

TENNESSEE HIGHER EDUCATION COMMISSION

Spring Quarterly Meeting, May 17, 2018

10:00am-2:00pm

WELCOME REMARKS

Chairman Cope called the Spring Quarterly meeting to order at 10:09 am.

ROLL CALL

Evan Cope-present	Dr. Sara Morrison-present
Dr. Nancy Dishner-present	Dakasha Winton-present
Pam Koban-present	AC Wharton-present
Vernon Stafford-present	Jeremy Chisenhall-present
Frank Watson-present	Cara Sulyok-present
Jimmy Johnston-present	Comptroller Wilson-absent
Treasurer Lillard-present	Mintha Roach-absent
Secretary Hargett-present	

There were 11 voting members present, constituting a quorum.

ADOPTION OF AGENDA

Chairman Cope welcomed everyone and entertained a motion to adopt or amend the agenda. Ms. Koban made the motion to amend the agenda and move Item 8 (Legislative update) to the beginning of the agenda. Treasurer Lillard seconded the motion and a voice vote was taken and the motion was adopted unanimously to take up the Legislative Update immediately following the Executive Director's Report.

APPROVAL OF MINUTES

Chairman Cope entertained a motion to approve the January 2018 minutes. A motion was made by Treasurer Lillard and seconded by Mr. Stafford. A voice vote was taken and the motion was adopted unanimously.

CHAIRMAN'S REPORT

Chairman Cope commented on the importance of today's meeting. THEC serves 225,000 students and THEC has a duty to act in their best interest. The agenda items include the revitalization being made at Knoxville College, approval of two new academic programs, a follow up discussion on several academic programs (a particular concern to this commission in that we have academic programs that are productive and worth the taxpayers time, money and effort to support), and finally, the binding tuition range.

There are seven capital projects, totaling over \$88 million. Colleges have been approved for \$121 million for capital maintenance projects insuring we maintain our assets. Director Krause will discuss the grant that THEC has received for student success programs. All these topics are pieces to a larger puzzle of making TN students successful in higher education. Chairman Cope recognized Jeremy Chisenhall, the student commission member from APSU, for his faithful service on the commission.

EXECUTIVE DIRECTOR'S REPORT

Chairman Cope recognized Mike Krause who recognized Dr. Rich Rhoda, Executive Director Emeritus, for his attendance. He announced to the commission that THEC just completed a clean audit and Sunset audit with zero findings and he recognized Jason Cavender, Ann Collett, Peter Abernathy and Steven Gentile and thanked THEC staff for a job well done.

Mr. Krause spoke about THEC's internal initiatives. A slide was shown that pointed out an internal budget update with several initiatives: Advise TN funds converted to recurring, Veteran Reconnect, TN Promise Forward grants, TN Promise Bridge grants, and TN Promise college coaching. THEC's initiatives have a common thread: 1) None of this money stays here. All money is moved through the agency and out to directly serve students. 2) Only 54 of the 126 team members are funded by the state. We are covering a lot of our own cost as an agency and it gets back to how efficient we operate. Mr. Krause spoke about the external funding piece of the larger higher education enterprise: We wear 2 different hats. We have the 126 employees but we also think about the higher education and how as a state agency we move forward and the higher education larger budget. He mentioned Mr. Wharton, in the last meeting, speaking of the narrative we share in TN. He showed a slide of the recession and how it flipped. If something dramatic happened in 2009-11,

and it did, we have reversed the trend and Tennessee is 5 years into the reversal of this trend. Tennessee is a national leader in higher education investment. This is an important note to make, and with the funding support of the governor and the General Assembly, the new trend should become our narrative and he encourages his fellow higher education leaders to begin pivoting our starting point from what happened 10 years ago to what is happening now. Tennessee leads the South in higher education funding growth. We hope we pivot our narrative toward this reality. Secretary Hargett commented that he appreciated the two slides shown and that we have done a disservice by not saying what Tennessee has done. Mr. Krause continued by stating that the TN Promise continues to exceed expectations of what we had hoped. The retention rates are high and the momentum is significant. Mr. Krause discussed how THEC takes initiatives that are state level to a local level. In January, THEC talked about distressed counties and the instincts were right. The SPARC initiative and drilling down to the county level has been productive. A slide was shown that highlighted zip codes with the highest levels of impoverishment. There are 20 Tennessee zip codes and if we move the needle, the state poverty rate drops 5 percent and higher education plays a role in it. If we can set up a boots on the ground presence we could play a role in the poverty rate and education has an important role in it.

Mr. Krause introduced Ms. Jessica Gibson who updated the commission on the TN Reconnect grant. Ms. Gibson presented the timeline, message, and steps of enrollment. To date, over 16,000 applications have been submitted. She explained the application process, how it generates a Reconnect Success Plan, the Reconnect applicant profile, a breakdown on class time preference, annual income, and self-identified challenges/concerns. Chairman Cope asked about the group of students that don't qualify for Reconnect because they are not independent and who also don't qualify for Promise because of eligibility restrictions. Ms. Gibson replied that there is a group of students, she doesn't know how large it is, but TSAC Outreach staff is thinking about it, in terms of policy, but currently there is no answer. Mr. Stafford asked what other needs the adult learners might have and asked what the state is doing to assist them with resources to help with resources. Ms. Gibson stated that they are working with the Department of Human Services to share information with their clients and customers. Ms. Gibson answered that they are cross training 450 Human Services employees who can cross reference with resource mapping on what the state provides. Mr. Wharton mentioned the Georgia State program that monitors the students that need assistance due to life circumstances before it's too late. Ms. Gibson advised the commission that

THEC is trying on the community level to do high touch navigators who are embedded in their local communities to provide a level of support before they drop out of school. She introduced Dr. Emily House who reported to the commission about THEC's visit to Georgia State and how they will be implementing GSU's best practices. Mr. Krause noted that APSU's equity gap between African American students and white students has closed within 2 percent. He reiterated that GSU has figured out tactics and has really changed the game. Dr. Dishner asked Dr. House about Reconnect student projections and what the issues might be. Dr. Dishner states that these issues appear to be along the line of personal issues, and speculated that the student might not know yet that the academic issues are going to be a major concern for them and maybe that is why they fell to the bottom of the list. She asked Dr. House when you were observing the services that were being provided, what was the percentage of personal vs. academic. Dr. House answered that it really ran the gambit but the emphasis was on the nonacademic about emergency grants, emergency loans, and there is a robust program if students are a few credits away from graduating and there was money due, that bill is paid by the institution. A phone call is made and the student is encouraged to get back to class.

Chairman Cope recognized President White, President Noland, President Glover and President Oldham for being at the meeting.

LEGISLATIVE REPORT

Chairman Cope introduced Lou Hanemann for the legislative overview. Per a motion by the Commission to amend the agenda, the legislative update was moved up in order to provide some degree of context to discussion later in the meeting. Lou Hanemann was recognized to deliver the update. Mr. Hanemann opened with an overview of the recent legislative session, noting that the end of session also signaled the closing of the 110th General Assembly. Looking forward, Mr. Hanemann also noted that the coming election cycle would see the turnover of nearly twenty percent of the General Assembly members. He also recognized the policy and leadership contributions of Chairman Harry Brooks and Chairman John Forgety upon their retirement from the House of Representatives.

Recognizing that the legislation discussed during the update was not comprehensive but more a snapshot of significant bills impacting higher education, Mr. Hanemann discussed the following enacted legislation:

PC 666: returned the appointing authority for the THEC Executive Director to the Commission as of January 1, 2019.

PC's 705 and 706: THEC and TSAC Sunset legislation extending the operations through June 30, 2022 on the basis of a strong audit performance and the approval of the Joint Government Operations Committees.

PC's 602, 790, and 695 were legislation submitted to the General Assembly by THEC to resolve inconsistencies in the current statutes relative to the FOCUS Act, the Higher Education Authorization Act, and the TSAC statutes respectively.

PC 932: transferred the Tennessee Foreign Language Institute to the Institute for Public Service under the auspice of the UT Board of Trustees. The transfer also dissolved the TFLI governing board on which the THEC Executive Director served as a standing member.

PC 614: the Tuition Transparency Act was enacted to create a process for accountability and transparency relative tuition increases implemented by the various university and system governing boards. The act requires sufficient notice and justification for new tuition prior to adoption by a governing board, an annual accounting of how new revenues were expended, and the inclusion of a non-binding tuition growth projection in the acceptance notices for all incoming students.

PC 1036: instituted several layers of additional reporting by Teacher Training Programs operated by postsecondary institutions in Tennessee. The legislation also made some changes to the selection of student mentors and advisors when engaging in clinical or field studies. The legislation also clarified the authority of the State Board of Education to review teacher preparation programs for possible termination.

PC 991: clarified the existing statutes impacting work-based learning and employer liability. The legislation further created a one million dollar grant program to be facilitated by the Department of Economic and Community Development.

PC 739: legislation submitted by the Tennessee Board of Regents to address student debt obligations and the obstacles they represent to re-enrollment as non-traditional students. Bill creates a pathway for re-enrollment if the student agrees to a debt payment plan while enrolled.

PC 877: provides the TBR with sufficient authority to merge the administrative responsibilities for the Tennessee Colleges of Applied Technology when greater efficiencies can be achieved.

PC 657: The UT FOCUS Act vacated and reconstituted the UT Board of Trustees. The legislation reduced the size of the UT Board from 27 members to 12 members consisting of 10 appointed Trustees, the Commissioner of Agriculture as an ex officio member, and one non-voting student member. The THEC Executive Director, a sitting member of the previous Board composition, will no longer be a Trustee for the University. The new Board of Trustees will assume governance responsibilities on July 1, 2018.

SYSTEM REPORTS

Tennessee Board of Regents (TBR)

Chairman Cope recognized Dr. Russ Deaton from TBR. Dr. Deaton greeted the Commission on behalf of the Board and Dr. Flora Tydings whom he said is out of state. Dr. Deaton welcomed two new presidents to TBR: Dr. Shanna Jackson of Nashville State Community College and Dr. Michael Torrence of Motlow State Community College. He went on to mention that Dr. Shanna Jackson and Provost Dr. Dana Nichols of Chattanooga State Community College were chosen as Aspen Presidential Fellows for the College Excellence Program. He congratulated Chairman Brooks in his retirement and stated the Knoxville appreciation and fundraiser dinner also raised at least \$50,000 for TCAT Knoxville scholarships.

Dr. Deaton continued on into TN Promise's full five semester results. The 2015 TN Promise cohort stood at 21.5% graduates, more than double the 2015 non-Promise peers (8.3%), with an "overall success of about 50%." Dr. Deaton stated that this is lower than what everyone wants it to be but the numbers are moving in the right direction to make a difference in people's incomes, family situations, and the institutions. In context of the overall TBR graduation rates, there has been a "significant" 8.2% increase from 2013 to '17 (approaching 21.8%) and that number is expected to be even higher with this month's report. Finally, he stated the Commission is looking the problem of equity "in the eye" with the Lumina TIE Grant. The Hispanic student graduation rate has grown from 11.5% (2013) to 21.8% (2017) and black graduates have risen from 5.2% to 9.0% in the same time frame. Those numbers are not where they'd like them to be but that the first challenge is

understanding the equity problem. Ms. Koban inquired if there could be special circumstances that black students are faced with in comparison to the Hispanic ones. Dr. Deaton stated that he didn't honestly know but that there are pockets where they are beginning to understand this situation better. Micro grants, he mentioned, are too small to go a long way and that they are trying to "put will behind" addressing this lack of understanding. TCATs are north of 80% completion rates with high placement rates and those students are moving through those successfully. Chairman Cope asked how much of the gap, with respect to minority students, do we have to close in order to reach the Goal of 55. Dr. Deaton responded that *any* gap is unacceptable but that some schools like Austin Peay have no gap but that "we have a long way to go, for sure." Mr. Krause stated that the Lumina Grant allowed the Commission to have an intentional goal-setting process for underrepresented students and that Dr. House has sophisticated data that shows exactly which subgroup and the amount each needs to rise to reach the Drive to 55 – and that he intentionally wanted to make sure to avoid creating a minority gaps in the push for 55%.

Chairman Cope asked Dr. White to share about Austin Peay's work in closing the minority gap. She said the initial programs began under the TBR, utilizing the access, diversity and inclusion funding. Now, APSU has, through the Wilbur N. Daniel African American Culture Center, a male mentoring program that pairs freshman with mentors on campus. Those students were placed in the community to show others that "there is a path forward." Also, there were donors that contributed to supporting students from barriers from applying such as family sickness, etc., and that they have a food pantry with chickens, eggs, food, clothing, and toys and are trying to distribute it all over campus. She also spoke to the fact that they have rural and military students who are supported through equity from APSU to come to school on a level playing field. Chairman Cope asked how they made the students aware of the issues she spoke to and Dr. White stated that they still have gaps with Hispanic populations and, as recent data has indicated, even male students in one specific dorm. She stated that they are obviously looking at the data and are committed to even closing those gaps.

University of Tennessee (UT)

Dr. DiPietro began by stating that 41% of their students have trouble finding money for food and, although they offer pantries, they are working to support students' nutrition further. Seven thousand students are graduating from the UT campuses. He stated that there is new leadership in

the system and that the decision was not taken lightly. He spoke briefly about the selection of Wayne Davis to serve as the interim Chancellor at UT Knoxville after serving 45 years for UT and choosing to not retire. He spoke of Davis's work in helping increase the College of Engineering by a third and increased research expenditures. Dr. DiPietro showed gratitude for Wayne Davis who has agreed to serve for a year. He stated that they are looking a few other positions such as a Knoxville vice president for Human Resources and are hiring a new associate vice president for student success and academic programs. They are anticipating a July meeting with their new board members. He took a moment to thank the outgoing Board of Trustees and stated that in his eight years that the board has become more engaged, including solving business models through 2025, kept tuition at low levels, and showed concerns about tenure review. UT has a new marketing campaign with billboards and murals to demonstrate their message about their success in serving TN citizens. Knoxville has 19 Fullbright scholars this year alone, as compared to 77 total in the previous 60 years. Chattanooga's campus is engaging in a new teaching fellows program that partners with Lee University and Hamilton County to boost K-12 education by supporting teachers. UT Martin was recognized for their MBA program for being 12th nationally and their online program at 11th by bestvalueschools.org. The Health Science Center dedicated the Center for Healthcare Improvement and Patient Simulation, to train physicians, nurses, and others through the use of simulators. Also, the Tennessee Foreign Language Institute joined UT's Institute of Public Service. He ended by stating he would "keep you suspended" with the possibility of "ultra-low" tuition increases at the upcoming June board meeting with current members. Secretary Hargett concluded with his approval of Dr. DiPietro's move to change leadership and recognized his leadership in making that hard decision.

POSTSECONDARY AUTHORIZATIONS

Chairman Cope recognized Dr. Stephanie Bellard Chase; she stated that the Committee on Postsecondary Educational Institutions (CPEI) recommended that reauthorization be granted through 2019 as follows; 41 institutions for regular authorization, 5 institutions for temporary authorization, and 6 institutions for conditional authorization. She explained the conditions for the 6 conditional authorizations. She also stated that CPEI recommended approval of 22 new programs for 10 institutions and 8 institutions for optional expedited authorization.

Mr. Krause updated the Commission on Ross University School of Medicine. THEC is 5 months into the temporary emergency operations in Knoxville. They have been in weekly communication with THEC and their departure will be next December or early spring of 2019.

Mr. Krause announced that today is an important milestone for Knoxville College. They had their challenges several years back, but today, with the Commissions' vote, will open back up with an associate degree in liberal arts to be offered and we fully expect it will be the first of many programs that will serve students in Knoxville.

Mr. Krause introduced Dr. Keith Lindsey, Interim President, of Knoxville College. Dr. Lindsey spoke about the historic legacy of being in this position. Classes were suspended in 2015 and he wants to lead this college down a new path. He thanked the board of trustees of the college and the sacrifice of many individuals and hard work have made this day possible. He thanked THEC for working with them hand and hand as they sought to develop new programs and how to advance the new programs and new partnerships and new initiatives. Today is a historical day for Knoxville College. Since 1875, their doors have been opened to educating students. The luxurious list of alumna has excelled and it is their goal, dream and desire to open their doors to students who might need a chance. Because they know education is a passport to the world, to new opportunities and new developments and they are still in that business of filling that vision and dream that started so long ago, under the shadow of slavery, to the new generation of leaders and thinkers, he is proud to be that person at this time to lead Knoxville College through that threshold.

Mr. Stafford congratulated him on the restart and his hard work. He questioned the hurdle of accreditation. Dr. Lindsey spoke about their strategic plan. They are researching agencies and what will be necessary to apply for those agencies and that helps shape them. They are looking at an internal self-study so that once they are able to do so that they can locate an accrediting agency.

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

Mr. Stafford commented to Dr. Bellard Chase and her team on the great job of evaluating these organizations but something we hear occasionally is that these organizations may not always serve our state population very well. He asked Dr. Bellard Chase if at some point in the future, she would share and explain their work and how they protect the citizens of Tennessee. She answered that

one of the most important things they do is the work on student complaints and making sure these institutions are in full compliance with the laws and the rules and she would be happy to present this information at the next meeting.

Locally Governed Institutions (LGI)

Chairman Cope recognized President Alisa White who thanked the commission for allowing her to address the commission on behalf of the LGI presidents today. Dr. White stated her intention to present some of the goals and challenges faced by the LGIs.

Given the negative national conversations about higher education, Tennessee's progress is not indicative of those national trends. Dr. White specifically noted that the LGIs are not flagship institutions or elite private institutions; rather there is a mission focused on social and economic mobility, accessibility, affordability, and are strong on return on investment for students. She further noted that the LGIs average about \$21,000 annually for cost-of-attendance versus the national average which is closer to \$40,000 annually. To that end, many of the students are graduating with no debt.

Dr. White noted specifically that teaching and research are two particular focus points for the LGIs. Teaching is the real mission and the LGIs are addressing hard and soft skills, working with stakeholders in economic development to address the state's needs. However, she also noted that funding is a real concern. Acknowledging the earlier comments by Director Krause, Dr. White stated that the LGIs take those comments very seriously as to how to frame the conversation about the divestment of higher education funding. Dr. White agreed that Tennessee is not in the same position as other states, particularly due to the work of the Treasury to mitigate the needs for further cuts.

Dr. White further clarified that when the state is doing well, the state values education and has made an effort to offset earlier cuts while stipulating that the LGIs do not have enough money and will never have enough. That said, Dr. White reinforced the notion that the LGI institutions are willing partners and are looking for unique ways to cover the gaps. The LGIs will be coming to the Commission and ask it to be more flexible in helping the LGIs to work with the state and to take some of the barriers down and to develop more public/private partnerships. Help the LGIs to think outside of the way we have always done it. Noting that times are good now, Dr. White noted that it may not always be as good and those budgets are cyclical. So the LGIs will likely come to ask for

patience in working with them as they try some things to save money and get a higher return on investment.

Dr. White also commented a major obstacle for many universities is that most of an institution's costs are tied up in salaries and benefits. Salaries account for a little more than half of the operating budget and associated benefits account for almost 21 percent of the operating budget. She explained that when approximately 72 percent of APSU's E & G budget is tied to salaries and benefits, they don't have a lot of flexibility. Another budget stressor is deferred maintenance. For example, 83 percent of Tennessee Tech's gross square footage is more than 25 years old. The Tech campus has about 80 buildings, including academic, housing, and student life facilities. Tech has \$190 million of documented deferred maintenance. To put that in context, \$172 million of deferred maintenance is considered high risk, and will need to be performed in the next 10 years, and so it can't be kicked down the road indefinitely. Tennessee State University has about \$70 million in deferred maintenance on its campus.

Dr. White took time during her remarks to outline a growing crisis among college age students relative to mental health issues and the steady increases in suicide and suicidal ideation. She further stated that something has to be done to support mental health needs of our students. Dr. White noted that the expansion of this crisis has begun to impact the retention and graduation rates among the LGIs and there are few resources available to deal with the crisis at present.

Dr. White closed with comments about the ongoing process of learning how to govern together with their new trustees. The new trustees have been engaged in having in-depth conversations about higher education policy, academic programs, tuition and fees, master plans, and the missions of Tennessee's state universities. The LGI boards are fully engaged in budget conversations and give guidance on areas of major impact, including facilities management, multiple-year planning and cost controls. She closed with the statement that the LGIs look forward to working with the Commission to find solutions to these challenges and those we'll face in the future. Dr. White said she would be happy to answer any questions.

New Academic Programs

Chairman Cope recognized Ms. Betty Dandridge Johnson to introduce two new academic program proposals for commission approval: a Bachelor of Science in Rehabilitation Health Sciences program

(RHS) at East Tennessee State University (ETSU) and a PhD in Nursing at the University of Memphis (UM). She noted that both programs had previously undergone the scrutiny required under the new THEC policy on new academic programs, and that the programs had been evaluated by external reviewers and have been approved by both institutions' governing boards. Ms. Dandridge Johnson then introduced the two representatives from ETSU: Dr. Brian Noland, President of ETSU, and Dr. Lynn Williams, the Associate Dean of the College of Clinical and Rehabilitative Health Sciences. Ms. Dandridge Johnson noted that Dr. Karen Weddle-West, Provost of UM, would present on behalf of UM.

East Tennessee State University, Bachelor of Science in Rehabilitation Health Sciences

Ms. Dandridge Johnson then called on President Noland. President Noland noted that the RHS program is aligned with ETSU's mission to improve the quality of life of the people within ETSU's region. President Noland then called upon Dr. Lynn Williams, the author of the program. Dr. Williams presented the details of the program, noting it as an interdisciplinary field that focuses on human function and disability. Dr. Williams noted that the need for the program rests in supply and demand: longer life expectancy, survival rates, and population growth. The rehabilitation workforce is also experiencing a shortage. No other rehabilitative health science programs exist in Tennessee, and only eleven operate within the United States. Dr. Williams noted that the program would consist of 49 credit hours with an 18 credit-hour minor. Over a five-year period, costs were projected to be \$952,706, and revenue was projected to be \$3,101,122. Dr. Williams, in conclusion, noted that the curriculum aligns with ETSU's mission and the mission of ETSU's Academic Health Sciences Center.

Ms. Koban asked Dr. Williams if she felt sure of the enrollment projections, noting that they seemed optimistic. Dr. Williams responded that she was sure of the enrollment projections and that the estimates provided were conservative. Dr. Williams noted the program would also feed ETSU's health science-related graduate programs.

Ms. Koban asked which of the eleven rehabilitative health science programs in the United States was the oldest. Dr. Williams responded that she was unsure of which was the oldest, but that the University of Pittsburgh was one of them.

Ms. Koban asked if the other programs have robust enrollments. Dr. Williams responded in the affirmative.

Mr. Watson asked Dr. Williams to return to the slide concerning program cost and revenue and asked if the program would be earning a two-million dollar profit. Dr. Williams responded in the affirmative and noted that not all of the projected revenue returns to the college.

Secretary Hargett asked how the five-year costs were calculated and asked if the projected amounts reflected direct costs. Dr. Williams responded in the affirmative.

Secretary Hargett asked what the appropriate multiplier and the true cost of the program would be. Dr. Williams noted that she was unable to provide an answer and that the assistant dean for finance prepared the financial projections.

Secretary Hargett noted that the financial projections seem overpriced. Dr. Williams noted the financial model would allow for planned growth, including a future intent to develop a doctoral-level rehabilitative sciences program.

Chairman Cope opened the floor for discussion to consider and vote on the item. Mr. Watson proposed for the commission to consider an amendment to the approval of the program to make it more economically feasible and affordable.

Secretary Hargett asked for advice from General Counsel Scott Sloan, who noted that the commission could choose to defer action or to take a vote on the item.

Chairman Cope suggested letting ETSU know what the commission's questions are and what questions are needed for the item before the next meeting

Secretary Hargett asked if there would be any negative ramifications to deferring action to the next meeting. Mr. Sloan deferred the question to President Noland of ETSU. Chairman Cope recognized President Noland. In response, President Noland noted that the financial information noted in the slideshow reflected the direct costs with the employment of faculty, and that the costs did not include other operational costs. President Noland also noted that revenue of one program goes to support other programs across an institution, and that the RHS program will cover its costs and will generate revenue to support the operations of the entirety of the College of Clinical and Rehabilitative Health Sciences.

Secretary Hargett requested ETSU to revisit the financial projections presented to the commission and to provide a more accurate look into the program's costs. President Noland responded in the

affirmative. President Noland then noted that if the commission chooses to defer action to the next meeting, it would limit ETSU's ability to offer the program in fall 2018 and would set the program behind by a year.

Mr. Krause asked for President Noland to clarify that the intention would be to enroll students in fall 2018. President Noland responded in the affirmative.

Chairman Cope asked what the will of the commission was. Secretary Hargett suggested considering the item over lunch. Chairman Cope then recessed the commission for lunch.

Following lunch, Chairman Cope called the commission back to order from recess. He then opened the floor to discussion on ETSU's RHS program proposal. Chairman Cope recognized Mr. Wharton.

Mr. Wharton called on President Noland to speak and asked when ETSU would plan to enroll its first students in the RHS program. President Noland responded that if the commission chose to take positive action on the program, ETSU would be in a position to enroll its first students in the fall semester of 2018.

Mr. Wharton asked President Noland if it was possible for ETSU to provide answers to the questions posed prior to recess to Mr. Krause within 45 days. President Noland responded that the answers could be provided to Mr. Krause within that time frame.

Mr. Wharton moved that the commission approve the RHS program conditioned upon President Noland submitting to Mr. Krause for distribution to the commission answers or adjustments they may have to the financial projections within 45 days, and to vest within Mr. Krause the authority to remove the condition. Mr. Wharton noted that the area between Nashville and Cookeville is one of the largest retirement areas in the country, which demonstrates the need for such a program.

Chairman Cope asked for the motion to be restated.

Mr. Wharton moved that the commission approve the program conditioned upon President Noland submitting to Mr. Krause the answers and further discussions within 45 days of the spring commission meeting. Ms. Dishner seconded the motion. Chairman Cope asked if there was any further discussion and asked President Noland if he understood what the commission's questions are.

President Noland responded that the questions related to the matter through which the tuition revenues support the operations of the program and the operations of the college and university as a whole, and that the commission would like to see the manner through which the total tuition revenues are then allocated across the functional budget units of the institution.

Chairman Cope asked if the commission was satisfied with the questions and with what President Noland would provide. Secretary Hargett noted his support for the motion and his respect for President Noland and for ETSU. He continued to note the need for transparency and affordability related to the services provided to students.

Chairman Cope recognized Mr. Wharton, who concurred with Secretary Hargett.

Chairman Cope noted the commission's legal duty and requirement to review and study programs with particular view as to their cost. He then recognized Mr. Stafford.

Mr. Stafford proposed an amendment to Mr. Wharton's motion. Given the sense of urgency, he proposed that the information be provided to Mr. Krause within three weeks.

Chairman Cope repeated the motion and asked if any commissioners wished to second it. Mr. Wharton noted that it was a friendly amendment and restated that the information provided by ETSU would be circulated to the entire commission. Mr. Wharton seconded the amendment.

Chairman Cope asked for further discussion on the motion as amended. A voice vote was taken and the motion passed unanimously.

University of Memphis, PhD Nursing

Chairman Cope recognized Dr. Karen Weddle-West to present information regarding UM's proposal for a PhD in Nursing. She noted that the graduates of the program would be prepared to conduct the rigorous research needed in the discipline. The graduates would also be able to apply research to serve the interest of the community. Dr. Weddle-West noted that the national shortage of nurses is primarily based on the few numbers of doctoral-prepared nursing and the faculty needed to teach them. This program would help to fill that gap. The program distinctions would be on pedagogy, health equity research, and multidisciplinary aspects. Dr. Weddle-West then noted the program's alignment with the state master plan and UM's mission. The program would be offered in an online, hybrid format. The highlights of the 60-hour curriculum include: 18 hours of research core, 6 hours

of education core, and 6 hours of health education core, and 12 hours of electives. For financial sustainability, Dr. Weddle-West noted UM's responsibility-centered budget model and that enough funds are available to support the existing faculty needed for the program. The acquisition of research grants is expected to double with the program. Dr. Weddle-West noted UM's unique position to educate a diverse pool of nursing researchers and educators, as well as UM's recognition for and success in diversity.

Chairman Cope opened the floor for questions. Mr. Stafford asked Dr. Weddle-West to clarify the demand for the program and the program projections. Dr. Weddle-West responded that the feasibility study indicated that 78% of UM students included in a feasibility study responded that they would be interested in or would apply for admission to the program. The enrollment projection of five students in the fall semester, she continued, was underestimated, and that there would likely be 10-20 applicants. She noted that the projections are conservative and that higher numbers are likely to occur over a period of time. Dr. Weddle-West noted that if the projections are a concern, UM could guarantee a higher number.

Mr. Stafford asked what percentage of UM's online students are from out of state. Dr. Weddle-West responded that the national data show that the typical online student is in-state. She noted that UM has 7,000 fully online students. Those students tend to be within the Tennessee area, with roughly a quarter being across the world.

Ms. Koban asked if it was too much duplication of programs to have UM's program in Memphis with the UT Center for Health Sciences also having a PhD in Nursing and if Memphis could support that. Dr. Weddle-West responded that the needs are great and the demand is there. She also noted that students have been asking for this program for seven years.

Ms. Koban asked if this is different than a DNP program. Dr. Weddle-West responded in the affirmative and noted that the DNP is a clinical program not requiring a doctoral dissertation and not based on 18 hours of high-level, quantitative, statistical analyses.

Chairman Cope asked if there were any additional questions. Secretary Hargett made a motion to approve UM's PhD in Nursing program proposal and Mr. Wharton seconded the motion. A voice vote was taken and the motion passed unanimously.

ACADEMIC PROGRAM REVIEW

Chairman Cope introduced Victoria Harpool. Ms. Harpool stated she is returning with the requested Program Productivity Report of Tennessee's mature programs. She stated there are a total of 109 programs that come up as "low producing" on the benchmarks and that she will share information disaggregated by accreditation. She stated all programs that *can* be accredited must seek and gain accreditation. She was happy to report that the 48 programs eligible for accreditation have received accreditation. The rest of the 109 were seeking program evaluation. She broke those 61 programs down into two categories: the 36 programs reaching at least 50% of the benchmark and 25 programs that are not. She stated the latter group represented less than 8% of mature programs that have not received national accreditation or program evaluation.

She stated that she had been asked about the benchmarks out there and stated there are quantitative benchmarks (enrollment trends, persistence to graduation, graduation trends), Quality Assurance Funding (QAF; assessments [general education, major field, and licensure], student and alumni satisfaction surveys, accreditation, and program evaluation), and program-specific metrics (contribution to mission, research, strategic plan, and other academic units; job placement; and industry and community partnerships). She stated all of these metrics allow for THEC to get a well-rounded look at these institutions. Ms. Harpool continued to another data set comparing the states that perform in productivity benchmark analyses. She stated this led to find Tennessee is above average and "ahead of the curve" in what is expected from our institutions. She stated they are less worried about the non-accreditable undergraduate programs that feed the general education programs but more worried about the others such as international studies, urban studies, natural resources, etc. Of the graduate programs, many have been around since the 1960s while others are newer. On the associate and certificate level, she stated the ones that are directly tied to a profession are of concern. She went on to say they seek information about those programs and what that program is doing for their community.

Ms. Harpool stated the next steps include an Academic Program Viability Policy for mature programs. So, instead of looking at just those productivity benchmarks, they should take a holistic approach by looking at the data, quality-assurance, and program-specific metrics and bring those to the next Commission meeting to be able to truly talk about the viability of programs and not just each's productivity. Another next step includes strengthening a monitoring process program. She proposed programs should have to refer back to the benchmarks they have set for themselves (instead of THEC monitoring having to measure for a set number of years) to get out of monitoring

and be considered a mature program. From there, the programs would be evaluated on quality-assurance funding instead of an annual monitoring check.

When asked for questions or comments, Mr. Watson offered a follow-up statement that he thinks the programs should also be evaluated on the measure of programs leading to jobs. Ms. Harpool replied that she expected to hear from the institutions where the graduates are being placed and at what rates. Mr. Krause also replied to Mr. Watson that the goal is to bring this policy back to the Commission in late summer or fall and they will include job placement as well. Secretary Hargett added he wanted the Commission to reach a point where they don't let programs "linger" and instead point the institutions to the fact it's not working, they are wasting their resources, and in better direction; he states he wants the Commission to be very clear on the policy it takes to not have a program anymore. Chairman Cope clarified the authority to terminate programs does not rest with THEC but they do have authority to recommend to the respective boards the recommendation that a program be terminated. Chairman Cope inquired if THEC had any data on what extent are institutions are terminating failing programs and running a "postmortem" about why they failed. Ms. Harpool responded that she does know institutions are approved more than they are terminated, and she stated that the earlier proposal that programs would have to justify their contributions to the community, research, etc. would require programs to prove that they have fulfilled their commitment to the Commission. Secretary Hargett responded that they could reconsider fee requests when an institution keeps program that doesn't make economic sense. Ms. Koban asked if Ms. Harpool could walk the board through the process of program approval. Ms. Harpool stated certificate and associate programs are monitored for three years and baccalaureate and masters programs are for five years, while doctoral programs are monitored for seven. Her proposal is that THEC exit the annual monitoring and, instead, have the institutions prove their benchmarks in enrollment and graduation as well as their level of attainment of the benchmarks they had originally proposed for themselves before the board when they were originally seeking approval of the program. She went on to say these institutions must also be able to prove their students are passing gen. ed. and licensure assessments, as it would mean they are holding programs accountable. Ms. Koban shared her thoughts on "probationary status" and that a program should not be able to stay on probation too long.

INSTITUTIONAL MISSION PROFILES

Chairman Cope introduced Ms. Betty Dandridge Johnson who presented to the Commission for approval of the mission profiles for each university and community colleges. Profiles for Austin Peay State University and Tennessee Technological University are contingent upon approval by their respective Board of Trustees. The revisions to the mission profiles in 2018 centered primarily on changes related to student characteristics and academic programs. Four of the six locally governed institutions and two University of Tennessee institutions made minor updates to their respective mission profile. Modifications have been approved or are pending approval by institutional governing boards. A total of 8 of the 13 community colleges made substantive updates, all of which were approved by the Tennessee Board of Regents' March 2018 meeting.

It should be noted that institutional mission profiles do not supplant institutional mission statements used for institutional accreditation and other public disclosure. The comprehensive mission statements are in accord with the institutional mission profiles.

Chairman Cope opened the floor for discussion. Secretary Hargett made a motion and Mr. Stafford seconded the motion. A voice vote was taken and passed unanimously.

CAPITAL MANAGEMENT SEVERANCE

Chairman Cope introduced Ms. Patti Miller who presented to the commission three universities that submitted to THEC their requests to assume the performance of capital management severance. The 3 universities are University of Memphis, Tennessee Tech University and Middle Tennessee State University and, upon approval of the THEC commission, will assume the responsibility of the capital project management on or after June 14, 2018, subject to applicable State Building commission policies.

Chairman Cope opened the floor for discussion and Mr. Wharton made the motion to pursuant to Tennessee Code Annotated 49-8-101(a)(2)(C), the Commission approve the request of the Board of Trustees of University of Memphis to assume the responsibility of the capital project management on or after June 14, 2018, subject to applicable State Building commission policies. Mr. Stafford seconded the motion and a voice vote was taken and the motion passed unanimously.

Dr. Dishner made the motion to pursuant to Tennessee Code Annotated 49-8-101(a)(2)(C), the Commission approve the request of the Board of Trustees of Tennessee Technological University to assume the responsibility of the capital project management on or after June 14, 2018, subject to

applicable State Building commission policies. Ms. Koban seconded the motion and a voice vote was taken and the motion passed unanimously.

Ms. Koban made the motion to pursuant to Tennessee Code Annotated 49-8-101(a)(2)(C), the Commission approve the request of the Board of Trustees of Middle Tennessee State University to assume the responsibility of the capital project management on or after June 14, 2018, subject to applicable State Building commission policies. Ms. Winton seconded the motion and a voice vote was taken and the motion passed unanimously.

PROCUREMENT SEVERANCE

Chairman Cope introduced Steven Gentile. Mr. Gentile began by reviewing the Commission's proceedings regarding procurement severance in the November meeting. The Commission had approved the procurement severance of Austin Peay, East Tennessee State, and Tennessee Technological University in November. The other three LGIs are now seeking severance: Middle Tennessee State University, Tennessee State University, and University of Memphis. Institutions require severance from the Commission to manage contracts above \$250,000 (about 90% are below this threshold). To be approved for severance, institutions are required to share their policies, contracts, and documents with THEC to prove they are able to manage procurement. Institutions were also required to have a contact person for the fiscal review. Finally, they must maintain current contracts with TBR or have permission from TBR to leave contracts. Mr. Gentile states that the three aforementioned universities have met the requirements for severance and recommends that the Commission approves all three universities for severance.

Chairman Cope opened the floor for discussion on MTSU. Mr. Johnston made the motion that, pursuant to Tennessee Code Annotated § 49-8-101(a)(2)(C), the Commission approve the request of the Board of Trustees of Middle Tennessee State University to assume the responsibility for the procurement function on July 1, 2018, and that the Board of Regents no longer be responsible for the performance of this function for the university as of that date. Mr. Wharton seconded the motion. A voice vote was taken and passed unanimously.

Chairman Cope opened the floor for discussion on TSU. Mr. Johnston made the motion that, pursuant to Tennessee Code Annotated § 49-8-101(a)(2)(C), the Commission approve the request of the Board of Trustees of Tennessee State University to assume the responsibility for the

procurement function on July 1, 2018, and that the Board of Regents no longer be responsible for the performance of this function for the university as of that date. Ms. Koban seconded the motion. Mr. Cope recognized Dr. Glover, president of TSU, to recognize TSU alumni James Shaw as the hero of the Waffle House shooting. Dr. Glover expressed appreciation and pride in alumni James Shaw. Dr. Glover announces a scholarship in Mr. Shaw's name. She thanked the commission for the opportunity to recognize Mr. Shaw. A voice vote was taken and passed unanimously.

Chairman Cope opened the floor for discussion on University of Memphis. Mr. Wharton made the motion that, pursuant to Tennessee Code Annotated § 49-8-101(a)(2)(C), the Commission approve the request of the Board of Trustees of University of Memphis to assume the responsibility for the procurement function on July 1, 2018, and that the Board of Regents no longer be responsible for the performance of this function for the university as of that date.

Mr. Krause requested that Dr. Oldham, president of TTU, introduce TTU's new provost. Dr. Oldham introduced Dr. Lori Bruce, provost and vice president for academic affairs.

Mr. Krause commended Mr. Gentile for speaking to the Commission given that he has a week-old baby and will be taking his doctoral comprehensive exams tomorrow.

Mr. Gentile continued with the next item on the agenda: tuition and fee ranges. Since the FOCUS Act, the staff recommends binding ranges for tuition and fees after the appropriations cycle. In November, the staff recommended 55 million dollars in state appropriations for universities, community colleges, and TCATs. Having received the full amount, the staff recommends a 0-3% binding range for tuition and fees. In the past three years, Tennessee experienced its lowest consecutive growth in tuition and fees. To determine the range for tuition and fees, the staff looks at affordability as supported by the various state financial aid programs. THEC staff is also looking at other factors such as institutional financial aid, student debt, and state appropriations. Mr. Gentile also noted that when considering higher education costs, considerable thought is given to the value and weight of the Higher Education Price Index as an indicator of institutional cost expectations and the Consumer Price Index as an indicator of the economic situations faced by students and their families. If approved, this would continue the trend of lowest consecutive growth in tuition and fees.

Ms. Winton asked how the Commission and students will receive information about the tuition and fee changes to improve transparency. Mr. Gentile responded that CFOs of institutions would be a

better source for the formulas institutions use to calculate their tuition rates. Mr. Krause agreed that we need a transparent story for how institutions set tuition before the July meeting. Mr. Krause further noted that when THEC considers tuition growth, the first thought is the student and that regarding transparency, as noted in the recent legislation, we will soon be compelled to build transparency into our processes and the institution processes as stipulated in the new law. Mr. Gentile acknowledged that THEC's tuition setting formulas has been in place for 10 years and the staff intends to reassess the model moving forward. An internal task force will be called to reevaluate the existing model.

Mr. Watson noted that price directly impacts the decisions that people make about going to college and further asked why these tuition increases don't take diversity into account, which seems inconsistent with TN Reconnect, Promise, and Drive to 55. He asked if we are "pricing the product out of the market" by taking inflation into account. He cited an article entitled "Tuition Hikes Hurt Diversity." Mr. Watson stated that he needs convincing that the rate should be anything other than zero. Mr. Gentile responds that these decisions are personal for students and families and also need to take into account the needs of the state.

Ms. Koban noted that with these ranges, she thinks the schools will think that a 0% to 3% range implies that a 3% increase is acceptable. That said, when higher education asks the state for \$55 million and the state provides it, it should be pretty hard to argue for increasing tuition. The state gave higher education the appropriations requested by the Commission. Therefore, the Commission can't make the argument that institutions need to increase tuition because appropriations have decreased, as in the past. Ms. Koban would also like to see a zero percent increase at times when the state provides higher education with the funding they asked for. She further acknowledged President Rudd, who was not in attendance, and the University of Memphis for their intentions to push a 0% tuition increase.

Chairman Cope stated that when we increase tuition, it makes it harder to close equity gaps.

Ms. Koban asked if in July, university presidents will be able to walk the Commission through their process of setting tuition increases. Mr. Gentile affirmed that is what Mr. Krause intends for the July Commission meeting. Chairman Cope asked if Ms. Koban would like to make a motion to require that information. Ms. Koban moved that at the July meeting the presidents of UT, the LGIs, and the Chancellor of TBR are prepared to walk the Commission through the process by which they establish

their tuition percentage increase for 2018-2019. Mr. Stafford seconded the motion. A voice vote was taken and the motion passed unanimously.

Chairman Cope recognized Secretary Hargett who moved to approve a 0-2.5% range given Ms. Koban's earlier comments. Mr. Stafford seconded the motion. Dr. Dishner asked if any institutions have announced tuition rates for 18-19 and if families are already anticipating those rates. Mr. Gentile responds that ETSU has approved a tuition rate with the condition that the range passes and University of Memphis has announced a zero percent increase. Dr. Dishner further requested that this conversation takes place earlier in the annual cycle so institutions and families can plan for the fall semester. Mr. Watson stated he was unconvinced that it should be anything other than zero. Mr. Wharton asked if, by having this discussion, we are implying that there will be increases. He continued to say that even though the range provided allows for 0% increase, it raises the question as to whether the discussion is truly necessary or is the range merely "green-lighting" a tuition increase. Secretary Hargett withdrew the motion. Mr. Stafford withdrew the second. Chairman Cope noted that the floor was open to a motion.

Ms. Koban commented that she wants to work with the institutions to understand why we need to increase tuition if the state gives them all the funds they request. She suggested that by having these conversations, the institutions may come back with more palatable increases rather than the top end of the range. Mr. Krause noted that the staff has ongoing discussions with the institutions about their rates. He noted that UT does not intend to increase tuition to the maximum amount. Dr. Miller, CFO of UT, reminded the Commission that UT increased tuition by 1.8% last year when increases were capped at 4% because of strong and predictable state funding. He stated that affordability is the driver of that decision. Mr. Wharton asked what the current range between state funding and tuition is. Mr. Krause responded that at community colleges it is 50% range and as low as the mid-to-high 20% range for universities.

Mr. Johnston recognized that the staff has made this recommendation and the Commission should accept that recommendation. Mr. Krause offered that the staff returns in July with a better process. Mr. Watson asked if Mr. Krause is proposing that the Commission defers this decision and he responded that the institutions need a decision from this meeting to set their rates. Mr. Watson commented that if Tennessee came out with a zero percent increase, enrollment would increase and Tennessee would receive favorable recognition. He further noted that the Commission should

be advocating for greater higher education participation and that higher tuition does not help that cause.

Mr. Wharton seconds Mr. Johnston’s motion, though it has not been formally brought to the floor. Mr. Johnston makes a motion to accept that staff recommendation of a range of 0% to 3% tuition increase on the condition that the Commission will receive a full explanation from the institutions. Mr. Watson asks for clarification. Mr. Wharton responded that the institutions will need to substantiate and justify any tuition increases moving forward. Mr. Wharton further noted that the substantiation should be highly detailed and extensive. Chairman Cope states that this motion needs to be separated into two motions, under the advice of general council and Mr. Wharton agreed. Mr. Johnson restated the motion to accept the staff recommendation of 0-3% range. Mr. Wharton seconded the motion. Chairman Cope opened the floor for discussion. A roll call was taken with 10 ayes and 1 nay from Mr. Watson and the motion passed.

Evan Cope-aye	Secretary Hargett-aye
Nancy Dishner-aye	Dakasha Winton-aye
Pam Koban-aye	AC Wharton-aye
Vernon Stafford-aye	Jeremy Chisenhall-aye
Frank Watson-nay	Jimmy Johnston-aye
Treasurer Lillard-aye	

Chairman Cope opened the floor to discuss any new motions. A motion was made by Mr. Wharton asking the THEC staff be directed to provide the additional information that has been expressed in this meeting prior to the July meeting. Secretary Hargett seconded the motion. A voice vote was taken and the motion passed.

Chairman Cope recognized Secretary Hargett. Secretary Hargett commented that he never knew what AC stood for in Mr. AC Wharton’s name, but he thinks AC due to his two phones and iPad it is “always connected”. Mr. Hargett also commented on a serious note that he has been on this board for 10 years, he was a former student body president of this state, former president of all student body presidents in this state and he has never been more proud to be a part of this commission. He thanked everyone for the vigorous debates that took place today.

Chairman Cope recognized Mr. Wharton who brought up the fact that May 17th, 1954, the day of this meeting, is also anniversary of Brown vs. Board of Education. He reflected on the importance and history of that decision.

Chairman Cope adjourned the meeting.