

**MINUTES**  
**TENNESSEE HIGHER EDUCATION COMMISSION**  
**January 26, 2012, 1:00 p.m. CDT**

The meeting was called to order by Chairman Robert White at 1:05 p.m.  
Commission Members present:

Ms. Sue Atkinson	Mr. Jon Kinsey
Mr. Charles Bone	Mr. David Lillard
Mr. Greg Frye	Mr. Zack Walden
Ms. Sharon Hayes	Mayor AC Wharton
Mr. Greg Isaacs	Mr. Robert White

**Adoption of Agenda**

Mr. White welcomed all and thanked them for their attendance. He next recognized Mr. Zack Walden. Mr. Walden introduced Dr. Brian Noland, President of East Tennessee State University.

Mr. White then called for a motion to adopt the agenda with one change; to move the Audit Committee item to the top of the action items. Mayor AC Wharton made a motion to approve the agenda. Mr. Charles Bone seconded the motion; the motion was duly adopted.

**Approval of Minutes, November 10 and December 20, 2011, Meetings**

Mr. White called for a motion to approve the minutes of the November 10 and December 20, 2011, Commission meetings. Mr. Greg Isaacs made a motion to approve the minutes as presented. Ms. Sue Atkinson seconded the motion; the motion was duly adopted.

**Chairman's Report**

Mr. White began his report by commenting on the productive work session earlier in the day and thanked the THEC staff for their hard work. He welcomed Dr. Noland back to Tennessee.

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

Dr. Rhoda began by thanking everyone for their attendance. He acknowledged Dr. Noland and commented on his excellent work at THEC as well as in West Virginia. Dr. Rhoda then made remarks concerning the called meeting in December and thanked everyone who was able to participate in order to set forward the capital maintenance and outlay recommendations for the next fiscal year. He commented on the Complete College Tennessee Act and noted that most of what is being done in higher education is centered on the Complete College Tennessee agenda. He noted the impact of the CCTA on higher education in Tennessee including the new master plan, mission distinctiveness, the new funding formula, and other initiatives like transfer and articulation.

Dr. Rhoda commented that the Master Plan, known as the Public Agenda, is at the midway point and time has come to evaluate implementation of legislation and follow up on groundwork to ensure goals to increase educational attainment are met. He then introduced Ms. Jessica Gibson to provide an update on the CCTA.

Ms. Gibson began her report by noting the \$1M/18 month implementation grant received from Complete College America. She advised the Commission on the three focal areas: providing students with access to advising resources; supporting Tennessee institutions by means of college completion academies; and assisting adults who would like to go back to college with Prior Learning Assessment (PLA). Ms. Gibson commented on the PLA task force and the duties with which it has been charged, as well as the subcommittees which will take on specific issues and provide recommendations to the task force.

Dr. Rhoda recognized Andy Goodman, a national external consultant who will lead a workshop on getting the word out about the CCTA. He also recognized other entities involved including TBR, UT, Dr. Pressnell and his staff at the Tennessee Independent College and Universities Association, and SCORE. He also recognized the New York based non-profit organization, *Public Agenda*, that will hold focus groups with different public leaders on increasing educational attainment and building community support. He noted that David Wright was invited to join a group with key leaders to discuss reducing the cost of higher education; the Gates Foundation provided a grant toward that effort.

In closing, Dr. Rhoda introduced new staff members: Wilson Finch working with the Complete College America initiative and Blake Walker in the data management area of the policy and planning division.

### **Systems' Reports**

#### **Tennessee Board of Regents**

Mr. John Morgan, Chancellor of the Tennessee Board of Regents, was recognized to present his report. Mr. Morgan began his report by commenting on the completion academy and expressing his appreciation to THEC for making it possible. He then noted the raising of the University of Memphis flag on the Lambuth University campus on January 12 and reviewed that campus's five-year plan and enrollment.

Mr. Morgan also welcomed Dr. Noland, President of East Tennessee State University. He discussed the upcoming presidential searches for Volunteer State Community College, Tennessee Technological University, and Tennessee State University, noting that the search firm, Greenwood and Asher, would be assisting with identifying candidates for those positions.

In closing, Mr. Morgan commented on the budget recommendations and commended the THEC staff for their hard work in preparing the budgets for submission to the Governor. Mr. White commended Chancellor Morgan for the ETSU presidential search process and allowing real-time access and viewing of that process.

## **University of Tennessee**

Dr. Joe DiPietro, President of the University of Tennessee, was recognized to present his report. Dr. DiPietro began his report by welcoming Dr. Noland. He commended THEC staff for their budget recommendations to the Governor. He then discussed the system strategic plan and stated that several task forces and committees have been formed to ensure every sector of the UT system has input in the strategic plan. Dr. DiPietro then discussed the biofuels initiative and stated it was in the last phase, which is commercialization, and noted that was to be completed in six to eight months. In closing, he discussed the completion of the Campaign for Tennessee, a campaign to raise \$1 billion and noted that only twenty institutions in the US had reached the \$1 billion; UT raised \$1.3 billion.

### **Action Items**

#### **Move on When Ready Act: ACT Benchmark Adoption**

Mr. Mike Krause, Director of Academic Affairs, was recognized. Mr. Krause briefly described the Move on When Ready Act, a measure that allows certain exemplary high school students to participate in an early graduation program and enter higher education. He noted that students who elect to participate in this program are required to meet an array of benchmarks, as required by PC 488.

He commented that section 4 of the law requires the Tennessee Higher Education Commission to set benchmarks on the ACT and SAT subject test in English and mathematics, and subsection (h) further states that "...the Tennessee Higher Education Commission shall set the required benchmarks at scores that demonstrate exemplary high school performance and are indicative of an ability to perform college-level work."

He stated that based upon this requirement, it is recommended that a 27 on both the ACT English and mathematics subject tests be adopted as the benchmark scores for students to participate in this program. According to research conducted in other states, the concordant SAT scores are 610 - SAT Math/ 590 - SAT English. There being no further discussion, Mr. White called for a motion. Mr. Isaacs made a motion to approve the ACT Benchmark proposal. Mayor Wharton seconded the motion; the motion was duly adopted.

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

Ms. Christina Coleman, 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. Bone to adopt the recommendations as presented. The motion was seconded by Mayor Wharton. There being no further discussion, Mr. White called for a vote on the motion that was duly adopted.

Ms. Coleman informed the Commission that training workshops for new institutions will be held following each quarterly Advisory Committee meeting

to ensure administration at the institution is aware of all rules immediately following approval.

### **Withdrawal of Rules from Attorney General**

Ms. Julie Woodruff, Director of Regulatory Affairs & Complaint Resolution, was recognized to provide information on the withdrawal of rules. She stated that rule revisions were approved in July 2011. However, on October 17, 2011, Chancellor Ellen Hobbs Lyle issued an order in a declaratory action brought by National College of Business and Technology, and Remington College. Chancellor Lyle ruled that the proceeding to adopt the rules did not comply with Uniform Administrative Procedures Act and rules were therefore void. She stated that staff recommends withdrawal of the rules submitted to the Attorney General in July 2011. Mr. David Lillard made a motion to approve the withdrawal of the rules. Mr. Jon Kinsey seconded the motion; the motion was duly adopted.

### **October 31 Revised Budgets, 2010-11**

Dr. Russ Deaton, Associate Executive Director of Fiscal Affairs, was recognized to provide the report. Dr. Deaton stated that the revised operating budgets for higher education are balanced and campuses have again directed the majority of their resources to the teaching functions. Dr. Deaton noted that all higher education budget entities have submitted the required financial data to the Commission and are in compliance with all the budget guidelines and legislative directives.

He stated that staff recommends approval of the budgets and requests that the executive director be given authority to make technical adjustments and transmit to the Commissioner of Finance and Administration. Mr. White then called for a motion. Ms. Sharon Hayes made a motion to approve the October 31 revised budgets and requests that the executive director be given authority to make technical adjustments and transmit to the Commissioner of finance and administration. Mr. Zack Walden seconded the motion; the motion was duly adopted.

### **Information Items**

#### **Audit Committee Report**

Ms. Ann Collet, Internal Auditor, was recognized to provide an update on the Audit Committee actions. Ms. Collet commented on the Audit Committee meeting December 2, 2011, and noted that all five members were present: Claude Pressnell, Chair; Robert White, Sharon Hayes, Sammy Stuard, and Greg Turner. THEC and TSAC staff members also participated. She stated that the meeting served as an orientation and working session to discuss items in detail.

Ms. Collet noted that background and responsibilities of the audit committee and the role of the internal auditor were discussed, as well as overviews of the THEC and TSAC divisions were provided by staff. She also noted that staff reviewed the draft of the TSAC FY11 financial statements and the work programs for both agencies.

Ms. Collet then commented on the accounting issue related to averted claims in the FFELP loan program and noted the analysis is now complete and the final request to transfer funds from the Federal Fund to the Operating Fund was sent to the USDOE.

In closing, she reviewed the state's Financial Integrity Act, which requires an annual risk assessment to be submitted to the Department of Finance and Administration and the Comptroller of the Treasury.

### **Academic Program Review**

Mr. Krause was recognized to provide an update on the academic program review. Mr. Krause summarized the review process and noted that academic programs must be characterized by careful planning and evaluation to ensure adequate levels of degree production, minimized levels of redundancy in degree offerings, and a continued focus on the unique mission of each institution.

He stated that approval of new academic programs occurs at each regular THEC meeting and all program proposals are required to address a range of issues related to the Complete College Tennessee Act. Beginning July 2011, approval of new programs at the community colleges was delegated to the Tennessee Board of Regents.

He noted that the review provides a holistic view of the status of degree programs throughout the state, including: program activity report, post approval monitoring, program productivity review, and performance funding qualitative reviews and noted that the most productive programs at the bachelor and graduate level are in the teacher preparation programs.

### **2011 Lottery Scholarship Annual Report**

Mr. Thomas Sanford, Director of Research, was recognized to provide the report. Mr. Sanford briefly discussed data within the report and presented an overview of a lottery scholarship special report, which for the first time provides detailed information on five programs within the lottery scholarship family of programs that are smaller, both in terms of students served and dollars expended which are: dual enrollment grant; HOPE Foster Care Grant; Helping Heroes Grant; Math and Science Teacher Loan Forgiveness Program; and Rural Health Loan Forgiveness Program. He stated that the report also provides analysis of participant demographics; scholarship renewal and student progression; and, where possible, graduation rates.

### **UT – Center for Business and Economic Research Postsecondary Progression Study**

Mr. David Wright, Associate Executive Director of Policy, Planning, and Research, was recognized. Mr. Wright first introduced Sara Kittrell who is working as a practicum student for academic credit in the policy division, assisting with the Public Agenda progress report. Mr. Wright then briefly discussed the UT Center for Business and Economic Research Postsecondary Progression Study. He then introduced Celeste Caruthers, Assistant Director for Economics at UT, to provide an update on a study on the effect of the HOPE scholarship and the progression study. Ms. Caruthers stated that the HOPE

scholarship increased the likelihood of college attendance, increased the length of time in college, and students who were marginally eligible were less likely to work and therefore able to focus more on their education.

Ms. Caruthers then discussed the CBER progression study. She commented on an analysis of all students who began as first-time freshmen at any one of the state's public institutions of higher education in 2002 for the 2002/2003 school year and in 2003 for school year 2003/04. She stated that a series of important outcomes for these students is explored, including their persistence through college; degree completion; likelihood of working in the Tennessee economy; and earnings, if they are working in the Tennessee economy.

Ms. Caruthers noted that the report includes descriptive statistics for 2002 and 2003 first-time freshmen in Tennessee, is followed by a summary of statistical analyses that explain which characteristics are most closely linked to workforce participation and earnings shortly after college, and offers conclusions, policy implications, and opportunities for additional research.

### **GEAR UP and College Access Challenge Grant Status Reports**

Mr. Troy Grant, Director of College Access Challenge Grant, was recognized. He briefly reviewed the background on the CACG, stating that it is a federal formula grant program focused on providing professional development opportunities for college access professionals and enhancing the services offered to high-need students through the expansion of current college access programs via the Tennessee College Mentor Corps. He also commented on the overall goals of Tennessee's CACG, which are to make college accessible to more Tennessee graduates through college access and success focused mentoring, and to facilitate the transition between high school and community college, and community college and four-year institutions, which aids in college retention and completion.

Ms. Leigh Ann Merry, Research and Planning Analyst, was recognized to provide an update on the College Access Challenge Grant and the Latino Student Success Grant. Ms. Merry stated that in October 2010, Lumina Foundation for Education awarded the Tennessee Higher Education Commission a Latino Student Success Grant aimed at increasing the number and percentage of Latinos completing higher education in Memphis. She noted that through the development of collaborative partnerships with Memphis-area organizations, the project aims to achieve Latino student success through an intensive mentoring program designed to facilitate the transition between high school and community college, and community college and four-year institutions; support to ensure maximization of student financial aid opportunities; and expand college access in the Latino community through a bilingual marketing and information campaign.

She stated that the Tennessee College Access and Success Network connects college access and success programs with like-minded organizations with the purpose of increasing the number of Tennesseans participating and succeeding in postsecondary opportunities. She also stated that the Network creates a college-going culture in communities across the state by expanding and creating new college access and success programs, educating professionals,

facilitating statewide advocacy, and cultivating organizational and Network development.

### **2012 Improving Teacher Quality Grants**

Mr. Krause was recognized to provide an update on the 2012 Improving Teacher Quality Grants. He briefly reviewed the background information, stating the Improving Teacher Quality Grant Program is a federally funded program designed to conduct training for in-service K-12 teachers. He stated that in accordance with the state's adoption of the Common Core Standards in English/Language Arts and Mathematics, THEC and the Tennessee Department of Education jointly developed the Request for Proposals which focused on providing high quality professional development in these subjects to in-service teachers. He noted that an advisory committee consisting of both K-12 and higher education experts was convened to review grant proposals and make funding recommendations to the Commission. Of the thirty proposals submitted, the Advisory Committee recommended funding for 10 projects totaling \$716,115.

### **Legislative Report**

Mr. Will Burns, Associate Executive Director for Legal and Regulatory Affairs, was recognized to provide the legislative report. Mr. Burns noted that today was the filing deadline for bills and as previously reported, there have been a couple of bills filed that directly impact the Commission. Mr. Burns provided an overview of all bills filed to date that will have an impact on the Commission, including the reorganization of commissions and those related to the lottery scholarship.

### **Spring Quarterly Meeting**

Dr. Rhoda advised the Commission that the next meeting will be Thursday, April 26, 2012, in the THEC board room. He reminded the Commission that the joint meeting with the State Board of Education will follow today's meeting and encouraged Commission members to participate.

There being no further business, the meeting was adjourned at 2:55 p.m.

Approved:

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Robert White  
Chair