

MINUTES
TENNESSEE HIGHER EDUCATION COMMISSION
November 15, 2012, 1:00 p.m. CDT

The meeting was called to order by Vice Chairman Cato Johnson at 1:00 p.m.
Commission Members present:

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| Mr. Charles Bone | Mr. Cato Johnson |
| Mr. Evan Cope | Mr. Jon Kinsey |
| Mr. Greg Frye | Mr. David Lillard |
| Mr. Tre Hargett | Dr. Gary Nixon |
| Ms. Sharon Hayes | Mr. Justin Wilson |
| Mr. Adam Jarvis | |

Adoption of Agenda

Mr. Johnson welcomed all and thanked them for their attendance. He also recognized special guest, UT Board of Trustee member, Mr. Spruell Driver. Mr. Johnson then called for a motion to adopt the agenda. Mr. Tre Hargett made a motion to approve the agenda. Mr. Greg Frye seconded the motion; the motion was duly adopted.

Approval of Minutes, July 26, 2012, Meeting

Mr. Johnson called for a motion to approve the minutes of the July 26, 2012, Commission meeting. Mr. Charles Bone made a motion to approve the minutes as presented. Ms. Sharon Hayes seconded the motion; the motion was duly adopted.

Chairman's Report

Mr. Johnson began his report commenting on the productive work session earlier in the day and noted the excellent presentations and good discussion on the items presented. Mr. Johnson announced the third Regional Summit on narrowing the skills gap, being held December 5, in Memphis. He noted the progress being made in student success and commended Governor Haslam for his efforts on strengthening the role of higher education.

Executive Director's Report/Tennessee Student Assistance Corporation

Dr. Rhoda began his report by also recognizing UT Board of Trustee member, Mr. Spruell Driver. He then announced changes in staff: Ms. Betty Dandridge Johnson, Chief Academic Officer; Ms. Lindsay Vaughn, Attorney with the DPSA; Kate Derrek, Communications Director for P-16; and Latonya Todd, Attorney in the DPSA. He also recognized new interns and graduate assistants. Dr. Rhoda then recognized Mr. Mark Schneider, Vice President, American Institutes for Research.

Mr. Schneider discussed the Economics Success Metrics project. He stated it was a multi-state project and highlighted the main fundamental measures like the CCTA framework for higher education, alignment with K-12, common core

in K-12 and higher education, and financial aid programs. Mr. Schneider commented on the report “The Earning Power of Graduates from Tennessee’s Colleges and Universities,” which was recently released and provides detailed information on degree programs and their average earning potential.

Systems’ Reports

Tennessee Board of Regents

Mr. John Morgan, Chancellor of the Tennessee Board of Regents, was recognized to present his report. Chancellor Morgan began his report by commenting on higher education’s alignment with K-12 and the workforce. He announced that on September 19, TBR was awarded a \$17M grant from the US Department of Labor for community college and career training initiative, the majority supporting the RX Tennessee healthcare training. Chancellor Morgan then announced the Tennessee State University award in the amount of \$2.45M from the USDA for a food safety grant to control food borne contamination. He then noted the investiture of Dr. Phil Oldham at Tennessee Tech; new president at Roane State Community College, Dr. Chris Waley; and new directors at technology centers, Tony Creasy at TTC Pulaski and Arrita Summers at TTC Crump. In closing, Chancellor Morgan commented on enrollment, tuition increases, and the Tennessee State University presidential search, noting that the new president will be announced in the next few days.

University of Tennessee

Dr. Katie High, Vice President for Academic Affairs and Student Success of the University of Tennessee, was recognized to present the report. Dr. High began by commenting on the presentation by Mr. Schneider. She then reviewed UT annual report and noted that much time was spent developing a system mission statement, and a mission statement for system administration. Dr. High stated that the mission statement focuses on three specific areas: education, discovery or research, and connecting through outreach and advocacy. Also included in the report are enrollment trends and financial statements. Dr. High also noted the positive outcome of the budget hearing and necessary flexibility in the capital outlay match. In closing, she commented on the previous study of the compensation lags and noted that of the mandate, 40 percent comes out of the institutional budget, impacting tuition increases.

Action Items

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

Dr. Stephanie Bellard-Chase, Assistant 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 approve 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 Ms. Hayes to adopt the recommendations as presented. Mr. Jon Kinsey seconded the motion; the motion was duly adopted.

2013-14 State Appropriation Recommendations

Dr. Russ Deaton, Associate Executive Director of Fiscal Policy & Administration was recognized. Dr. Deaton stated that Fiscal Year 2013-14 is the final year of a three year phase-in of the outcomes-based formula as well as a three year phase-out of the hold harmless provision. Of significance, removing the hold harmless provision results in state appropriations distributed through the formula that are allocated on a pro-rata basis across universities, community colleges and technology centers. He summarized the appropriations and capital projects recommendations and stated that a detailed presentation was provided to the Commission at the worksession earlier in the day. A motion was made by Mr. Evan Cope to adopt the 2013-14 state appropriation recommendations as presented. Ms. Hayes seconded the motion; the motion was duly adopted.

2013-14 Student Fee Recommendations

Dr. Deaton was recognized to provide the student fee recommendations. He stated that the recommendations are informed by an analysis of the income profile of Tennessee students. He noted that the THEC staff recommendations are maintenance fee increases of up to six percent at universities and up to three percent at community colleges and technology centers. He also stated that the recommendation ranges are a companion piece to the recommended state appropriations increase of \$35.5 million and it is also recommended that UT and TBR further implement differential tuition rates, which might consider program, cost, student level, institution or other factors. A motion was made by Mr. Bone to adopt the 2013-14 student fee recommendations as presented. Mr. Kinsey seconded the motion; the motion was duly adopted.

2013-14 Capital Projects Recommendations

Dr. Deaton was recognized to provide the capital outlay recommendations for 2013-14. He stated that the recommendations total \$289.1 million which includes two projects for the University of Tennessee totaling \$135.9 million, or 47 percent of the total, and five projects for the Tennessee Board of Regents totaling \$153.2 million, or 53 percent of the total. Dr. Deaton also stated that all capital outlay projects include an institutional matching component applicable to the first \$75 million of a project and THEC intends that UT and TBR have flexibility to craft the specific parameters of the matching component. He noted that the goal of the matching component is to leverage private and external funding to the greatest extent possible with the intent that private gifts and grants be the first source of match for each project and institutions and systems should make every effort to maximize private gifts and grants, while minimizing the use of student fees. In closing, he commented that in 2012-13, higher education received \$204.8 million to fund the top three projects from THEC's 2012-13 capital outlay recommendations, which was the largest investment in capital outlay since 2007-08.

Dr. Deaton then reviewed the 2013-14 recommendation for capital maintenance. He stated that the recommendation for the Tennessee Board of Regents and the University of Tennessee systems totals \$104.8 million, which includes 11 projects for the University of Tennessee totaling \$44.3 million, or 42 percent of the total, and 58 projects for the Tennessee Board of Regents totaling \$60.6 million, or 58 percent of the total.

A motion was made by Ms. Hayes to adopt the 2013-14 Capital Projects Recommendations as presented. Mr. Cope seconded the motion; the motion was duly adopted.

2013 Improving Teacher Quality Grant Awards

Mr. Mike Krause, Assistant Executive Director for Academic Affairs, was recognized to make a report on Improving Teacher Quality Grants for FY 2013. Mr. Krause noted that of the proposals submitted for these federal grant funds, the advisory committee identified 9 for funding. Mr. Bone made a motion to approve the 2013 Improving Teacher Quality Grant Awards. Mr. Tre Hargett seconded the motion; the motion was duly adopted.

Information Items

Title VI Implementation Plan Update and Compliance Report

Mr. Will Burns, Associate Executive Director of Legal and Regulatory Affairs, 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 Title VI Compliance office of the Tennessee Human Rights Commission on October 1, 2012.

Articulation & Transfer Report and Special Analysis of Common General Education Core Curriculum

Mr. Wright presented the annual report on articulation and transfer, which was submitted to the General Assembly in October 2012. He noted that transfer activity is analyzed for students who transferred in the fall 2011 semester. He then reviewed the tables and noted that the tables include transfer student demographics, a crosswalk of sending and receiving institutions, and an analysis of graduation for transfers compared to native students. Mr. Wright also reported on the progress of legislation and system activity to improve articulation.

GEAR UP/College Access Challenge Grant, and Latino Student Success Grant Status Report

Mr. Troy Grant, THEC Director of College Access Initiatives, was recognized to provide the status report. He updated the Commission on the Latino Student Success Grant aimed at increasing the number and percentage of Latinos completing higher education in Memphis. Mr. Grant stated that the Tennessee College Access and Success Network connects college access and success programs with like-minded organizations with the purpose of increasing the number of Tennesseans participating and succeeding in postsecondary opportunities. It was established through a Lumina Foundation grant and expanded through Race to the Top to create a college-going culture in communities across the state by expanding and creating new college access and success programs, educating professionals, facilitating statewide advocacy, and cultivating organizational and Network development.

Report on Effectiveness of Teacher Training Programs

Ms. Katrina Miller, Director of THEC First to the Top, was recognized. Ms. Miller noted that the report was released on November 1, and it is the fifth year the state has made data available to the public regarding the effectiveness of graduates from teacher training programs in the state. She also noted that over the past year, THEC staff have worked in collaboration with the teacher training programs, the State Board of Education, the State Department of Education, and other key stakeholders to redesign the report card. The report provides information on teacher education completers' placement and retention rates, Praxis II exams, and the Tennessee Value-Added Assessment System teacher effect scores. Key findings of the report include information related to the academic preparation of Tennessee's teachers and how well the programs' completers perform in the classroom.

First to the Top Update

Ms. Miller stated that the Commission has been responsible for implementing several projects of the state's First to the Top initiatives, managing \$23 million in funding and noted that THEC has been working closely with institutions of higher education and the Tennessee Department of Education to ensure that the work aligns with the overall goals of education reform. She also updated the Commission on the implementation of the Tennessee Value-Added System training modules for higher education faculty.

Schedule of 2013 Commission Meetings

Dr. Rhoda advised the Commission that the meetings for 2013 would be: January 26 (subject to change to January 31 to coincide with the State Board of Education meeting), April 25, July 25, and November 14, 2013, in the THEC board room.

There being no further business, the meeting was adjourned at 2:47 p.m.

Approved:

Robert White
Chair