

MINUTES
TENNESSEE HIGHER EDUCATION COMMISSION
November 19, 2009, 1:00 p.m. CDT

The meeting was called to order by Chairman Jack Murrah at 1:00 p.m.

Commission Members present:

Ms. Sue Atkinson	Mr. David Lillard
Mr. Charles Bone	Mr. Charlie Mann
Ms. Jessica Brumett	Mr. Jack Murrah
Mr. Tre Hargett	Mr. Ross Rowland
Mr. Cato Johnson	Mr. Robert White

Adoption of Agenda

Mr. Murrah welcomed all and thanked them for their attendance. Mr. Murrah then called for a motion to adopt the agenda. Mr. Tre Hargett made a motion to approve the agenda. Mr. Robert White seconded the motion; the motion was duly adopted.

Approval of Minutes, July 23, 2009, Meeting

Mr. Murrah called for a motion to approve the minutes of the July 23, 2009, Commission meeting. Mr. Hargett made a motion to approve the minutes as presented. Mr. Cato Johnson seconded the motion; the motion was duly adopted.

Action Items

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 is included as Attachment A to the official copy of the minutes. A motion was made by Mr. Hargett to adopt the recommendations as presented. The motion was seconded by Mr. White. There being no further discussion, Mr. Murrah called for a vote on the motion that was duly adopted.

FY 2010-2011 Operating, Capital Outlay, and Capital Maintenance Appropriation Recommendations

Mr. Jim Vaden, Associate Executive Director of Fiscal Affairs, discussed the policy tools used to analyze information for state appropriations recommendations for FY 2010-11. He briefly reviewed the Fiscal Overview for 2010-11 and the impact of appropriation reductions.

The overall recommendation for 2010-11 state appropriations for operating is \$1,048,123,000, which includes the six percent reduction requested by the Department of Finance and Administration.

The capital outlay recommendation for 2010-11 totals \$359,850,000. This includes four projects for the University of Tennessee totaling \$162,100,000 or 45 percent of the total, and four projects for the Tennessee Board of Regents totaling \$197,750,000 or 55 percent of the total.

The 2010-11 recommendation for capital maintenance for the Tennessee Board of Regents and the University of Tennessee systems is \$141,690,000. This includes 21 projects for the University of Tennessee totaling \$57,620,000 or 41 percent of the total, and 108 projects for the Tennessee Board of Regents totaling \$84,070,000 or 59 percent of the total.

Disclosed Projects funded through the Tennessee State School Bond Authority, auxiliary funds, or sources other than state appropriations for 2010-11 include 80 projects totaling \$318,880,000 for both the Tennessee Board of Regents and the University of Tennessee systems. The listing is comprised of 35 projects totaling \$127,700,000 for the University of Tennessee, and 45 projects totaling \$191,180,000 for the Tennessee Board of Regents.

After discussion, Mr. Murrah called for a motion to approve the FY 2010-2011 Operating, Capital Outlay, and Capital Maintenance Appropriation Recommendations. Mr. Johnson made a motion to approve the staff recommendations. Mr. Charlie Mann seconded the motion; the motion was duly adopted.

FY 2010-2011 Student Fee Recommendations

Mr. Vaden then discussed the FY 2009-10 student fee recommendations. The discussion included an analysis of the total formula revenue need and the proportion of that need that is funded by state appropriations and tuition revenue. In 2009-10, the total formula need is funded at 78.7 percent. Assuming a five percent tuition increase and the proposed six percent reduction in state appropriations, the 2010-11 total formula need would be funded at 77.5 percent.

Mr. Vaden stated that based on the current economic stress and the need for institutions to generate revenue, staff recommended a five percent increase in student fees. After discussion, Mr. Murrah called for a motion. Mr. Mann made a motion to approve. Mr. White seconded the motion; the motion was duly adopted.

Improving Teacher Quality Grant Program Awards, 2009-10

Ms. Katrina Miller, Director of Academic Programs and Interagency Grants, was recognized to make a report on Improving Teacher Quality Grants for FY 2009-2010. Ms. Miller noted that of the 47 proposals submitted for these federal grant funds, the advisory committee identified 15 for funding. Mr. Johnson made a motion to approve the Advisory Committee recommendations. Mr. Lillard seconded the motion, which was duly adopted.

UTeach Awards

Ms. Miller briefed the Commission on the UTeach program, which began at the University of Texas, Austin with the goal of increasing the number of

mathematics and science teachers with a strong content knowledge. She stated that since 1997, the program has gained national recognition and expanded throughout the country.

Ms. Miller then stated that THEC and the Tennessee Department of Education (TDOE) released a joint Request for Proposals (RFP) to award two grants for up to \$1.825 million each over a five-year period to establish UTeach replication sites in the awarded institutions. She noted that the UTeach replication sites will be funded through two federal programs, THEC's Improving Teacher Quality grant program and TDOE's Math and Science Partnership Grants.

Ms. Miller announced that over the next five-years, two Tennessee institutions were selected by the UTeach Institute for funding in the amount of \$1.825 million, The University of Tennessee at Chattanooga and Middle Tennessee State University. Mr. Murrah called for a motion to approve. Mr. Hargett made a motion to approve. Ms. Sue Atkinson seconded the motion; the motion was duly adopted.

College and Career-Ready Policy Institute Goals

Dr. Linda Doran, Associate Executive Director for Academic Affairs, was recognized to present the College-and Career-Ready Policy Institute Goals. She stated that Tennessee is one of eight states selected to participate in the College- and Career-Ready Policy Institute (CCRPI). Dr. Doran gave a brief overview of the program, where states are required to complete action plans to address 10 policy areas critical to development of an integrated state policy system aligned to college- and career-readiness for all high school graduates. She discussed the first policy area that must be addressed, which is a set of clearly defined numerical goals and benchmarks that establish college- and career-readiness as the central driver of the state's assessment and accountability system. She also discussed the set of goals and indicators to catalyze and monitor progress for all Tennessee students.

In closing, Dr. Doran noted that staff recommends endorsement of these goals as they represent collaboration between K-12 and higher education in increasing the number of students who are on track for postsecondary education and specifically noted that goal three is consonant with THEC's Making Opportunity Affordable initiative.

Mr. Murrah then called for a motion. Mr. White made a motion to approve staff recommendations of endorsing the goals of the CCRPI. Mr. Hargett seconded the motion; the motion was duly adopted.

Making Opportunity Affordable/Master Plan Update: Report and Recommendations of the Working Group on Adult Student Strategies

Mr. David Wright, Associate Executive Director for Policy, Planning, and Research was recognized. He gave a brief overview of the Making Opportunity Affordable-Tennessee Adult Strategies Group and stated that the group was charged with formulating a comprehensive policy strategy for adult learners in response to the Making Opportunity Affordable policy audit, which identified adults as an area of high need for the state.

Mr. Wright discussed the obstacles identified by the group for adult students, administrators, and the state and the recommended policies to improve enrollment, retention, and graduation rates of adult learners. He stated that the policy recommendations consist largely of removing obstacles that hinder accelerated courses, prior learning assessment, and financial aid in addition to creating an Adult Degree Completion Program and providing adult student specific advising and student services.

Mr. Murrah then called for a motion. Mr. Lillard made a motion to approve the recommendations of the group. Mr. Hargett seconded the motion; the motion was duly adopted.

Chairman's Report

Mr. Murrah began his report by noting the productive work session earlier in the day. He stated that the items addressed were consequential to driving changes in the funding formula as well as increasing the number of students who obtain a degree. Mr. Murrah also thanked Dr. Rhoda for a complete explanation of THEC/TSAC duties.

Executive Director's Report/Tennessee Student Assistance Corporation

Dr. Richard G. Rhoda was recognized to provide his report. Dr. Rhoda thanked Mr. Murrah and the Commission for their interest in the workings of THEC and TSAC. He welcomed Charles Bone, a new THEC member. Dr. Rhoda then introduced D. Bill Fox, of the UT Center of Business and Economic Research, regarding the creation of a teacher education data warehouse.

Dr. Fox gave an overview of the program and noted that data has been used from three agencies: THEC, TN Department of Education, and the Tennessee Department of Labor and Workforce Development to obtain accurate information to develop the program. He discussed the teacher supply and demand methodology, statewide gap, and ways to fill the gap between supply and demand using statistical data. Dr. Rhoda thanked Dr. Fox and his staff for his report and their work on this program.

Dr. Rhoda then recognized Mr. LaDon Jones, the new Maxine Smith Fellow for the 2009-10 year. He then introduced new THEC staff members, Christina Alford, a joint appointment with THEC and TSAC as a fiscal director; Andrew Smith in the GEAR UP division; Doug Cullum of the GEAR UP staff; Brianna Johnson of the Postsecondary division; Tia Owens, graduate assistant in the Policy and Planning division; and Turner Nash, graduate student in the Academic Affairs division.

Dr. Rhoda briefly discussed inception of the Tennessee Institute of Public Health and its transfer to East Tennessee State University, and noted that ETSU is the first accredited college of Public Health in the state.

Dr. Rhoda reviewed the Race to the Top K-12 initiative, of which THEC staff are representatives on that team. He stated that this initiative makes Tennessee

eligible for up to \$4 million for reforms included in the RFP including adopting new standards and assessments for college and ready work, building data systems measuring student learning, ensuring teachers are well prepared especially within at-risk schools, and turning around low achieving schools.

Dr. Rhoda then discussed the legislation for the feasibility study for Lambuth University, which was experiencing financial difficulty, and what the state could do with the institution if it should close. He stated that Lambuth has been able to stabilize with a slight decrease in enrollment and has secured a line of credit as required by SACS for accreditation purposes.

In closing, he discussed the TSAC board fall meeting where the TSAA awards were adjusted and were reduced slightly to serve more students. He also stated that the Obama administration was advocating a change to student loans at the federal level, moving to direct lending so the institutions will be making and collecting loans to avoid defaults. He noted that the House has passed the bill and noted that there will be ramifications that will alter the role of TSAC.

Systems' Reports

Tennessee Board of Regents

Dr. Charles Manning, Chancellor of the Tennessee Board of Regents, was recognized to present his report. Chancellor Manning began his report by noting the \$180 million cut and noted that the institutions are involved in a three-year rolling plan to manage the cuts, which are evaluated twice a year. He also stated that 524 people participated in a voluntary buy-out but the additional six percent reduction will make it complicated to maintain and noted TBR institutions will be ready in 2012.

He then discussed the Teacher Quality Initiative and emphasized two major parts: the first is where the pedagogy type of courses are diminished and students spend one year of a four-year program in a high school with a mentor and teacher from the higher education institution in a problem-based environment to focus on specific learning difficulties of the student, and the second is remedial and developmental education where the courses are centered on the computer and has resulted in student success in problem areas.

In closing, he discussed the proprietary institutions and noted that technology centers could not expand their programs at current funding levels and tuition levels need to be increased to allow the technology centers to expand.

University of Tennessee

Dr. Jan Simek, President of the University of Tennessee, was recognized to present his report. Dr. Simek began his report by noting record enrollment increases at the Martin and Chattanooga campuses and stated that the students enrolling were students who have the highest GPA's and ACT scores out of high school, making it the best freshman class in the history of both institutions.

Dr. Simek then discussed the improvement of retention and graduation rates and stated the importance of that improvement at all levels, noting that UT

Knoxville has the highest retention and graduation rates of its peers. In closing, Dr. Simek discussed the research efforts, public service activities, and budget cuts noting that UT has identified areas to become more efficient and will not let the economic conditions dictate how the University of Tennessee serves the students of Tennessee.

Information Items

Fall 2008 Enrollment Update

Mr. David Wright, Associate Executive Director for Policy, Planning, and Research, was recognized to present enrollment data for the fall 2008 semester. Mr. Wright stated that Tennessee higher education institutional enrollment continues to grow modestly, but is diminished by the loss of part-time adult students. He provided a disaggregation by headcount, gender, race, and part-time and full-time students.

New Transfer Student Profile

Mr. Wright briefed the Commission on the new transfer student profile. He discussed student demographics, a crosswalk of sending and receiving institutions, and the number of credit hours transferred in detail. Mr. Wright noted that hours to degree are generally lower for students who graduated from the same institution at which they started, with a substantial increase for students who began at a Tennessee for-profit or out-of-state institution; transfer is multi-directional; and transfers from public universities to community colleges, between community colleges, and between universities account for almost as much activity as the traditional path of transfer from a community college to a university.

Title VI Implementation Plan Update and Compliance Report

Mr. Will Burns reviewed the Title VI Implementation Plan Update and Compliance Report. He noted that the purpose of the plan is to show how the state agency, and the entities to which its federal funds flow, is assuring compliance of Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of a person's race, color, or national origin. Mr. Burns also noted that the plan was filed with the Comptroller's office on October 1, 2009.

GEAR UP Status Report

Dr. Rhoda recognized Ms. Katie Tone, Associate Executive Director for GEAR UP, to provide an updated report on the progress of GEAR UP TN and College Access Challenge Grant. The report focused on the start of the fifth year of the GEAR UP TN grant and the receipt of two new grants from the Lumina Foundation and National Council for Community and Education Partnerships. Ms. Tone also discussed recently hosting the third annual College Access and Success Conference funded through the College Access Challenge Grant.

Schedule of 2009 Meeting Dates

Dr. Rhoda advised the Commission that the 2010 meeting dates will be:

- Thursday, January 28;
- Thursday, April 29;
- Thursday, July 29; and
- Thursday, November 18.

He reminded the Commission that the January meeting will include a joint meeting with the State Board of Education.

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

Approved:

Jack Murrah
Chair

A C Wharton
Secretary