



TENNESSEE HIGHER EDUCATION COMMISSION

REGULAR CALENDAR ITEM: IV.C.

MEETING DATE: November 16, 2023

SUBJECT: New Academic Program
Tennessee Board of Regents
Motlow State Community College
Distilled Spirits, Associate of Applied Science (AAS)
CIP Code: 01.1099 (Food Science and Technology, Other)

ITEM TYPE: Action

ACTION RECOMMENDATION: Approval

PROGRAM DESCRIPTION

Motlow State Community College proposes an Associate of Applied Science (AAS) in Distilled Spirits. This program is inspired by the timeless mentor/apprentice model of legendary Tennessee Master Distiller Nathan "Nearest" Green and his young gentleman apprentice, Jasper Newton "Jack" Daniel. The program is also dedicated to perpetuating the spirit of entrepreneurship and belonging modeled by Uncle Nearest, Uncle Jack, and their ancestors. The Nearest Green Academy of Distilling at Motlow State Community College will meet the workforce needs expressed by employers of the spirits industry. Uncle Nearest and Jack Daniel agreed, alongside the TN Distillers Guild, that the development of an innovative programmatic approach to the spirits industry is timely. Scribbling on the back of a napkin drizzled with BBQ sauce and water from a sweating glass, Mrs. Fawn Weaver introduced the idea of an Academy of Distilling. At the time, they were wrist-deep in Barrelhouse BBQ and thinking through what the next steps would be.

A distilling program with curricular ties to Motlow State Community College, and Tennessee, like the Lynchburg Method, will be truly one of a kind. Partnerships that bring kinship into alignment with belonging are critical pillars. As stated, "Every day we make it, we make it the best we can." The goal of this program is to facilitate the development of a pipeline of employees that further the business of the spirits industry. The curriculum is designed to build skill competencies and develop leadership skills in the spirits industries by partnering with Nearest Green Distillery and Jack Daniel for hands-on and experiential learning. In addition, they have explored and sourced local and national information to determine existing and future support for such a program. The initial development of the program will be multifaceted with linkages to leadership, mentorship, and entrepreneurship. The ultimate goal of the proposed program is to create on-ramps, off-ramps, and intermediate ramps for all who have an interest in the science and craftsmanship of the spirits industry. The Nearest Green Academy of Distilling provides such a platform.

INSTITUTIONAL GOVERNING BOARD APPROVAL

The proposed Associate of Applied Science: Distilled Spirits at the Nearest Green Academy of Distilling was approved by the Tennessee Board of Regents on September 21, 2023.

PROPOSED IMPLEMENTATION DATE

Fall 2024 pending a successful statutory change to T.C.A. § 57-4-109: Tasting of Alcohol by Qualified Student — Criteria — Definitions.

ALIGNMENT WITH STATE MASTER PLAN AND INSTITUTIONAL MISSION/STRATEGIC PLAN

The AAS in Distilled Spirits aligns with the THEC State Master Plan for Higher Education in two (2) ways. First, the proposal addresses the state’s economic and workforce development by bringing unique job opportunities to Tennessee. Second, the addition of the proposed program will increase degree production to support higher education in the state.

The proposed program aligns with the mission of Motlow State Community College by offering a degree program designed for transfer to other colleges and universities. Evidence of this can be seen through the articulation conversations around this program with Motlow State and Middle Tennessee State University. Motlow’s mission also states that the institution “promotes and maintains alliances with businesses, industries, government agencies, and other educational institutions to enhance programs and services.” The uniqueness of the partnership between local businesses including Jack Daniel’s and Uncle Nearest and Motlow State Community College indicates how dedicated each partner is to carry out the college’s mission.

CURRICULUM

The proposed program will consist of 60 hours of coursework and will offer both on-ground and online course options. The coursework will include 15 general education course credits, nine (9) credits of business-related courses, and 36 credits of distillery-related courses. The Tennessee Board of Regents is currently facilitating an articulation agreement between graduates of the proposed program at Motlow State Community College and Middle Tennessee State University’s fermentation program.

PROGRAM PRODUCTIVITY

The following enrollment and graduate projections are based on enrollment in similar programs nationwide. The proposed program plans to enroll 15 students in the first year and leveling off with 25 students per year starting with year three. The first graduates are expected in the second year.

	2023-24	2024-25	2025-26	2026-27
Enrollment	15	20	25	25
Graduates	--	5	7	10

PROGRAM DUPLICATION

This will be the only distilled spirits program in the state. However, there are two (2) distillery adjacent programs exist at public institutions in the state of Tennessee. Middle Tennessee State University (MTSU) offers a Bachelor of Science in Fermentation Science. In the spring of 2022, East Tennessee State University launched a minor in Brewing & Distillation Studies.

STUDENT DEMAND

Because of the local history and affiliation with the spirits industry, area residents are uniquely interested in the production of distilled spirits. Jack Daniel and George Dickel have notable places in our history and our economy. With the introduction of the Nearest Green Distillery, the emphasis on and notability of the importance of this industry resonates even more in Tennessee and across the nation. Similar programs nationwide have gained interest, which will support an interest in distilled spirits education.

OPPORTUNITIES FOR PROGRAM GRADUATES

According to Distilled Spirits Council of the United States, the spirits industries support 26,400 jobs and provide \$4,275,000,000 in state economic activity each year for Tennessee. One (1) of the newest products from the Jack Daniel's distillery sold 2 million cases in fiscal 2021 alone. Upon completion of the proposed degree, graduates can pursue careers in bottling operations and warehousing, with average salaries ranging from \$29.06 - \$130 per hour. As reported by the Tennessee Distiller's Guild (2023) in a preliminary economic impact study in partnership with UTK: "The contribution of the Tennessee distilling industry is growing rapidly. From 2018 through March 2022, the number of establishments grew from 33 to 59 (a 78.8% increase) with employment and wages showing similar rates of growth. The Tennessee distilling industry has a prominent and growing national role."

INSTITUTIONAL CAPACITY TO DELIVER THE PROGRAM

The AAS in Distilled Spirits will be funded by a partnership with Nearest Green Distillery and Jack Daniel's Distillery. They are contributing \$5 million for start-up and maintenance costs, including facilities build-out, first-year faculty/director, facilities, including the grounds and space for distilling labs and classrooms, equipment, and maintenance contracts. Nearest Green and Jack Daniel's will also provide opportunities for hands-on internships and exposure to the business of distilling. In addition, current facilities at Motlow State's Moore County location will be utilized for classroom, biology, and chemistry labs and a library that is equipped to support the program both physically and digitally.

Nearest Green Distillery will house the entire program with the exception of general education requirements for the AAS in Distilled Spirits at the Nearest Green Academy of Distilling, located on-site at the Nearest Green Distillery in Shelbyville, Tennessee. The program will be housed under the Department of Career and Technical Programs under Academic Affairs with direct oversight of the faculty/director, Dean of Career and Technical Programs, the Interim Vice President for Academic Affairs and the Executive Vice President for Academic Affairs, and various administrative support personnel.

While the program is being brought forward for approval in Fall 2023, implementation will be in Fall 2024 pending a successful statutory change to T.C.A. § 57-4-109: Tasting of Alcohol by Qualified Student — Criteria — Definitions. The current code only recognizes a qualified academic institution that has established a bachelor's degree program that is designed to train industry professionals in the production of fermented or distilled food or beverage products. One (1) of the Tennessee Board of Regent's legislative priorities for Spring 2024 will be seeking an amendment to include an Associate's program so that Motlow's AAS in Distilled Program could be offered in Fall 2024.

ASSESSMENT AND POST-APPROVAL MONITORING

An annual performance review of the proposed program will be conducted for the first three (3) years following program approval. The review will be based on benchmarks established in the approved proposal. At the end of this period, the campus, institutional governing board, and THEC staff will perform a summative evaluation. If benchmarks are not met during the monitoring period, the Commission may recommend that the institutional governing board terminate the program.

PROGRAM COSTS

The proposed one-time and recurring expenditures for the Distilled Spirits, AAS program are listed in the Financial Projections Table below. Most of the program costs are associated with equipment, and faculty.

Table 1: Estimated Costs to Deliver the Proposed Program

Category	Planning	Year 1	Year 2	Year 3
Faculty & Instructional Staff				
Non-Instructional Staff				
Graduate Assistants				
Accreditation				
Consultants				
Equipment		\$25,000		
Information Tech		\$660,000		
Library				
Marketing				
Facilities				
Travel				
Other		\$5,000		
Total One-Time Expenditures		\$690,000		
Category	Planning	Year 1	Year 2	Year 3
Faculty & Instructional Staff		\$94,000	\$107,000	\$110,900
Non-Instructional Staff				
Graduate Assistants				
Accreditation				
Consultants				
Equipment				
Information Tech				
Library				
Marketing		\$3,000	\$3,000	\$3,000
Facilities		\$52,000	\$52,000	\$52,000
Travel		\$5,000	\$5,000	\$5,000
Other:		\$19,000	\$22,000	\$22,000
Total Recurring Expenditures		\$173,000	\$189,000	\$192,900
Grand Total (One-Time and Recurring)		\$863,000	\$189,000	\$192,900
Projected Revenue				
Category	Planning	Year 1	Year 2	Year 3
Tuition		\$36,300	\$88,500	\$108,200
Grants/Gifts		\$827,200	\$101,400	\$85,200
Other				
Total Revenues		\$863,500	\$189,900	\$193,400