

MINUTES
TENNESSEE HIGHER EDUCATION COMMISSION
Fall Quarterly Meeting
November 19, 2015, 9:00 a.m. CST

The meeting was called to order by Chairman Evan Cope at 9:00 a.m.

Commission Members Present:

Mr. Evan Cope	Mr. Bill Lee
Secretary of State Tre Hargett	Mr. Alex Martin
Mr. Jon Kinsey	Ms. Pam Martin
Ms. Pam Koban	Mr. A C Wharton
Mr. David Kustoff	Mr. Keith Wilson

Commission Members Absent:

Dr. Sara Heyburn	Ms. Mintha Roach
Ms. Siri Kadire	Comptroller Justin Wilson
Treasurer David Lillard	

Opening Remarks

Chairman Evan Cope welcomed all and thanked them for their attendance. Mr. Cope then recognized special guests Dr. Brian Noland, President, East Tennessee State University and Dr. Kim Estep, Chancellor, Western Governor’s University.

Adoption of Agenda

Mr. Cope called for a motion to approve the agenda. Mr. Keith Wilson made a motion to approve the agenda as presented. Mr. David Kustoff seconded the motion; the motion was duly adopted.

Approval of Minutes, July 23, 2015, Meeting

Chairman Cope then called for a motion to approve the minutes of the July 23, 2015 Commission meeting. Mr. Alex Martin made a motion to approve the minutes as presented. Mr. Jon Kinsey seconded the motion; the motion was duly adopted.

Executive Director’s Report

Dr. Russ Deaton, Interim Executive Director, was recognized. He began by welcoming guests and then commented on the productive worksession and thanked the staff for the informative presentations. Dr. Deaton commented on the passing of Mrs. Katie Winchester, former member and chair of THEC and observed a moment of silence in her memory. He then introduced new staff members: Mr. Brett Gipson, Deputy General Counsel in the Legal division and Mr. Taylor Odle, Research Analyst in the PPR division.

Dr. Deaton recognized Mr. Tom Morrison, a recipient of the 2015 Veteran’s Employee Honoree. He noted that each year, the Governor and the Department of Veteran’s Services recognizes five veteran employees currently working for the State for their outstanding service and leadership and noted Tom’s service in the US Navy. He stated that Tom and his

staff work in conjunction with the federal U.S. Department of Veterans Affairs to ensure the quality and integrity of programs of education and training for Tennessee's veterans. He noted that Tom has been instrumental in the TN Veterans Education Transition Support (VETS) Program, which recognizes higher education institutions which allocate resources for veterans' successful transition from military service to college enrollment. Dr. Deaton commented that Tom is a valued and trusted member of THEC's leadership team, and he is thrilled that Tom's service and dedication as an advocate for Tennessee's veterans is being honored.

Dr. Deaton commented on the Council for Adult in Experiential Learning (CAEL) and stated that THEC was selected to receive the 2015 CAEL Institutional Service Award for institutions or organizations that provides or facilitates outstanding programs and services for adult learners. He noted that Jessica Gibson was in Baltimore to accept the award on behalf of THEC. Dr. Deaton then recognized Mr. Tim Phelps and Mr. Jason Seay of the TSAC staff to provide information regarding changes to the FAFSA due to Federal policy changes.

Mr. Phelps discussed the changes in the FAFSA program for the upcoming year which includes use of income information from the prior-prior year to begin in 2017, deadline changes for applicants and outreach events that will be impacted by those changes. Mr. Phelps recognized Mr. Seay. Mr. Seay noted the change in dates for financial aid presentations and college goal workshops which are held to provide students and parents about the difference between scholarships, financial aid and other forms of financial assistance. He stated the process although the changes impact some outreach events at high schools, it will enable students and parents to complete the FAFSA in a timelier manner.

Dr. Deaton then recognized Ms. Emily House to discuss student migration. Ms. House reviewed data from three years out to determine where graduates go after college. She stated that data results show 80 percent stay in Tennessee - of those, some pursue further education, some go into the workforce and some pursue both.

Dr. Deaton then recognized Mr. David Wright. Mr. Wright stated that the master plan recommended discussion on further alignment of finance policy to include issues for out-of-state, in-state, new approaches with capital innovation and what to do with financial aid programs since the inception of TN Promise. He stated Mr. Dennis Jones of NCHEMS will facilitate panel discussions in January, beginning with West Tennessee on January 13 at Jackson State Community College, January 14 at UT Chattanooga and January 15, at THEC to share ideas at the roundtable discussion.

Dr. Deaton then recognized Ms. Kate Derrick and Mr. Wright to discuss the 2015 Year in Review. Mr. Wright briefly reviewed key dates in 2015 such as February 9, where Governor Haslam announced expanded initiatives for adult learners through the Tennessee Reconnect program; May 18, Governor Haslam signed legislation enabling Tennessee to participate in the State Authorization Reciprocity Agreement (SARA) to establish comparable national standards for interstate offering of postsecondary distance education

courses and programs; July 23 THEC adopted a new Master Plan, Public Higher Education Funding Formula and Quality Assurance program as well as other key dates throughout the year. Ms. Derrick briefly reviewed 2015 by the numbers where she discussed FAFSA completion rates, TSAC Outreach efforts, as well as various programs such as GEAR UP TN, SAILS, and Collegefortn.org. Ms. Derrick also noted grants received from Lumina Foundation, Ford Foundation and National College Access Network and 2015 THEC/TSAC staff honors.

Recognition of Institutional Excellence

Chairman Cope recognized Dr. Taylor Eighmy from the University of Tennessee Institute for Advanced Composites Manufacturing Innovation (IACMI). Dr. Eighmy reviewed the composition of the RD&D Foundation and noted that the work with industry is to reduce technical risk and develop a robust supply chain for advanced composite materials in automotive components, wind turbines, and compressed gas storage applications. Dr. Eighmy provided an example of 3D printing of a fully functional Shelby Cobra automobile. He stated that benefits of this technology include clean energy production, domestic production capacity, and job growth and economic development. Dr. Eighmy stated that IACMI will focus on making advanced fiber-reinforced polymer composites less expensive and less energy-intensive, giving America's resurging manufacturing sector a more competitive edge in the global economy. Dr. Eighmy noted IACMI is operated by CCS Corp., an independent not-for-profit 501c3 governed by a board of directors and a wholly owned subsidiary of the University of Tennessee Research Foundation, incorporated in the State of Tennessee and headquartered in Knoxville, Tennessee with \$259M in funding with \$70M from DOE and \$189M in cost share from partners.

Systems' Reports

Tennessee Board of Regents

Mr. John Morgan, Chancellor, Tennessee Board of Regents was recognized. Chancellor Morgan began by commenting on the \$2M award to TBR from the Gates Foundation over a 3-4 year period, which is funding to support current initiatives such as increasing graduation rates, guided pathways, and other initiatives currently underway. He then commented on the Completion Academies, which pave the way for those initiatives and keeping students on the path to graduation. Chancellor Morgan noted the national effort to develop predictive analytics, which is critical to student success; used to determine the correct path for a student based on each individual. Chancellor Morgan then noted that Cleveland State was one of thirty colleges selected by the American Association of Community Colleges, funded by the Gates Foundation, to participate in the AACC Pathways Project; a project to implement new pathways approaches and provide extra guidance and improve completion goals.

Chancellor Morgan commented on the successful Veteran's education center kickoff event at MTSU. He reported that ETSU Physics and Astronomy department was conferred as issuing the largest number of undergraduate degrees in physics nationwide. Chancellor Morgan also noted that the ETSU College of Nursing and Family Practice received a \$1M federal grant from the Health Resources and Services Administration to construct a new

building to house its Johnson City Day Center. He noted that TTU Chemical Engineering and Nursing students would be working together in a new course to introduce each group to the basics of each other's discipline in hopes of identifying problems and ways to solve those problems; the goal of this is through shared immersion and creates team-based innovations across disciplines. In closing, he commented on the meetings with institutional senior staff members to discuss ways to improve student success.

University of Tennessee

Dr. Joe DiPietro, President, University of Tennessee System, was recognized. He began his report by commenting on the UT Board of Trustees meeting and noted the set of metrics set in place five years ago to be completed by July 2016 and are divided into categories to: enhance educational excellence, expand research capacities, engage in outreach and service and increase effectiveness and efficiency in advocating for the University. He noted the results are positive with achievement of 95 percent in most areas. Dr. DiPietro then commented on fundraising efforts and stated over \$300M was raised last year. He also commented on graduation rates of freshmen, closing the gap in salary for faculty and staff and noted the biggest challenge was closing the gap in five years instead of ten. Dr. DiPietro announced a new dean at UT Chattanooga, Dr. Daniel Pack from the University of Texas at San Antonio. In closing he stated that UT Martin was one of the top 50 online programs for affordability and UT Memphis, an anonymous gift of \$40M for the transplant programs and announced Dr. Don Tyler was honored for research and outreach efforts at the Agriculture Institute.

Action Items

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 noted the Committee on Postsecondary Education Authorization met on October 15 and thoroughly reviewed all new institution and new program applications and recommended temporary authorization for the new institutions and new programs. Mr. Kinsey made a motion to approve staff and committee recommendations. Mr. David Kustoff seconded the motion; the motion was duly adopted.

New Academic Program - UT Knoxville, Master of Laws (LL.M) United States Business Law

Ms. Betty Dandridge Johnson, Associate Executive Director for Academic Affairs, was recognized to present on a new academic program. She stated the University of Tennessee Knoxville has developed a curriculum proposal for the Master of Laws (LL.M.) in United States Business Law. The LL.M. is an advanced law degree that allows a practicing lawyer who has already earned a J.D. or its foreign equivalent to attain specialized knowledge useful for practice. The program will target foreign-educated lawyers seeking a credential in U.S. Business Law.

Ms. Dandridge Johnson noted in Tennessee, as well as other states, a practicing lawyer who has received a law degree from another country may sit for the state's bar exam and apply for admission, provided the lawyer receives additional education from a law school accredited by the American Bar Association (ABA) and satisfies the state's other eligibility requirements. She noted the proposed LL.M. program will provide the required additional educational requirements and curriculum is based on an existing concentration (Business Transaction) and it is anticipated that the degree will be completed in one year. Mr. AC Wharton made a motion to approve the Master of Laws at UTK. Ms. Pam Koban seconded the motion; the motion was duly adopted.

2016-17 Operating State Appropriation Recommendations

Dr. Deaton first commented that the operating appropriation recommendations, fee recommendations and capital project recommendations had been thoroughly reviewed at the worksession yesterday and then recognized Ms. Crystal Collins to present the item. Ms. Collins stated staff recommends \$40.9M to fund outcomes formula units and TCATs, \$37.5M for outcomes formula units, \$3.4M for TN Colleges of Applied Technology representing a 4.7% increase over 2015-16; \$28.6M for TSAA financial aid; \$800K outcome improvement fund; \$15.7M for non-formula units; \$9.5M for general operating funds; and \$6.2M for strategic initiatives which includes program capacity and improving projects at non formula units. She noted a technical correction to the Tennessee Foreign Language Institute recommendation which is a 4.7 percent increase, not 2.5 percent as stated in the handout. Mr. Wharton made a motion to approve the 2016-17 Operating State Appropriation Recommendations. Mr. Alex Martin seconded the motion; the motion was duly adopted.

2016-17 Student Fee Recommendations

Dr. Deaton recognized Ms. Collins to present this item. Ms. Collins stated staff recommended a 0%-3% increase in undergraduate maintenance fee only, across all sectors and noted it accompanies \$40.9M operating increase. Secretary Tre Hargett made a motion to approve the 2016-17 Student Fee Recommendations. Mr. Kinsey seconded the motion; the motion was duly adopted.

2016-17 Capital Projects Recommendations

Dr. Deaton recognized Mr. Steven Gentile to present this item. Mr. Gentile stated the recommendations include capital projects and capital outlay. He noted the top priority was the \$10M Drive to 55 program capacity fund, which will fund capital outlay projects that are not large scale projects but individual program expansion and will be distributed through a competitive process. Mr. Gentile then commented on the eight projects, four TBR projects totaling \$144.0M and four UT projects totaling \$225.4M and noted that each system project has a matching component that began in 2012-13; with 5-25% match depending on sector; plus private gifts, grants and other resources.

Mr. Gentile reviewed the capital maintenance projects and stated \$95.5M at TBR for 87 projects; \$58.3M at UT for 12 projects; totaling \$153.8M for 99 projects and noted the 60%/40% split mirrors the TBR/UT infrastructure footprints. Mr. Gentile commented on the

disclosed project list and noted there is \$120M in projects which are funded through private giving, auxiliary funds and Tennessee State School Bond Authority (TSSBA). Mr. Keith Wilson made a motion to approve the 2016-17 Student Fee Recommendations. Ms. Koban seconded the motion; the motion was duly adopted.

Audit Committee Appointment

Dr. Deaton was recognized to present this item. Dr. Deaton stated the THEC/TSAC Audit Committee Charter outlines the requirements for membership on the audit committee and the committee and its chair shall be selected by the Executive Director of THEC/TSAC and confirmed by the Commission/Board of Directors. He stated the audit committee shall consist of five members with representation from both organizations who are generally knowledgeable in financial, management, and auditing matters. Dr. Deaton noted the current composition of the audit committee is: Claude Pressnell, TSAC, Chair, Jon Kinsey, THEC, Greg Turner, TSAC, Keri McInnis, TSAC, the final THEC member position is vacant, previously held by Sharon Hayes. Dr. Deaton affirmed he recommends the appointment of Ms. Pam Koban to the Audit Committee for a 3-year term, effective immediately and ending November 30, 2018. Mr. Kinsey made a motion to approve the Audit Committee Appointment. Mr. Martin seconded the motion; the motion was duly adopted.

Information Items

Office of P-16 Initiatives Status Report

Mr. Troy Grant, Assistant Executive Director for P-16 Initiatives, was recognized to provide the P-16 Initiatives status report. Mr. Grant commented on the Latino Student Success Project and stated it concluded September 30, 2015 and was a \$600,000 four-year grant from Lumina Foundation to increase Latino degree attainment in Memphis by building a community collaborative partnership. He reviewed some of the outcomes which include: the program model being cost-effective and sustainable; community college access and success workshops and events; college advising services to 400 students at 7 high schools; 90 percent college enrollment; 96 percent high school graduation rate and a 3.07 average GPA. Mr. Grant also commented on increased college affordability through the program noting that higher education institutions discount tuition through targeted financial aid and private funders provide LSS Scholarships and small, interest-free loans, as well as student support on campus, and a \$12.5 million commitment to support LSS scholarships at Christian Brother's University with a goal of 15% of incoming class being Latino.

Mr. Grant provided an overview of CollegeforTN.org, an initiative that began in 2005 as a partnership between the Tennessee Higher Education Commission, the Department of Education, and the Tennessee Student Assistance Corporation. He stated the goal of CollegeforTN.org will serve as Tennessee's premier college and career exploration and planning resource. Mr. Grant reviewed the data and noted that 493,860 accounts were created since 2005, approximately 51,641 accounts created on average per year and during the last school year, over 130,000 users visited the site, spending on average approximately 12 minutes on the site per use.

Mr. Grant commented on the CollegeforTN.org and Transcript Exchange and noted that new vendors have been selected, the current electronic transcript solution ceased operation on October 31, current web portal solution will cease operation at the end of the calendar year and the relaunch of CollegeforTN.org and the electronic transcript solutions will occur in Spring 2016.

Tennessee Promise Program Update

Ms. Emily House, Assistant Executive Director of Policy, Planning, & Research, was recognized to provide an update on the Tennessee Promise program. Ms. House reviewed the characteristics of Tennessee Promise students and noted the composition of first-time freshmen class, as compared to prior years and the effect of Tennessee Promise on enrollment and student demographics. She stated that 65,000 public high school seniors and about 10,000 private high school seniors applied for Tennessee Promise. Ms. House noted that 85 percent of recipients enroll at community colleges and Austin Peay State University, 13 percent enroll at one of the TCATs, and two percent enroll at Promise-eligible TICUA institutions.

Ms. House noted the average Tennessee Promise award is \$1,020, and the net program cost for 2015-16 is \$10.6M. She stated that enrollment was up nearly 25 percent at community colleges and 20 percent at TCATs but down at the university level and noted that although Tennessee Promise had some to do with the enrollment change, it was not the reason for the drop at the university level. Ms. House commented on ACT scores and noted the increase in average ACT scores at universities, stating that the possible reason is universities recruit and enroll a greater number of high-scoring out-of-state students.

In closing, Ms. House commented that although this information is preliminary, the next steps for more accurate data include additional research to find out where Tennessee Promise students enroll, when students drop off the TN Promise, why enrollment is higher at a community college than a university, variation by region, county, high school and persistence and retention using fall to spring data for the first two years.

Title VI Implementation Plan Update and Compliance Report

Dr. Deaton commented that the Title VI report has been filed and accepted by the Human Rights Commission.

Schedule of 2016 Commission Meetings

Mr. Cope stated the schedule for the 2016 THEC meetings are in the notebook under the last tab.

There being no further business, the meeting was adjourned at 11:42 a.m.

Approved:

Evan Cope, Chair