

THE UNIVERSITY OF TENNESSEE AT MARTIN ADVISORY BOARD

Minutes of the Annual Meeting

The annual meeting of The University of Tennessee at Martin Advisory Board was held at 1:00 p.m. (CDT) on Friday, May 21, 2021, in the Boling University Center, Room 206AB, on the campus of The University of Tennessee at Martin.

I. Call to Order and Roll Call

Chair Art Sparks welcomed the UT Martin Advisory Board members and guests to the regular annual meeting of the UT Martin Advisory Board. Chair Sparks requested a roll call to bring the meeting to order. The roll was called by Edie Gibson, Secretary to the Board, with the following members present:

Hal Bynum
Monice Hagler
Emma Hilliard
Philip Smartt
Art Sparks
Julia Wells
Johnny Woolfolk

With the full seven members of the Advisory Board in attendance onsite, a quorum was announced. Others participating included UT Martin administrative and leadership staff. The meeting was streamed live for the convenience of the University community, the general public, and the media. A recording of the proceedings will be uploaded to the UT Martin Advisory Board website, following the meeting.

II. Opening Remarks

Chair Sparks welcomed Advisory Board members to the first in-person meeting since January 2020, acknowledging that during these past 16-months, time seemed to fly, while at other intervals, time slowed to a crawl. Turning back to the membership, Chair Sparks enthusiastically welcomed Governor Bill Lee's most recent Advisory Board appointee, Mr. Johnny Woolfolk of Jackson, TN, to his first Advisory Board meeting. Mr. Woolfolk, a 1971 UTM alumnus with a degree in Agriculture, was confirmed by the 112th Tennessee General Assembly and officially signed by the Governor on April 29, 2021.

Chair Sparks called on Chancellor Carver to introduce the 2021-2022 Student Member of the Advisory Board. The Chancellor began with an explanation of the Student Member selection process, as outlined by the UT Focus on College and University Success (FOCUS) Act and in compliance with the UTM Advisory Board Bylaws, which utilizes UTM's SGA election process, followed by a joint-interview conducted by the Chancellor and current AB Faculty Member, Dr. Philip Smartt, and concludes with the Chancellor's appointment.

Chancellor Carver introduced Ms. Kelsea Koonce as UTM's next Advisory Board Student Member. Kelsea is a junior majoring in Agricultural Business, who calls Newbern, TN, her home. Since arriving at UTM, she remains involved in student orientation, Student Government, Panhellenic, and just about anything else you can imagine. Kelsea will be a great member of the Board, just as Emma Hilliard, current Advisory Board Student Member, has served. Kelsea Koonce's term of service begins July 1, 2021, through June 30, 2022. Congratulations and welcome to Kelsea Koonce.

III. Approval of Minutes

Chair Sparks directed the members to a copy of the January 22, 2021, minutes from the regularly scheduled (virtual) meeting of the Advisory Board for approval.

Motion: Philip Smartt moved to adopt the UT Martin Advisory Board meeting minutes for the January 22, 2021, meeting, as presented in the meeting materials, and Monice Hagler seconded the motion. An oral vote on the motion was taken, and the motion carried unanimously.

IV. Advancement Update

Chair Sparks invited Vice Chancellor for University Advancement, Dr. Charley Deal, to present an overview of the Advancement role and an update of UTM's fundraising highlights.

Looking back over this past year, Dr. Deal reported that navigating activities during the pandemic required a fresh perspective. The Advancement team took the challenge head-on, identifying creative ways to engage the donor community within a remote environment, creating efficiencies within the division by reorganizing the unit, assigning staff to specific colleges/units, unifying campus fundraising strategies, and initiating a new Alternative Work Arrangement (AWA) for development officers.

Other enhancements included implementing a new donor stewardship plan with a multi-platform communication structure and opening a distinct UT Martin Telefund Program. Although start-up costs associated with operating a local Telefund were costly, the outcomes received during the inaugural Telefund provided invaluable information and feedback from our alumni. To date, UTM secured more than \$51,000 in pledges, with a 57% fulfillment rate. Added benefits to hosting a local Telefund operation include employing ~15 undergraduate and graduate students a year, enabling students to learn a fundamental work ethic while gaining experience in sales, exposure to a fundraising career as well as an insight into Advancement as a profession, honing student communication skills, and enhancing student marketability post-college.

In clarifying the costs, Dr. Deal explained that the campus investment in the web-based Telefund programming was close to breaking even from funds pledged during the initial session. This year's Telefund returned ~\$22,000 toward a package cost of ~\$35,000. Looking ahead, Dr. Deal is investigating a plan to host future telefunds in a common space, thereby providing access to a telefund manager, who would be able to collect online financial gifts in a safe and secure manner.

UTM's Advancement team is preparing for an announcement of the Rise Campaign with a private launch on September 2, 2021, and a public launch on September 11, 2021. Details associated with the Campaign goal will be announced closer to the launch. Campaign Honorary Co-Chairs are Bill and Rosann Nunnally and Melanie Taylor. Campaign Co-Chairs are Bill Blankenship and Charlie and Bettye Moore. The Campaign Cabinet membership includes Reggie Hill, Wally Hoffmann, Meg Kinnard Hardee, Betsy Brasher Melby, Jerry Reese, Bill and Amy Rhodes, and Jim Wingett. The Rise Campaign, ending on June 30, 2023, is built around two strategic themes: 1.) Enhance Student Outcomes – recruit, retain, and graduate students, who are prepared to be responsible, informed, and engaged citizens and leaders, and 2.) Strengthen Our Engagement – be a model of responsible stewardship while improving the vitality and prosperity of West Tennessee and beyond.

In spotlighting UTM's Captain's Challenge, Dr. Deal reported that last year's event set a record after being delayed for two months in response to the pandemic. This year's Challenge raised ~\$431,400 in 24-hours amid the pandemic with 1,023 unique donors supporting 221 different funds. The Challenge event has grown substantially since its inception in 2014, when it raised \$121,000 in a week.

In monitoring progress toward UTFI's benchmark goals for Martin, as of May 9, 2021, the Advancement team exceeded the donor goal of 4,635 with 4,890 contributors counted and will likely exceed the stretch goal of 5,150 by month's end. Closing in on a fundraising goal, UTM has received \$7,290,427 of its \$8,864,467 benchmark with an oral commitment of an additional \$1 million gift that will be in writing to us by the end of May. With another month in the reporting cycle, Dr. Deal anticipates surpassing this year's stretch goal of \$9,864,467. Cash receipts are up at \$4,615,882. Annual giving reached \$755,000 as of this morning, surpassing our benchmark goal of \$657,570 and the stretch goal of \$752,570. Retention of donors is another significant benchmark on the Advancement dashboard. Currently, our campus is retaining donor support at ~50% from the previous year, compared to the industry standard of 60-65%. The Advancement team plans a deeper look at donor interest that falls below the campus average, examining any trends and exploring opportunities to enhance donor interest.

On the road ahead, the Advancement officers will be resuming visits to donors, exploring possible new income tax code changes, initiating the campus launch of the Campaign, implementing Phase 2 of the stewardship plan, completing the Alumni Relations Strategic Plan, and enhancing corporate support and donations with the addition of a new Corporate Relations Officer. Further down the road, the Advancement team will push to reach a \$1 million per year target by 2025 with an overall fundraising target of \$10 million by 2024 on its way to building up the current \$43 million endowment to \$100 million by 2030. Dr. Deal clarified that the endowment goal represents cash-in-hand and does not include bequest gifts in this benchmark. Dr. Deal ended his presentation with a special thanks to those who are university donors, proclaiming his team as "Peddlers of hope and supporters of dreams" of our students and faculty as well as the region and the state!

Chair Sparks expressed his appreciation for an informative presentation, reiterating his support of the university by challenging alumni to consider giving back to UTM by returning the value of their scholarship funds over time. He added that UTM would never need additional scholarships, if former students repaid those funds, adding that it's easier to ask for support when you have already done so.

Chancellor Carver noted that Dr. Charley Deal's announcement as Vice Chancellor for University Advancement occurred on April Fool's Day in 2020 during the middle of a pandemic; thereby receiving the least amount of fanfare of any vice chancellor appointment. He and his team have done a great job, achieving the third highest fundraising level in UTM history with the highest number of donors on record amid a pandemic. After expressing his appreciation, Chancellor Carver then challenged the Advancement team to break more records!

V. Presentation and Approval of Campus Recommendation of Annual Operating Budget

Moving to the next agenda item and the second actionable item, Chair Sparks invited Vice Chancellor for Finance and Administration, Petra McPhearson, to update the Board on the campus' annual operating budget followed by an overview of the proposed FY2021-22 operating budget for Board consideration before it is presented to the UT President as required by the Tennessee Law and the Bylaws of the UT Board.

Vice Chancellor McPhearson began her budget conversation with an examination of the university revenue sources. UTM anticipates a \$3 million change in revenue from the previous year, resulting from a \$2 million increase in state appropriation and a \$1 million increase in tuition and fees. The growth in tuition and fees is tied to a request to increase the student maintenance (commonly referred to as tuition) fee by 2% and a request for a net reduction in the International student fee rate. Vice Chancellor McPhearson acknowledged UTM's dependency on tuition and fees, which represents the largest portion of university revenue at ~60%. The next largest revenue stream flows from our state appropriation, representing ~35% of the budget. These two areas represent ~95% of the university's operating budget.

The remaining contributions are generated through grants and contracts, sales and service and other (miscellaneous) revenue sources.

On the opposite side of the budget ledger is expenditures with UTM's largest commitment to instruction. To offer a different perspective, if we align the functions under the Division of Academic Affairs by combining expenditures for instruction at \$45.7 million with research at \$100,000, public service at \$800,000, and academic support at \$10.8 million, these operations represent ~54% of the campus outlay spending. In descending order, the remaining expenditure accounts are organized as student services at \$14.1 million, inclusive of Athletics, representing a significant component of the college experience. The next significant investment area is our scholarships and fellowships funding at \$12.6 million (representing ~12% of the budget). In comparison to other public institutions, UTM's institutional student aid ranks on the lower end of par, based on a recent NACUBO survey. Vice Chancellor McPhearson emphasized that increasing scholarship and compensation funding remains among the top campus priorities for new funding. The final campus expenditure functions include operations and maintenance at \$12.2 million, followed by institutional support at \$8 million and transfers at \$1.8 million.

Additional highlights from the state budget include a net increase of \$393,100 from a formula funding adjustment and a \$1,356,200 supplemental pool from the state in support of salary increases. The state provided a portion (~55% of the needed funds) to fund a 4% salary pool increase. UTM's compensation strategy continues to focus on aligning salaries based on the UT System's Compensation Job Family Project by bringing employees below their market ranges to at least the minimum and addressing isolated individual issues then distributing the residual funds in across-the-board increases. In separate funding, the state funded a health insurance premium increase for employees.

UT Martin's FY2021-22 proposed appropriation of \$36,653,100 supplemented by funds designated for access and diversity and the Center of Excellence, brings our FY 2022 total recurring state appropriation to \$37,527,306.

UTM's mandatory student fees remain unchanged this year at \$1,534, representing student programs and student services at \$1,120, technology at \$250, publications at \$14, and facilities at \$150. Consistent with THEC guidance (increase permitted between 0-2%), UTM will propose an in-state and out-of-state maintenance fee increase and a restructuring of the International fee rate in alignment with the out-of-state charges.

In restructuring the student maintenance/tuition payment plans, the university proposal clarifies a marketing strategy by streamlining the current three-tiered payment levels (representing in-state, out-of-state, and International students) to a two-tiered system, (representing in-state students and a single fee rate for both out-of-state and International students). International student (face-to-face instruction) charges will decrease from \$13,944 to \$6,040. Lowering International tuition offers a relatively low financial impact on the university as it coincides with low International enrollment during spring 2021, represented by 35 undergraduate and 2 graduate students, only four of whom were full paying. The gross revenue from the restructuring represents \$685,000 with a net impact of a \$441,000 revenue redirection. UTM plans to take advantage of the newly reduced tuition charge to become more competitive in the International sector and grow UTM's market share. UTM will be better positioned to recruit in a post-pandemic environment and enhance the diversity of the campus student body.

In contrast, UTM's proposed maintenance fee increases align well among Admissions Peer Institutions, as well as UTM's Comparable and Aspirational Peer groups applying their current rates. Finance and Administration staff will conduct a follow-up comparison for each of these groups when the external tuition rates are finalized. Vice Chancellor McPhearson added, from conversations with colleagues from other Tennessee institutions, we can expect some variation in proposed increases, but the state public institutions are bound by THEC guidance, limiting increase ranges from 0-2%.

Proposed maintenance fee (commonly thought of as in-state tuition) increases are, as follows:

- Undergraduates at \$8,378 for a 2% increase.
- Graduates at \$9,278 for a 2% increase.
- Out-of-state undergraduate students at \$14,418 for a 1.2% increase.
- Out-of-state graduate students at \$15,318 for a 1.2% increase.
- Undergraduates at \$14,418 for a -34.9% reduction.
- Graduates at \$15,318 for a -33.5% reduction.

Recommended maintenance and mandatory fee totals are, as follows:

- In-state undergraduates at \$15,592 for a 1.7% increase.
- In-state graduate students at \$16,838 for a 1.7% increase.
- Out-of-state undergraduate students at \$15,592 for a 1.0% increase.
- Out-of-state graduate students at \$16,838 for a 1.1% increase.
- International undergraduate students at \$15,952 for a -32.7% decrease.
- International graduate students at \$16,838 for a 31.4% decrease.

In final summation, UTM is looking at a balanced budget of:

• Unrestricted educational and general (E&G) funds	\$106,053,135
• Unrestricted auxiliary funds	\$ 10,375,196
Subtotal of unrestricted funds	\$116,428,331
• Restricted funds	\$ 45,955,709
Total Current Operating Funds	\$162,384,040

Offering a brief overview of the COVID-19 Relief Funding, Vice Chancellor McPhearson highlighted the three installments of financial benefits through the CARES Act. Federal funding was allocated by three categories: students, institutional, and strengthening institution programs. Funds supplemented student grants, institution instructional support, institutional revenue loss, and reviewing requests to address the equipment needs and upcoming instructional support. UTM received a total of \$29,782,192 HEERF Relief Funding, of which \$13,044,723 was directly allocated to students, \$16,075,512 to institutional needs, and \$607,957 to strengthening institutional programming.

• HEERF I – CARES Act	\$ 5,362,249
• HEERF II – CRRSAA	\$ 8,907,140
• HEERF III – ARP	\$15,458,803
Total COVID Relief Funding	\$29,728,192

A more comprehensive listing of campus expenses included: student awards, housing, dining, and parking refunds; computers and wi-fi hotspots; instructional aids for online learning; virtual student orientation software; tents for outdoor classrooms and events; cleaning and PPE; athletics testing; lost revenue; meals for students in isolation; and salaries and benefits.

Chancellor Carver summarized a strategic enrollment decision dating back about six years ago, when UT Martin adopted a 15/4 Tuition Model, known as Soar in Four. The premise of the Soar in Four model was to encourage students to take fifteen hours each term; thereby enabling them to graduate in a four-year progression cycle. The investment model was greater; compensating/paying for 15-credit hours, with the additional funding invested in student services, career support and planning, and advising. Since the program was implemented, UTM's six-year graduation rate has increased by 14.4%, representing a new UTM record with 54% of incoming students graduating within six years. UTM is currently only chasing the UTK graduation rate and remains firmly focused on advancing this academic success indicator. Last year, 73.7% of UTM's freshmen returned in the fall, revealing a significant indicator of

future graduation success. In spring 2021, UTM had 400 fewer students return from the fall term; however, campus faculty and staff have already contacted these students attempting to recruit them back and assisting them to remove various enrollment barriers.

Motion: Julia Wells moved that the Advisory Board recommend the proposed campus operating budget for FY 2021-22 to the President as presented in the meeting materials; provided that the Chancellor is authorized to make any relatively minor adjustments (no more than 5%) to calculations, if necessary, prior to submission to the President and to report any such adjustments to the Advisory Board at the time of submission to the President. Hal Bynum seconded the motion. An oral vote on the motion was taken, and the motion carried unanimously.

VI. Comments by the Chancellor

Chancellor Carver reviewed a few highpoints from the budget, stating that even amid fourteen months of COVID, UTM still possesses a sense of urgency to be better. UTM had a great year, having just discussed the campus graduation rates at an all-time high and retaining a micro-focus on enhancing the university metric. The campus continues to invest strategically in areas that support students, including faculty who are committed to advising and student success, Student Affairs staff who are keeping our students engaged with outdoor programming or via a Zoom escape room and supporting student organizations and Greek groups to enhance the student experience by assembling in gatherings of less than 25.

UTM student enrollment reports are trending well for Fall 2021, and perhaps the best news is that our graduate program enrollments have increased 40% since 2019. Chancellor Carver suggested that at the next Board meeting Provost Cavalier report on new academic programs, including cybersecurity, construction management, doubling down on Vet Tech enrollment, a Master's in Social Work, a Special Education focus in autism, the MBA with an HR focus, and UTM graduate program offerings at all five of our Centers.

The Chancellor noted that Intercollegiate Athletics has expanded to more than 500 student-athletes and this spring, they carried an average 3.26 GPA. He expressed his pride in the accomplishments of these students as well as the work of Athletic Director Kurt McGuffin and his team of coaches in supporting our athletes in the classroom and on their respective fields of competition.

Chancellor Carver concluded his remarks by acknowledging the work of three of the Advisory Board members, Student Member Ms. Emma Hilliard, from Crockett County and Governor appointees, Ms. Julia Wells and Chair Art Sparks, whose initial appointments expire on June 30, 2021. He declared that UTM is incredibly thankful for their individual and collective commitments to the Board. Chancellor Carver remarked that he has offered a strong endorsement in support of extending Ms. Wells' and Chair Sparks' terms of appointment for another cycle, expounding that these appointees helped us establish the Advisory Board and have been tireless advocates for UT Martin. The good news is that by statute, both Ms. Wells and Chair Sparks remain on the Advisory Board until reappointed or replaced; therefore, we will be seeing both at the fall meeting. However, today marks the final meeting of Student Member Emma Hilliard. She came on the Board during the pandemic and did an excellent job of representing the students. Chancellor Carver and Chair Sparks presented Emma a token of appreciation for her valued service to the Board and wished her well as she pursues her education at the UTHSC in Occupational Therapy this fall.

VII. Closing Remarks by Chair

In closing, Chair Sparks stated his amazement in looking back at this University during the past 15 months and seeing the number of changes that have been made on the fly. He added that we are not sure what normal means anymore. He ended his remarks by expressing appreciation for the Chancellor and his staff (at all levels) for what the team has done to make the campus a safe place where everyone wants to return.

Member Johnny Woolfolk took an opportunity to invite the Advisory Board members to join the Governor’s School for Agriculture students at Woolfolk Farms this month. He noted that Governor Bill Lee attended this event in the past and will receive an invitation to attend this year’s event. Member Hal Bynum committed to assisting the Farm Bureau team onsite in cooking a meal for the Governor’s School students. He added that Agriculture is extremely important to this state and to this university and stated that anything that the Board can do to promote it, we are better off.

The next regular meeting of the Advisory Board is September 17, 2021.

VIII. Adjournment

With no further business to come before the Board, a motion to adjourn was made by Hal Bynum and seconded by Monice Hagler. The meeting adjourned at 2:13 p.m.

Respectfully Submitted,

Edie Gibson, Secretary