

TENNESSEE HIGHER EDUCATION COMMISSION

Summer Quarterly Meeting, July 27, 2017

12:00pm-2:00pm CST

WELCOME REMARKS

Chairman Evan Cope called the Spring Quarterly meeting to order at 12:00 pm.

ADOPTION OF AGENDA

Chairman Cope welcomed everyone and moved for adoption of the agenda. A voice vote was taken and the motion passed.

ADOPTION OF MINUTES

Chairman Cope made a motion to amend or approve the May 11th Commission meeting minutes. Mr. Vernon Stafford made a motion to amend the minutes, adding to the minutes the May 11th discussion of mental illness/health on campuses. Chairman Cope made a motion to amend the minutes, Mr. Stafford and Comptroller Lillard seconded the motion. A voice vote was taken and the motion passed.

CHAIRMAN'S REPORT

Chairman Cope reported that Tennessee was again number one in the FAFSA filing for the third year in a row. He congratulated the Commission and THEC team for helping this happen. He thanked the interns and graduate assistants that worked with THEC this summer. He recognized Dr. Rudd who was in attendance to speak on behalf of the six Locally Governed Institutions (LGIs). He welcomed new Commission member Jimmy Johnston and also recognized Jeremy Chisenhall as a voting member. A moment of silence was observed in honor of David Wright, a member of the THEC leadership staff.

EXECUTIVE DIRECTOR'S REPORT

Mike Krause reported that Kate Derrick will be joining Governor Haslam's staff. He presented to the commission a new organizational structure that fully merges the staff of THEC and TSAC into one functional entity. The new structure is designed to help the two agencies better achieve Drive to 55 goals. The old structure was disconnected and

included apparent barriers between the two that weren't real. Often, the two agencies overlapped with staff and duties. The Adult Learners and Veterans Education divisions will be moved under Betty Dandridge Johnson in Academic Affairs along with a new HBCU Excellence Initiative position. Peter Abernathy will lead the New Student Aid and Compliance Division. Dr. Emily House will lead Research and Planning and Scott Sloan will lead Legal and External Affairs. Dr. Nancy Dishner asked about possible staff number changes at THEC/TSAC with the new organization chart and Mike reassured the commission there will be no staff cuts due to this realignment.

Roll Call

Name	Present	Absent
Chairman Cope	X	
Dr. Dishner	X	
Secretary Hargett	X	
Dr. Heyburn		X
Mr. Vernon Stafford	X	
Ms. Koban	X	
Treasurer Lillard	X	
Ms. Roach	X	
Comptroller Wilson		X
Mayor Wharton		X
Mr. Chisenhall	X	
Mr. Frank Watson	X	
Mr. Jimmy Johnston	X	

There were 10 voting members present, constituting a quorum.

SYSTEMS REPORTS

Tennessee Board of Regents (TBR)

Chancellor Tydings reported that TBR approved the budgets of all six LGIs. She updated the Commission on the new hires and promotions: Dr. Russ Deaton, Mr. Danny Gibbs, Dr. Heidi Lemings, Dr. Robert Denn, and Mr. Mike Batson. TBR approved a 2.6% increase in tuition rates at community colleges and TCATS. The Tennessee Transfer Pathways now include 65 specific pathways and an interactive web site has been developed to advise students of everything they need to know before they pursue a particular pathway. She updated the Commission on the Tennessee

Reconnect task force and their plans to support adult learners. She referenced the recent appointments of Dr. Rebecca Ashford as President at Chattanooga State Community College, Dr. James King as Interim President at Northeast State, and Dr. Hilda Tunstill as Interim President at Motlow State. She recognized the first students to complete their programs under Tennessee Promise and the overall success of the program, thanking Governor Haslam for his commitment to these students.

University of Tennessee

David Miller, Chief Financial Officer of the University of Tennessee, reported that the UT system is preparing 2019 budgets. In June, the Board of Trustees approved a 1.8% tuition increase. This is the 3rd consecutive year of an increase under 3% and they are hoping to continue the trend. UT is making progress on new metrics, they are focusing on PhD enrollment, they are working with community colleges to improve the transfer pathways from TBR to UT schools, and lastly, UT is set to redefine and adopt peer groups for all UT institutions. Chairman Cope had questions about the size of the groups and Vernon Stafford questioned if there could be a difference between the university and its peers as not everything can transfer for comparison.

Locally Governed Institutions

President Rudd reported that the LGI transition is going smoothly and easier than expected. President Rudd briefly outlined a new collaborative research effort involving the six LGI institutions along with UT Martin and UT Chattanooga. The project is in its first weeks and a follow up report on the progress of the initiative will be forthcoming later in the fall. He updated the Commission on all the LGI schools and their boards. Presidents Glenda Glover (TSU) and Bryan Noland (ETSU) were also recognized briefly for additional comments relative to their respective campuses.

AGENDA ITEMS

2017-18 Election of Officers

Chairman Cope opened the floor for nominations of the 2017-18 THEC Commission election of officers. Ms. Koban nominated Evan Cope for Chairman. The gavel was given to Ms. Koban to run the meeting during elections. Ms. Koban restated her nomination of Mr. Cope for chair and Dr. Dishner seconded the motion. Ms. Koban

then asked for a nomination for Vice Chair from the East Grand Division. Dr. Dishner nominated Ms. Roach and Mr. Chisenhall seconded. Ms. Koban asked for a nomination for the Vice Chair from West Grand Division. Chairman Cope nominated Mr. Stafford and Mr. Watson seconded it. Ms. Koban asked for a nomination for Secretary. Ms. Koban nominated Mr. AC Wharton and Chairman Cope seconded it. A voice vote was taken for all elections and the motion passed unanimously. The gavel was returned to Chairman Cope.

Postsecondary Education Authorization

Chairman Cope recognized Dr. Stephanie Bellard Chase who recommended to the Commission approval of reauthorization of 30 postsecondary institutions, 13 temporary reauthorizations, and 1 institution for conditional reauthorization. Chairman Cope made a motion to approve the recommendations. Dr. Dishner seconded the motion. A voice vote was taken and the motion passed unanimously.

Dr. Bellard Chase recommended temporary authorization of 5 new institutions and new program applications for 6 institutions. Chairman Cope opened the floor for discussion. Mintha Roach made a motion to approve and Pam Koban seconded it. A voice vote was taken and the motion passed unanimously.

Dr. Bellard Chase recommended optional expedited authorization for 8 institutions. Chairman Cope opened the floor for discussion. Vernon Stafford made a motion to approve and Frank Watson seconded it. A voice vote was taken and the motion passed unanimously.

Dr. Bellard Chase made recommendations for reappointments to the Committee on Postsecondary Educational Institutions: Mr. Miles Burdine, Mr. Larry Griffin, and Mrs. Lethia Mann.

Chairman Cope opened the floor for discussion. Mr. Johnston made a motion to approve and Treasurer Lillard seconded it. A voice vote was taken and the motion passed unanimously.

Proposed Operating Budget

Chairman Cope recognized Steven Gentile to provide the commission's new members with a summary and accounting of the operating budget development process. Gentile

discussed the process and timeline relative to the budget process and the establishment of THEC's tuition recommendations. Following the discussion about process, Gentile recognized Taylor Odle to lead the specific and detailed presentation of the operating budgets and the broader fiscal trends associated with establishing these budgets. Odle discussed revenues and fiscal context before recommending to the Commission the proposed operating budgets for FY2017-2018 that have been thoroughly reviewed by THEC staff. These were approved by each institution's governing board and were then being presented to THEC for review and approval. Commission staff analyses revealed that revenues from tuition and fees account for 52.7 percent of overall revenue, with state appropriations accounting for 37.7 percent. The majority of institutional expenditures were expected to be in the areas of instruction, research, public service, and academic support, accounting for 61.5 percent of overall expenditures. Expenditures for scholarships and fellowships were expected to increase.

Chairman Cope opened the floor for discussion. Treasurer Lillard noted that operating budgets were increasingly influenced by the costs associated with higher education. President Rudd, David Miller and Chancellor Tydings each noted that higher education has become a "cost-driven" enterprise. Ms. Koban made a motion to approve and Mr. Stafford seconded it. A voice vote was taken and the motion passed unanimously.

Roane State Community College Master Plan

Chairman Cope recognized Steven Gentile who presented the Roane State Community College Master Plan. Master plans provide an opportunity for long-range planning that incorporates the institution's needs and ambitions, while also providing the public and state government a sense for how the institution might evolve over time. Whether the acquisition of strategic property, the need for and efficient use of facilities, or an analysis of how the campus footprint meshes with the surrounding community, master plans provide a method of anticipating and preparing for the future needs of the campus and the students it serves. THEC requires institutions to develop a new master plan every ten years.

President Whaley presented the Roane State Master Plan to the Commission. Unlike any other community college in Tennessee, Roane State comprises ten separate campuses, with Cumberland, Knox, Loudon, and Scott County campuses outlining the cardinal edges of the network. In Fall 2016, Roane State served nearly 6,000 students

(headcount) and had a full-time equivalent (FTE) enrollment of over 3,500; the largest campus, Oak Ridge, served 1,194 FTE students while Harriman, the main campus, served 656 FTE. The campus planning and design firm, TSW, used the THEC Space Model, campus input, and local and regional demographic data to develop the Master Plan. TSW used extensive analysis to find that the ten campuses in Roane State's network are optimally located to meet the region's need today and in the coming decade. The Space Guidelines show little to no need for additional academic space at Harriman and Oak Ridge, but significant need for classrooms and class labs at Cumberland and Knox County. As such, the Master Plan recommends no new buildings or expansions at Harriman, but does see need for major renovations in the Technology and Dunbar buildings. To address the space needs at Knox County, the Master Plan, noting that no room for expansion exists, recommends locating a larger, more visible, and more accessible location in Knox County.

Recognizing the varying needs of its extensive network, the 2017 Roane State Master Plan serves as an exhaustive plan to guide the College for the next decade. It has been thoroughly reviewed, and THEC staff recommended it for approval.

Chairman Cope opened the floor for discussion. A motion to approve was made by Secretary Hargett and seconded by Mr. Chisenhall. A voice vote was taken and the motion passed unanimously.

Volunteer State Community College Master Plan

Mr. Gentile then welcomed President Faulkner who presented the Volunteer State Community College master plan. Volunteer State is centered in Gallatin, with satellite campuses in Cookeville, Livingston, and Springfield. In Fall 2016, Volunteer State served over 9,500 students (headcount) and had a full-time equivalent (FTE) enrollment of over 5,800. The campus planning and design firm, TSW, used the THEC Space Model, campus input, and local and regional demographic data to develop the Master Plan. Over the next decade, the population in Volunteer State's eleven-county service area is expected to grow by 81,000 residents, a potential enrollment growth of 820 FTE, or 14 percent. The THEC Space Guidelines show needs in open labs, faculty offices, and administration offices—especially at the Cookeville Campus, where the Master Plan also found a need for more library and study space. The Master Plan recommends updating facilities in a manner to attract and retain students by retrofitting buildings to incorporate natural light and student-centered teaching and gathering spaces. Additionally, the Master Plan identifies the need for a major renovation to the Warf Building (which the Commission recommended—and the Governor and General

Assembly approved—for funding in this fiscal year), the demolition of Gallatin's East Campus, the acquisition of private land adjacent to both Gallatin and Cookeville Campuses for security and future facilities, and a campus in Wilson County to meet projected enrollment growth.

The 2017 Volunteer State Master Plan provides a comprehensive yet flexible plan to guide the College for the next decade. It has been thoroughly reviewed, and THEC staff recommends it for approval.

Chairman Cope opened the floor for discussion. A motion to approve was made by Treasurer Lillard and seconded by Mr. Johnston. A voice vote was taken and the motion passed unanimously.

Administrative Rules-Revision

Chairman Cope recognized Deputy General Counsel Brett Gipson. Mr. Gipson requested revisions to the administrative rules for the state's higher education fee waiver program (Chapter 1540-01-014: Public Higher Education Fee Waivers for state employees). Due to recent legislative enactments, he proposed the following: 1) Replace the outdated term "technology center" with "colleges of applied technology" where appropriate; 2) include language adding the six state university boards as governing bodies operating institutions at which employees may use a fee waiver; 3) update language indicating that state employees may only use a waiver for "one course per term" to "one course at a time" to mirror language in T.C.A. § 8-50-114; 4) add language allowing for an exemption from the "one course at a time" limitation for employees who are required to work more hours each week than typically required of full time employment for at least four (4) weeks per year, as enacted by Public Chapter 471 this year; 6) clarify that appeals regarding the determination of eligibility of applicants for a waiver will be handled by the institutions subject to institutional procedures in place for admissions decisions. Mr. Gipson recommended that the Commission adopt the amended Chapter 1540-01-04 as proposed rules and that the Commission authorize the Executive Director to make any necessary technical corrections to the rules including changes suggested by the Tennessee Attorney General's Office.

Chairman Cope opened the floor for discussion. Dr. Dishner made a motion to approve and Secretary Hargett seconded it.

Chairman Cope-aye	Frank Watson-aye
Dr. Dishner-aye	Vernon Stafford-aye
Secretary Hargett-aye	Jeremy Chisenhall-aye
Pam Koban-aye	Jimmy Johnston-aye
Treasurer Lillard-aye	Mintha Roach-aye

A roll call vote was taken and the motion passed unanimously with 10 ayes.

Next, Mr. Gipson requested revisions to the fee discount rules. The Higher Education Commission has rule promulgation authority for the state’s higher education fee discount programs, available to the children of licensed public school teachers and state employees. Due to recent legislative enactments and an opinion from the Office of the Attorney General, Mr. Gipson recommends the following: Add language clarifying that the children of teachers employed by public charter schools are eligible for the discount under T.C.A. § 49-7-119, consistent with Tennessee Attorney General Opinion No. 17-09, include language adding the six state university boards as governing bodies operating institutions at which employees may use a fee discount, clarify that appeals regarding the determination of eligibility of applicants for a discount will be handled by the institutions subject to institutional procedures in place for admissions decisions.

Mr. Gipson recommended that the Commission adopt the amended Chapter 1540-01-05 as proposed rules and that the Commission authorize the Executive Director to make any necessary technical corrections to these rules including changes suggested by the Tennessee Attorney General’s Office.

Chairman Cope opened the floor for discussion. Dr. Dishner made a motion to approve and Mr. Stafford seconded it.

Chairman Cope-aye	Frank Watson-aye
Dr. Dishner-aye	Vernon Stafford-aye
Secretary Hargett-aye	Jeremy Chisenhall-aye
Pam Koban-aye	Jimmy Johnston-aye
Treasurer Lillard-aye	Mintha Roach-aye

A roll call vote was taken and the motion passed unanimously with 10 ayes.

Next, Mr. Gipson recommended that the Commission to adopt the student immunization rules repeal. Since 2003, the Tennessee Higher Education Commission has had rule promulgation authority relating to the immunizations required of newly matriculating students in the state’s higher education institutions under T.C.A. §§ 49-7-

124 (regarding Meningococcal disease) and 49-7-125 (regarding Hepatitis B). Public Chapter 166, enacted by the legislature this year, transferred this authority to the governing boards of each institution, thereby rendering obsolete the THEC Rules under Chapter 1540-01-09.

Mr. Gipson recommended that the Commission adopt the proposed repeal of Chapter 1540-01-09 and that the Commission authorize the Executive Director to comply with any recommendations suggested by the Tennessee Attorney General's Office. Chairman Cope opened the floor for discussion. Dr. Dishner made a motion to approve and Ms. Koban seconded it.

Chairman Cope-aye	Frank Watson-aye
Dr. Dishner-aye	Vernon Stafford-aye
Secretary Hargett-aye	Jeremy Chisenhall-aye
Pam Koban-aye	Jimmy Johnston-aye
Treasurer Lillard-aye	Mintha Roach-aye

A vote was taken and the motion passed unanimously with 10 ayes.

Finally, Mr. Gipson proposed seven revisions to the THEC Rules of Procedure: Section II, Scope of Authority, Section IV Members, Section V Officers, Section VII Executive Director and Staff, Section IX Minutes, Section XI Advisory Committees and Section XII Amendments. Chairman Cope opened the floor for discussion, Mr. Johnston made a motion to approve, and Treasurer Lillard seconded it. A voice vote was taken and the motion passed unanimously with 10 ayes.

Chairman Cope recognized Amanda Klafehn who recommended to the Commission policy updates for off campus instruction at community colleges and universities. Chairman Cope opened the floor for discussion, Treasurer Lillard made a motion to approve, and Pam Koban seconded it. A voice vote was taken and the motion passed unanimously with 10 ayes.

Ms. Klafehn then recommended to the Commission policy updates for off campus instruction at all TCATS. Chairman Cope opened the floor for discussion, Mr. Stafford made a motion to approve, and Mr. Chisenhall seconded it. A voice vote was taken and the motion passed unanimously with 10 ayes.

Chairman Cope recognized Jessica Gibson who presented an overview of Tennessee Reconnect. This program will be available Fall 2018 and teams from THEC, TSAC, and TBR have been working diligently outlining the program. Ms. Koban recommended that someone from local industry sit on the advisory panel.

Chairman Cope recognized Mr. Watson who discussed artificial intelligence and encouraged everyone in higher education to prepare educational programs that will meet the demands of the future.

Chairman Cope recognized Ms. Koban who discussed with the Commission a salary survey for THEC employees.

Executive Director Mike Krause briefed the Commission on the Higher Education Summit scheduled for August and advised that the next board meeting is on November 15.

Chairman Cope adjourned the meeting at 2:30 pm.