has not been audited yet. The audit will be completed by the state and results of the audit will be shared in the spring. Current surplus category is a rainy-day fund with guidelines. THEC requires 3-5% of expenditures and transfers be put back. These dollars are not the same as the reserves. Additional questions related to where the HOPE scholarship funds show up in our reports. Chris will share some additional reports to show the accounting of those dollars. An explanation of the transfer funds section was shared. Several members of the advisory board expressed their thankfulness of the statement of balances report. The report provided information needed for them to obtain a clearer understanding of where the University stands financially.

Reports for the UT Space Institute are included in the financial reports for the University of Tennessee, Knoxville. A discussion of the reporting history of the UTSI was held. The current reporting structure has UTSI reporting to the UTK Chancellor.

The audited financial statements from the UT System's financial report were reviewed with the group. SACS requires we have audited financial reports. Because the UT System has one ERP system, we had to develop a report to satisfy the SACS requirement. Questions were raised regarding UTK's ability to know where we stand financially month to month. Chris explained that he and his team are able to monitor the individual components of the System financial report in order to know where our campus stands financially. The report they work from is a hybrid of an income statement and a balance sheet. Chris reviewed the balance sheet information with the group.

Tom asked Chris what items on the balance sheet are his daily focus points. Chris stated he watches to make sure revenue is on target for the projections made. The projections we make are typically conservative related to enrollment. While he is comfortable with the projections made in conjunction with Kari and the enrollment team, there is always some concern until revenue from tuition begins coming in and aligns with our projections. The buffer provided with the projected numbers is tighter than we used to have related to revenue, so hitting our projections is critical. The second area is the campus debt. Currently our debt is at approximately \$600 million. This number has increased in the past few years due to all of the campus construction that was necessary. The debt is bonded through the Tennessee School Bond Authority. The debt

is manageable now, but we need to monitor this in case there is a decline in revenue at some point. The third item would be state appropriations. The University has been very fortunate that previous governors have been supportive of higher education. Should a down turn in the state's economy occur, there may not be funding available. We have worked to secure funds in our reserves in preparation to help cover potential lost state appropriations.

Tim Williams asked how the approval of capital projects works for the campus. Chris informed the group the capital approval project is separate from the operating budget approval process. The capital approval process begins in February with a report sent from the campus to the system. Regardless of the source of funding for the project, the requests must be approved by THEC, the Board of Trustees, the Tennessee legislature, and the state building commission before we can move forward with a project. Tim asked what the legislature expected of this board related to capital approvals. Chancellor Plowman will request clarity from Interim President Boyd on the roll of this board related to capital project approvals.

Chris provided the detailed reports and schedules that are provided to the Board of Trustees. Chris asked the group to review the reports and let him know if there are any of the reports within this section they would like included in the reports he plans to provide the advisory board going forward.

Chris reviewed the quarterly financial reports that he reviews with the Chancellor and Provost on a regular basis. Tom recommended providing pages 31 and 32 to the board prior to future meetings. The group felt these pages provided a good snapshot of the financials for the University.

Chris shared information related to scholarships and discounts to students. Alexia Poe asked why some of the scholarships were not being used as much. In some instances, there were no candidates that met the criteria or other funds from the colleges were used. The diversity engineering fund was established when the diversity office was defunded. Those are one-time funds that are being drawn down. The alumni scholarship fund is approximately \$3 million, and has opportunity to grow. Lou shared information from his analysis of expenditures related to scholarships over the past ten years. The University should be proud of the increased expenditures it has made to provide access to education through scholarships and fellowships to a broad diversity of students.

Chris called attention to the report on utility usage. The campus has focused on becoming more energy efficient over the last few years. The campus is now fully gas dependent for the steam plant. An effort is underway to retro fit all of the garages with LED lighting. We have been generating significant savings annually. Tom acknowledged the footprint of the campus has increased, so the cost savings is even better with the increased footprint. Chris reported the cost per square foot five years ago was \$2.21. Currently the cost per square foot is in the \$1.90 range. The last few years the savings from these efforts have been put back into academics, student success initiatives, scholarships, and faculty hires.

Chris provided an explanation of what is contained in the reserves. The obligated funds are obligated contractually and cannot be touched. The planned funds are for projects we are going to do, but if there was an emergency we could pull back them back with Board approval. The reserved funds have less restrictive rules and are set aside for a potential academic initiatives, startup funds for faculty hires, but could be pulled back if we had to have funds. The discretionary funds are truly discretionary. Of the funds in this account \$30 million are set aside for a rainy-day fund above and beyond the 3-5% required by THEC. Chancellor Plowman asked for feedback on the amount of reserves. Tom and Tim both felt the reserves are appropriate. Tim expressed two possible negatives to having this much in reserves, better to pay down the debt and why should someone donate if they have these funds in reserve. Tim stated there should be enough in reserves to carry us through a two-year recession so students do not suffer and faculty do not leave. Chris stated the state bonds cannot be pre-paid, so paying down that debt is not possible.

Chris provided an overview of the debt. Each of the debt items have a revenue stream through fees, housing agreements, and special event parking revenue. No state appropriations are used to pay debt.

#### **X. MASTER PLAN UPDATE**

**Chris Cimino, Senior Vice Chancellor, Finance and Administration**

Due to the limitation of time, the advisory board requested this item be carried over to the next meeting.

#### **XI. OTHER BUSINESS**

John Tickle asked the advisory board members to be proactive in sharing information with Chancellor Plowman. Going forward Chancellor Plowman will share any key communication sent to the campus to this group to keep them informed. Mr. Tickle encouraged the advisory board members to provide their support to the Chancellor and the University. Chancellor Plowman thanked the advisory board members for their feedback and committed to make these meetings meaningful for everyone.

Chancellor Plowman shared the new process for how the student program fee will be handled. Students will be allowed to share ideas for programming on campus. The Vice Chancellor for Student Life will work with the student advisory board to review and discuss the ideas. The Vice Chancellor for Student Life will determine which events are funded. Should a request for sex education be made, we will work with our student health center to develop a program. Chancellor Plowman met with the leadership of SEAT to discuss how the new process will work. SEAT can raise funds on their own and conduct an event, but student fees and state appropriated funds will not be spent on activities related to sex week. Alexia Poe recommended being proactive with the local media should sex week occur. Johnelle Simpson expressed the importance of students being involved in the planning process for events. There are many benefits and learning opportunities for students as they plan, coordinate, budget, and execute an



event. Chancellor Plowman assured him the new process would allow students to work with a mentor to have that experience. The process will be evaluated at the end of the year and adjustments will be made, within the constraints given by the Board of Trustees, for the following year.

## **XII. ADJOURN**

With no further business to come before the advisory board, Tim Williams made the motion to adjourn the meeting, Alexia Poe seconded the motion. The chair adjourned the meeting at 3:10 p.m.

Respectfully Submitted,

*Susan E. England*

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Susan E. England, Secretary