MINUTES
TENNESSEE BOARD OF REGENTS
REGULAR SESSION
June 19, 2015

The Tennessee Board of Regents met in regular session on June 19, 2015. The meeting was hosted by Columbia State Community College, located in Columbia, Tennessee. Vice Chair Emily Reynolds presided over the meeting and called the meeting to order. In her opening remarks, Vice Chair Reynolds thanked President Janet Smith and her team for their gracious hospitality and for the very informative presentation about the college given that morning.

Next, she called on the Board Secretary, Mary Moody, to call the roll. The following members were present:

Mr. Greg Duckett
Mr. Darrell Freeman
Mr. Tom Griscom
Ms. Fran Marcum
Dr. Barbara Prescott
Mrs. Rebecca Reeves
Ms. Emily Reynolds
Mr. Howard Roddy
Ms. Leigh Shockey
Mr. J. Parker Smith
Mr. Johnny Stites
Mr. Bob Thomas
Ms. Danni Varlan
Ms. Dottyte Webb

A quorum was present. Members not available to attend the meeting were Governor Bill Haslam, Commissioner Julius Johnson, Commissioner Candice McQueen and Regent Russ Deaton.

I. MINUTES

Minutes from the March 27, 2015 regular scheduled meeting and minutes from the special called session held on May 27, 2015 were provided to all members prior to the meeting. Regent Thomas moved approval of the minutes as presented. Regent Prescott provided a second to the motion and the motion was approved.
II. REPORT OF INTERIM ACTION

Vice Chair Reynolds called upon Chancellor Morgan, who presented the Report of Interim Action reflecting business transacted by the Office of the Chancellor since the previous meeting of the Board. Chancellor Morgan requested approval of the report. Regent Duckett moved to accept the report. Regent Freeman provided a second to the motion. The motion passed. A copy of the Report is attached to the official copy of the Minutes as Appendix A.

III. REPORT OF THE COMMITTEES

Next, Board members were asked to act on the report of the June 18, 2015 meeting of the Academic Policies and Programs Committee; the report of the June 18, 2015 meeting of the External Affairs Committee; the report of the June 18, 2015 meeting of the Workforce Development Committee and the report of the May 27, 2015 meeting of the Audit Committee. Members were provided copies of the reports prior to taking action. Regent Freeman moved approval of the minutes with a second provided by Regent Varlan. The motion carried.

A copy of the report from the June 18, 2015 meeting of the Academic Policies and Programs Committee is attached to the official copy of the Minutes as Appendix B. A copy of the report of the June 18, 2015 meeting of the External Affairs Committee is attached to the official copy of the Minutes as Appendix C. A copy of the June 18, 2015 meeting of the Workforce Development Committee is attached to the official copy of the Minutes as Appendix D. A copy of the May 27, 2015 meeting of the Audit Committee is attached to the official copy of the Minutes as Appendix E.

At this time, Regent Griscom asked that the Board recognize and offer condolences to the family of Dr. Ed Boling, former University of Tennessee President who died June 18, 2015. Dr. Boling was President of the University of Tennessee from 1970 to 1988.

IV. REPORT OF THE REGENTS AWARD IN EXCELLENCE IN PHILANTHROPY

Vice Chair Reynolds called on Regent Marcum, who reported on the recent award presented to Mr. Wayne Pace. Mr. Pace was nominated for this award by Austin Peay State University.

Mr. Pace retired from Time Warner, Inc., in 2007 as the Executive Vice President and Chief Financial Officer. Prior to joining the Time Warner executive team, he was Vice Chair, Chief Financial Officer at Turner Broadcasting Systems, where he was responsible for the 1996 merger of TBS and Time Warner. Before that, he was a partner with the Atlanta office of Price Waterhouse. Mr. Pace is a member of the Time Warner Cable Incorporated Board of Directors, serving on both its audit and finance committees. He is also a member of the advisory board of the Internet Company, Unation, and he is a member of the board of directors of the Foundation of the Georgia Section of the Professional Golfers Association. He serves on the advisory board of
directors for CEA Associates, a Merchant and Investment Bank headquartered in New York City. A 1968 graduate of APSU, Mr. Pace has never forgotten Austin Peay throughout his productive career. The Pace Alumni Center at Emerald Hill bears his name because of his extreme generosity. He established several endowed scholarships and, in 2013, he rallied community support to create the “Ben Fendley Athletic Scholarship” at APSU, in honor of his former basketball coach, and made a generous donation to the fund.

The Regents Award in Excellence in Philanthropy recognizes individuals or groups who have made significant efforts to benefit higher education in Tennessee. Well deserving of this honor, Mr. Pace was presented the Regents Award for Excellence in Philanthropy at an event on the campus of Austin Peay on April 24th. Vice Chair Emily Reynolds also attended the event and assisted with the presentation of the award. At the conclusion of Regent Marcum’s report, President White offered additional remarks about Mr. Pace’s support. Vice Chair Reynolds expressed the Board’s appreciation for Mr. Pace’s support and commented on how much he appreciated this special honor.

V. REPORT OF THE CHANCELLOR

In Chancellor Morgan’s opening remarks, he informed the members of a meeting with Governor Bill Haslam and the community college presidents concerning the Tennessee Promise program. He reported that it is anticipated the program will have a positive effect on enrollment for the upcoming fall semester.

Chancellor Morgan called on Vice Chancellor Wendy Thompson to give a completion agenda update. At this meeting, reports focused on system wide and institutional engagement with business and industry. Reports were provided by the TCAT Morristown, Chattanooga State Community College and Middle Tennessee State University. Chancellor Morgan provided information concerning the development and work of a group formed to help address regional business and industry needs. The group is referred to as the Skills Panel. He discussed ways in which the Skills Panel has assisted with the development of LEAP grants, changes to the curriculum in various information technology programs and also assisted with the seamless pathways. Next, Chancellor Morgan reported on the involvement of TBR on the Governor’s workforce sub-cabinet led by Randy Boyd, Commissioner of Economic and Community Development. Members of the sub-cabinet consist of representatives from the Governor’s office, industry, and key state agencies such as the Department of Labor and Workforce Development, the Department of Education, the Tennessee Higher Education Commission, the Tennessee Board of Regents, the Department of Economic and Community Development. This group is tasked with looking at ways to align resources and programs to improve efficiencies effecting workforce development outcomes. The annual report on the completion agenda will be given at the September 2015 meeting.

Next, TCAT Director Jerry Patton was asked to report on a recent Labor Education Alignment Program (LEAP) project involving TCAT Morristown with industry leaders that provided robotics equipment to the area high school and an industrial electrical training program at the Hawkins
County campus of TCAT Morristown. Hamblen County Mayor Bill Brittain and a representative from Meritor Industries provided additional words of support from the community and industry.

Dr. Fannie Hewlett, interim president at Chattanooga State Community College and Mr. Shannon Johnson, program director, reported next on the new hospitality and tourism industry management program offered at Chattanooga State. The culinary program is known as the Michael P. Hennen Hospitality and Culinary Center and is funded by Mr. Tim Hennen and 1,000 other community members. The two-year program allows students to earn an associate degree in applied science in either food and beverage, hotel management, tourism or culinary arts. Dr. Hewlett ended her report by providing feedback from the community on meeting this great need within the Chattanooga area.

Finally, Dr. Heather Brown, Department Chair of Concrete Industry Management at Middle Tennessee State University provided board members with information concerning this important program and how it is meeting industry’s need. Dr. Brown informed members of the growing demand for concrete management professionals nationwide and the careers available within this industry and how she and others involved with this program participate in regional and national concrete industry groups in order to stay abreast of industry trends and encourage industry support of the MTSU program.

VI. REPORTS OF PRESIDENTS AND DIRECTORS

Vice Chair Reynolds called on Director Donna Hastings of TCAT Newbern for the Directors’ Report. She provided the members with brief examples of how the TCATs meet industry needs in developing specialized training programs and forming partnerships within the community.

Director Hastings introduced the 2015 TCAT Outstanding Student of the Year, Ms. Miriam Becerra. Ms. Becerra addressed the Board and expressed her gratitude to the TCATs for providing the education she needed to become a dental assistant. She graduated in the top 10 of her senior class and while searching for a college she learned that the cost of a college education would be a challenge for her. Even though she had lived in Tennessee since she was a child, she is not eligible for in-state tuition or a Hope Scholarship because she is not a citizen. The TCAT Nashville provided her affordable tuition, and an educational setting that would provide her with the skills and certifications necessary to become a dental assistant. Ms. Becerra hopes to continue her education and eventually become an orthodontist.

President Karen Bawyer presented the community colleges’ report. President Bowyer discussed various partnerships between community colleges and industry across Tennessee. She then introduced guest speaker, Mr. Pat Kefauver of W.R. Grace Construction in Mt. Pleasant, Tennessee. Mr. Kefauver informed members about the summer intern program between Grace Construction and Columbia State Community College. Accompanying Mr. Kefauver was one of the current interns, who shared her experiences working with Grace Construction and the positive impact it had on her education.
President Glenda Glover of Tennessee State University then gave a report from the universities concerning partnerships with industry. She stated that universities not only provide employees for various industries across Tennessee, but also collaborate on research projects. These relationships contribute greatly to the economic growth of the state.

VII. UNFINISHED BUSINESS

The Board was asked to address proposed revisions to TBR Policy 3:02:00:01 and Chapter 0240-02-03 of the Rules and Regulations Regarding Student Conduct & Disciplinary Sanctions. At a special called meeting of the Board on February 13, 2015 the Board approved revisions to the System-wide Student Rules, Chapter 0240-02-03, Student Conduct and Disciplinary Sanctions and to TBR Policy 3:02:00:01 General Policy on Student Conduct and Disciplinary Sanctions, to address the requirements of a Resolution Agreement between the Office of Civil Rights of the U.S. Department of Education and Middle Tennessee State University.

Following that approval, in accordance with the statutory procedures, the proposed Emergency Rule and Regular Rule were submitted to the Office of the Attorney General (OAG) for review and approval. The OAG requested that certain revisions be made before they approve the rules. The rules and policies presented to the Board reflect these revisions. Regent Freeman moved to accept the emergency rules as presented. Regent Griscom provided a second and the motion passed by a unanimous roll call vote.

Next, the Board considered a motion by Regent Freeman to accept the regular rules as presented. A second was provided by Regent Griscom and was approved unanimously by a roll call vote.

Regent Freeman moved to approve the proposed revisions to TBR Policy 3:01:00:01 – General Policy on Student Conduct and Disciplinary Sanctions. A second was provided by Regent Griscom and the motion carried.

A copy of the proposed Emergency Rule, Regular Rule and proposed changes to TBR Policy 3:01:00:01 – General Policy on Student Conduct and Disciplinary Sanctions is attached to the official copy of the Minutes as Appendix F.

VIII. NEW BUSINESS

Vice Chair Reynolds called on Regent Duckett for the report of the Finance and Business Operations Committee held on June 18, 2015. The committee report includes action on tuition and maintenance fees and also funding for operations for the 2015-2016 fiscal year. Maintenance fee recommendations vary by institution and range from a low of 2.4% at APSU to a high of 4% at the TCATs. The operating budget for the system totals $2.94 billion for fiscal year 2014-2015 and $2.89 billion for fiscal year 2015-2016. This budget is based on the level of state funds recommended in the Governor’s proposed budget as well as early estimates of factors such as enrollment growth, research activities, and availability of federal funds. The full effect of the
approved fee increases and any enrollment changes will be included in the October revised budget. Regent Duckett moved to approve the report of the Finance and Business Operations Committee. A second was provided by Regent Thomas. The roll call vote was passed unanimously. The maintenance fees as presented are shown below:

**Universities**
- Maintenance fee rate increases vary among institutions based on institutional need:
  - APSU – 2.4%
  - ETSU – 3.0%
  - MTSU – 3.1%
  - TSU – 2.8%
  - TTU – 0.9%
  - UOM – 3.7%

**Community Colleges:**
- Recommendations are intended to increase maintenance fee and tuition rates by 3.4%.

**Colleges of Applied Technology:**
- Recommendations are intended to increase maintenance fee rates by 4.0%.

**Professional Schools:**
- UOM Law School: 2.0% increase
- ETSU College of Medicine: 3.0% increase
- ETSU Pharmacy School: 4.0% increase

A copy of the minutes from the June 18, 2015 meeting of the Finance and Business Operations Committee is attached to the official copy of the Minutes as Appendix G.

Next, Vice Chair Reynolds called on Regent Roddy for the report of the June 18, 2015 meeting of the Personnel and Compensation Committee. Included in the report are actions taken on president emeritus contracts, tenure and promotion for community colleges, universities and colleges of applied technology along with staff’s recommendation on faculty promotional increases, system compensation plan recommendations and proposed changes to the Executive Performance Incentive Plan. Regent Roddy moved adoption of the report with Regent Freeman providing a second. The motion was approved by roll call vote. A copy of the minutes from the June 18, 2015 meeting of the Personnel and Compensation Committee is attached to the official copy of the Minutes as Appendix H.

Vice Chair Reynolds then called on Regent Shockey to present the resolution of appreciation for Regent Rebecca Reeves. The motion was seconded and approved. Regent Reeves thanked the Board for the opportunity to serve as the Student Regent for 2014-2015. Regent Prescott provided
additional comments and thanked Regent Reeves for her service. A copy of the resolution is attached to the official copy of the Minutes as Appendix I.

Next, Regent Prescott presented the resolution of appreciation for Regent Dotty Webb. Regent Prescott moved for the adoption of the resolution with a second provided by Regent Freeman. Regent Marcum and Thomas expressed their gratitude for Regent Webb’s participation in serving on the Motlow Presidential Advisory Search Committee this past year. Regent Webb expressed her appreciation for the wonderful support she has received while serving as the Faculty Regent. A copy of the resolution is attached to the official copy of the Minutes as Appendix J.

Vice Chair Reynolds called on Regent Duckett for the resolution of appreciation for President Nate Essex that also grants President Emeritus Status. Regent Duckett moved for adoption of the resolution. A second was provided by Regent Freeman. The motion carried. Regents Prescott and Duckett expressed their sincere appreciation for President Essex’ service to the college and community throughout his career as an educational leader. President Essex addressed the board and thanked them for its encouragement and support over the years. A copy of the resolution is attached to the official copy of the Minutes as Appendix K.

Next, the Vice Chair called on Regent Marcum for the resolution of appreciation for President MaryLou Apple that includes awarding an honorary status of President Emeritus without compensation. Regent Marcum moved to adopt the resolution and Regent Thomas provided the second. The motion carried. A copy of the resolution is attached to the official copy of the Minutes as Appendix L.

Chancellor Morgan introduced the next item of business. On March 31st a request came forth to name the Smyrna Campus science-technology-allied health building in honor of President MaryLou Apple. Her dedication to the allied health industry provided motivation to not only meet the 15% required, but doubled the capital match needed to bring to fruition this new facility at Motlow State Community College’s Smyrna campus. Regent Thomas moved to approve the recommendation. Regent Smith seconded the motion. The motion passed unanimously. Regent Marcum expressed her appreciation for the work that President Apple has done through her tenure at Motlow State. President Apple then addressed the Board and expressed her true appreciation for its support and encouragement throughout her service to the Tennessee Board of Regents.

The next item on the agenda was a request to name the new nursing building at Jackson State Community College the Jim Moss Center for Nursing. Chancellor Morgan provided the members with the background information concerning the request. Mr. Moss served as CEO of the Jackson-Madison County General Hospital and West Tennessee Healthcare. He played a vital role in the initiation of the nursing program at Jackson State Community College through financial support and advocacy for the program. A motion was made by Regent Duckett to approve the recommendation by Chancellor Morgan. Regent Varlan seconded the motion. The motion passed. Vice Chair Reynolds and Regent Duckett both offered words of appreciation for the compassionate work that Mr. Moss has given in the medical industry in west Tennessee.
Next, Chancellor Morgan brought forth the request to name the new humanities building at Volunteer State Community College the Steinhauer – Rogan – Black Humanities Building. The building naming would honor John and Jane Steinhauer, Marion (Chet) and Clara Rogan, and Dr. David Black and U. S. Congressman Diane Black. The three families recognized for this naming are highly respected and are significant supporters of Volunteer State Community College. Regent Thomas moved to accept this recommendation with Regent Marcum providing a second. The motion carried unanimously. President Faulkner addressed the Board and expressed deep appreciation for the support and involvement these three families have played in the life of Volunteer State Community College.

Vice Chair Reynolds called on Chancellor Morgan for the request submitted from President Oldham at Tennessee Tech University to name the building known as South Hall that houses the College of Agriculture and Human Ecology be named Oakley Hall. Millard and JJ Oakley are both generous benefactors to Tennessee Tech University. The Oakleys have made significant contributions, particularly concerning agricultural students with the recent gift of the Oakley Farm to TTU, an estimated value of over $8 million. This historic 1500 acre farm was once deeded to General George Washington before Tennessee became a state. The genuine philanthropic nature of these two individuals is frequently seen on TTU’s campus with the past naming of the Millard Oakley S.T.E.M. Center located within the Ray Morris Hall building and the JJ Oakley Health Services unit located within the Robert and Gloria Bell Hall building. A motion was made by Regent Thomas to approve this recommendation. Regent Stites seconded the motion and the motion carried. President Oldham thanked the Board for approving this request. He further provided sincere appreciation for the Oakley’s friendship and support of the work being done at Tennessee Tech.

Chancellor Morgan continued to present the final building naming request. It was a request from Austin Peay State University to name a newly acquired building located at 524 College Street the Wayne and Marianne Ard Building. Mr. Ard and his late wife, Marianne, are great supporters of APSU and have inspired other friends and supporters of the university to a similar level of generosity. Regent Thomas moved to approve the recommendation. Regent Roddy provided a second. The motion was passed.

The next item, Vice Chair Reynolds reminded fellow board members of recent changes made to the Bylaws and that in keeping with good governance practice, would like to review over the coming months additional changes. She then called on General Counsel Moody to address these items of interest. The sections up for review are Section 4 - Meetings of the Board, Section 7 - Committees of the Board and Section 8 – Officers and Their Duties. As stated in the Bylaws, prior notice of changes must be made the meeting before action is taken at the next meeting.

Next, Regent Thomas was asked to preside over the last agenda item which was the election of Chair and Vice Chair of the Board. Regent Thomas reported that members have been well pleased with Regent Reynolds serving as Vice Chair over the course of the last two years. He then called on General Counsel Moody for direction on suspending the Bylaws. She advised that, according to the Bylaws, officers other than the Chancellor, Treasurer, and Secretary shall be elected each
year by the Board at the last regular meeting of each fiscal year and may be re-elected for up to two (2) consecutive terms. She further advised that the Board may suspend any Bylaw at any regular or special meeting, for that meeting, only by the unanimous consent of all present. Regent Freeman moved to suspend the Bylaws with Regent Stites providing a second. A roll call vote was taken and the motion to suspend the Bylaws passed unanimously. With the Bylaws adequately suspended, Regent Griscom nominated Governor Bill Haslam as Chair and Regent Emily Reynolds as Vice Chair for 2015-2016 and both were duly elected. Vice Chair Reynolds thanked everyone for the confidence and support shown to her and looked forward to serving an additional year.

In closing, Regent Griscom recognized Interim President Fannie Hewlett and thanked her for the work she has done at Chattanooga State over the past months. Vice Chair Reynolds and Chancellor Morgan thanked President Janet Smith and her staff for hosting the June quarterly Board meeting. The next quarterly meeting will be held in Jackson, Tennessee and hosted by Jackson State Community College.

IX. ADJOURNMENT OF THE MEETING

There being no further business to come before the board, the meeting was adjourned.

Respectfully submitted,

Mary G. Moody, Secretary

John G. Morgan, Chancellor

Emily L. Reynolds, Vice Chair