

MINUTES
TENNESSEE HIGHER EDUCATION COMMISSION
April 24, 2008, 1:00 p.m. CDT

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

Commission Members present:

General Wendell Gilbert (Ret)	Mr. Jack Murrah
Mr. Greg Isaacs	Mr. Dale Sims
Mr. Ransom Jones	Mr. Robert White
Mr. Charlie Mann	Ms. Katie Winchester
Mr. John Morgan	

Adoption of Agenda

Ms. Winchester thanked everyone for their attendance and called for a moment of silence in memory of Mr. Bill Snodgrass. She then recognized Ms. Andrea Loughry, vice chair of the UT Board of Trustees, Mr. Bob Thomas, vice chair of the Tennessee Board of Regents, and Ms. Debby Koch, former THEC member. Ms. Winchester then called on Dr. Rhoda to introduce Greg Isaacs, a new member of the Commission.

She noted the amended agenda and called for a motion to adopt. Mr. Ransom Jones made a motion to approve the agenda. Mr. John Morgan seconded the motion; the motion was duly adopted.

Approval of Minutes, November 15, 2007 Meeting

Ms. Winchester called for a motion to approve the minutes of the January 24, 2008, Commission meeting as presented. General Wendell Gilbert made a motion to approve the minutes as presented. Mr. Dale Sims seconded the motion; the motion was duly adopted.

Chairman's Report

Ms. Winchester began her report by noting the productive work session earlier in the day. She then reviewed the activities of the THEC Audit Committee, which included the approval of the risk assessment process recommendations for 2008 and the annual review. She discussed the policy that would combine all of the facets of the fraud, waste, and abuse policy. After discussion, Ms. Winchester called for a motion to adopt the Audit Committee's report. Mr. Murrah made a motion to adopt the report. Mr. Sims seconded the motion; the motion was duly adopted.

Dr. Rhoda was then recognized to present the Resolutions of Appreciation for Ms. Eleanor Yoakum, Dr. Bob Levy, and Ms. Debby Koch. After presentation, Mr. Jones made a motion to approve the resolutions. Mr. Morgan seconded the motion; the motion was duly adopted.

Executive Director's Report

Dr. Rhoda was recognized to provide his report. Dr. Rhoda welcomed Mr. Greg Isaacs, a new member of the Commission representing the second Congressional district. He noted that Sondra Wilson, student member from MTSU, had been named as president of the student government association. Dr. Rhoda then introduced new staff members: Chineze Onuaguluchi of the Postsecondary School Authorization division; Emily House of the Policy and Planning division; Dr. Beth Fuller, Director for the Tennessee Institute of Public Health; Ms. Stephanie Steele of the Fiscal division; and Charles Menifield, the 2008 Maxine Smith Fellow.

Dr. Rhoda commented on the fiscal outlook of the state and higher education and noted the state of austerity. He assured the Commission that staff was prepared for adjustments that may need to be made. He noted that the Commission had decided to pursue external funding and engage in other initiatives that could be accomplished without state support, such as the WICHE grant and GEAR UP grant. Dr. Rhoda also noted the possibility of the College Access Challenge Grant coming to fruition, which would provide \$1.4 million for up to two years; the Institute of Public Health grants received from Research America, Robert Wood-Johnson Foundation; and the THEC grant received from the Department of Health.

Systems' Reports

Tennessee Board of Regents

Dr. Charles Manning, Chancellor of the Tennessee Board of Regents, was recognized to present his report. Dr. Manning discussed the budget and tuition increases, and noted that TBR was looking at long range goals in trying to increase enrollment with the use of the lottery scholarship. He stated that tuition will have to be increased due to the budget shortfall.

University of Tennessee

Dr. Katie High, Interim Vice President for Academic Affairs and Student Success, of the University of Tennessee, was recognized to present the

report. Dr. High reported that key positions had been filled since the last meeting. Dr. Linda Hendrix was named Vice President of Human Resources and will begin in June, and Dr. Jess Poore will serve as Interim Vice President for Information Technology. She briefly discussed the supercomputer project, which is possible through a \$65 million grant, and the biofuel project, possible through a \$26 million grant.

Tennessee Student Assistance Corporation

Dr. Robert Ruble, Executive Director of TSAC, was recognized to give his report. Dr. Ruble discussed the loan programs and the potential difficulties for students obtaining loans due to the reduced yield and the economy. He stated that there is a fail safe program where TSAC would carry the loan in situations where loans are unobtainable. Dr. Ruble then announced that he is leaving TSAC effective July 1; he has accepted a position at a small private institution in Ohio.

Academic Affairs

Nashville State Technical Community College, Technical Certificate in 3D Design and Graphics

Dr. Linda Doran, Associate Executive Director for Academic Affairs, was recognized to provide an overview of the proposed program. Dr. Doran briefed the Commission on logistics of the program. After discussion, Ms. Winchester called for a motion. Mr. Jones made a motion to approve the Technical Certificate in 3D Design and Graphics. Mr. Robert White seconded the motion; the motion was duly adopted.

Institute of Public Health Status Report

Dr. Doran reported that the TN Institute of Public Health Board of Directors has completed a Strategic Plan for the Institute, which engaged a core advisory committee of the Board to draft the plan, required a number of review steps to revise the plan, and will culminate in final validation and approval action by the Board. She then discussed the next steps for the Institute that will include building a business plan, Board development, and grants and contracts cultivation.

She discussed the grant that THEC has received from the Department of Health in the amount of \$1 million to coordinate tobacco use prevention and cessation interventions and education in the nine GEAR UP TN counties.

Dr. Doran then called on Dr. Beth Fuller, Director for the Institute of Public Health. Dr. Fuller gave an overview of the 2007 County Health

Rankings profile and also briefed the Commission on logistics of the strategic plan and the goals of the Institute.

Dr. Jo Edwards was then recognized to provide further details of the 2007 County Health Rankings. Dr. Edwards discussed the role of each county to meet the goals set forth, the evaluation process, and using the data provided in the report to identify the areas in need of improvement.

Tennessee Diploma Project Update

Dr. Rhoda introduced Ms. Margaret Horn, Governor Bredesen's Office of State Planning and Policy, to present this report. Ms. Horn briefly reviewed the American Diploma Project Policy agenda and the four key priorities. She also discussed the revisions to the new Tennessee standards in English and language arts and math which were passed in January 2008 and exceed national standards.

Institutional Reauthorization, 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. White to adopt the recommendations as presented. The motion was seconded by Mr. Murrah. There being no further discussion, Ms. Winchester called for a vote on the motion that was duly adopted.

Dr. Bellard-Chase briefed the Commission on the closing of Tennessee Career College. She stated that on March 3, 2008, the President of the institution notified THEC they would be closing due to financial difficulties. She noted that her staff was at the institution the following day to retrieve the student records and transcripts that currently are being input into the database. Dr. Bellard-Chase stated that the institution had approximately 60 students enrolled at the time of closure; of those, 53 had loans from the federal government through TSAC and Sallie Mae. She noted that staff also discovered seven students were due unearned tuition, which is covered through the tuition guarantee fund, and stated that staff had met with the Tuition Guarantee Fund board on March 20 and received approval for up to \$25,000 to reimburse the students that paid cash. Dr. Bellard-Chase also stated that the

students who held loans would receive loan-forgiveness since they were enrolled during the time of closure.

Policy, Planning and Research

Graduate Education in Tennessee and its Role in the State Economy

Mr. David Wright, Associate Executive Director for Policy, Planning, and Research, was recognized to provide the report on Graduate Education in Tennessee. Mr. Wright briefed the Commission on Graduate Education and introduced Dr. Bill Fox of the University of Tennessee to provide the full report. Dr. Fox briefed the Commission on the social and private benefits, trends, and the market supply and demand of a graduate degree. He also discussed the role of graduate education in Tennessee and the importance in today's knowledge-based economy. Dr. Fox stated that Tennessee private institutions (both non-profit and for-profit) have become more involved with graduate education and that each institution needs to monitor market demands.

Fiscal Affairs

Amendment to the FY 2008-09 Disclosed Capital Projects

Mr. Jim Vaden, Associate Executive Director for Fiscal Affairs, was recognized to provide this report. Mr. Vaden stated the Tennessee Board of Regents has submitted 31 additional projects to the FY 2008-09 Disclosed Capital Projects List, totaling \$69 M in additional disclosed projects. He also stated that TBR has requested that one project described in the original FY 2008-09 Disclosed Capital Projects listing be removed from the list and that two projects disclosed in the original list be revised to increase the project cost. Mr. Vaden noted that THEC staff recommends approval of the indicated changes to the Disclosed Projects Listing and will transmit the Commission's action to the Department of Finance and Administration for review and consideration for inclusion in the FY 2008-09 Appropriations Bill. There being no further discussion, Ms. Winchester called for a motion. General Gilbert made a motion to approve staff recommendations. Mr. Jones seconded the motion; the motion was duly adopted.

State Revenue Outlook

Mr. Vaden discussed the State of Tennessee revenue outlook for the current year and for 2008-09 and the potential effect on higher education and State government in general. He stated that the Governor did not recommend any increase in operating funds for higher education and all

previous recommendations will possibly be cut, including the two percent salary increase and \$53 million in non-recurring funds to balance the current year.

2008-09 Tuition and Fee Recommendations

Mr. Vaden discussed the tuition and fee recommendations. He noted that earlier in the year, the staff recommended and the Commission approved a 7-9 percent fee increase for the University of Tennessee Knoxville and the University of Memphis, 5-7 percent for other universities and no increases for community colleges and technical institutes. However, due to the fiscal condition of the state, the staff recommends an increase to stay below 10 percent across the board, with the governing boards being responsible for setting the incidental fees, under the condition there are no increases or decreases in the 08-09 operating appropriations for higher education. There being no further discussion, Ms. Winchester called for a motion. General Gilbert made a motion to approve staff recommendations. Mr. Jones seconded the motion; the motion was duly adopted.

P-16 Initiatives/GEAR UP Status Report

Dr. Deborah Boyd, Associate Executive Director for P-16 Initiatives, was introduced to provide a report on the P-16 initiatives. Dr. Boyd provided an update at the work session earlier in the day on the GEAR UP grant's spring activities, the Bridge Incentive Award, the GEAR UP TN Mathematics Education Grant and CollegeforTN.org.

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 briefed the Commission on bills related to the appropriations bill and lottery scholarship program, specifically the ominous bill related to reducing the GPA for the lottery scholarship and including non traditional students with 12 hours instead of the current 24 hours to be eligible for the scholarship. He also discussed bills related to fee discount programs, regulation of proprietary schools, and other bills of interest.

Administrative Items

Summer Quarterly Meeting

Dr. Rhoda advised the Commission that the next meeting of the Commission will be on Thursday, July 24, 2008 here in the THEC office.

Conflict of Interest Disclosure Policy for Commission Members

Dr. Rhoda reviewed the conflict of interest disclosure policy for Commission members and asked that they review, sign, and return at their earliest convenience.

There being no further business, the meeting was adjourned at 3:00.

Approved:

Katie Winchester
Chairman

A C Wharton
Secretary