

MINUTES
TENNESSEE HIGHER EDUCATION COMMISSION
Fall Quarterly Meeting
January 28, 2016, 9:00 a.m. CST

The meeting was called to order by Vice Chairman Keith Wilson at 9:00 a.m.

Commission Members Present:

Mr. Evan Cope	Treasurer David Lillard
Secretary of State Tre Hargett	Mr. Alex Martin
Ms. Pam Koban	Ms. Mintha Roach
Mr. David Kustoff	Mr. A C Wharton
Mr. Bill Lee	Mr. Keith Wilson

Commission Members Absent:

Dr. Sara Heyburn	Ms. Pam Martin
Ms. Siri Kadire	Comptroller Justin Wilson
Mr. Jon Kinsey	

Opening Remarks

Vice Chairman Keith Wilson welcomed all and thanked them for their attendance and noted that Chairman Evan Cope was caught in traffic and would be in promptly. Mr. Wilson then recognized special guest Dr. Shirley Raines and thanked her for attending.

Adoption of Agenda

Mr. Wilson noted staff recommended items I.C., I.D. and I. E. be placed on consent agenda. Secretary Tre Hargett noted that the budget item needed to be discussed more in the full meeting and asked that it be placed on the regular agenda. Dr. Russ Deaton noted staff recommended removing the budget item I.C. from consent agenda place it on the regular agenda. Mr. Wilson stated that budget item I.C. will be removed from consent agenda. He then called for a motion to approve the agenda. Secretary Hargett made a motion to approve the agenda. Mr. Alex Martin seconded the motion; the motion was duly adopted.

Approval of Minutes, November 19, 2015, Meeting

Vice Chairman Wilson then called for a motion to approve the minutes of the November 19, 2015 Commission meeting. Mr. Alex Martin then made a motion to approve the minutes as presented. Ms. Mintha Roach seconded the motion; the motion was duly adopted.

Executive Director's Report

Dr. Deaton was recognized to present his report. He began by recognizing new staff member Ms. Courtney Rogers in the GEAR UP division. He then thanked Chancellor Morgan, who announced his retirement effective January 31, 2016, for his work in higher education and state government over the years. Dr. Deaton then recognized Ms. Jessica Gibson to provide an overview of the Tennessee Reconnect Program.

Ms. Gibson briefed the Commission on outreach efforts launched to encourage adult learners to complete a credential by a statewide marketing push and direct outreach from

institutions to former students who are halfway to a degree. She noted that on January 11, efforts such as television commercials, radio ads, billboards and cinema advertising were launched. Ms. Gibson stated that the goal is to get adults to the website TNReconnect.gov and to connect with an institution. She reviewed the website to provide an understanding of how to navigate the site and choose an institution, obtain financial aid, and locate old transcripts from former institutions. Ms. Gibson stated that ETSU, Nashville State and Cleveland State have created adult learner scholarships and other institutions are doing degree audits on their list of students who did not complete and making contact with those students to finish the missing courses.

Dr. Deaton then recognized Mr. David Wright to provide an update on the Regional Roundtable Discussions. Mr. Wright stated those discussions were held in Jackson, Chattanooga and Nashville over three successive days. He noted that national experts led conversations among state, institutional, system, faculty and student representatives to discuss funding issues Tennessee faces in the State's Drive to 55 and to identify possible solutions to these impediments. Mr. Wright stated areas of focus from the discussions included rethinking the state financial aid puzzle, finding more efficient and effective ways to increase productivity at our colleges and universities and strengthening the partnerships between industry, institutions and state government necessary to meet the funding gaps anticipated from coming enrollment increases from new students and returning adults entering higher education.

Chairman's Report

Chairman Cope provided an overview of the FOCUS Act and discussed the impact on higher education. He stated the FOCUS Act supports Tennessee's ambitious education attainment goals by ensuring that our higher education system can best support the needs of our students and the institutions they attend. Mr. Cope stated the goal of the Act is to make institutions more agile and efficient while allowing Tennessee's systems of higher education to focus on their identified strengths. He noted the Act will further the successes of our nationally lauded community college and TCAT systems while allowing four-year institutions to meet the needs of their unique individual communities. Mr. Cope also noted that local governing boards will be able to hire the president, approve operating budgets and other fiscal policies and assume operations and policy decisions for the institution, consistent within the statewide Master Plan parameters. He stated the Act will create efficiency and greater agility for Tennessee's higher education systems to respond to new challenges and enhance services and support for programs currently in place, for example, the Tennessee Promise and Tennessee Reconnect.

Mr. Cope commented that THEC has long been a trusted source of data and information for higher education in Tennessee and the Drive to 55 FOCUS Act strengthens THEC's capacity in these functions and further clarifies its role as a coordinating agency for public higher education. He noted that THEC's role will be enhanced in the areas of: setting binding tuition recommendations to institutions, capital project recommendations, institutional mission approval and development of long-term strategic finance plan for higher education, incorporating tuition, capital and the funding formula. He also noted

that THEC will play an important role in providing board member orientation and periodically convening the boards on various matters. Mr. Cope commented that the FOCUS Act aligns with THEC's Master Plan for Higher Education.

In closing, Mr. Cope commented that the challenges of the FOCUS Act will require a balance between institutional interests and statewide policy goals and will be THEC's responsibility to ensure that balance over time using tools like the statewide Master Plan, finance policy, new academic approval, campus master plans and campus mission statements to leverage effective policy.

Recognition of Institutional Excellence

Dr. Deaton recognized Dr. Keith Hargrove, Dean of the College of Engineering, Tennessee State University, to present this report. Dr. Hargrove described the Building Research Capacity in Cyber Security program at TSU. He stated securing cyberspace has been identified as one of the grand challenges of engineering and commented on the efforts undertaken by the team of faculty and students to build a curriculum infused with hands on research to build cyber security research capacity at TSU. Dr. Hargrove then recognized Dr. Sachin Shetty to provide more information on the project. Dr. Shetty noted TSU received a grant in the amount of \$22.5 M from the U.S. Department of Energy for the development of the program which is designed to provide undergraduate education and training in the area of cyber security. He stated that the program includes vertical integration of cyber security knowledge throughout the curriculum and undergraduate research experience that will provide valuable skills and experience to prepare students for graduate school. The graduate level has a unique SISE program which concentrates on communications, networking and computer network protocols, preparing graduates students for the workforce in the area of cyber security.

Systems' Reports

University of Tennessee

Dr. Katie High, Vice President for Academic Affairs and Student Success, University of Tennessee System, was recognized. Dr. High began her report by announcing recent staff changes: University of Tennessee at Martin's interim chancellor, Bob Smith, former dean of arts and sciences and will serve until December; Mr. Herb Bird took office January 1 as the Vice President of the Institute of Public Service position and the search for executive vice president. Dr. High then commented on the budget advisory group, charged with identifying and filling the funding gap which included early retirement incentive programs, reallocating vacant positions, consolidating positions and review of and possible elimination of unproductive academic programs.

Dr. High commented on the Tennessee Transfer Pathways and provided a brief navigation of the website. She noted that the site provides hours, credits, courses and institutions for each major and noted the success of the Transfer Pathway.

Tennessee Board of Regents

Dr. Tristan Denley, Vice Chancellor for Academic Affairs, Tennessee Board of Regents was recognized. Dr. Denley commented on Chancellor Morgan's retirement and thanked him for his service to state government for over 40 years. He commented on the second round of institutional briefings with leadership teams from each community college and TCAT to discuss institutional missions and focus towards Drive to 55. Dr. Denley then commented on program productivity and noted that each program is being reviewed and evaluated for either termination or improvement, based on the review. He also commented on student success initiatives and the issue of undeclared majors. Dr. Denley stated that academic focus areas were created and all students were required to pick a major that aligns with their interest and were provided assistance with course selections for completion of their degree.

Dr. Denley reviewed the pilot programs to change remediation to individual courses for remedial education and noted the preliminary data proves the pilots to be successful and more data will be provided once compilation is complete. In closing, Dr. Denley commented on the upgrade of RODP to TN eCampus, a compilation of all on-line degree programs including certificates, the addition of three new MOOC's being implemented and the completion academy to plan for predictive analytics use in student success.

Action Items

October 31 Revised Budgets, 2015-16

Ms. Crystal Collins, Director of Fiscal Policy Analysis, was recognized. Ms. Collins stated that the 2015-16 revised operating budgets for higher education were discussed in detail at the worksession. She provided a brief overview of conclusions and information presented yesterday. Ms. Collins commented on longitudinal finance trends over last 30 years of revenue in Tennessee with inflation adjusted into 2014 dollars and noted a significant divestment in appropriations when looking at revenue per FTE, less grant aid which shows out of pocket cost for students and the higher reliance on student fees rather than appropriations.

Ms. Collins reported academic formula units received \$43 M new dollars in appropriations for FY15-16, 5.2 percent increase, however adding in the non-formula units, the total of new dollars increases to \$67.7 M, a 5.6 percent increase in total appropriations for the 2015-16 budget cycle. She briefly reviewed university and community college revenue and noted total revenue for all units is approximately \$3.7 B in 2015-16. Ms. Collins reviewed campus expenditures and noted the majority of expenditures were directed at the teaching function, increased investments in scholarships, fellowships and maintenance and operations. She also commented on tuition and fee history and noted the revised operating budgets are balanced and were thoroughly reviewed by THEC staff.

Mayor Wharton made a motion that the Commission approve the revised 2015-16 October 31 budgets, authorize the Executive Director to make technical adjustments to the budgets if necessary and transmit the approval of the referenced budgets, along with the appropriate commentary, to the Commissioner of Finance and Administration. Ms. Pam Koban seconded the motion; the motion was duly adopted.

Consent Agenda Items

Chairman Cope called for a motion to adopt and approve the following consent agenda items: University of Memphis Master Plan Update and the Southwest Tennessee Community College Master Plan Update. He noted that an extensive review of each master plan was provided yesterday during the worksession and are consistent with institutional missions. Secretary Hargett made a motion to approve the consent agenda items. Mr. Martin seconded the motion; the motion was duly adopted.

New Academic Programs

ETSU, Sport Science and Coach Education, MS

Ms. Betty Dandridge Johnson, Associate Executive Director for Academic Affairs, was recognized to present on the new academic program at ETSU, Sport Science and Coach Education, MS. Ms. Dandridge Johnson stated the program will enhance the current educational programs and emphasis on sports at ETSU. She stated the establishment of the proposed Sport Science and Coach Education program provides ETSU with a unique and timely opportunity to develop a pool of well-trained coaches. Currently, the National Collegiate Athletic Association is addressing ways of increasing competencies of strength and conditioning coaches through education and certification due to safety issues related to athlete health and well-being. This proposed MS degree program aims to address these deficiencies.

She stated that according to the Bureau of Labor Statistics, employment projections for coaches and other sport professionals are projected to increase by 15 percent from 2012 to 2022; this increase results in an estimated 36,000 positions added to the profession with over 243,000 individuals currently employed in various positions. Ms. Dandridge Johnson noted the program has been thoroughly reviewed by campus and TBR personnel and has been approved by the Board of Regents. There being no questions, Chairman Cope called for a motion. Mr. Wilson made a motion to approve the proposed program. Ms. Koban seconded the motion; the motion was duly adopted.

TTU/ETSU Joint Bachelor of Science in Engineering

Ms. Dandridge Johnson presented the new Tennessee Technological University/East Tennessee State University joint academic program Bachelor of Science in Engineering. She noted it was the first joint baccalaureate program in Tennessee and the partnership will expand opportunities for students, increase resource sharing and minimize unnecessary duplication. Ms. Dandridge Johnson stated both TTU and ETSU will provide a program director to facilitate the administration of the program. She also stated the proposed degree program is in the spirit of the Master Plan for Tennessee Postsecondary Education in that it will combine the strengths of two institutions to serve a growing need for more Science, Technology, Engineering, and Mathematics (STEM) graduates. Ms. Dandridge Johnson stated that details of the program administration have been outlined in a Memorandum of Understanding signed by the college deans at both institutions and students who earn this degree will be provided a diploma bearing the names of both institutions.

Ms. Dandridge Johnson noted that TTU and ETSU will jointly apply for accreditation from the Association Board for Engineering and Technology (ABET) for the proposed BSE degree, stating that ABET accredits programs with joint degrees from two or more universities. In closing, she commented on the external review of the proposed program, which was conducted during an institution site visit on October 25-28, 2015. Dr. Manohar Kulkarni, Assistant Chair of Mechanical Engineering at Northwestern University, served as the external reviewer. Chairman Cope then called for a motion. Mr. Wilson made a motion to approve the joint Bachelor of Science in Engineering at TTU and ETSU. Ms. Koban seconded the motion; the motion was duly adopted.

Postsecondary Education Authorization, Authorization of New Institutions and Approval of New Programs

Dr. Stephanie Bellard Chase, Associate Executive Director for Postsecondary State Authorization, was recognized to provide recommendations for authorization of new institutions and approval of new programs. Dr. Bellard Chase began by providing information on changes in state authorization based on US Department of Education's integrity rules. She stated that in order to receive Title IV funding, institutions had to be exempt or operating legally, which prompted the SARA (State Authorization Reciprocity Agreement) legislation which allows an institution to be authorized in their home state and be allowed to operate in another state without paying other individual state fees.

Dr. Bellard Chase then commented on the Committee on Postsecondary Education Authorization meeting on January 14 where all new institution and new program applications were thoroughly reviewed and recommended for temporary authorization for the new institutions and new programs. Treasurer David Lillard made a motion to approve staff and committee recommendations. Mr. David Kustoff seconded the motion; the motion was duly adopted.

Information Items

Academic Program Review

Ms. Victoria Harpool, Assistant Executive Director for Academic Affairs, was recognized. Ms. Harpool commented that as Tennessee's institutions of higher education continue to focus on the goals of completion and student success, there is a clear need for an ongoing evaluation of the state's academic programs. She stated that in recent years, higher education has seen a period of extensive growth in the current academic program inventory coupled with the concerns that a significant number of programs are failing to meet productivity thresholds.

Ms. Harpool commented the academic program review provides a holistic view of the status of degree programs throughout the state, and includes these components: program activity, which depicts new programs added to the state inventory in 2015, as well as programs that have been terminated; post approval monitoring, which assesses success of new programs approved within the last five years against projected enrollment and

graduation benchmarks; performance funding qualitative reviews, showing results of accreditation reviews and program evaluation of established programs; and program productivity review, an on-going monitoring of all programs in operation for more than five years.

2016 Improving Teacher Quality Grant Awards

Mr. Herbert Brown, Academic Affairs Analyst, was recognized. Mr. Brown began by providing an overview of the program and noted the Improving Teacher Quality Grant Program is a federally funded program which provides grants to public and private higher education institutions and non-profit organizations designed to conduct professional development for K-12 teachers.

He stated that in accordance with the No Child Left Behind Act, the Tennessee Higher Education Commission worked jointly with the Tennessee Department of Education to identify priorities that will have the greatest impact on Tennessee school districts and student achievement. Mr. Brown stated that a result of this collaboration, STEM subjects for grades 9-12 were identified as the areas of focus for 2016. He also stated proposals were allowed a maximum funding level of \$75,000 and are funded from January 1, 2016 to December 31, 2016.

Mr. Brown noted that an advisory committee consisting of both K-12 and higher education experts was constituted to review grant proposals and make funding recommendations to the Commission. He noted that of the 30 proposals submitted, 13 projects were recommended for funding totaling \$933,000.

Spring Commission Meeting

Dr. Deaton stated the next meeting will be April 20-21 in the THEC boardroom.

There being no further business, the meeting was adjourned at 11:00 a.m.

Approved:

Evan Cope, Chair