

# TENNESSEE HIGHER EDUCATION COMMISSION

Minutes of the Fall Quarterly Meeting

Senate Hearing Room I, Cordell Hull Building

425 5<sup>th</sup> Ave. N., Nashville, TN 37243

November 7, 2018 at 10 a.m., CST

Link to recording:

<https://web.nowuseeit.tn.gov/Mediasite/Play/a0831ab0f9bf47da984fa65dd8cc69cf1d>

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

<b>Member</b>	<b>PRESENT</b>	<b>ABSENT</b>
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. \*Comptroller Wilson arrived shortly after roll call.

## **ADOPTION OF AGENDA**

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

## **APPROVAL OF OCTOBER 15, 2018 MINUTES**

Commissioner Wharton made a motion to approve the minutes of the special called meeting that occurred October 15, 2018 and Commissioner Stafford seconded the motion. A voice vote was taken and the motion was passed unanimously.

### **APPROVAL OF JULY 26, 2018 MINUTES**

Commissioner Dishner made a motion to approve the minutes of the regular summer quarterly meeting that occurred July 26, 2018 and Commissioner Sulyok seconded the motion. A voice vote was taken and the motion was passed unanimously.

### **AGENDA ITEMS**

- I. Postsecondary Education Authorization (Action Items)**
  - A. Institutional Reauthorization**
  - B. Authorization of new institutions**
  - C. Approval of New Programs**
  - D. Optional Expedited Authorization**

Action items I. A, B, C and D were combined by the Chair and voted on as one item. There was no objection by any Commission member present. Chairman Cope recognized Dr. Stephanie Bellard Chase who gave a brief update on the closure of Fountainhead College of Technology which is located in Knoxville, Tennessee. Following the update, she stated that the Committee on Postsecondary Educational Institutions (CPEI) recommended that reauthorization be granted from January 1, 2019 through December 31, 2019 as follows: 41 institutions for regular authorization, 1 institution for temporary authorization, and 4 institutions for conditional authorization. Dr. Bellard Chase explained that the reasons for and conditions of the 4 conditional authorizations were in the Commission materials. She also stated that CPEI recommended temporary authorization for 3 new institutions, approval of 19 new programs for 10 institutions, and optional expedited authorization for 46 institutions.

Chairman Cope opened the floor for discussion. Commissioner Wharton recused himself from the vote. Comptroller Wilson made the motion to approve staff recommendations for postsecondary authorization, and Commissioner Winton seconded it. A voice vote was taken and the motion passed with one abstaining vote from Commissioner Wharton.

### **TENNESSEE RECONNECT AND FALL 2018 ENROLLMENT BRIEFING**

Chairman Cope recognized Mary Laphen who discussed the demographics and characteristics of Reconnect applicants and enrollees, where these students enrolled, and future directions for analysis.

Chairman Cope then recognized Dr. Emily House who discussed the Fall 2018 enrollment in the UT System, LGIs and Community Colleges. She discussed the racial and socioeconomic characteristics.

### **2019-20 OPERATING STATE APPROPRIATION RECOMMENDATIONS**

Chairman Cope recognized Crystal Collins. THEC staff recommended \$64 million, a 5.9 percent increase from 2018-19, in new recurring funds for the universities, community colleges and colleges of applied technology. In the 2019-20 outcomes-based funding formula, eight universities and 12 community colleges produced more weighted outcomes than they did in the previous formula. This success is the primary driver of the recommended funding increase. THEC staff also recommended recurring funding increases of \$12.3 million for the Tennessee Student Assistance Corporation, \$13.6 million to fund operating growth at the medical and agricultural units, and \$9.1 million in strategic program investments in the specialized units and statewide system initiatives. These recommendations are the core of a \$1.7 billion higher education operating appropriation request, representing a total recurring increase of \$107.6 million for 2019-20.

Chairman Cope opened the floor for discussion. Commissioner Wharton made a motion to approve, and Commissioner Stafford seconded it. A voice vote was taken and the motion passed with 11 ayes and 1 abstaining vote from Comptroller Wilson.

### **2019-20 STUDENT FEE RECOMMENDATIONS**

Chairman Cope recognized Steven Gentile. Considering an appropriations request for formula units of \$64 million, THEC staff recommended a binding tuition (maintenance fee) increase range of zero to two-and-a-half percent, as well as a binding tuition and mandatory fee increase range of zero to two-and-a-half percent for all public universities, community colleges and TCATs for the 2019-20 academic year. This recommendation is narrower than the 2018-19 recommendation of zero to three percent and would make for the lowest five-year consecutive growth in tuition and fees in THEC history. This binding range, to be made final at the May 2019 quarterly Commission Meeting after the 2019 legislative session, is meant to allow institutions receiving lower appropriation increases to rely on modest tuition increases to keep up with the outside forces such as inflation, while maintaining affordability for Tennesseans.

Chairman Cope opened the floor for discussion. Commissioner Johnston made the motion to approve the recommendation, and Commissioner Dishner seconded it. A roll call was taken, and the motion passed with 11 ayes and 1 nay from Commissioner Watson.

## 2019-20 CAPITAL PROJECTS RECOMMENDATIONS

Chairman Cope recognized Patti Miller. The capital outlay recommendation for FY2019-20 totals \$374.86 million in state appropriations. Fifteen outlay proposals of almost \$600 million were submitted to THEC for review. The selection process resulted in the nine highest ranked projects, which are included in the staff recommendation. The top 5 projects were presented. The nine recommended projects, in order of priority, are:

1. UT Institute of Agriculture \$81,500,000  
Energy & Environmental Sciences Education Research Center
2. TBR, TCAT Athens /Cleveland State CC / UT Extension \$14,231,250  
McMinn Higher Education Center
3. MTSU, School of Concrete and Construction Management \$34,085,000
4. TTU, College of Engineering Building \$46,750,000
5. ETSU, Humanities Building \$62,286,500
6. TBR, Columbia State CC, Williamson Co. Technology Building \$18,424,000
7. APSU, Health Professions \$71,685,000
8. UM, STEM Research & Classroom Building \$36,000,000
9. UT Health Science Center, Audiology & Speech Pathology \$9,900,000

The FY2019-20 capital maintenance recommendation for 88 projects totals \$147.38 million. This includes recommendations of \$3.5 million for capital ADA improvements, and \$2 million for TBR and LGI Campus Security Task Force projects, Phase 3, as special capital initiatives.

Chairman Cope opened the floor for discussion. Commissioner Wharton made a motion to approve the recommendation, and Commissioner Koban seconded it. A voice vote was taken, and the motion passed with 11 ayes and 1 abstaining vote from Comptroller Wilson.

### RESOLUTION BY THE COMMISSION

Chairman Cope then recognized Commissioner Roach who made a motion to recognize Governor Haslam for his continuing leadership and support of higher education. The full text of the resulting resolution follows:

***A Resolution of the Tennessee Higher Education Commission in Appreciation of Governor Bill Haslam for his Continuing Leadership and Support of Higher Education***

*Whereas, the Tennessee Higher Education Commission is relentlessly focused on increasing the number of Tennesseans with a postsecondary credential; and,*

*Whereas, the State of Tennessee is admired nationally for its higher education initiatives largely due to the vision and leadership of Governor Haslam and his continued commitment to the Drive to 55; and,*

*Whereas, the Tennessee Higher Education Commission seeks to ensure that Governor Haslam's commitment to education will continue to benefit the citizens in Tennessee in obtaining a postsecondary credential;*

*Now, Therefore, Be it Resolved By the Tennessee Higher Education Commission, that the Commission expresses its sincere appreciation of Governor Haslam for his continuing leadership and support of higher education in Tennessee, and that in honor of his significant contributions, the Commission and its staff shall renew their commitment to innovate for student access and success, create a policy environment conducive to increased degree attainment, and protect students and consumers.*

Chairman Cope adjourned the meeting.

**NEXT THEC COMMISSION MEETING:**

**January 25, 2018**

**10 a.m., CST**

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**THEC Chairman Evan Cope**

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**THEC Secretary AC Wharton, Jr.**