

TENNESSEE HIGHER EDUCATION COMMISSION

Minutes of the Spring Quarterly Meeting

Senate Hearing Room I, Cordell Hull Building

425 5th Ave. North, Nashville, TN 37243

May 17, 2019, 10 am – 2 pm CDT

Link to recording:

<https://web.nowuseeit.tn.gov/Mediasite/Play/20b834b53ad14f39aa1e20cf1771c3891d>

Chairman Evan Cope called the meeting to order at 10:00 a.m.

Member	PRESENT	ABSENT
Chairman Evan Cope	X	
Commissioner Nancy Dishner	X	
Secretary Tre Hargett	X	
Commissioner Jimmy Johnston	X	
Commissioner Pam Koban	X	
Treasurer David Lillard		X
Commissioner Sarah Morrison	X	
Commissioner Mintha Roach		X
Commissioner Vernon Stafford	X	
Commissioner Cara Sulyok	X	
Commissioner Frank Watson	X	
Commissioner AC Wharton	X	
Comptroller Justin Wilson	X	
Commissioner Dakasha Winton	X	

There were 12 members present, constituting a quorum.

ADOPTION OF AGENDA

Chairman Cope made a motion to adopt the agenda. A voice vote was taken and the motion passed unanimously.

APPROVAL OF January 25, 2019 MINUTES

Commissioner Koban made a motion to approve the January 25, 2019 meeting minutes and Comptroller Wilson seconded the motion. A voice vote was taken and the motion passed unanimously.

CHAIRMAN'S REPORT: Chairman Cope provided his report.

After a brief overview of the items on the agenda, Chairman Cope ceded the rest of his time to Melissa Brown, Vice Mayor of the City of La Vergne, Tennessee. Vice Mayor Brown is a graduate of Motlow State Community College and Middle Tennessee State University. Vice Mayor Brown shared her educational journey as an adult student at two of our Tennessee institutions.

EXECUTIVE DIRECTOR REPORT: Director Krause provided his report.

CONSENT AGENDA

I. Postsecondary Education Authorization

Chairman Cope introduced the only action item on the consent agenda, postsecondary education authorization. All materials were in the members' meeting materials. Commissioner Wharton made a motion to approve and Commissioner Winton seconded it. A voice vote was taken and the motion passed unanimously.

AGENDA ITEMS

II. New Academic Programs

A. University of Tennessee Knoxville, Information Sciences, Bachelor of Science

Dr. Mike Wirth, Dean of the College of Communication & Information presented his institution's proposal for the new program. Comptroller Wilson made a motion to approve and Commissioner Wharton seconded it. A voice vote was taken and the motion passed unanimously.

B. University of Tennessee Chattanooga, Data Analytics, Master of Science

Dr. Steven Angle, Chancellor of the University of Tennessee at Chattanooga presented his institution's proposal for the new program. Commissioner Stafford made a motion to approve and Commissioner Koban seconded it. A voice vote was taken and the motion passed unanimously.

C. Austin Peay State University, Counseling Psychology, Doctor of Psychology

Dr. Rex Gandy, Provost and Vice President for Academic Affairs, presented his institution's proposal for the new program. After several concerns were raised by Commission members about the finances of the proposed program, Commissioner

Koban made a motion to defer the Commission's decision on this agenda item to the end of the meeting. A voice vote was taken and the motion passed unanimously.

III. Institution Mission Profiles

Chairman Cope recognized Dr. Julie Roberts, THEC Associate Chief Academic Officer. She presented the Institutional Mission Profiles for each of the state's nine public universities and the Health Science Center of the University of Tennessee.

Mission profiles characterize the distinctiveness in degree offerings and address institutional accountability for the quality of instruction, research, and public service provided to the students of Tennessee. Mission profiles are also utilized by the outcomes-based funding formula to help align institutional mission and state funding priorities. The 2016 FOCUS (Focus on College and University Success) Act emphasized the importance of institutional mission profiles and directed the state's public institutions to submit their profiles to THEC annually for approval. Each public university and community college considers the annual submission to reflect on the mission of the institution and make any updates necessary to communicate this mission to stakeholders. Since 2017, each institution has submitted an updated mission profile which has been reviewed and approved by the Commission. The mission profiles for each community college will be considered at the November 2019 THEC meeting.

For the universities, the revisions to the mission profiles in 2019 centered primarily on changes related to student outcomes, academic programs, and emphasis on Carnegie classification. The University of Tennessee, Knoxville made substantive changes to their mission profile with their focus on student success, research, teaching, and community engagement. All proposed revisions were highlighted in bold text.

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.

Commissioner Johnston made a motion to approve and Commissioner Dishner seconded it. A voice vote was taken and the motion passed unanimously.

IV. New Administrative Rule – Access to Public Records

Chairman Cope recognized Brett Gipson, THEC Deputy General Counsel, to provide an overview of new administrative rules regarding access to public records.

The enactment of Public Chapter 712 in 2018 required state agencies to promulgate administrative rules related to public records access. Draft rules were developed, and a public Rulemaking Hearing was held at the THEC offices. No members of the public attended, and no comments were submitted. No modifications were made to the draft rules after the hearing. Staff recommended adoption. Commissioner Winton made a motion to adopt, and Comptroller Wilson seconded it. A roll call vote was taken, and the motion passed unanimously with eleven votes in the affirmative.

Reappointment of Audit Committee Member (Agenda Item VI)

In the interest of time, the Commission considered Agenda Item VI out of order. Pursuant to its charter, the THEC/TSAC Combined Audit Committee consists of members from both boards, selected by the Executive Director and confirmed by their respective board, who are knowledgeable in financial, management, and auditing matters. Each member serves a three year term, and may be reappointed. THEC member Pam Koban completed a three-year term on the committee, and Mr. Krause recommended that she be appointed to another three-year term.

Commissioner Stafford made a motion to appoint Commissioner Koban to the Combined Audit Committee and Commissioner Winton seconded it. A voice vote was taken and the motion passed unanimously.

Master Plan Update (Agenda Item VIII)

In the interest of time, the Commission considered Agenda Item VII out of order. Chairman Cope introduced Dr. Emily House, THEC Deputy Executive Director, to present the status of the 2019 Master Plan update. Dr. House discussed the rationale, structure, and process for updating the Master Plan. Further updates will be provided at the July and November meetings.

V. Tuition and Fees

Chairman Cope recognized Dr. Steven Gentile, THEC Chief Fiscal Policy Officer. Dr. Gentile presented the following: a tuition policy revision, the recommended range of allowable percentage adjustment for tuition, and the recommended range of allowable percentage adjustment for combined total of tuition and mandatory fees.

V.A. Proposed Policy Revision, F2.0 Tuition and Fees

The Tennessee Higher Education Commission (THEC) Policy Manual outlines the roles and responsibilities of the Commission and its staff in the areas of academic affairs, finance, human resources, legal and regulatory affairs, and general operations.

This policy was originally approved on April 22, 1988 and was last updated on May 11, 2017. It outlines the Commission's procedures for determining and issuing annual ranges for tuition and fee levels. The FOCUS Act expanded THEC's authority, authorizing the Commission to issue *binding* tuition and fee ranges for in-state, undergraduate students. Proposed revisions to this policy first specify the Commission staff's responsibility to assess compliance with issued ranges. Second, the revisions allow any institution to formally request a one-time assessment for compliance that recognizes the institution's shift to a tuition model that incentivizes on-time completion.

The proposed revisions to THEC Policy F2.0 Tuition and fees were thoroughly reviewed by fiscal policy staff and the Office of General Counsel, and are recommended for approval and adoption.

Secretary Hargett made a motion to approve and Comptroller Wilson seconded it. A voice vote was taken and the motion passed unanimously.

V.B. Recommended Range for Tuition

V.C. Recommended Range for Combined Total of Tuition and Mandatory Fees

Since 2010, the Complete College Tennessee Act has required the Commission to make student fee and state appropriation recommendations concurrently. Numerous factors impacted the tuition recommendation, including affordability and financial aid, the income profile of students attending Tennessee public institutions, and institutional revenues and cost inflation. The FOCUS Act expanded THEC's authority on student fee levels, requiring that the Commission issue binding tuition ranges each year. These ranges apply only to resident, undergraduate students on the tuition (maintenance fee) rate, as well as the total maintenance and mandatory fee charge.

Tennessee's Tuition and Fee Profile

Average full-time, annual tuition and mandatory fees for 2018-19 is \$9,403 at public universities, \$4,444 at community colleges, and \$3,842 at the Tennessee Colleges of Applied Technology (TCATs). Over the last five years, tuition and mandatory fees have increased an average of three to four percent annually, while state appropriations have increased an average of seven percent per year.

Tennessee's financial aid resources are among the highest in the U.S., according to the National Association of State Student Grant Aid Programs. Tennessee has the eighth

largest financial aid program and the third largest per capita. Funding for the lottery scholarship and Tennessee Student Assistance Award comprises the majority of financial aid in Tennessee. Due in part to these funding levels, Tennessee's bachelor's degree graduates have the 10th lowest debt level in the nation, according to the Project on Student Debt.

Recommendation

At the November 2018 Commission meeting, the Commission approved an initial tuition and fee guidance range of zero to two and a half percent, incorporating a budget increase request of \$64 million in new state funds.

On April 30, both chambers of the 111th General Assembly passed the 2019-20 General Appropriations Act, granting formula units \$56 million (inclusive of increases for outcomes productivity and a partially-funded two percent salary pool). THEC staff, therefore, maintained the initial recommendation of a tuition binding range of zero to two and a half percent at universities, community colleges, and TCATs and a combined total tuition and mandatory fees binding range of zero to two and a half percent at universities, community colleges, and TCATs. Scenarios for minimum and maximum tuition and mandatory fee increases for 2019-20 are presented and summarized in Attachment I for each university and community college, as well as the TCAT system.

Attachment II in the member's materials detailed the comparison of 2018-19 tuition and mandatory fee rates with the maximum allowed increase (i.e., two and a half percent) for each university and community college, as well as the TCAT system. If all institutions increased maintenance and mandatory fees by two and a half percent (the maximum allowed), the average full-time, annual tuition and mandatory fees for 2019-20 would be \$9,638 at public universities, \$4,555 at community colleges, and \$3,938 at TCATs—increases of \$235, \$111, and \$96, respectively.

Commissioner Jimmy Johnston made a motion to approve Agenda Items V.B. and V.C., and Commissioner Koban seconded. A roll call vote was requested and taken. The motion passed with nine votes in the affirmative. Commissioner Watson voted no. Comptroller Wilson abstained.

VII. Legislative Update

Chairman Cope introduced Lou Hanemann, THEC Assistant Executive Director for External Initiatives, to present the legislative update from the First Session of the 111th General

Assembly. Mr. Hanemann noted that the recent elections had resulted in a number of committee design and membership changes. Additionally, THEC engaged, for the first time, in direct briefings with new members and legislative staff in a series of informational sessions on the structure and role of higher education in Tennessee. After a brief overview of the General Assembly organization, Mr. Hanemann discussed several new Public Chapters affecting higher education.

New Academic Program- Austin Peay State University, Counseling Psychology, Doctor of Psychology (Agenda Item II.C.)

Dr. Rex Gandy provided further details on his institution's proposal for the new program. Commissioner Koban made a motion to approve, and Commissioner Winton seconded it. A voice vote was taken and the motion passed. Secretary Hargett abstained.

System and LGI Reports

Tennessee Board of Regents – Chancellor Flora Tydings provided her report.
University of Tennessee – President Randy Boyd provided his report.
Locally Governed Institutions- Dr. Brian Noland provided his report.

Chairman Cope adjourned the meeting.

NEXT THEC COMMISSION MEETING:

July 25, 2019

9:00 a.m. CST

THEC Chairman Evan Cope

THEC Secretary AC Wharton, Jr.