

TENNESSEE HIGHER EDUCATION COMMISSION

Minutes of the Fall Quarterly Meeting

Senate Hearing Room 1, Cordell Hull Building

425 Rep. John Lewis Way N.

Nashville, TN

November 3, 2022

Link to recording:

[THEC Fall Commission Meeting 11/3/22 \(tn.gov\)](https://www.tn.gov/newsroom/2022/11/03/hearing-room-1-cordell-hull-building-425-rep-john-lewis-way-n-nashville-tn-november-3-2022)

Chairman Evan Cope called the meeting to order at 9:01 a.m.

Member	PRESENT	ABSENT
Chairman Evan Cope	X	
Commissioner Whitney Allmon	X	
Commissioner Andrew Kingsolver	X	
Commissioner Pam Koban	X	
Commissioner Jimmy Matlock		X
Commissioner Jay Moser	X	
Commissioner Tara Scarlett	X	
Commissioner Vernon Stafford, Jr.	X	
Commissioner AC Wharton	X	
Commissioner Dakasha Winton	X	
Secretary Tre Hargett	X	
Treasurer David H. Lillard, Jr.	X	
Nathan James, Designee for Commissioner Sara Morrison	X	
Comptroller Jason Mumpower	X	

At the start of the meeting there were nine (9) voting members physically present and two (2) voting members participating electronically, constituting a quorum. Commissioner Stafford and Commissioner Moser participated electronically. Treasurer Lillard left the meeting at 10:56 a.m. and Comptroller Mumpower joined the meeting electronically at 10:57 a.m. At all times, a quorum was physically present at the meeting.

APPROVAL OF JULY 28, 2022, MINUTES

Commissioner Wharton made a motion to approve the minutes from the summer meeting. Commissioner Koban seconded the motion. A roll call vote was taken, and the motion passed with eleven (11) ayes.

ADOPTION OF AGENDA

Commissioner Koban made a motion to adopt the agenda. Commissioner Allmon seconded the motion. A roll call vote was taken, and the motion passed with eleven (11) ayes.

CHAIRMAN'S REPORT:

Chairman Cope provided his report and stated that the Commission will need to elect a new chairperson at the next commission meeting.

EXECUTIVE DIRECTOR REPORT:

Dr. Emily House, Executive Director, provided her report. Director House then introduced Chancellor Flora Tydings to give a report on the Tennessee Board of Regents. Chancellor Tydings gave her report.

Commission members asked questions and a discussion was held.

AGENDA ITEMS

Chairman Cope stated that there were three (3) items on the consent calendar and that, without objection, the Commission would vote on the items as a set. Commissioner Wharton made a motion to approve the items on the consent calendar. This motion was seconded by Commissioner Koban. A roll call vote was taken, and the motion passed with eleven (11) ayes.

I. Fall 2022 Enrollment Update (*Information Only*)

Ms. Amanda Klafehn, Senior Director of Research and Strategy, presented information to the Commission on enrollment across Tennessee public institutions. Ms. Klafehn stated that THEC collects aggregated enrollment figures from community colleges and universities on the fourteenth (14th) day of enrollment. For fall 2022, undergraduate headcount is up by 0.3% from fall 2021 and full-time equivalent undergraduate enrollment is up 0.8% across all institutions. Community college headcount is down 3.4%, while university undergraduate headcount is up 2.7% over census enrollment from fall 2021. In addition, graduate student enrollment is down across most universities. This information is consistent with national trends with enrollment down by 1.1% nationally; however, Tennessee community colleges are observing continued declines in first-time freshmen and overall enrollment while nationally community college freshmen enrollment has increased.

Commission members asked questions and a discussion was held.

Dr. Glenda Glover, President of Tennessee State University, was recognized by the Chair to present information on the historical enrollment growth at the institution. Commission members asked questions and a discussion was held.

II. 2023-24 Operating State Appropriation Recommendations

Ms. Crystal Collins, Senior Director of Fiscal Policy, provided information on the operating appropriation recommendations being informed by increased productivity in outcomes-based funding formula, quality assurance funding points, inflationary factors, and changes to fixed costs. The resulting recommendation includes a grand total recurring recommendation for all higher education operating appropriations for 2023-24 in the amount of \$2.24 billion. This includes \$1.55 billion to fund the universities, community colleges and colleges of applied technology, \$579.7 million to fund the specialized units, and \$108.5 million for strategic program investments. These recommendations total \$195.5 million of new funds, an increase of 9.6% over 2022-23. In addition, Ms. Collins provided information that the Department of Finance and Administration has requested that state agencies prepare the 2023-24 budget with a 1% reduction in state appropriations. Financial aid funding provided by TSAC and recurring funds for capital maintenance are exempt from these reduction scenarios. For higher education, a 1% reduction to the remaining units results in a state appropriation decline of \$19.3 million.

Commission members asked questions and a discussion was held.

Commissioner Koban made a motion to approve the 2023-24 operating state appropriation recommendations. Commissioner Wharton seconded the motion. A roll call vote was taken, and the motion passed with eleven (11) ayes.

III. 2023-24 Guiding Tuition and Fee Ranges Recommendations

Mr. Russell VanZomeren, Director of Fiscal Policy, provided information to the Commission on the numerous factors that impact the guiding tuition and fee recommendations, including student affordability and financial aid, institutional revenues, and cost inflation factors. THEC staff recommended a guiding tuition (maintenance fee) range of 0-3%, as well as a guiding tuition and mandatory fee range of 0-3% for all public universities, community colleges, and colleges of applied technology. THEC staff also recommended that the Commission adopt the tuition fee range and tuition and mandatory fee range as guidance only, with flexibility to approve final, binding ranges later in the fiscal year once clarity on the state budget and overall impact on higher education funding is determined.

Commission members asked questions and a discussion was held. Commissioner Kingsolver made a motion to approve the 2023-24 guiding tuition and fee ranges recommendations. Commissioner Koban seconded the motion. A roll call vote was taken, and the motion passed with eleven (11) ayes.

IV. 2023-24 Capital Projects Recommendations

Mr. Paul Marshall, Director of Facilities Planning & Preparedness, presented to the Commission the recommendation for 2023-24 state appropriation total of \$551.3 million for capital outlay projects. This request includes three (3) projects for the Tennessee Board of Regents (TBR), totaling \$127.4 million, five (5) projects for the Locally Governed Institutions (LGIs), totaling \$217.6 million, and three (3) projects for the University of Tennessee (UT), totaling \$206.2 million. This year a total of \$5.99 million is recommended for planned demolitions by UT, East Tennessee State University (ETSU), and University of Memphis. Mr. Marshall then presented the 2023-24 recommendation for capital maintenance in the amount of \$369.9 million for One Hundred Forty-Four (144) projects. This includes fifty-nine (59) projects for TBR, totaling \$56.7 million, forty-two (42) projects for LGIs, totaling \$93.1 million, and twenty-seven (27) projects for the UT system, totaling \$88.6 million. The capital maintenance recommendation places an emphasis on TCAT capital maintenance projects, with a request of \$28 million. In addition, two (2) special initiative requests for Americans with Disabilities Act (ADA) and for Safety and Security are included in the capital maintenance recommendations. The Safety and Security allocations total \$25 million and will include improvements to door hardware, cameras, fencing, and lighting. A request of \$106.5 million will substantially complete ADA program accessibility improvements for all institutions. Lastly, disclosed projects are funded through institutional funds for Tennessee State School Bond Authority (TSSBA), auxiliary funds, or sources other than state appropriations. For 2023-24, TBR, the LGIs, and UT are disclosing forty (40) revenue and TSSBA-funded projects totaling \$985.7 million.

Commission members asked questions and a discussion was held.

Commissioner Scarlett made a motion to approve the 2023-24 capital projects recommendations. Commissioner Wharton seconded the motion. A roll call vote was taken, and the motion passed with eleven (11) ayes.

V. New Academic Programs

Dr. Julie Roberts, Chief Academic Officer, gave a brief overview of the three (3) new programs that will be considered. Dr. Roberts then introduced Provost Dr. Lori Bruce.

A. Tennessee Technological University – Music, Bachelor of Science

Dr. Bruce proposed a Bachelor of Science in Music to prepare students for meaningful careers in numerous career paths, including those at the intersection of music with business, technology, marketing, and management. This program will consist of 120 credit hours, consisting of forty-one (41) credit hours of general education, forty-five (45) credit hours of music core courses, thirty (30) credit hours of general electives, and four (4) music elective credit hours.

Secretary Hargett made a motion to approve the program. Commissioner Scarlett seconded the motion. A roll call vote was taken, and the motion passed with eleven (11) ayes.

B. University of Tennessee Chattanooga – Information Technology in Cybersecurity, Bachelor of Applied Science

Dr. Jerry Hale presented information on the Bachelor of Applied Science in Information Technology in Cybersecurity program. Dr. Hale explained that the program is designed specifically for adult learners and transfer students who have already completed their associate degree, and it would provide an accelerated one (1) year curriculum. The program will provide opportunities for graduates to pursue managerial level positions in several Information Technology related fields. The program will require 120 credit hours consisting of general education courses, basic math and science courses, and sixty (60) credit hours of major courses.

Commission members asked questions and a discussion was held.

Commissioner Wharton made a motion to approve the program. Commissioner Scarlett seconded the motion. A roll call vote was taken, and the motion passed with ten (10) ayes. Commissioner Winton was not present when the vote was taken.

C. University of Tennessee, Knoxville – International Business, Bachelor of Science in Business Administration

Provost Dr. John Zomchick presented information on the Bachelor of Science in Business Administration degree in International Business. This program will require 120 credit hours consisting of thirty-nine (39) credit hours of major coursework, including a required double major, an International Business capstone, advanced foreign language coursework, twenty (20) credit hours of lower division business core courses, nineteen (19) credit hours of upper division business core courses, thirty-nine (39) credit hours of general education courses, and three (3) credit hours of unrestricted electives.

Commission members asked questions and a discussion was held.

Commissioner Allmon made a motion to approve the program. Commissioner Koban seconded the motion. A roll call vote was taken, and the motion passed with eleven (11) ayes.

VI. TCAT Master Plan (*Information Only*)

Mr. Woody Giles, DLR Group, presented information to the Commission on the updated 2022 Master Plan for the TCAT campuses. The Master Plan focuses on the recommended investments for state-owned campuses with the poorest facility conditions and those with the need for the most space based on the THEC Space Guidelines. The plan recommends investments on campuses that did not receive any major upgrades since the last Master Plan. In coordination with THEC staff, the Master Plan Update also modifies the THEC Space Guidelines to accommodate contemporary needs for flexible industry training space and student commons space while removing the standard for food service space. The Master Plan Update also includes each program's evaluation based on the job outlook by industry cluster and regions to determine the potential demand for graduates of each program in each region. Lastly, a list for each campus of potential new academic programs to be offered was included based on workforce development potential and flexible space to accommodate future workforce needs.

Commission members asked questions and a discussion was held.

Chairman Cope adjourned the meeting at 11:33 a.m.

NEXT THEC COMMISSION MEETING:

Friday, January 27, 2023, in Nashville

THEC Chairman Evan Cope

THEC Secretary AC Wharton, Jr.