

**MINUTES**  
**TENNESSEE HIGHER EDUCATION COMMISSION**  
**January 29, 2009, 1:00 p.m. CDT**

The meeting was called to order by Chairman Katie Winchester at 1:00 p.m.

Commission Members present:

Ms. Sue Atkinson	Mr. Charlie Mann
Ms. Jessica Brumett	Mr. Jack Murrah
Mr. Tré Hargett	Dr. Gary Nixon
Mr. David Holt	Mayor AC Wharton
Mr. Greg Isaacs	Mr. Robert White
Mr. Cato Johnson	Ms. Katie Winchester
Mr. David Lillard	

**Systems' Reports**

University of Tennessee

Ms. Winchester recognized Dr. John Petersen, President of the University of Tennessee, to present his report. Dr. Petersen discussed the ground breaking of the biofuels plant, and noted that it should begin production of ethanol by the end of the calendar year. He briefed the Commission on the distribution of the budget cuts, noting that critical issues are being looked at carefully. Dr. Petersen stated that administrative cuts would be higher to ease the burden on the institutional level.

**Adoption of Agenda**

Ms. Winchester thanked everyone for their attendance. She then recognized Mr. Bob Thomas, vice chair of the Board of Regents, and Mr. Jim Murphy, vice chair of the UT Board of Trustees.

Ms. Winchester welcomed all to the meeting and called for a motion to adopt the meeting agenda. Mr. Cato Johnson made a motion to approve the agenda. Mr. Robert White seconded the motion; the motion was duly adopted.

**Approval of Minutes, November 20, 2008 Meeting**

Ms. Winchester called for a motion to approve the minutes of the November 20, 2008, Commission meeting as presented. Mr. Johnson made a motion to approve the minutes as presented. Ms. Sue Atkinson seconded the motion; the motion was duly adopted.

**Chairman's Report**

Ms. Winchester commented on the productive work session earlier in the day. She thanked the campus presidents for their presentations and commended them for the work they have accomplished under these difficult circumstances.

## **Executive Director's Report/ Tennessee Student Assistance Corporation**

Dr. Rhoda was recognized to provide his report. Dr. Rhoda began his report by welcoming Senator Dolores Gresham, Chair of the Senate Education Committee. He then introduced the new constitutional officers present, Tré Hargett, Secretary of State, David Lillard, Treasurer, and Justin Wilson, Comptroller of the Treasury and gave a brief background on each. Dr. Rhoda also introduced visitors from Mississippi, Mitsy Johnson and Diane Garmen, who are meeting with the Policy, Planning, and Research staff to discuss the information system for the lottery scholarship program. He then commended Dr. Tom Rakes, Dr. Shirley Raines, and Dr. Gary Goff for their candor while dealing with the current budget situation.

Dr. Rhoda briefed the Commission on the work of the Institute of Public Health and noted that Dr. Beth Fuller is working diligently to obtain external support for the Institute. He also noted that the Institute has been active with the Tobacco project funded by a grant from the Department of Health.

Dr. Rhoda then discussed the consolidation of administrative functions of TSAC and THEC to save money, noted that the consolidation has been completed with an annual cost savings of \$300,000.

Dr. Rhoda then introduced David Wright, Associate Executive Director for Policy, Planning, and Research, to brief the Commission on the seven THEC statutory reports. Mr. Wright discussed the Annual Joint Report, P-16 report, Master Plan progress report, Off Campus locations, statutory data reports, Profile and Trends, and the annual report on Articulation and Transfer. He then discussed the additional five reports that THEC provides: the 2008-09 Factbook, High School Senior Opinions Report, Enrollment, Legislative County Profiles, and the ACT Feedback report.

In closing, Dr. Rhoda introduced new staff members: Michelle Berry and Laura Stewart of the Fiscal staff and noted that they serve in dual capacities with TSAC; Mason Ball and Scott Boelscher of the GEAR UP staff; and Kyle Southern, an intern from Vanderbilt University.

## **Systems' Reports, Continued**

### Tennessee Board of Regents

Dr. Paula Short, Vice Chancellor for Academic Affairs at the Tennessee Board of Regents, was recognized to present this report. Dr. Short briefed the Commission on efforts to address the budget reductions within the TBR System and noted the campus meetings, where discussion was held in regard to the individual campus strategies for cost savings. She also discussed the strategic planning process for the next five years and noted the committees being formed to address specific issues to make the strategic plan more viable in the next cycle.

Dr. Short then discussed the dual admissions program with TSU and NSCC, which will allow students to attend both institutions at the same time to allow for a smooth transition into the baccalaureate program and increase enrollment and graduation rates. Dr. Short briefed the Commission on the Teacher Education program and the pilots currently underway to help teachers gain the skills they need to continue to move forward in the classroom.

## **Academic Affairs**

### Status of THEC Academic Program Inventory

Dr. Linda Doran, Associate Executive Director of Academic Affairs, was recognized. Dr. Doran briefly discussed the Commission's statutory responsibility to review and approve new academic programs and noted that the responsibility is exercised to promote academic quality to fulfill student demand, employer need, and societal requirements. She stated that new programs are developed as the needs and demands within the state change and noted that low-producing programs are typically terminated or consolidated into other programs to maintain the relevance of program offerings. She noted that during the period of 2000 - 2008 a total of 192 new programs were approved by the Commission and 208 programs were terminated by the governing boards.

### Post Approval Monitoring Status Report

Ms. Katrina Miller, Director for Academic Affairs, was recognized to provide a brief summary of the Post Approval Monitoring Reports. Ms. Miller stated that for the 2007-08 Post Approval Monitoring cycle, over 100 programs were reviewed. Of the programs reviewed, 58 programs achieved their projected benchmarks (or performed above the low-producing threshold) and 32 academic programs did not meet their projections. She also stated that eight programs were delayed for implementation for various reasons and two certificate programs were terminated by the governing board.

### Temporary Authorization of New Institutions and Approval of New Programs Under the Postsecondary Authorization Act

Dr. Stephanie Bellard-Chase, Associate Executive Director for Postsecondary School Authorization, presented the recommendations of staff and the Postsecondary Education Authorization Advisory Committee to grant temporary authorization to proposed new institutions and new programs. A listing of the institutions and programs are included as Attachment A to the official copy of the minutes. A motion was made by Mr. Greg Isaacs to adopt the recommendations as presented. The motion was seconded by Mr. Johnson. There being no further discussion, Ms. Winchester called for a vote on the motion that was duly adopted.

## **Fiscal Affairs**

### October 31 Revised Budgets, 2008-09

Mr. Vaden reviewed the FY 2008-09 revised operating budgets for higher education, summarized on Attachment B to the official copy of the minutes.

He stated that campuses directed the majority of their resources to the teaching functions. He also stated that there were minimal changes made to the FY 2008-09 system operating budgets from July 1 to October 31. He noted that estimated revenue from tuition and fees was steady at 39.1 percent, while estimated revenue from state appropriations was revised from 49.4 percent to 49 percent. Expenditures for the teaching functions – instruction, research, public service, and academic support – were revised from 64.6 percent to 64.4 percent.

Mr. Johnson made a motion to approve the staff recommendation on the Revised 2008-09 October 31<sup>st</sup> Operating Budgets, which were submitted by the University of Tennessee and Tennessee Board of Regents for consideration by the Commission, and that the staff be authorized to transmit the Commission's action on the Revised 2008-09 October 31<sup>st</sup> Operating Budgets, along with the appropriate commentary, to the Commissioner of Finance and Administration for review and approval; and that Dr. Rhoda be granted the authority to make technical and other necessary adjustments as appropriate. Mr. White seconded the motion. After discussion, Ms. Winchester called for a voice vote on the motion, which was duly adopted.

### **Policy, Planning and Research**

#### 2008 Lottery Scholarship Annual Report

Ms. Erin O'Hara, Director of Planning and Research, was recognized to present the 2008 Lottery Scholarship Annual Report. Ms. O'Hara discussed the enrollment growth due to the receipt of the lottery scholarship and noted that many more students were being retained in Tennessee institutions. She advised the Commission of matters such as the rate of retention, award amounts, and GPA's of the scholarship recipients disaggregated by various student demographic characteristics.

#### 2008 High School Senior Opinion Survey

Ms. Christine Luce, Research and Planning Analyst, was recognized to present the report on the 2008 High School Senior Opinion Survey. Ms. Luce stated that the survey is conducted biennially to inquire about students' postsecondary intentions, determine the impact of various factors on students' postsecondary decision-making, and gauge students' awareness of the financial resources available to support postsecondary attendance. She noted that the 2008 Senior Opinion Survey was distributed in April 2008 and was completed by 2,723 graduating seniors from 28 Tennessee high schools.

### **P-16 Initiatives/GEAR UP Status Report**

Ms. Katie Tone, Associate Executive Director for P-16 Initiatives, was recognized to present the status report on P-16 Initiatives and GEAR UP activities. Ms. Tone gave a brief overview of the GEAR UP program and its purpose and goals. She then noted the accomplishments of the program over the past four years, such as the Bridge Incentive Award, the Youth Summit, the School Leaders Institute, the Communication Campaign, Math Education Partnerships Grant, and the College Access Grant.

**Legislative Report**

Ms. Winchester recognized Mr. Will Burns, Associate Executive Director of Legal and Regulatory Affairs, to make a report on the status of legislative items. Mr. Burns noted that the majority of bills relating to higher education pertain directly to the Lottery Scholarship program. He recognized Senator Dolores Gresham, and noted her extensive background in higher education issues.

**Administrative Items**Spring Quarterly Meeting

Dr. Rhoda advised the Commission that the next meeting of the Commission will be on Thursday, April 23, 2009 here in the THEC office.

There being no further business, the meeting was adjourned at 2:30.

Approved:

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Katie Winchester  
Chairman

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A C Wharton  
Secretary