

**THEC Summer Meeting Minutes
July 20, 2016**

ROLL CALL

Commission Chairman Evan Cope called the meeting to order at 1:00 p.m. Brett Gipson called the roll. With four members absent and the non-voting student member not yet appointed, a quorum was present and recognized.

Commission Members Present:

Chairman Evan Cope	Treasurer Lillard
Dr. Nancy Dishner	Ms. Martin
Ms. Kadire	Ms. Roach
Ms. Koban	Mr. Wharton
Mr. Bill Lee	Mr. Wilson

Commission Members Absent

Secretary Hargett	Mr. Kustoff
Dr. Heyburn (non-voting)	Comptroller Wilson

*Student Member (non-voting) not appointed yet

ADOPTION OF AGENDA

Chairman Cope asked for a motion to adopt the meeting agenda. Mr. Wharton moved approval of the agenda and Mr. Wilson seconded the motion. The agenda was adopted unanimously by voice vote.

ADOPTION OF MINUTES, APRIL 21, 2016 MEETING

Chairman Cope asked for a motion to adopt the minutes of the April meeting as prepared. Vice Chairman Keith Wilson moved approval of the minutes and Treasurer David Lillard seconded the motion. The minutes were adopted unanimously by voice vote.

CHAIRMAN'S REPORT

Chairman Cope thanked Dr. Cecelia Foxley and Emily Dickens, representing the Association of Governing Boards (AGB), for facilitating a productive discussion during the morning Work Session regarding the FOCUS Act and its implications for the Commission's relationship with the six current Tennessee Board of Regents (TBR) universities. He also welcomed Dr. Nancy Dishner, who was attending her first Commission meeting, having recently been appointed by Governor Haslam. Dr. Dishner serves as President and CEO of the Niswonger Foundation in Greeneville, Tennessee.

EXECUTIVE DIRECTOR'S REPORT

Chairman Cope then recognized Dr. Russ Deaton to provide the Executive Director's Report. Dr. Deaton recognized the following employees recently added to the THEC staff: Dr. Lauren Collier, Director of Institution and Board Affairs; Chandra Eiland-Houston, TN Reconnect Community Network Director; Carl Manka, Capital Projects Consultant; and Dr. Pamela Knox, Associate Chief Academic Officer. He also invited members to attend a reception at the Governor's Residence later in the evening to honor the 2016-2017 class of Ned McWherter Scholars, who represent the very highest achieving high school graduates from the State of Tennessee. This year's class of 115

awardees all had an unweighted cumulative grade point average of 3.5 or better and an ACT composite score of 29 or better.

Dr. Deaton then recognized Jessica Gibson for an update on the Tennessee Reconnect Communities-Eight multi-county regions across the state that serve adults wishing to complete a degree. With fiscal support from the State and operational support from the Philadelphia-based Graduate! Network, three of these communities have deployed so far. By November 2016, 66 of Tennessee's 95 counties will have access to a Reconnect Community. Supporting the network of communities is the Reconnect Ambassador program, which seeks to build a human safety net of supporters for adult learners in Reconnect Communities. The first cadre of Ambassadors will comprise 150 employees from the Department of Economic and Community Development.

Dr. Deaton then recognized Steven Gentile to provide information on the potential impact of Tennessee Promise on student loan disbursement in the state. Mr. Gentile found support for his hypothesis that students supported by Tennessee Promise will take out less in federal student loans than non-Promise students. First, federal loan recipients and disbursements were down 19 percent between FY2014-2015 and FY2015-2016, while total fall headcount was up 2.4 percent and Promise enrollment was up 25 percent for first time freshmen. Second, loan recipients as a share of headcount decreased 46 percent to 36 percent, for a decrease of 21 percent. Finally, the average amount of each loan decreased from \$1,400 to \$1,100 per student. Chairman Cope thanked Mr. Gentile for providing such concrete and encouraging results.

SYSTEM REPORTS

Tennessee Board of Regents System

Acting Chancellor David Gregory reported that FOCUS transition is urgent on the minds of Regents and the staff, but reassured members that student success remains job one. All six universities have met with Belle Whelan, President of the Southern Association of Colleges and Schools (SACS) Commission on Colleges, and all are on track to have a substantive change regarding governance structure approved through the SACS process. Campus safety and security is also a major focus in light of recent events across the country. For the first time, this fall faculty and staff have the authority to carry weapons on campus. A task force has been appointed that will make recommendations for improving campus security. Finally, he announced that Dr. Tristan Denley received the Newell Perry Award, the highest form of recognition that the National Federation for the Blind can give an individual, for making higher education more accessible to visually impaired students.

University of Tennessee System

President Joe DiPietro relayed Chancellor Jimmy Cheek's decision to return to the classroom and said a replacement will be named by the first quarter of 2017. The recent passing of Lady Vols Head Basketball Coach Pat Summit was noted. He also announced that UT has settled a lawsuit brought by sexual assault plaintiffs and has put many new things in place to address sexual misconduct across the entire system. Regarding guns on campus, UT has implemented new safety policies, effective July 1. At the June UT board meeting, the Board approved Tuition and Fees increase of only 2.2 percent, in keeping with the university's commitment to raise tuition at no more than the rate of inflation. Since closing the Diversity Office at UT Knoxville, Noma Anderson has been named special advisor to Dr. DiPietro on diversity and inclusion. The System is also looking for a permanent UT Martin Chancellor, UT System Chief Financial Officer, and an Executive Vice President / Chief

Operating Officer at the UT System level. On May 20, the Cherokee Farm Innovation Campus and Research Park announced that Civil & Environmental Consultants Inc. (CEC) is the first private tenant in the research park. Finally, UT Martin introduced its new “Soar in Four” tuition model, which provides students incentive to complete on time.

ACTION ITEMS

Election of 2016-2017 THEC Officers

Chairman Cope recognized Dr. Deaton, who presented a proposal that Chairman Cope would continue to serve as Chair, as would Mr. Wilson and David Kustoff, as Vice Chairs, and Mr. Wharton, as treasurer. Mintha Roach moved approval of the positions, and Pam Martin seconded. The motion was adopted by unanimous voice vote.

Postsecondary Education Authorization

Dr. Stephanie Bellard Chase presented the recommendation of the Committee on Postsecondary Educational Institutions to authorize several new academic and training programs. Mr. Wharton moved approval of the recommendation and Vice Chairman Wilson seconded. The motion was unanimously adopted by voice vote. Dr. Bellard Chase also recommended re-appointment of the current members of the Committee, and this was approved unanimously with a voice vote.

Julie Woodruff presented new administration rules necessitated by the HEAA of 2016, effective Oct 1, 2016, which, with approval, will be transmitted to the Office of the Attorney General for approval prior to submitting them to the Tennessee Secretary of State’s office. Mr. Wharton raised concern about the Accrediting Council of Independent Colleges and Schools’ (ACICS) pending status with the U.S. Department of Education and how that might affect the Commission’s approval today of any programs offered by institutions accredited by ACICS. He was concerned about student protection now that the accreditor of the institutions is itself under review. Ms. Woodruff replied that the institutions, if their authorization were to go away under the demise of the ACICS, could request a hearing with THEC for an appeal. Mayor Wharton suggested we give them a single opportunity, which is all these rules require. Vice Chairman Wilson moved approval of the rule revisions and the motion was approved with 8 ayes and one abstention from Mr. Wharton.

Vote:

Mr. Cope (aye)	Mr. Lee (aye)
Dr. Dishner (aye)	Treasurer Lillard (aye)
Secretary Hargett (absent)	Ms. Martin (aye)
Dr. Heyburn (non-voting) and (absent)	Ms. Roach (aye)
Ms. Kadire (aye)	Mr. Wharton (abstain)
Ms. Koban (aye)	Comptroller Wilson (absent)
Mr. Kustoff (absent)	Mr. Wilson (aye)

*student member (non-voting) not appointed yet

2016-2017 Proposed Operating Budgets

Crystal Collins presented the proposed institutional operating budgets for FY 2016-2017. These had been reviewed by each system’s Board, and they were now being presented for THEC approval. Pam Koban moved approval of the budgets, authorizing Dr. Deaton to make adjustments as necessary.

Mayor Wharton seconded the motion, which was approved by roll call vote with 8 ayes and one abstention from Ms. Kadire.

Vote:

Mr. Cope (aye)	Mr. Lee (aye)
Dr. Dishner (aye)	Treasurer Lillard (absent at time of vote)
Secretary Hargett (absent)	Ms. Martin (aye)
Dr. Heyburn (non-voting) and (absent)	Ms. Roach (aye)
Ms. Kadire (abstain)	Mr. Wharton (aye)
Ms. Koban (aye)	Comptroller Wilson (absent)
Mr. Kustoff (absent)	Mr. Wilson (aye)

*Student Member (non-voting) not appointed yet

TSU and MTSU Master Plans

The Tennessee State University (TSU) master plan update was presented by architects from Woolpert, Inc. the institution’s planning firm. The plan identified needs for: better campus access and security at entry and exit points, a new health science building; moving parking to the campus perimeter; accentuating open space and pedestrian circulation; and outdoor activities and gathering spaces. Under the plan, the university will remove some facilities and acquire contiguous land for new housing, student services, and research and sponsored programs. All components were laid out in phases covering years 1-3, 4-8, and 9-20. The architect noted that this was a good guide but is adaptable over that time. Vice Chairman Wilson moved approval of the report, Ms. Martin seconded, and the motion was adopted by unanimous voice vote.

The Middle Tennessee State University (MTSU) Master Plan Update was presented by Perkins+Will Architects. The site study plans for new FTE growth, 15 new or repurposed academic facilities, 683 new beds, and 1262 new parking spaces. Vice Chairman Wilson moved adoption of the report and Mayor Wharton provided the second. The motion was adopted by unanimous voice vote.

Drive to 55 Capacity Building Fund Criteria

Mr. Gentile provided background on the Drive to 55 Capacity Fund, which was a recommendation of the Higher Education Capital Task Force convened two years ago at the direction of Governor Haslam. Mr. Gentile’s comments covered the fund’s purpose and proposed scoring rubric. In November 2015, the Commission requested \$10 million for this purpose and was appropriated \$24.25 million from the General Assembly. Staff developed a Request for Proposals (RFP) to allow public institutions and non-formula units to apply for a competitive grant and received 47 letters of intent to apply. Proposals, which are due by October 7, will be reviewed by scorers from several state agencies. Scoring will be based on project description, timeline, budget, sustainability, and how well the project contributes to D55 bottom line of more degrees and better aligned degrees. Awards will be made in two categories: program expansion and new capital construction / major renovation. The THEC staff has asked Dick Tracy of TBR and Robbi Stivers of UT to help validate the proposals’ estimated costs. Proposal scoring and the recommendations of the evaluation team will be presented at the November 16th THEC meeting.

After a lengthy discussion of award criteria, Bill Lee moved approval of the criteria as presented, with the opportunity to make selections based on the Commission staff's comprehensive analysis of cost per student, return on investment, and how well the project addresses D55 goals of degree production and program/workforce alignment. The motion was seconded by Mr. Wharton. A roll call vote was taken and the motion was approved with eight ayes and one abstention from Ms. Kadire.

Vote:

Mr. Cope (aye)	Mr. Lee (aye)
Dr. Dishner (aye)	Treasurer Lillard (Absent at time of vote)
Secretary Hargett (Absent)	Ms. Martin (aye)
Dr. Heyburn (non-voting) and (Absent)	Ms. Roach (aye)
Ms. Kadire (Abstain)	Mr. Wharton (aye)
Ms. Koban (aye)	Comptroller Wilson (absent)
Mr. Kustoff (Absent)	Mr. Wilson (aye)

*Student member (non-voting) not appointed yet

INFORMATION ITEMS

College for TN and Transcript Exchange Updates

Troy Grant provided updates on the College for TN website and e-Transcript Exchange. The new and improved CollegeforTN website will provide for electronic transcript exchange. Five different vendors across the state now hold student data. The new e-transcript application had to be able to find out how to extract what we need, put it in common form, and decide between three different high school grade point averages that students have on their records. The transcript exchange system sent nearly 18,000 transcripts across this platform in summer 2016 to TSAC for GPA verification for Hope Scholarship purposes. Postsecondary transcripts will be next phase of development.

Next Meeting

The Fall Commission meeting will be held on November 16, 2016.

ADJOURNMENT

Chairman Cope adjourned the meeting at 3:50 p.m.

Approved:

Evan Cope
Chairman