

**MINUTES**  
**TENNESSEE HIGHER EDUCATION COMMISSION**  
**November 18, 2010, 1:00 p.m. CDT**

The meeting was called to order by Chairman Robert White at 1:00 p.m.  
 Commission Members present:

Ms. Sue Atkinson	Mr. Ross Rowland
Mr. Tre Hargett (via teleconference)	Mr. Zack Walden
Mr. Cato Johnson	Mr. Robert White
Mr. David Lillard (via teleconference)	Mr. Justin Wilson (via teleconference)
Mr. Charlie Mann	Ms. Katie Winchester
Mr. Jack Murrah (via teleconference)	

**Adoption of Revised Agenda**

Mr. White welcomed all and thanked them for their attendance. He recognized Mr. John Hood, former state representative. Mr. White noted the need to amend the agenda to move all action items to the top. He then called for a motion to adopt the amended agenda. Mr. Cato Johnson made a motion to approve the agenda accordingly. Mr. David Lillard seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Tre Hargett (via teleconference)	x		
Mr. Cato Johnson	x		
Mr. David Lillard (via teleconference)	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Mr. Justin Wilson (via teleconference)	x		
Ms. Katie Winchester	x		

**Action Items**

**Outcomes-Based Funding Formula**

Mr. White stated that in the work session earlier in the day, a presentation and discussion was held in regard to updates and changes in the outcomes-based funding formula. Ms. Katie Winchester made a motion recommending approval of the fully reviewed Master Plan, funding formula, and performance funding standards. She noted that the Commission had approved the 2010 Master Plan for higher education, the new outcomes-based funding formula, and the 2010-15 performance funding program at the July 2010 THEC meeting and stated that those three initiatives are designed to implement the letter of intent of the Complete College Tennessee Act of 2010. Pursuant to the Commission's action

at the July quarterly meeting, THEC staff presented the initiatives to the appropriate legislative committees, held further discussions with the TBR and UT systems, the institutions, the administration, and received additional input from THEC members. She stated that the recommendations presented by staff reflect the input received during these discussion and recommends that the Commission take action to approve, as presented, the new 2010-15 master plan for higher education, the new outcomes-based formula, and the 2010-15 performance funding program (included as Attachment A to the official copy of the minutes). Mr. Lillard seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Tre Hargett (via teleconference)	x		
Mr. Cato Johnson	x		
Mr. David Lillard (via teleconference)	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Mr. Justin Wilson (via teleconference)	x		
Ms. Katie Winchester	x		

**2011-2012 Operating, Capital Outlay, and Capital Maintenance Appropriation Recommendations and 2011-2012 Student Fee Recommendations**

Mr. White called on Dr. Russ Deaton, Director of Fiscal Policies and Facilities Analysis, to provide information regarding the 2011-2012 Operating, Capital Outlay, and Capital Maintenance Appropriation Recommendations. Dr. Deaton stated that the recommendations reflect a one percent reduction as requested by the Department of Finance and Administration; a full complement of capital outlay projects including maintenance and buildings; and tuition increases. Both systems recommend a seven percent minimum increase at universities. TBR recommends a five percent increase at two year institutions and technology centers, as well as a further implementation of differential fee policy. Mr. White then called for a motion. Mr. Johnson made a motion to approve staff recommendations for the 2011-2012 Operating, Capital Outlay, and Capital Maintenance Appropriation, as well as the 2011-12 tuition increases and differential fees (included as Attachment B to the official copy of the minutes). He noted that the recommendations have been carefully considered by staff and fulfill a requirement in the Complete College Tennessee Act that THEC utilize the outcomes-based formula for the 2011-12 budget recommendations. He moved that the recommendations be approved and forwarded to the administration for their consideration. Ms. Winchester seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Tre Hargett (via teleconference)	x		

Mr. Cato Johnson	x		
Mr. David Lillard (via teleconference)	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Mr. Justin Wilson (via teleconference)	x		
Ms. Katie Winchester	x		

### **Chairman's Report**

Mr. White began his report by briefing the Commission on the meeting with the Gates Foundation the previous day regarding their commitment to K-12 education in the State of Tennessee, specifically within Shelby County. He noted it was a productive meeting where he and Dr. Rhoda represented THEC and shared ideas regarding higher education and how THEC would work with the K-12 Race to the Top initiatives.

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

Dr. Rhoda began by thanking everyone for their attendance and also commented on the meeting with the Gates Foundation. He acknowledged that this is Mr. John Morgan's first meeting in his capacity as Chancellor of the Tennessee Board of Regents. He then thanked Dr. Jan Simek for his service as Interim President of the University of Tennessee system and noted that Dr. Joe DiPietro will take office as the new UT president on January 1.

Next, Dr. Rhoda recognized new staff members: Leigh Ann Merry, Jessica Gibson, Emily Carter, Wesley Hall, Sara Strong, and Alan Hall. He then commented on the Complete College Tennessee Act and the positive impact it has on higher education.

In closing, Dr. Rhoda stated that this was Mr. Jack Murrah's last meeting. He thanked Mr. Murrah for his many contributions to THEC and higher education in Tennessee.

### **Approval of Minutes, July 29, 2010, Meeting**

Mr. White called for a motion to approve the minutes of the July 29, 2010, Commission meeting. Mr. Johnson made a motion to approve the minutes as presented (included as Attachment C to the official copy of the minutes). Mr. Charlie Mann seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		

Ms. Katie Winchester	x		
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## **Systems' Reports**

### **University of Tennessee**

Dr. Jan Simek, Interim President of the University of Tennessee, was recognized to present his report. Dr. Simek announced that this was his final meeting as president of UT; he will be returning to his previous faculty position on January 1. He stated that he has learned much in every aspect of higher education in his role as president and looks forward to being involved more in the future. He thanked everyone for the opportunity to serve the students and the state. Dr. Simek briefly discussed the transition of the presidency and noted that Dr. DiPietro's absence was due to a prior commitment but he would be attending the next THEC meeting.

Dr. Simek discussed the Complete College Tennessee Act as being a high priority of UT to produce more and more high quality graduates. He stated that obtaining the status of a top 25 public institution is also a UT priority. Dr. Simek also discussed the new funding formula, the master plan, and the performance funding program.

In closing, he noted his concern of retaining the best and brightest faculty and staff members at all colleges and universities across the state and noted that a compensation increase in the near future is necessary in order to retain them.

### **Tennessee Board of Regents**

Mr. John Morgan, Chancellor of the Tennessee Board of Regents, was recognized to present his report. Mr. Morgan commented on the meeting with the Gates Foundation. He also commented on the Complete College Tennessee Act and stated that the TBR institutions are embracing the Act. In closing, he reiterated Dr. Simek's remarks regarding the necessary compensation increase for faculty and staff across the state.

### **Institutional Mission Profiles**

Dr. Linda Doran, Associate Executive Director of Academic Affairs presented the institutional mission profiles (included as Attachment D to the official copy of the minutes). She stated that the Complete College Tennessee Act directs that THEC approve each institution's mission statement. Dr. Doran briefly discussed the logistics of the development of the profiles.

Ms. Winchester made a motion to approve the Institutional Mission Profiles presented by staff and stated that the Complete College Tennessee Act 2010 requires that THEC, in consultation with the governing boards, approve institutional mission statements concurrent with the adoption of each statewide master plan. She noted that pursuant to the Commission's actions at the July quarterly meeting, THEC staff compiled institutional mission statements with the participation of the TBR and UT systems and their respective institutions. Ms. Winchester stated that recommendations by the staff reflect efforts of all participants and therefore recommended the Commission approve the

institutional mission profiles as presented. Mr. Johnson seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

**University of Tennessee, Knoxville, Ph.D. in Energy Science and Engineering**

Dr. Doran stated that the Complete College Tennessee Act authorizes the University of Tennessee to establish an academic unit of the University of Tennessee, Knoxville (UTK) for interdisciplinary research and graduate education in collaboration with the Oak Ridge National Laboratory (ORNL) focused toward energy science and engineering. She stated that the university and ORNL have signed a memorandum of understanding governing the new partnership in the establishment of the academic and research unit, known as the Center for Interdisciplinary Research and Graduate Education (CIRE).

She stated that CIRE has developed and proposes to offer a new model for interdisciplinary Ph.D. programs in energy science and engineering. The proposed new degree will provide breadth while preserving the depth and rigor of a research doctorate. Dr. Doran noted that two external consultants in the field have conducted proposal evaluation and site visits and have submitted positive reviews. She then discussed the need for the program, the curriculum, faculty, administrative organization, size, implementation, cost, and post-approval evaluation. In closing, she stated that staff recommendations are for the program to be accepted by the Commission with the delegated authority to Dr. Rhoda to approve the program by interim action.

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

Dr. Stephanie Bellard-Chase, Assistant 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 (included as Attachment E to the official copy of the minutes). A motion was made by Ms. Winchester to adopt the recommendations as presented. The motion was seconded by Mr. Johnson. There being no further discussion, Mr. White called for a vote on the motion that was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		

Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

Dr. Chase then discussed the appointment of Committee members. She stated that currently, three (3) positions on the committee are vacant. Therefore, the staff recommends that Mr. Miles Burdine and Dr. Earlie Steele be appointed until June 30, 2013 and Mrs. Lethia Swett Mann be appointed until June 30, 2011.

With no further discussion, Mr. White called for a motion. Mr. Johnson made a motion to approve staff recommendations. Ms. Winchester seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

### **Chattanooga State Community College Master Plan Update**

Mr. Jim Vaden stated that Mr. Carl Manka of the Tennessee Board of Regents staff presented the 2010 Chattanooga State Community College (CHSCC) Master Plan (TBR) at the earlier worksession. He stated that the master plan provides a comprehensive guide for future growth and development of the CHSCC campus for the next 15 years and addresses the long term needs of the CHSCC campus. He then stated that the CHSCC Campus Master Plan Update has been thoroughly reviewed and THEC staff recommends it for approval.

Ms. Sue Atkinson made a motion to approve staff recommendations. Mr. Ross Rowland seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

**Improving Teacher Quality Grant Program Awards, 2010-11**

Mr. Mike Krause, Director of Academic Programs and Interagency Grants, was recognized to make a report on Improving Teacher Quality Grants for FY 2010-2011. Mr. Krause noted that of the 30 proposals submitted for these federal grant funds, the advisory committee identified 10 for funding (included as Attachment F to the official copy of the minutes). Mr. Johnson made a motion to approve the Advisory Committee recommendations. Mr. Rowland seconded the motion, which was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

**Audit Committee Report**

Ms. Ann Collett, Internal Auditor, was recognized to provide the Audit Committee Report. Ms. Collett reviewed the previous changes in the Audit Committee Charter, approved at previous THEC and TSAC meetings. She then reviewed the annual risk assessment, the status of the TSAC Federal Family Education Loan Program averted claims, and the status of the TSAC Financial and Compliance Audits. Ms. Collett briefly discussed the minutes of the previous Audit Committee report and noted that Mr. Sammie Stuard of the TSAC board has been selected to replace Mr. Jack Murrah on the committee, effective December 1.

Mr. White then called for a motion. Mr. Mann made a motion to approve the report. Mr. Johnson seconded the motion; the motion was duly adopted by the following roll call vote:

	Aye	No	Abstain
Ms. Sue Atkinson	x		
Mr. Cato Johnson	x		
Mr. Charlie Mann	x		
Mr. Jack Murrah (via teleconference)	x		
Mr. Ross Rowland	x		
Mr. Robert White	x		
Ms. Katie Winchester	x		

**Information Items**

**GEAR-UP TN/ College Access Challenge Grant Status Report**

Ms. Katie Brock, Associate Executive Director for GEAR UP, was recognized to provide an updated report on the progress of GEAR UP TN and College Access Challenge Grant. Ms. Brock began by noting changes in staff. She reported highlights from GEAR UP TN and CACG fall activities and provided a report on

the establishment and progression of the Tennessee College Access and Success Network. She stated that the next GEAR UP competition will open in early 2011 and staff is talking with partners and stakeholders and reviewing the current program to strengthen the next application.

Ms. Brock then briefed the Commission on two GEAR UP initiatives: the fourth annual College Access and Success conference in Chattanooga and the third annual College application week, noting both initiatives were successful.

### **Race to the Top Implementation Status**

Ms. Katrina Miller, Higher Education Race to the Top Program Administrator, was recognized to provide the status report on the Race to the Top implementation. Ms. Miller stated that the federal government had approved the contract, with a grant of \$500 M for a four-year period. She advised the Commission that Mr. Patrick Smith had been named as interim executive director of the state First to the Top oversight team. Ms. Miller then briefed the Commission on the five areas of focus which are: improving standards and assessments, improving teachers and leaders, turning around low performing schools, using data to improve instruction, and developing STEM initiatives.

### **UTeach Replication Sites**

Ms. Sara Strong, Higher Education Program Coordinator, was recognized to provide information on the UTeach replication sites. Ms. Strong briefed the Commission on the background of the program and noted that of the 22 universities nationwide replicating UTeach; four of those universities are in Tennessee. Those universities are: Middle Tennessee State University, funded by ITQ with 48 students enrolled; the University of Memphis, funded by Race to the Top with 18 students enrolled; the University of Tennessee Knoxville, funded by ITQ with 71 students enrolled; and the University of Tennessee Chattanooga, funded by Race to the Top with 31 students enrolled.

Mr. Krause then briefed the Commission on statistics of the program. He stated that 90 percent of UTeach graduates enter the teaching profession, more than 80 percent of UTeach graduates who enter the teaching profession are still teaching five years after graduation, about 45 percent of UTeach graduates teach in high-need schools, and in just two years, enrollment in UTeach programs across the nation grew from 500 to more than 3,000 students.

### **Special Capital Appropriation for Community Colleges and Technology Centers**

Dr. Russ Deaton, Director of Fiscal Policy and Facilities Analysis, was recognized. He stated that the General Assembly appropriated \$120 million for capital construction at Tennessee's community colleges and technology centers, and these funds are intended to recognize that the Complete College Tennessee Act of 2010 which encourages greater enrollments at community colleges and technology centers.

He stated that the goal of the Community College Special Capital Outlay Program is to make higher education more accessible and help reduce capacity constraints in the community college system (included as Attachment G to the official copy of the minutes).

### **Title VI Implementation Plan Update and Compliance Report**

Mr. Will Burns, Associate Executive Director of Legal and Regulatory Affairs, reviewed the Title VI Implementation Plan Update and Compliance Report (included as Attachment H to the official copy of the minutes). 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, 2010.

Mr. White noted that the Articulation and Transfer Report and Fall 2010 Update on Enrollments and Graduates had been presented at the worksession earlier in the day.

### **Schedule of 2011 Commission Meetings**

Dr. Rhoda advised the Commission that the 2011 meeting dates will be:

- Thursday, January 27;
- Thursday, April 28;
- Thursday, July 28; and
- Thursday, November 17.

He reminded the Commission that the January meeting will include a joint meeting with the State Board of Education. In closing, Dr. Rhoda announced that Katie Winchester has submitted her letter of resignation from the Commission effective December 31. He thanked Ms. Winchester for her valuable service to the Commission in the seven years of her service.

Ms. Winchester stated that it had been an honor to serve on the Commission and complimented the staff on the high quality work they produce. She thanked the Commission for the opportunity to be part of higher education.

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

Approved:

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Robert White  
Chair