



6-19-2008

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BOARD OF TRUSTEES
THE UNIVERSITY OF TENNESSEE

ACTION ITEM

DATE: June 19, 2008

COMMITTEE: Executive and Compensation

ITEM: **Vice Chair's Annual Performance Review of the President, Recommended Goals for 2008-09, and Recommendation Concerning Employment Agreement**

RECOMMENDATION: Approval

PRESENTED BY: Andrea J. Loughry, Vice Chair of the Board

The Board Policy on Presidential Performances (copy attached) delegates to the Vice Chair the responsibility for organizing and conducting an annual performance review of the President. By designation of the Executive and Compensation Committee, the Chair of Audit and the Chair of Trusteeship participate in the annual performance review process. The Vice Chair's recommendations will be presented at the meeting.

**BOARD OF TRUSTEES
THE UNIVERSITY OF TENNESSEE**

POLICY ON PRESIDENTIAL PERFORMANCE REVIEWS

**Adopted by the Board of Trustees
March 7, 2007**

PURPOSES

The purposes of the annual performance review are: (1) to enable the President to strengthen his or her performance; (2) to promote good communications and strong working relationships between the President, the Board, and University constituencies; (3) to enable the President and Board to set mutually agreeable goals; and (4) to inform board decisions on compensation and other terms of employment for the President.

Periodic comprehensive performance reviews have the following additional purposes: (1) to solicit the informed perceptions of members of the University's major stakeholder groups on broader aspects of institutional health, management, and governance; (2) to engage and inform a wide range of University constituencies; and (3) to enable the President and the Board to determine whether they have the basis for an extended commitment to each other.

RESPONSIBILITY

The Board of Trustees is responsible for assessing the President's performance and, in doing so, to solicit the views of other leaders within and outside the University.

The Board delegates to the Vice Chair of the board the responsibility for organizing and conducting an annual performance review of the President. This delegation of authority to the Vice Chair is subject to the provisions of this policy and to the Board's ultimate authority to approve or modify the Vice Chair's evaluation of the President's performance.

Every fifth year, or earlier as the Board in its sole discretion may determine, the Board, or its delegate, shall conduct a comprehensive review of the President's performance with the assistance of at least one external advisor.

PROCESS FOR THE ANNUAL PERFORMANCE REVIEW

The President shall prepare a written self-assessment statement in a format and according to a timetable mutually agreed-upon by the President and the

Vice Chair. In addition to a retrospective review of goals previously agreed upon by the President and the Board and of other achievements, disappointments, or problems of the preceding year, the self-assessment statement shall include a prospective statement of challenges and opportunities facing the University and the President's proposed goals for the coming year.

The Executive and Compensation Committee of the Board, which is composed of Vice Chair of the Board and the chairs of the other standing committees, shall designate two of its members to participate in the annual review process as outlined hereinafter. After receipt of the President's self-assessment statement, the Vice Chair and the two standing committee chairs shall interview the senior administrative staff concerning the President's performance. The Vice Chair and the two standing committee chairs shall also solicit views of the President's performance from faculty, student, staff, and alumni leadership. The Vice Chair shall then interview the President concerning the President's self-assessment statement and the President's proposed goals for the coming year. The two standing committee chairs shall be present during the Vice Chair's interview of the President only as observers and not as participants. The Vice Chair shall prepare a written assessment of the President's performance, including an aggregate summary of the views of the senior administrative staff and of faculty, student, staff, and alumni leadership.

The Vice Chair shall then submit the following materials to the Executive and Compensation Committee: (1) the President's self-assessment statement and any additional information the Vice Chair may have requested of the President; (2) the Vice Chair's written assessment of the President's performance; (3) the President's proposed goals for the coming year and the Vice Chair's recommendation concerning those goals; and (4) any recommendation of the Vice Chair concerning the President's compensation or other terms of employment. After reviewing the Vice Chair's written assessment and recommended goals, the two standing committee chairs designated by the Executive and Compensation Committee may submit a separate written assessment of the President's performance to the Executive and Compensation Committee.

In a previously scheduled or a called meeting, the Executive and Compensation Committee shall approve or modify the Vice Chair's assessment of the President's performance and recommendations concerning goals, compensation, and other terms of employment. The Committee's action shall then be submitted to the full Board of Trustees for approval or modification. The President shall be present at the meetings of the Executive and Compensation Committee and the Board of Trustees to answer questions about his or her performance and the proposed goals for the coming year. The

President shall be excused from the meetings prior to discussion and voting on the President's performance, goals, and compensation or other terms of employment.

PROCESS FOR THE COMPREHENSIVE PERFORMANCE REVIEW

Every fifth year of the President's employment, or earlier as the Board in its sole discretion may determine, the Vice Chair shall conduct a comprehensive review of the President's performance with the assistance of one or more external advisors and one or more standing committee chairs. If feasible, at least one external advisor should be a former chief executive with experience as head of an enterprise similar in scope and mission outside the State of Tennessee.

Early in the year of the comprehensive performance review, the Vice Chair, in consultation with the President, shall develop a written plan and timetable for the comprehensive review and present it to the Executive and Compensation Committee or the full Board for approval. The plan shall include at least the elements outlined below.

The President shall prepare a comprehensive self-assessment statement covering the period of service under review. This comprehensive statement should present a clear picture of the University's academic and financial progress and condition, using appropriate qualitative and quantitative benchmarks, and should highlight the President's view of his or her major achievements and concerns.

The external advisor(s) shall conduct personal interviews with the President, members of the Board, and with a broad array of individuals or groups internal and external to the University, including but not limited to the University's senior administrative staff, faculty, students, staff, alumni, and other major stakeholder groups. The Vice Chair and one or more standing committee chairs designated by the Executive and Compensation Committee shall conduct personal interviews with the University's senior administrative staff.

The external advisor(s) shall prepare a written report in draft form detailing the University's progress and the President's performance. The report shall include specific recommendations for strengthening the President's performance and his or her relationships with the Board, University constituent groups, and other major stakeholder groups. The draft report shall be presented to the President for review and comment.

The final report of the external advisor(s) shall be presented to the Vice Chair. The Vice Chair and the external advisor(s) shall review the report and the

President's self-assessment statement with the President and work with the President to develop a set of short-term and long-term goals for recommendation to the Board. The standing committee chairs designated by the Executive and Compensation Committee shall be present during this session only as observers and not as participants.


The Vice Chair, with the assistance of the external advisor(s), shall then prepare and submit to the Executive and Compensation Committee a written comprehensive assessment of the President's performance and a statement of the recommended short-term and long-term goals. The written assessment shall include an aggregate summary of the views of the senior administrative staff and of major stakeholder groups. The Vice Chair shall also submit to the Executive and Compensation Committee any recommendation concerning the President's compensation or other terms of employment. The Executive and Compensation Committee shall receive copies of the report of the external advisor(s), the President's self-assessment statement, and any other information the Vice Chair or external advisor(s) may have requested of the President. After reviewing the Vice Chair's written assessment of the President's performance and recommended goals, the two standing committee chairs designated by the Executive and Compensation Committee may submit a separate written assessment of the President's performance to the Committee.

In a previously scheduled or a called meeting, the Executive and Compensation Committee shall approve or modify the Vice Chair's assessment of the President's performance and recommendations concerning goals, compensation, and other terms of employment. The Committee's action shall then be submitted to the full Board of Trustees for approval or modification. The President shall be present at the meetings of the Executive and Compensation Committee and the Board of Trustees to answer questions about his or her performance and the proposed goals. The President shall be excused from the meeting prior to discussion and vote on the President's performance, goals, and compensation or other terms of employment.



MEMORANDUM

To: Members of the Board of Trustees

From: Andrea J. Loughry, Vice Chair 

Date: June 19, 2008

Subject: Annual Performance Review of President John D. Petersen

In accordance with the Board's Policy on Presidential Performance Reviews, I have conducted the review of President Petersen's performance from July 1, 2007 to the present. Don Stansberry, Chair of the Trusteeship Committee and Jim Murphy, Chair of the Audit Committee, observed this process as contemplated under the Board's Policy on Presidential Performance Reviews and as previously designated by the Executive and Compensation Committee. This memorandum includes a description of the review process and my evaluation of Dr. Petersen's performance.

I. The Review Process

I initiated the annual performance review process for President Petersen on April 21, 2008. A key element in this process was the President's self-assessment statement. President Petersen submitted his self-assessment to me on June 6, 2008. I, along with Don Stansberry and Jim Murphy, solicited views on the President's performance from various stakeholder groups. We requested the views of the leadership of the following stakeholder groups: university students, staff, faculty, alumni

and donors. We then met with members of the senior administrative staff to hear their views on Dr. Petersen's performance. I also interviewed individually the members of the Executive and Compensation Committee of the Board of Trustees.

Dr. Petersen met with me on June 6, 2008 to discuss his performance. Don Stansberry and Jim Murphy were present.

II. Evaluation of President Petersen's Performance

The following remarks are an aggregate summary of our interviews.

John Petersen gets high marks in his external relationships. He is the face of the University of Tennessee statewide. His passion and energy levels in development and alumni affairs are a constant source of accolades. Dr. Petersen's engagement with our governor and state policymakers is widely recognized. His intellect along with his ability to quickly review a subject, ask the right questions and deliver the concept in terms his audience can absorb are his strong suits.

The areas in which the board and senior administrators will work in a team effort with the president to improve are:

1. his ability to set priorities for his time and energy so that he stays focused and is responsive in a timely manner; and
2. his ability to establish and sustain a team approach for the leadership of the system and each of its campuses and institutes.

As requested, the president gave me a written response to the assessment with a strategy, milestones and timelines for the suggested improvements. This document is attached for board review.

With respect to fiscal responsibility, I asked the Chief Financial Officer, Dr. Gary W. Rogers, to report on the status of the various accounts under the President's control. This report, which is attached, reveals that all accounts are currently within budget and expected to remain within budget at the end of the fiscal year on June 30.

In summary, I find that Dr. Petersen's self-evaluation is accurate and that his commitment to improvement is accepted. Due to our reduced state funding and decision to cancel our planned faculty salary increases, the president agrees to the same compensation as in the 2007-2008 year. Our assessment policy requires a comprehensive presidential assessment during his fifth year, 2008-2009. Dr. Petersen and I have agreed that a review of his contract will occur during this period.

III. Goals for 2008-2009

I recommend the goals for the president and the university as stated in the president's prospective attached.

Self Evaluation
2007-2008
John D. Petersen

Retrospective

Goals for the President

1. Selection of new Chancellor for UTHSC- The selection process was suspended last fall after the Search Committee decided that they would prefer to keep the Interim Chancellor in place rather than interview any of the candidates for the position. The candidate pool was not deep, but there were individuals in the pool that had the potential to be successful. We are working to accomplish two goals before re-initiating the search process. The first is the reorganization of the School of Medicine. Federal funding is very low in Medicine and they currently are not organized in a way that would fit with the priorities of the National Institutes of Health in funding basic and translational research. The second is the development of a capital plan and different paradigm for funding buildings. The basic model has been shared with the Governor and Constitutional Officers and our first proposal will be ready to go forward in late June.
2. Relationship between UT System/campuses- Relationships had been solid in every campus and institute except the Knoxville campus and the Health Science Center. Both issues have been historic in nature and the UTHSC has had long-term issues with poor management at the senior level. The UTHSC is slowly moving forward and has made some positive progress in strategic thinking and planning. They will still need a substantial amount of personal support from me and many staff to turn the trajectory of the campus to a positive position. Partnerships with the State, St. Jude's, Vanderbilt and ORNL are in various stages of negotiation and will enhance their position substantially. The Knoxville campus relationship has improved substantially since the departure of Dr. Crabtree. Most of the dissension in the Faculty Senate has been eliminated because of communication encouraged by Chancellor Simek that had not been encouraged by Chancellor Crabtree. The working relationship with Chancellor Simek has been positive at all levels.
3. Communication between team members has improved in most every position. From the perspective of my interactions, I need to work more with the chancellors as individuals. They have multiple people on the system staff that they interact with on a weekly basis, but I need to spend more time with them myself. When Linda Hendricks arrives in early June, we will look to generate clusters of administration around programs (Dr. Millhorn), Finance (Dr. Rogers), PR/Comm/Govt. Affairs (Mr. Dye) and Personnel (Ms. Hendricks). I will spend more of my time with the Chancellors and external constituencies.
4. THEC is starting to talk more about planning across higher education (Higher Education Roadmap). This will be a difficult process because it requires decisions to be made on the basis of need and resource availability, rather than on politics. We have begun our own "Road Map" within the UT System and the

provosts have met since our original retreat to start the process in areas which they overlap and can coordinate (i.e., education, nursing, engineering, articulation, distance education, public health).

5. Regional Cooperation- We continue to build strong relationships throughout the State. The most significant is with the Tri-Cities where we are employed a regional director as we move forward to be the lead institution in the upcoming Kingsport Higher-Education Center. In the west, the leadership comes from the Martin campus where we have four satellite campuses in addition to the main campus and cover a large portion of the State of Tennessee in terms of 4-yr degree programs. Our Chattanooga campus has been the source of an increased collaboration with Chattanooga State as well as an upper division program with counties in North Georgia and North Alabama. Both UTC and UTM have seen substantial enrollment growth since 2005 while still increases the quality of undergraduate students enrolling in their programs.

Goals for the University

1. Biofuels- We have now accumulated close to \$250M in support and are finishing the negotiations with all of our partners. We anticipate ground breaking on the demonstration plant in early 2009. The first set of farmer partners have signed contracts with us and are beginning to grow switchgrass for the project. Our program has been recognized nationally and recently Dr. Tiller testified in Congress as the only person representing a cellulosic biofuels project.
2. Cherokee Farms- Aslam Foundation has donated up the funds to contract a master plan for the Cherokee Farms property. This plan involved a process of interviewing stakeholders and an assessment of the needs of the University and what has occurred at comparable projects nationwide. We are preparing to plan for the first three buildings for the park and plan to begin the infrastructure and building construction in late 2008 or early 2009.
3. Capital Campaign- The formal announcement of our \$1B Campaign for Tennessee took place on April 17, 2008. The day and the program that evening served as an opportunity to acknowledge some of our major donors and formally announce the campaign level and the current status of \$704M in less than 50% of the campaign's time frame. All of our units are at or above the anticipated pace of reaching their goals with the exception of the Health Science Center. However, a new team of development personnel in Memphis has closed the gap and I expect that we will reach our goal by the end of the campaign.
4. Strategic Plans- Each campus and institute has generated a strategic plan than fits with the overall plan for the University of Tennessee. These plans are distinct, but not linked. In late April, we had our first retreat where the Chancellors and their chief academic officers attended along with senior staff from the system. The major purpose and benefit of the retreat was to generate cooperation and understanding of the needs and strengths of each of our units. At a follow up meeting of the provosts, areas such as articulation, distance education, cooperation in teacher training, nurse training and other programs are on the

agenda. Teams will be coming together over the next year to develop a coordinated plan to assist the State of Tennessee in each of these critical areas.

5. Internal Communication- We are still trying to use our branding program, our coordinated efforts to work with the State Legislature, our curricular overlap and diversity of our programs statewide to link our organizations. Our internal cooperation has been a benefit in working with the legislature in the past and we anticipate that we will continue to be the Higher Education system that drives the majority of the agenda for the State. Our ability to work together through anticipated financially hard times will be a great test of the internal communication coordination we have between our campuses and institutes.

Prospective

The University of Tennessee's challenges for the future will also be our source of opportunities. Financially difficult times will create challenges but could also help us become a better and more strategic organization. The history of budget cuts over the last two decades has been defined by taking these cuts across-the-board in all areas. This approach has placed all programs in a position where excellence is hard to attain. We will be requesting that any cuts we are asked to take are taken in a strategic fashion. This approach will require tough decisions on the part of our leadership, but should position ourselves for a more focused growth in the future when economic times are better. The next few years will require our internal leadership and the leadership of the Board to make difficult decisions in prioritizing the priorities and the funding of our operation statewide. We have an aggressive academic, economic, and global agenda for the University of Tennessee and most of our key positions are filled. Our challenge and our opportunity will be to deliver on our agenda.

The Board of Trustees can be a strong advocate for the success of our mission. We will need the Board's guidance and support of strategic academic and financial decisions we will make going forward. Our challenge with the Board is that appointments are regional and so are our campuses. We must have a Board that feels that the entire university is the responsibility of each of them. We also have a Board that continues to have more individuals who have been very successful in business leaders in their own right. Our other challenge will be to maintain the respective role of policy as a Board responsibility and operations as a management responsibility. The opportunity for our management team to draw on the experiences of Board of Trustee members will also be an opportunity for us, especially as we move through tough economic times in the next year or two.

Goals for the President

1. Complete the hiring of the Senior Leadership team and finish the organization structure to maximize efficiency.
2. Continue to lead in building the relationships between all of our constituent parts of the University.

3. Communicate, coordinate and enhance relationships between the President and the Board of Trustees to ensure our continued success.
4. Focus a majority of my attention on the external issues that effect our organization.

Goals for the University

1. Continue to move the critical support areas (IT, HR, enrollment planning, workforce development, distance education) forward as resources for all of our enterprises.
2. Strengthen our relationships with our partners (State of Tennessee, ORNL, St. Jude's, Eastman, Board of Regents, etc.).
3. Move our major projects forward (Cherokee Farms, Capital Campaign, Bioworks relationship, regional economic development, etc.)
4. Generate an academic plan that looks at workforce development at the undergraduate, graduate and professional levels.

Conclusion

The nature of what the University of Tennessee is doing today is different today than it was four years ago when I came to the position as president. Our major philosophy has been centered around the outcomes we hope to deliver to the people of the State of Tennessee. Our goal is deliver in three major areas: workforce development (undergrad, grad, professional), economic development (research and many other facets), and quality of life (health care, intellectual capability, cultural development, etc.). We have pushed forward with agenda while simultaneously trying to retool our internal operations to fit the model for a 21st century university. The speed and aggressiveness in which we have approached this agenda has its challenges, but I believe that the successes have outweighed the frustrations and the result will be a substantial increase in the role that the University of Tennessee plays locally, nationally and internationally in the future. I am pleased to have had the opportunity to serve as president and look forward to continue to work with all constituencies to continue our quest for excellence.

June 13, 2008

President's Response to Assessment

Strategy statement addressing two areas indicated for improvement:

"Develop organizational priorities and linkages in a team approach that spread the management work load among leadership, thereby enabling the president to better focus on designated priority areas."

Within the strategy statement, the president, by design, will prioritize time spent on:

- (1) An internal balance
- (2) An external focus

Requirements for this strategy include:

- An overview plan to be worked on with staff and board input that is reflective of a revised organizational structure and improvement priorities set in a team environment. The overview plan will include:
 - Goals
 - Criteria
 - Timeline
 - Priorities
 - Tactics
 - Performance metrics
- An internal infrastructure that promotes accessibility and consistent communications.

External focus: (Time priorities)

- (1) Government relations—federal and state. Governor, Constitutional officers, key legislative leaders
- (2) UT-Battelle, Department of Energy
- (3) Major Donor fundraising

Internal balance: (Management approach)

- (1) Chancellors
- (2) Enhance relationships and team-building
- (3) Increase and improve interactions with board
- (4) Internal communications/staff functionality
- (5) Involve more people in operations and decisions
- (6) Delegate responsibility more broadly
- (7) Hold accountable persons with delegated authority
- (8) Recognize / demonstrate sensitivities to reporting lines
- (9) Interact with campuses. Conduct regular teleconferences.
- (10) Develop a new organizational structure that:
 - Defines roles and reporting lines in relationship to President and Executive Vice President / Chief Operating Officer
 - Organizes oversight of select areas into clusters: Operations, Finance, Government Relations/PR, Human Resources. (Programs, Funding, Communications, People)

Timeline: (Implementation schedule)

- (1) June 10 Discuss broad generalities with large staff meeting.
- (2) June 13 Present outline to trustee review team.
- (3) June 19 Present to all stakeholders as part of presidential assessment
- (4) Oct 24 Finalize team built organizational structure; measure results by a survey of team members involved
- (5) Feb. 27 Priorities and plans for teams in place and functioning
- (6) June 08-09 Year-long comprehensive presidential performance assessment involving outside consultant

Outcomes / Measurements (Performance targets)*

- (1) Reflect improved team cooperation and outcomes as part of comprehensive presidential assessment with outside consultant (Obvious in day-to-day rapport, sharing, communicating)
- (2) Better system-campus relationships.
- (3) Achieve functioning joint efforts with Human Resources, ORNL integration, Information Technology.
- (4) Achieve improved internal communications, measured in employee surveys, with increased survey participation and improved scores in key categories.
- (5) Continued strong relationships at all government levels, measured by observation, results.
- (6) Major donor fundraising success, measured by campaign progress.
- (7) A more engaged, supportive board of trustees. Set regular meetings with board vice-chair and chairs of each committee individually.

*In 45 days, we will provide you a timeline and recommended ways of measurement for the listed outcomes, recognizing that major updates will be given at board meetings.



June 18, 2008

Andrea J. Loughry
Vice Chair
The University of Tennessee
Board of Trustees
2645 Chesterfield Court
Murfreesboro, TN 37129

Dear Vice Chair Loughry:

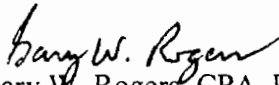
As a part of the supporting work for your review of President Petersen, accounts under the President's control have been reviewed; those accounts include:

- President's Office Budget—including personnel and operating funds
- Special Events—operating funds
- Miscellaneous Institutional Expense—operating funds
- President's Discretionary Fund
- Entertainment
- President's Residence—including capital projects and operating funds

All of these accounts have been handled in accordance with fiscal policy and operated within budget year-to-date; additionally, the accounts are projected to be within budget at the close of the year, June 30, 2008.

Please advise if you need anything further.

Sincerely,


Gary W. Rogers, CPA, PhD.
Senior Vice President and Chief Financial Officer

GWR:tlc

c: C. Mizell
J. Petersen

BOARD OF TRUSTEES
THE UNIVERSITY OF TENNESSEE

ACTION ITEM

DATE: June 19, 2008

COMMITTEE: Executive and Compensation

ITEM: **Election and Compensation of University Officers**

RECOMMENDATION: Approval of Resolution

PRESENTED BY: Andrea J. Loughry, Vice Chair of the Board
John D. Petersen, President

Article IV of the Bylaws provides that the elected officers of the University are the President, the Chancellors, and certain Vice Presidents. The current Bylaws provide that these officers shall be elected by the Board initially and are subject to re-election annually by the Board. The Bylaws also provide that the Executive and Compensation Committee shall review and recommend to the Board the compensation of the elected officers at the time of their initial election and annually thereafter.

The following Resolution is recommended for approval to re-elect the named University Officers. No increase in compensation is proposed.

RESOLUTION
OF
THE UNIVERSITY OF TENNESSEE
BOARD OF TRUSTEES
June 20, 2008

Election and Compensation of University Officers

WHEREAS, the Bylaws designate officers of the University and provide for their election by the Board upon the recommendation of the President; and

WHEREAS, the Bylaws further provide that these officers serve at the pleasure of the Board and are subject to re-election annually; and

WHEREAS, the Bylaws provide that the Board shall set the compensation of these officers annually, upon the recommendation of the Executive and Compensation Committee;

NOW THEREFORE BE IT RESOLVED that:

1. The following University Officers are re-elected with the titles designated in the Bylaws as they currently exist or as subsequently amended:

John D. Petersen, President
David E. Millhorn, Executive Vice President and Vice President for Research and Economic Development
Roger G. Brown, Chancellor of UT Chattanooga
Joseph DiPietro, Vice President for Agriculture
Catherine S. Mizell, Vice President, General Counsel and Secretary
Henry Nemcik, Vice President for Development and Alumni Affairs
Charles M. Peccolo, Jr., Vice President and Treasurer
Thomas A. Rakes, Chancellor of UT Martin
Gary W. Rogers, Senior Vice President and Chief Financial Officer
Hershel P. Wall, Chancellor of UT Health Science Center and Vice President for Health Affairs

2. The re-election of the above-named University Officers is subject to the following condition:

In accordance with the Bylaws, all University Officers serve at the pleasure of the Board, without tenure in their administrative positions, and without a definite term of appointment, unless otherwise provided in a written employment contract approved by the Board.

3. The re-election of the above-named University Officers is at their current compensation and is subject to the following condition:

The approved compensation for University Officers is for service in their administrative positions; if any University Officer also holds a tenured faculty appointment and leaves his/her University Officer position but continues in the faculty appointment, his/her initial compensation as a full-time faculty member shall not exceed the average compensation for full-time professors in the department in which he/she holds a faculty appointment.

The University of Tennessee
President's Staff Salaries

		Current Salary	Housing	Expense Allowance	Car
Board Elected Officers					
Brown, Roger	Chancellor, UT Chattanooga	230,450	House	7,000	X
DiPietro, Joseph	VP for Agriculture	270,300	-	5,000	X
Millhorn, David	Executive Vice President	297,334	-	7,000	X
Mizell, Catherine	VP, General Counsel & Secretary	183,313	-	5,000	X
Nemcik, Henry	VP for Development & Alumni Affairs	290,000	-	5,000	X
Peccolo, Butch	VP and Treasurer	183,925	-	5,000	X
Petersen, John	President	431,765	House	25,000	X
Rakes, Tom	Chancellor, UT Martin	221,450	10,000	5,000	X
Rogers, Gary	Sr. VP and Chief Financial Officer	261,875	-	5,000	X
Simek, Jan	Interim Chancellor, UT Knoxville	250,000	-	-	-
Wall, Hershel	Interim Vice President for Health Affairs and Interim Chancellor, Health Science Center	313,065	-	10,000	-
Other President's Staff					
Cronan, Joan ¹	Women's Athletic Director, Knoxville	220,000	-	25,000	X
Davis, Sylvia	VP Strategic Planning & Operations	184,100	-	3,000	X
Dye, Hank	VP for Public & Government Relations	184,625	-	5,000	X
Bukley, Angie	Interim Assoc VP for UT Space Institute	175,104	-	-	-
Hamilton, Mike ¹	Men's Athletic Director, Knoxville	274,575	-	25,000	X
Hendricks, Linda	VP & Chief HR Officer	200,000	-	-	X
High, Katie	Interim VP for Acad Affairs & Student Success	146,000	-	3,000	-
Jinks, Mary	VP for Public Service	164,000	-	-	X
Nichols, Margie	Chief of Staff	160,000	-	5,000	-
Paganelli, Mark	Executive Director, Audit & Consulting Services	123,605	-	-	X
Poore, Jesse	VP & Chief IT Officer	258,325	-	-	-
Robinson, Theotis	VP for Equity & Diversity	110,392	-	2,000	X
Stuart, Lofton	Exec. Director of Alumni Affairs	159,650	-	5,000	X
Zacharia, Thomas ²	VP, Science and Technology	366,795	-	-	X

¹ Provided two courtesy cars each; gas and insurance paid for personally and business mileage reimbursed at \$0.42/mile.

² Salary of \$271,700, plus proposed incentive compensation of \$95,095, paid by UT-Battelle. By contractual agreement, University of Tennessee is to reimburse UT-Battelle for 40% of Dr. Zacharia's compensation, subject to change based on actual effort.

BOARD OF TRUSTEES
THE UNIVERSITY OF TENNESSEE

ACTION ITEM

DATE: June 19, 2008

COMMITTEE: Executive and Compensation

CAMPUS/INSTITUTE: The University of Tennessee

ITEM: **Resolution Appointing a Managerial Group for U.S. Government Contracts**

RECOMMENDATION: Approval

PRESENTED BY: Catherine S. Mizell, Vice President, General Counsel and Secretary

The Department of Energy requires the Board to appoint a Managerial Group and delegate to that group responsibility for negotiation, execution, and administration of U.S. Government contracts. Only members of the Managerial Group will receive security clearance and have access to classified information.

The Board initially appointed a Managerial Group by resolution adopted on December 11, 2001. A new resolution is required annually to reflect changes in personnel. The resolution is attached.

RESOLUTION OF THE BOARD OF TRUSTEES
APPOINTING THE MANAGERIAL GROUP FOR CONTRACTS BETWEEN
THE UNIVERSITY OF TENNESSEE AND THE UNITED STATES GOVERNMENT
PURSUANT TO
THE NATIONAL INDUSTRIAL SECURITY PROGRAM OPERATING MANUAL

Adopted by the Board of Trustees on June 20, 2008

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF TENNESSEE THAT:

1. Those persons occupying the following positions at The University of Tennessee shall be known as the Managerial Group, having the authority and responsibility for the negotiation, execution, and administration of U.S. Government contracts as described in the National Industrial Security Program Operating Manual:

President and Chief Executive Officer
Senior Vice President and Chief Financial Officer
Vice President for Research
Chancellor, Knoxville
Vice Chancellor for Research, Knoxville
Director of Grants and Contracts and Facility Security Officer
Vice President and General Counsel
Vice President and Treasurer
Associate Vice President for The University of Tennessee Space Institute

2. The Chief Executive and the members of the Managerial Group are clear, or will be processed for clearance, to the level of The University of Tennessee's facility clearance. If uncleared, pending issuance of the requested access authorization, such individual shall be excluded from all access and shall not participate in any decision or other matter pertaining to the protection of classified information and/or special nuclear material.
3. The above-named Managerial Group is hereby delegated all of the Board's duties and responsibilities pertaining to the protection of classified information and/or special nuclear material released to The University of Tennessee.
4. In the future, when any individual is appointed to the Managerial Group as an additional member or replacement member, such individual shall immediately be processed for an access authorization at the same level as The University of Tennessee's facility clearance. Pending issuance of this requested access authorization, such individual shall be excluded from all access and shall not participate in any decision or other matter pertaining to the protection of classified information and/or special nuclear material.
5. The following named officers and members of the Board of Trustees of The University of Tennessee shall not require, shall not have, and can be effectively excluded from access to all classified information and/or special nuclear material released to The University of Tennessee and do not occupy positions that would enable them to affect adversely the policies or practices of The University of Tennessee's performance of classified contracts for the U.S. Government:

Officers

<u>Name</u>	<u>Title</u>
Roger G. Brown	Chancellor, The University of Tennessee at Chattanooga
Joseph DiPietro	Vice President for Agriculture
Thomas A. Rakes	Chancellor, The University of Tennessee at Martin
David E. Millhorn	Executive Vice President
Henry Nemcik	Vice President for Development and Alumni Affairs
Hershel P. Wall	Chancellor, The University of Tennessee Health Science Center and Vice President for Health Affairs

Members of the Board of Trustees

<u>Name</u>	<u>Title</u>
Philip N. Bredesen	Governor and Chair of the Board
Richard G. Rhoda	Executive Director, Tennessee Higher Education Commission
Tim Webb	Acting Commissioner of Education
Ken Givens	Commissioner of Agriculture
Charles Anderson, Jr.	Trustee
Anne Holt Blackburn	Trustee
William Y. Carroll	Trustee
Barbara C. Castleman	Trustee
George Cates	Trustee
Spruell Driver, Jr.	Trustee
James E. Hall	Trustee
Douglas Horne	Trustee
Rhynette N. Hurd	Trustee
Jerry L. Jackson	Trustee
Andrea J. Loughry	Trustee
Brittany McGruder	Trustee
James L. Murphy III	Trustee
Karl A. Schledwitz	Trustee
Don C. Stansberry, Jr.	Trustee
Robert Talbott	Trustee
Charles E. Wharton	Trustee
James L. Wolford	Trustee
John Schommer	Trustee
[Non-voting Faculty Member]	Trustee
[Non-voting Student Member]	Trustee

CERTIFICATION

The above Resolution of the Board of Trustees Appointing the Managerial Group for Contracts between The University of Tennessee and the United States Government Pursuant to the National Industrial Security Program Operating Manual was duly adopted by the Board of Trustees on the 20st day of June, 2008.


Catherine S. Mizell, Secretary