

TENNESSEE HIGHER EDUCATION COMMISSION

Minutes of the Fall Quarterly Meeting

Electronic / Remote Location

November 6, 2020

Link to recording:

<https://www.tn.gov/content/tn/thec/about-thec-tsac/commission-members0/commission-meetings/commission-meeting-archive/2020-commission-meeting-archive/fall-2020-commission-meeting.html>

Chairman Evan Cope called the meeting to order at 9:00 a.m.

Member	PRESENT	ABSENT
Chairman Evan Cope	X	
Commissioner Nancy Dishner	X	
Secretary Tre Hargett	X	
Commissioner Tara Scarlett	X	
Commissioner Pam Koban	X	
Treasurer David Lillard		X
Commissioner Sarah Morrison		X
Commissioner Jay Moser	X	
Commissioner Vernon Stafford	X	
Commissioner Dawson Hassler	X	
Commissioner Frank Watson	X	
Commissioner AC Wharton	X	
Comptroller Justin Wilson	X	
Commissioner Dakasha Winton	X	

At the start of the meeting, there were nine members present at the physical location, constituting a quorum, and three members, Commissioners Dishner, Wharton, and Moser participating electronically via Zoom. Commissioner Moser left the meeting at approximately 10:42 a.m., leaving 11 members present at the meeting.

ADOPTION OF AGENDA

Commissioner Stafford made a motion to adopt the agenda. Secretary Hargett seconded the motion. A roll call vote was taken, and the motion passed unanimously with 12 ayes.

APPROVAL OF July 23, 2020 MINUTES

Secretary Hargett made a motion to approve the minutes from July 23, 2020 and Comptroller Wilson seconded the motion. A roll call vote was taken, and the motion passed unanimously with 11 ayes and 1 abstention from Commissioner Scarlett.

CHAIRMAN'S REPORT:

Chairman Cope introduced Dr. Sidney McPhee, President of Middle Tennessee State University, and Dr. McPhee spoke. Chairman Cope delivered his report.

EXECUTIVE DIRECTOR REPORT:

Director Krause provided his report.

AGENDA ITEMS

Commissioner Cope suggested that the commission vote on the consent calendar as one item unless there were any objections. Commissioner Stafford made a motion to approve the consent calendar as one item. Comptroller Wilson seconded the motion. A roll call vote was taken, and the motion passed unanimously with 12 ayes.

I. Fall 2020 Enrollment Update

Chairman Cope recognized Dr. Steven Gentile, THEC Chief Policy and Strategy Officer, for the purpose of presenting the update on the global pandemic on fall enrollment. Dr. Gentile introduced Amanda Klafehn, THEC Senior Director, who presented information on how the global pandemic, COVID-19, has impacted the fall enrollment. The current headcount of full-time equivalent enrollment is down by 3.3% across all institutions. Community college headcount is down by 10.3%, while university undergraduate headcount stayed relatively flat over census enrollment from fall 2019. Graduate student enrollment is up across most universities. Several commissioners asked Ms. Klafehn clarifying questions about her report.

II. 2021-2022 Operating State Appropriation Recommendation (Action Item)

Dr. Gentile presented information on the fiscal impact of COVID-19. Dr. Gentile then introduced Crystal Collins, Senior Director of Fiscal Policy, to present the Operating State Appropriation Recommendation for Fiscal Year 2021-2022.

Ms. Collins stated that the grand total of recurring recommendation for all higher education operating appropriations for 2021-2022 is \$1.76 billion. This includes \$1.2 billion to fund the formula units and Tennessee Colleges of Applied Technology, \$484.1 million to fund the specialized units, and \$80.0 million for strategic program investments. These recommendations total \$62.8 million of new funds, an increase of 3.7 percent over 2020-2021.

Executive Director Krause mentioned that the Austin Peay State University increase was not driven solely by their increase in associate degree completion but acknowledged that the associate degree growth is significant. These degrees are intended to serve the military population at the institution.

The outcome of the associate degree weighing the same as a bachelor's degree is not the intent of the funding formula, but there is no action that the Commission can take right now as it needs to go through the Funding Formula Review Committee. Several commissioners asked questions about the appropriations recommendations, including about the recommendation for Austin Peay State University.

Ms. Collins continued her presentation on university outcomes. Commissioners Koban and Stafford asked clarifying questions about the outcomes.

Ms. Collins then proceeded with her presentation on community colleges, Tennessee Promise, and Tennessee Reconnect.

Commissioner Koban moved to accept the recommendation. Commissioner Scarlett seconded the motion. A roll call vote was taken, and the motion passed with 11 ayes and one abstention from Comptroller Wilson.

III. 2021-2022 Student Fee Recommendation (Action Item)

Dr. Gentile presented information on the guiding range for the 2021-2022 student fee recommendation. Considering an appropriations request for formula units of \$36 million and an estimated two percent salary increase, THEC staff recommend a guiding tuition and maintenance fee range of zero to three percent, as well as a guiding tuition and maintenance fee range of zero to three percent for all public universities, community colleges, and TCATS. This recommendation to adopt the tuition and tuition and mandatory fees range as guidance only, with flexibility to approve final, binding ranges later in the fiscal year once clarity around the state budget and overall impact on higher education funding is determined.

Commissioner Wharton motioned to approve the recommendation. There was no second motion of the motion, so the motion failed. Chairman Cope opened the floor for another motion.

Commissioner Stafford moved to revise the range to a zero to two percent range. Commissioner Scarlett seconded the motion.

Executive Director Krause asked that this motion be moved to the end of the day for further analysis from THEC staff on the removal of the one percent from the range.

Commissioner Watson moved to have agenda revised so that item would be moved to the end of day. Commissioner Stafford seconded the motion. A roll call vote was taken, and the motion passed with 11 ayes.

IV. 2021-2022 Capital Projects Recommendation (Action Item)

Chairman Cope recognized Paul Marshall, Director of Facilities Planning, and he presented information on the 2021-2022 capital projects recommendations. The two projects at the top of the list were Tennessee Technological University's Engineering Building and Austin Peay State University's Health Professional Building. There were ten additional outlay projects that were submitted for review. These projects were reviewed and ranked in priority order from three through twelve and all are recommended for consideration. The 2021-22 recommendation for capital maintenance is \$147.3 million for 69 projects. This includes 26 projects for TBR, totaling \$29.8 million (20.25 percent of the total); 31 projects for the LGIs, totaling \$57.57 million (39.08 percent of total); and 12 projects for the UT system, totaling \$59.9 million (40.67 percent of total). This request will allow each system to limit increases in deferred maintenance. Additionally, the 2021-22 recommendation includes \$5 million as a special initiative appropriation for TSU's Electrical Upgrades project. The TSU Electrical master plan for campus-wide electrical infrastructure improvements is complete. The initial construction funding of \$5 million for this project was approved FY20-21, and the project is in progress. This Phase 3 funding request assures the continuity of the project. Tennessee has consistently provided funding for maintenance projects across higher education. Over the last five fiscal years, capital maintenance funding has averaged nearly \$90 million per year.

Secretary Hargett made a motion to approve the recommendation. Commissioner Stafford seconded the motion. A roll call vote was taken, and the motion passed with 10 ayes. Comptroller Wilson was absent from the room at the time the vote was taken.

V. New Academic Programs (Action Item)

A. Middle Tennessee State University, Art Therapy, Bachelor of Arts

Dr. Julie Roberts introduced Provost Mark Burns, from Middle Tennessee State University. Provost Burns proposed a Bachelor of Arts (BA) in Art Therapy which will require 120 credit hours with a built-in minor in Psychology. The program will be housed in the Department of Art and Design in the College of Liberal Arts. As part of the proposed program, students will be placed in clinical fieldwork opportunities in connection with the Tennessee Art Therapy Association. The proposed program will create a pipeline of students for the proposed graduate program due to its emphasis on counseling theories and field work. Graduates from the proposed program will be prepared for jobs as recreational therapists and entry-level positions in childcare, nursing homes, and veteran's organizations. The proposed program will seek accreditation by the National Schools of Art and Design (NASAD). This will be the first program of its type for a public institution in Tennessee.

Comptroller Wilson motion to approve the program. Commissioner Winton seconded the motion. A roll call vote was taken, and the motion approved with 11 ayes.

B. Middle Tennessee State University, Art Therapy, Master of Arts Adjournment

Provost Mark Burns proposed a Master of Arts (MA) in Art Therapy which will require 60 credit hours and will prepare students for a wide range of clinical, educational, preventative, and community development positions. Additionally, the proposed program will provide graduates with the degree necessary to seek licensing in Art Therapy from the American Art Therapy Association. The proposed program will be housed in the Department of Art and Design in the College of Liberal Arts and will seek accreditation from the Accreditation Council for Art Therapy Education (ACATE).

After a few questions from commission members, Comptroller Wilson motioned to approve. Commissioner Scarlett seconded the motion. A roll call vote was taken, the motion passed with 11 ayes.

VI. SARA Rules (Action Item)

Chairman Cope recognized Julie Woodruff and she presented the SARA Rules. Tennessee became a member of the State Authorization Reciprocity Agreement (SARA) in 2015 and with that came the obligation to adhere to the national council requirements for the State Authorization Reciprocity Agreements. The governing documents include the SARA manual which was recently revised to require that Tennessee have certain provisions for considering institutions for provisional status and providing an appeal process in the event that an initial application is denied, renewal application is denied, or an institution being placed on provisional status.

Commission Staff recommended that the Commission vote to proceed with a rulemaking hearing and direct the Executive Director to file with the Tennessee Secretary of State a Notice of Rulemaking Hearing containing the rule language in this recommendation.

Commissioner Stafford made a motion to approve. Commissioner Hassler seconded the motion. A roll call vote was taken, the motion passed with 11 ayes.

III. 2021-2022 Student Fee Recommendation (Action Item)

After finishing the rest of the agenda, the commission returned to Item. III 2021-2022 Student Fee Recommendations. Executive Director Krause recognized Dr. Gentile and Ms. Collins to present information on how a zero to two percent student fee range would affect institutions. The loss of one percent per institution equates to an overall reduction of \$15,000,000, which would be split between the institutions as follows: community colleges \$3,000,000 reduction, LGIS \$6,800,000 reduction, UT System \$5,000,000 reduction, and TCATS \$400,000 reduction.

Chairman Cope restated that there is a motion on the floor by Commissioner Stafford to revise the range to zero to two percent. Commissioner Scarlett second the motion.

Comptroller Wilson made a motion to amend the current motion to a zero percent range for the TCATS and a zero to two percent range for the other institutions. Executive Director Krause mentioned that staff needed to look at the statute as it requires us to issue one binding range. Comptroller Wilson then withdrew his motion.

A voice roll call vote was taken on motion on the floor by Commissioner Stafford to revise the range to zero to two percent with Commissioner Scarlett's second. The motion passed with 7 ayes. Chairman Cope, Commissioner Dishner, Comptroller Wilson, Commissioner Winton all voted nay.

VII. Other Business

Chairman Cope presented a resolution of the Tennessee Higher Education Commission honoring its staff or outstanding service to citizens of the State of Tennessee, which reads as follows:

"WHEREAS, the State Higher Education Executive Officers Association (SHEEO) Exceptional Agency Award is presented to a member agency whose innovative actions, policies, or practices advanced student success in their state; which displayed exceptional governance practices; which overcame exceptional challenges; or displayed other meritorious attributes within the last year; and

WHEREAS, as a consequence of the hard work and dedication of its executive director, Mike Krause, and all of its employees, the Tennessee Higher Education Commission received the Exceptional Agency Award; and

WHEREAS, the members of the Tennessee Higher Education Commission wish to recognize and honor its staff for not only receiving the Exceptional Agency Award, but also for making us very proud on a daily basis.

NOW, therefore, be it resolved by the members of the Tennessee Higher Education Commission, that we honor and congratulate our executive director, Mike Krause, and all of our employees, for being the very best higher education professionals in the country."

Commissioner Wilson made a motion to approve the resolution. Commissioner Stafford second the motion. A roll call vote was taken, the motion passed with 11 ayes.

A motion to adjourn the meeting was made by Comptroller Wilson. Commissioner Stafford second the motion. The motion passed unanimously.

Chairman Cope adjourned the meeting at 12:05 p.m.

NEXT THEC COMMISSION MEETING:

Thursday, January 28, 2021 at 9 a.m. CT in Nashville

THEC Chairman Evan Cope

THEC Secretary AC Wharton, Jr.