

MINUTES
TENNESSEE HIGHER EDUCATION COMMISSION
November 20, 2008, 1:00 p.m. CDT

The meeting was called to order by Chairman Katie Winchester at 1:00 p.m.

Commission Members present:

Ms. Sue Atkinson
Ms. Jessica Brumett
Mr. Riley Darnell
Mr. David Holt
Mr. Charlie Mann
Mr. John Morgan

Ms. Carolyn Morrison
Mr. Jack Murrah
Mr. Dale Sims
Mr. Robert White
Ms. Katie Winchester

Adoption of Agenda

Ms. Winchester welcomed all and thanked them for their attendance. Ms. Winchester then called for a motion to adopt the agenda. Mr. Robert White made a motion to approve the agenda. Mr. John Morgan seconded the motion; the motion was duly adopted.

Approval of Minutes, April 24, 2008, Meeting

Ms. Winchester called for a motion to approve the minutes of the July 24, 2008, Commission meeting. Mr. Dale Sims made a motion to approve the minutes as presented. Mr. Riley Darnell seconded the motion; the motion was duly adopted.

Chairman's Report

Ms. Winchester began her report by noting the productive work session earlier in the day. Ms. Winchester then provided a report on the Audit Committee. She stated that the meeting earlier in the day was the first meeting of the Joint THEC/TSAC audit committee. Ms. Winchester then discussed the actions taken, the first being the election of the chair where she was re-elected. She also discussed the adoption of the new audit committee charter that combines the best of the THEC and TSAC charters and the review of the TSAC Risk Assessment.

A motion was made by Mr. Darnell to adopt the TSAC Risk Assessment and new Charter for the Audit Committee. The motion was seconded by Mr. Sims. There being no further discussion, Ms. Winchester called for a vote on the motion that was duly adopted.

Executive Director's Report/Tennessee Student Assistance Corporation

Dr. Richard G. Rhoda was recognized to provide his report. Dr. Rhoda recognized Jim Murphy and Bob Thomas who serve as vice chairs of the University of Tennessee Board of Trustees and the Tennessee Board of Regents, respectively. He then recognized Mr. Ransom Jones, a former THEC member, and presented Mr. Jones with the Resolution of Appreciation that was approved in July. Mr. Jones thanked Dr. Rhoda and the Commission.

Dr. Rhoda then recognized new THEC staff members in the Postsecondary School Authorization Division, most of which were positions authorized by the legislation passed this past year calling for enhanced oversight of the proprietary schools: Mr. Michael Kincaid, Mr. Bill Crittenden, Ms. Julie Woodruff, Mr. Diby Kouadio, and Ms. Kristen Pryor. He then recognized new staff members in other areas: Ms. Christine Luce and Mr. James Hawkins in the Policy, Planning, and Research Division, and Mr. Matt Barker in the GEAR UP division. Dr. Rhoda also noted two staff promotions: Ms. Katie Tone, Associate Executive Director for GEAR UP and Ms. Katrina Miller, Director of Academic Affairs.

Dr. Rhoda then briefed the Commission on the status of Lemoyne-Owen College, and noted that the institution had satisfied each of the requirements outlined in the 2008 appropriations bill authorizing the release of funds appropriated to the institution. He also discussed his appearance before Education Subcommittee of the Joint Government Operations Committee as part of the TSAC sunset review. The subcommittee was provided an update on the progress made in addressing the various audit findings and recommended a five year extension for TSAC. Dr. Rhoda next recognized Peter Abernathy who joined the TSAC staff as Senior Associate Executive Director.

Dr. Rhoda then called on Mr. David Wright. Mr. Wright briefed the Commission on the Making Opportunity Affordable project. He discussed the funding and planning options and noted that Tennessee had been awarded a planning grant in the amount of \$150,000 for FY 2008-09. He stated that principals from NCHEMS would be performing a policy audit in early 2009 to assure that the policies in place are aligned for greater productivity in the higher education system.

Systems' Reports

Tennessee Board of Regents

Dr. Charles Manning, Chancellor of the Tennessee Board of Regents, was recognized to present his report. Chancellor Manning described the approach the Regents institutions are taking toward budget reductions for FY 2009-10. He noted that the TBR was meeting in early December and the agenda would include revisions in Board policies to enable employee furloughs and revised provisions for assessing tuition rates for full-time students. He then proposed consideration of changes in provisions for the Tennessee Student Assistance Awards at the community colleges that would serve as matching funds with locally raised funds for need-based grants.

University of Tennessee

Dr. John Petersen, President of the University of Tennessee, was recognized to present his report. Dr. Petersen indicated that the UT system is considering many of the budget reduction measures mentioned by Dr. Manning. He spoke to long-term efficiency efforts and the concept of institutional right-sizing. He also noted ways in which UT is contributing to the state's economic recovery, citing the UT biofuels initiative as an example.

Academic Affairs

Academic Program Action – Transfer of UT Graduate Programs from UTK to UTHSC

Dr. Linda Doran, Associate Executive Director of Academic Affairs presented a proposal from the University of Tennessee to organizationally and administratively transfer three graduate programs in audiology and speech pathology from the University of Tennessee Knoxville to the University of Tennessee Health Sciences Center. The transfer will be effective Fall 2009 if approved.

Dr. Doran stated that a Memorandum of Understanding proposes transfer of administrative and degree granting authority, but not physical relocation, for the three graduate programs in audiology and speech pathology from UTK to UTHSC, effective July 1, 2009. She noted that the M.A. (M.S. after July 1, 2009) in Speech-Language Pathology, the Aud.D (Audiology), and the Ph.D. in Speech and Hearing Science will continue to be offered on the UTK campus in existing UTK facilities by UTHSC faculty for UTHSC students who pay UTHSC fees and receive UTHSC degrees.

Dr. Doran then discussed the organizational and budgetary transfer of the graduate programs and proposed fees for the programs. She also stated that the MOU addresses transition of the management of audiology and speech pathology clinical services associated with the three graduate programs to the UTHSC College of Allied Health Sciences.

A motion was made by Mr. Jack Murrah to adopt the program action as presented. The motion was seconded by Mr. Robert White. There being no further discussion, Ms. Winchester called for a vote on the motion that was duly adopted.

Temporary Authorization of New Institutions, and Approval of New Programs Under the Postsecondary Authorization Act

Dr. Stephanie Bellard-Chase, Associate Executive Director for Postsecondary School Authorization, presented the recommendations of staff and the Postsecondary Education Authorization Advisory Committee to grant temporary authorization to proposed new institutions and new programs. A listing of the institutions and programs is included as Attachment A to the official copy of the minutes. A motion was made by Mr. Sims to adopt the recommendations as presented. The motion was seconded by Mr. Morgan. There being no further discussion, Ms. Winchester called for a vote on the motion that was duly adopted.

Fiscal Affairs

Proposed Revision to THEC Capital Policies

Mr. Jim Vaden, Associate Executive Director of Fiscal Affairs, was recognized. Mr. Vaden discussed the proposed revisions to the policy on capital outlay and capital maintenance funding recommendations, which include several substantive changes and minor wording changes. He noted that the revisions

add language to the policy that addresses the proposed THEC Space Planning Guidelines, amendments to the capital outlay priorities, and the purging of the Disclosed Project Listing. A copy of the policy is attached as Attachment B to the official copy of these amendments. A motion was made by Mr. Sims to adopt the recommendation as presented. The motion was seconded by Mr. White. There being no further discussion, Ms. Winchester called for a vote on the motion that was duly adopted.

FY 2009-2010 Operating, Capital Outlay, and Capital Maintenance Appropriation Recommendations

Mr. Vaden discussed the policy tools used to analyze information for state appropriations and tuition rates in FY 2009-10. He briefly reviewed the Fiscal Overview for 2009-10, stating that as of November 2008, the economy at both a national and state level is experiencing turmoil and sharply reduced growth rates, and noted that state tax revenues are running behind projections making some level of state appropriation reductions a certainty for FY 2009-10. Mr. Vaden then discussed the impact of various state appropriation reductions.

FY 2009-2010 Student Fee Recommendations

Mr. Vaden then discussed the FY 2009-10 student fee recommendations. He stated that staff has created scenarios that calculate tuition increases at every sector based on enrollment increases and inflation in relation to projected decreases in state appropriations. He noted that the staff executed the tuition model with estimates from no increase in state appropriations to a fifteen percent decrease in state appropriations.

Presentation of the Tennessee State University Master Plan Update

Ms. Winchester recognized Mr. Vaden to present this item. Mr. Vaden noted that staff of THEC and TBR had reviewed the plan, and recognized Mr. Jerry Preston of the TBR staff to present the plan. Mr. Preston noted the college's academic research growth and the importance of planning and improving the campus environment. Mr. Preston noted that the TSU Master Plan is divided into a short term plan of less than five years and a long term plan that includes thorough maps, phasing and implementation plans, as well as projected cost data. Ms. Winchester called for a motion to approve the Tennessee State University Master Plan Update as presented. Mr. Murrah made a motion to approve. Mr. Sims seconded the motion. After discussion, Ms. Winchester called for a voice vote on the motion, which was duly adopted.

Presentation of the Walters State Community College Master Plan Update

Mr. Jerry Preston was recognized to present this item. Mr. Preston noted the college's academic research growth and the importance of planning and improving the campus environment. He stated that the plan identifies and addresses both the current and long-range needs for WSCC and provides a realistic plan to develop the campus and its facilities for maximum benefit to the students, staff, and the community. Mr. Preston stated that the Walters State Community College Campus Master Plan is a comprehensive forecast for the main campus and the extension sites. He noted there is an outline of campus goals as well as current campus conditions and each campus projects

long-range growth. Ms. Winchester called for a motion to approve the Walters State Community College Master Plan Update as presented. Mr. Murrah made a motion to approve. Mr. Sims seconded the motion. After discussion, Ms. Winchester called for a voice vote on the motion, which was duly adopted.

Policy, Planning, and Research

Fall 2008 Enrollment Update

Mr. David Wright, Associate Executive Director for Policy, Planning, and Research, was recognized to present enrollment data for the fall 2008 semester. Mr. Wright stated that Tennessee higher education institutional enrollment continues to grow modestly, but is diminished by the loss of part-time adult students. He provided a disaggregation by headcount, gender, race, and part-time and full-time students.

New Transfer Student Profile

Mr. Wright briefed the Commission on the new transfer student profile. He discussed student demographics, a crosswalk of sending and receiving institutions, and the number of credit hours transferred in detail. Mr. Wright noted that hours to degree are generally lower for students who graduated from the same institution at which they started, with a substantial increase for students who began at a Tennessee for-profit or out-of-state institution; transfer is multi-directional; and transfers from public universities to community colleges, between community colleges, and between universities account for almost as much activity as the traditional path of transfer from a community college to a university.

Improving Teacher Quality Grant Program Awards, 2008-09

Ms. Katrina Miller, Director of Academic Programs and Interagency Grants, was recognized to make a report on Improving Teacher Quality Grants for FY 2008-2009. Ms. Miller noted that of the 39 proposals submitted for these federal grant funds, the advisory committee identified 14 for funding. The projects recommended for funding are included as Attachment C to the official copy of these minutes. Mr. Murrah made a motion to approve the Advisory Committee recommendations. Mr. Charlie Mann seconded the motion, which was duly adopted.

Revised Legal and Regulatory Policy - LR2.0 - Statewide Access and Diversity of Higher Education - Post Geier

Mr. Will Burns, Associate Executive Director for Legal and Regulatory Affairs was recognized. Mr. Burns presented a proposed policy revision to the Commission that would bring the policy in line with the current state of the law. A copy of the proposed policy is attached Attachment D to the official copy of these minutes. A motion was made by Mr. Morgan to adopt the revised policy as presented. The motion was seconded by Mr. Darnell. There being no further discussion, Ms. Winchester called for a vote on the motion that was duly adopted.

Title VI Implementation Plan Update and Compliance Report

Mr. Will Burns reviewed the Title VI Implementation Plan Update and Compliance Report. He noted that the purpose of the plan is to show how the state agency, and the entities to which its federal funds flow, is assuring compliance of Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of a person’s race, color, or national origin. Mr. Burns also noted that the plan was filed with the Comptroller’s office on October 1, 2008.

GEAR UP Status Report

Ms. Winchester recognized Ms. Katie Tone, Associate Executive Director for GEAR UP, and noted that she had given a report during the worksession. The report focused on the start of the third year of the GEAR UP grant with a renewed focus on student success and academic preparation, including increasing professional development opportunities for school administrators and teachers and building academic capacity within the nine GEAR UP TN school systems.

Administrative Items

Schedule of 2009 Meeting Dates

Dr. Rhoda advised the Commission that the 2009 meeting dates will be:

- Thursday, January 29;
- Thursday, April 23;
- Thursday, July 23; and
- Thursday, November 19.

He reminded the Commission that the January meeting will include a joint meeting with the State Board of Education.

There being no further business, the meeting was adjourned at 3:05 p.m.

Approved:

Katie Winchester
Chair

A C Wharton
Secretary