MINUTES

TENNESSEE BOARD OF REGENTS

REGULAR SESSION

June 20, 2014

The Tennessee Board of Regents met in regular session on June 20, 2014. The meeting was hosted by Tennessee State University, located in Nashville, Tennessee. Vice Chair Emily Reynolds presided over the meeting and called the meeting to order. In her opening remarks, Vice Chair Reynolds thanked President Glenda Glover and her team for their gracious hospitality and for the very informative presentation about the University given that morning. Also, Vice Chair Reynolds recognized Dr. David Rudd, the new president of the University of Memphis, and Ms. Kelli Kea-Carroll, the new director at the Tennessee College of Applied Technology at Hohenwald. She also announced that the new president of Austin Peay State University, Dr. Alisa White, will take office in July.

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

Mr. Greg Duckett
Mr. John Farris
Mr. Darrell Freeman
Mr. Tom Griscom
Ms. Ashley Humphrey
Commissioner Julius Johnson
Mr. Jonas Kisber
Ms. Fran Marcum
Ms. Emily Reynolds
Mr. Howard Roddy
Mr. J. Parker Smith
Mr. Johnny Stites
Mr. Bob Thomas
Ms. Danni Varlan
Ms. Deanna Wallace

A quorum was present. Members not available to attend the meeting were Governor Bill Haslam, Commissioner Kevin Huffman, and Regent Rich Rhoda.
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TENNESSEE ROAD BUILDERS ASSOCIATION PRESENTATION

First item on the agenda was the presentation of the Outstanding Service Award from the Tennessee Road Builders Association to the Tennessee College of Applied Technology at Newbern. Mr. Bo Roberts explained that the award recognizes a Tennessee College of Applied Technology for an academic year’s outstanding service to the Ollie Otter Child-Restraint Program. The Ollie Otter Program is sponsored by the Tennessee Transportation Development Foundation (TTDF)—a non-profit group established by the Tennessee Road Builders Association—and the TRBA Ladies Auxiliary. The program is an effort to increase awareness about the importance of using booster seats and seatbelts. Mr. Kevin Liska and Mrs. Carol Coleman were present to assist with the award presentation. The TCAT at Newbern received the award for having touched the most students with its Ollie Otter Program.

CONSENT AGENDA

The Board next took up the consent agenda that included the following items.

A. March 28, 2014 Regular Session Board meeting minutes
B. May 1, 2014 Special Called Session
C. June 2, 2014 Special Called Session
D. Report of Interim Action
E. Report of the Committees:
   d. Report of the Audit Committee Meeting on June 3, 2014

Regent Farris moved approval of the consent agenda with a second provided by Regent Kisber. The motion was approved. A copy of the March 28, 2014 minutes is attached to the official copy of the Minutes as Appendix A. A copy of the May 1, 2014 minutes of the special called session is attached to the official copy of the Minutes as Appendix B. A copy of the June 2, 2014 minutes of the special called session is attached to the official copy of the Minutes as Appendix C. A copy of the Interim Action Report is attached to the official copy of the Minutes as Appendix D. A copy of the Tennessee College of Applied Technology Committee meeting on June 19, 2014 is attached to the official copy of the Minutes as appendix E. A copy of the June 19, 2014 minutes of the Business, Community and Public Affairs is attached to the official copy of the Minutes as Appendix F. A copy of the June 19, 2014 minutes of the Academic Policies and Programs Committee is attached to the official copy of the Minutes as Appendix G. A copy of the minutes of June 3, 2014 meeting of the Audit Committee is attached to the official copy of the Minutes as Appendix H.
REPORT OF THE REGENTS AWARD IN EXCELLENCE IN PHILANTHROPY

Vice Chair Reynolds called on Regent Duckett, who reported on the recent award presented to Mr. William Swain of The Bank of Oneida. Mr. Swain was nominated for this award by President Chris Whaley of Roane State Community College for his role in establishing and continuing to support the Roane State Community College Scott County Higher Education Center.

Mr. Swain was a key leader in making the Roane State Community College Scott County Higher Education Center a reality. He donated 44 acres of land for the Center and raised more than a quarter of a million dollars to equip the Howard H. Baker, Jr. Library in the Center. In addition, he raised over $500,000 to build and equip a 2,200 square foot multipurpose science lab. Also, in four short months, he challenged the community to match his $60,000 donation to fund a 1,500 square foot expansion of the student center at the Scott County Higher Education Center. Shortly thereafter, he led an initiative to more than double the size of the Howard H. Baker, Jr. Library at the Scott County Center. In 2006, working with Roane State he raised support in the community to build an addition to the Roane State facility to provide Tennessee Tech University space to offer elementary education and interdisciplinary studies degrees. When Mr. Swain learned that the Scott County Higher Education Center needed equipment to bring the EMT courses to Scott County, he generously purchased everything needed for the classes.

The Regents Award in Excellence in Philanthropy recognizes individuals or groups who have made significant efforts to benefit higher education in Tennessee. Mr. Swain is clearly deserving of this honor, which was presented to Mr. Swain at an event on March 20, 2014. Regent Danni Varlan, who was present at the March 20th celebration and assisted with the presentation, added her commendations of Mr. Swain. Regent Marcum, Regent Griscom and Vice Chair Reynolds each spoke about their personal relationships with Mr. Swain and his influence in their lives.

REPORT OF THE CHANCELLOR

Chancellor Morgan called on Vice Chancellor Wendy Thompson to give a brief report on the work of the Completion Delivery Unit. The annual report of the CDU will be given at the September 2014 meeting. At this meeting, two reports were highlighted as part of the System’s initiatives. Dr. Ken Lovett gave a report on the Business Process Model and Dr. Carol Puryear and Vice Chancellor David Gregory gave a report on Increasing the Capacity at the Tennessee Colleges of Applied Technology. Dr. Ken Lovett stated that the BPM aspiration is to develop standardized processes and workflow among the 13 community colleges within the TBR system. This initiative derives from section 8 of the Complete College Act of 2010 that requires the board to “identify and implement consolidation of services among institutions and standardization of processes between institutions in order to improve efficiency and effectiveness…” Regent Farris and Stites inquired about cost savings of the project and measurements to determine effectiveness. Dr. Lovett responded that such information will be available in the near future.
Next, Vice Chancellor Thompson introduced Dr. Carol Puryear, who spoke to the board about increasing the numbers of TCAT credentials awarded by increasing space and utilization of existing space at the 27 TCATs. Dr. Puryear reviewed the various types of programs that have wait lists and how the TCATs manage these lists. Board members asked questions about the causes of the wait lists, the impact of extended wait times and strategies for maintaining the interest of students who are on the wait lists. Vice Chancellor Gregory then gave a very brief report concerning space issues at the TCAT campuses. He reported that the TCAT Master Plan was reviewed at the June 19, 2014 meeting of the Committee on Tennessee Colleges of Applied Technology. He reported that space is being reviewed and data has been collected regarding its programs.

REPORTS OF PRESIDENTS AND DIRECTORS

After a few brief opening remarks, Director Brad White called on Assistant Vice Chancellor Chelle Travis to introduce the 2014 TCAT Outstanding Student of the Year. Ms. Travis described the TCAT Outstanding Student of the Year program and then introduced the winner, Ms. Kelli Zimmerman, a student in the medical assistant program at the TCAT Chattanooga. Ms. Zimmerman shared the story that led her to the TCAT. Because of the outstanding medical care she received during a personal medical emergency, Ms. Zimmerman made a decision to enter the medical field so that she could help others as well. As the Outstanding Student of the Year, Ms. Zimmerman will be the ambassador for the TCAT students for the coming year.

President Jim Catanzaro then gave a report on entrepreneurship at the community colleges. Nashville Councilwoman Jacobia Dowell spoke about the partnership between Nashville State Community College and her district to establish the south campus of Nashville State. Councilwoman Dowell shared a video illustrating the positive impact of Nashville State’s South Campus, located in the old Hickory Hollow Mall, on the surrounding community. After the video, President Catanzaro reported on the Chattanooga State project to hold boot camps during the summer for young entrepreneurs by partnering with local business accelerators and the Gallup Organization.

Vice Chair Reynolds called on President Phil Oldham for the universities report, which focused on entrepreneurship at three of the universities. President David Rudd of the University of Memphis and President Brian Noland of East Tennessee State University joined him in discussing what their institutions are doing to encourage entrepreneurs on their campuses. Dr. Rudd explained how the Crews Center for Entrepreneurship serves as the core of entrepreneur collaboration that helps students and faculty focus on combining ideas and innovation. President Noland recounted ETSU’s efforts in encouraging entrepreneurship in that region. He reported on projects such as Bristol Tennessee Essential Services and the ETSU Innovation Lab that helped grow companies such as Yazoo Health Inc., Renewable Agal Energy, LLC and also helped recruit a German company to the area. President Oldham concluded the report with a presentation on Tennessee Tech’s H.I.V.E (Hybrid Immersive Visualization Environment) that houses a research
and development team of professionals, researchers, developers, designers and undergraduate assistants. It applies virtual reality technologies to problems in medicine, engineering, communication, conservation and training. It utilizes both 3-D and high definition visualization technologies. The project also hosts competitions such as “hackathons” where teams work 36-72 hours on the best app to solve a common challenge. President Oldham also reported that TTU was one of only two universities in Tennessee invited to the White House for the first National Day of Making. The event was developed to strengthen leadership ventures that promote innovation and creativity. President Oldham concluded his report by saying that the four year schools not only prepare students to graduate and get a job, but primarily prepare graduates to create jobs for Tennesseans and the future.

UNFINISHED BUSINESS

There was no unfinished business to bring before the Board at this time.

NEW BUSINESS

Vice Chair Reynolds called on Regent Farris for the report of the Finance and Business Operations Committee held on June 19, 2014. In his opening remarks, Regent Farris encouraged the Board to make a full examination of operations to seek possible reductions in costs as an alternative to raising tuition. Regent Farris then called on Chancellor Morgan for comment. He responded with information on how the recommended tuition was derived. Next, Regent Farris reported that included in the June 19th report, maintenance fee adjustments vary among institutions based on institutional need: APSU 5.3%; ETSU 7.0%; MTSU 5.0%; TSU 5.9%; TTU 6.0% U of M 0%; community colleges – recommendations are intended to increase maintenance fee and tuition revenues by 6.0%; colleges of applied technology recommendations are intended to increase maintenance fees by 8.5%; professional schools – UoM Law School with no increase; ETSU College of Medicine 2.0% increase; ETSU Pharmacy School 3.0% increase. In addition, the committee report also includes a recommendation to approve the system $2.91 billion budget for fiscal year 2013-2014 and $2.82 billion for fiscal year 2014-2015. This budget is based on the level of state funds recommended in Governor Haslam’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 Farris moved for the adoption of the report that included the consent agenda items, tuition and maintenance fee recommendations for 2014-2015 and the operating budgets for fiscal years 2013-2014 and 2014-2015 as presented. Regent Griscom provided a second. The motion was approved by roll call vote. A copy of the minutes from the June 19, 2014 meeting of the Finance and Business Operations Committee is attached to the official copy of the Minutes as Appendix I.
Next, Vice Chair Reynolds called on Regent Roddy for the report of the June 19, 2014 meeting of the Personnel and Compensation Committee. Included in this report are consent agenda items containing president emeritus contracts, various policy revisions, tenure and promotion for community colleges, universities and colleges of applied technology along with staff’s recommendation on faculty promotional increases and system compensation plan recommendations. Regent Thomas provided a second to the motion. The motion was approved by roll call vote. A copy of the minutes from the June 19, 2014 meeting of the Personnel and Compensation Committee is attached to the official copy of the Minutes as Appendix J.

Vice Chair Reynolds then reported on the June 3, 2014 meeting of the Ad Hoc Committee on Committees. At that meeting, members discussed returning the responsibilities of the Ad Hoc Committee on Capital Outlay and Capital Maintenance to the Committee on Finance and Business Operations; adding compliance oversight to the Audit Committee; renaming the Committee on Business, Community and Public Affairs; and briefly discussed where workforce and economic development initiatives should be placed. The members voted to disband the Ad Hoc Committee on Capital Outlay and Capital Maintenance and return those responsibilities to the Committee on Finance and Business Operations. Representatives from institutional groups will be consulted when changes in capital outlay ranking methodology is being considered. A resolution is required to formally disband the ad hoc committee, which was the next item of business. Regent Thomas moved to accept the June 3, 2014 report of the Ad Hoc Committee on Committees with Regent Roddy providing a second. The motion passed. A copy of the minutes of the June 3, 2014 meeting of the Ad Hoc Committee on Committees is attached to the official copy of the Minutes as Appendix K.

Next, Vice Chair Reynolds called on Regent Farris for the resolution to disband the Ad Hoc Committee on Capital Outlay and Capital Maintenance. Regent Varlan seconded the motion and the motion was approved. The resolution reads as follows:

A RESOLUTION to disband the Ad Hoc Committee on Capital Outlay and Capital Maintenance

WHEREAS, in 1997 the Tennessee Board of Regents determined that it was necessary to periodically revisit the methodology to set capital priorities and make adjustments as might be appropriate to address changing system needs and to identify the needs on each campus; and

WHEREAS, on September 26, 1997, the Board of Regents adopted a resolution that directed the Vice-Chairman of the Board and the Chairman of the Finance and Business Operations Committee to appoint an ad hoc committee to work with the Chancellor and staff of the Board to review and adjust the methodology for setting capital priorities, as necessary; and

WHEREAS, since that time, the Ad Hoc Committee on Capital Outlay and Capital Maintenance has served the Board in that capacity; and
WHEREAS, after examining all of its committees, the Board has now determined that, due to changes in the funding and budget processes at the state and system levels, its Finance and Business Operations Committee should be responsible for reviewing and adjusting the methodology for setting capital priorities, in consultation with the Chancellor, staff of the Board of Regents, and the chief executive officers of the system’s institutions, as appropriate; and

NOW, THEREFORE, BE IT RESOLVED that the Ad Hoc Committee on Capital Outlay and Capital Maintenance is hereby disbanded and, the Finance and Business Operations Committee shall, when setting capital priorities and making recommendations to the Board as to the needs for additional buildings and land for campuses and capital maintenance, consult with the Chancellor, staff of the Board of Regents, and the chief executive officers of the system’s institutions, as appropriate.

Vice Chair Reynolds thanked those who served on the Ad Hoc Committee on Capital Outlay and Capital Maintenance Committee for their work over the last several years. Individuals who served on the committee were: Regent John Farris (Chair), Regent Greg Duckett, Regent Bob Thomas, Regent Danni Varlan, President Phil Oldham, President Jim Catanzaro and Director Brad White.

Next, Vice Chair Reynolds called on Mary Moody, General Counsel and Board Secretary, to present the proposed changes to the Bylaws. Ms. Moody reported that in accordance with Article XII of the Board Bylaws, the Board is given notice of the intent to bring changes to its Bylaws before the Board at its September 2014 meeting. The proposed revisions are to include:

1) Section I.C.1. of the Bylaws adds language clarifying that the state university and community college system includes the colleges of applied technology; and
2) Section VII.F. of the Bylaws adds language that would allow a committee to meet in the absence of a quorum to hear informational reports; and
3) Section VIII.I adds language that clarifies that, in the absence of the Chairman of the Board, the Vice-Chairman shall be an ex officio member of all committees with the authority to vote; and

Regent Duckett added that a potential name change for the Committee on Business, Community and Public Affairs is being discussed and would like to give notice of that change within the Bylaws.

For the next item on the agenda, Vice Chair Reynolds called on Regent Varlan to present the resolution of appreciation for Regent Deanna Wallace. The motion was seconded and approved. Regent Wallace thanked the Board for the opportunity to serve as the Faculty Regent for 2013-2014. A copy of the resolution is attached to the official copy of the Minutes as Appendix L.

Next, Regent Stites presented the resolution of appreciation for Regent Ashley Humphrey. Regent Stites moved for the adoption of the resolution with a second provided by Regent Thomas. Regent Humphrey expressed her deep appreciation to everyone for the wonderful support she has received
over her two years as serving as the Student Regent. A copy of the resolution is attached to the official copy of the Minutes as Appendix M.

Vice Chair Reynolds called on Regent Roddy for the resolution of appreciation for President Tim Hall. Regent Roddy moved for adoption of the resolution. A second was provided by Regent Freeman. The motion carried. A copy of the resolution is attached to the official copy of the Minutes as Appendix N.

As the last item on the agenda, Regent Thomas was asked to conduct the election of the Chairman and Vice Chairman for 2014-2015. Regent Duckett made the motion to elect Governor Bill Haslam as the Chair and Emily J. Reynolds as the Vice Chair for 2014-2015. Regent Freeman seconded the motion and the motion carried unanimously. Vice Chair Reynolds thanked everyone for their support and confidence in her as Vice Chair for the coming year.

In closing, Vice Chair Reynolds and Chancellor Morgan again thanked President Glover and her staff for hosting the June quarterly Board meeting. The next quarterly meeting will be held in Knoxville, Tennessee and hosted by Pellissippi State Community College.

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 J. Reynolds, Vice Chair