MINUTES
TENNESSEE BOARD OF REGENTS
REGULAR SESSION

March 28, 2014

The Tennessee Board of Regents met in regular session on March 28, 2014, at the TBR system office located in Nashville, Tennessee. Vice Chairman Emily Reynolds presided over the meeting and called the meeting to order. In her opening remarks, Vice Chair Reynolds welcomed and acknowledged newly appointed member, Regent Johnny Stites II, who represents the 6th congressional district. Board Secretary Mary Moody, was asked to call the roll. The following members, constituting a quorum, were present:

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

Members not available to attend the meeting were Governor Bill Haslam and Commissioners Kevin Huffman, Julius Johnson, and Regents Fran Marcum and Rich Rhoda.

I. Minutes – Consent Agenda

Minutes of the December 5, 2013, regular session Board meeting and January 24, 2014, special called session were sent to all Board members for review prior to the quarterly Board meeting. Regent Thomas moved for the approval of the minutes. Regent Kisber provided a second to the motion. The motion passed.

II. REPORT OF INTERIM ACTION

Vice Chairman 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 Freeman moved to accept the report. Regent Roddy 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

The Board then considered approval of the February 13, 2014, minutes of the special called Finance and Business Operations Committee; the March 11, 2014, minutes of the Audit Committee; and, the March 11, 2014, minutes of the Ad Hoc Committee on Committees. Copies of the minutes were provided to all members. Regent Farris moved for adoption of the minutes. A second was provided by Regent Duckett. The motion carried. A copy of the minutes from the special called meeting of the Finance and Business Operations are attached to the official copy of the Minutes as Appendix B. The Audit Committee minutes and background materials are attached to the official copy of the Minutes as Appendix C. A copy of the minutes from the Ad Hoc Committee on Committees are attached to the official copy of the Minutes as Appendix D.

IV. REPORT OF THE REGENTS AWARD FOR EXCELLENCE IN PHILANTHROPY

Vice Chairman Reynolds called on Regent Duckett for the report on the Regents Award for Excellence in Philanthropy. Regent Duckett reported that the Regents Award for Excellence in Philanthropy had recently been given to Mr. Louis Gump, who was nominated by President Brian Noland of East Tennessee State University. Mr. Gump was instrumental in the establishment of the Roan Scholar Leadership Program. Among its alumni are teachers, physicians, attorneys, health officials, and school counselors. Some 14 years into the program, Mr. Gump continues to be a mentor, fund-raiser and strong advocate. Additionally, Mr. Gump supports the arts, athletics, the College of Business and Technology, the ETSU/General Shale Natural History Museum, and the Visionary Committee for 125. Regent Duckett expressed the gratitude of East Tennessee State University and the Tennessee Board of Regents System to Mr. Gump for his generosity. Regent Smith provided further words of appreciation for Mr. Gump and his support to the university.

V. REPORT OF THE CHANCELLOR

Chancellor Morgan gave an update on the Completion Summit that was held on March 27 in Nashville, Tennessee. Among the 200 in attendance were Governor Bill Haslam and other leaders from the two higher education systems and institutions. The teams that were invited to participate reviewed and celebrated strategies that enhance the goals of student success in Tennessee.
The Chancellor then reported on the presidential searches for the University of Memphis and Austin Peay State University. The University of Memphis search has completed its campus interviews with the four finalists. The Chancellor stated that soon after polling the committee members he hoped to bring a recommendation to the Board for action to hire the next president of the University of Memphis. The search is chaired by Regent Duckett with Regents Farris and Humphrey serving on the committee.

Round one interviews are scheduled for March 31 and April 1 to interview 12 candidates for the search at Austin Peay State University. From that group, finalists will be asked back for campus interviews April 28 thru May 2. The search is chaired by Regent Thomas with Regents Farris, Freeman and Reynolds serving on the committee.

Next, Chancellor Morgan recognized Angela Flynn and Mark Hodges for their work in implementing the Sc quest procurement system. Recently, these two were recognized by Scquest with the “Rookie of the Year Award,” an award given to procurement professionals who exemplify professional and impressive performance and attention to detail. Chancellor Morgan thanked them for their efforts in this project.

Chancellor Morgan concluded his report with the recognition of Olivia Orten, a student at Northeast State Community College. Ms. Orten was named the 2014 New Century Scholar, the only community college student in Tennessee to receive this honor. The New Century Scholars Program is sponsored by The Coca-Cola Foundation, Coca-Cola Scholars Foundation, Phi Theta Kappa, and the American Association of Community Colleges. More than 1,700 students were nominated from more than 900 community colleges. Judges consider grades, leadership activities and, most importantly, how students extend their intellectual talents beyond the classroom. A total of 51 students received the honor. New Century Scholars are the highest scoring students in each state, plus one student from Canada and one additional student chosen from among one of the remaining seven sovereign nations where Phi Theta Kappa is represented internationally. Each scholar receives a $2,000 scholarship and is invited to attend the American Association of College Presidents Convention in Washington, D.C.

Ms. Orten attributes much of her success to Northeast State’s TRiO Student Support Services program, a federally funded program that provides tutoring, mentoring, and college transfer services to eligible college students. Orten, a social work major with a 4.0 GPA, plans to transfer to East Tennessee State University to continue her education. She hopes to return to Northeast State and become a TRiO transfer advisor.

VI. REPORTS OF PRESIDENTS AND DIRECTORS

The university presidents’ report was presented by President Phil Oldham, Tennessee Tech University. President Oldham gave an overview of changes at the universities since the Complete College Act in 2010. His report consisted of data taken from the Tennessee
Higher Education Commission that stated that at the universities degrees are up 13%, enrollment is up 6%, state funding is down by 37% per FTE, tuition is up 23% per FTE and actual costs down 2% per FTE. In addition to this report, a video was shown that depicted how universities open doors, inspire discovery, encourage ambition, promote fresh starts, and promote individuality, all leading to student success.

The report of the community college presidents followed. President Jim Catanzaro introduced two campuses chosen to highlight special programs at their campuses. Mr. John Churchill, Executive Director from Southwest Tennessee Community College, introduced a video showcasing the Advanced Integrated Industrial Technology program, highlighting the partnership with Hershey Manufacturing in Memphis. Next, President Anthony Wise from Pellissippi State made a presentation on the Automated Industrial Systems Concentration program and its partnership with Denso Manufacturing. Vice Chair Reynolds pointed out that the presentations illustrate how important it is for our schools to listen to the needs of the business community and fulfill those needs.

For the report of the directors, TCAT Director Brad White introduced the TCAT Director of Memphis, Dr. Roland Raynor, who showcased the partnership between TCAT Memphis’ aviation program and FedEx Corporation. Mr. Joaquin Villarreal, Senior Manager for FedEx was on hand to assist with the report. Dr. Raynor reported that TCAT Memphis has 800 aviation program students working at FedEx.

At the conclusion of this report, Vice Chairman Reynolds thanked everyone for their informative and interesting reports.

VII. UNFINISHED BUSINESS

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

VIII. NEW BUSINESS – Consent Agenda

The following items were presented under the consent agenda:

1. Proposed Revisions to TBR Policy 2:01:01:00 – Approval of Academic Programs, Units and Modifications
2. Proposed Revisions to TBR Policy 4:01:00:00 – Budget Control
3. Proposed Revisions to Policy 4:01:00:10 – Community College Resource Allocation Plan
4. Proposed Revisions to TBR Policy 4:01:01:10 – Deposit and Investment of Funds
5. Repeal of System-wide and Institutional Rules
Regent Kisber moved for approval of the consent agenda. Regent Freeman provided a second. A copy of the revisions to TBR Policy 2:01:01:00 – Approval of Academic Programs, Units, and Modifications attached to the official copy of the Minutes as Appendix E. A copy of the revisions to TBR Policy 4:01:00:00 – Budget Control is attached to the official copy of the Minutes as Appendix F. A copy of the revisions to TBR Policy 4:01:01:10 – Community College Resource Allocation Plan is attached to the official copy of the Minutes as Appendix G. A copy of the revisions to TBR Policy 4:01:01:10 – Deposit and Investment of Funds is attached to the official copy of the Minutes as Appendix H. A copy of the repeal of system-wide and institutional rules is attached to the official copy of the Minutes as Appendix I.

NEW BUSINESS – Informational Reporting

The following agenda items were presented for informational purposes only and required no action. The first agenda item under Informational Reporting was an overview of the Governor’s Budget Recommendations. Vice Chancellor Sims gave an overview of the Governor’s FY 2014-2015 higher education budget recommendations. The presentation provided information on the outcome formula and its relationship to the Governor’s state appropriation recommendations for TBR institutions. During this presentation Chancellor Morgan and members discussed the implications of previous years’ tax structure on higher education and its effects on the outcome based formula funding. A copy of the materials presented is attached to the official copy of the Minutes as Appendix J.

Next, Vice Chancellor Gregory gave an update on legislation affecting higher education that highlighted the Governor’s initiative to promote the Drive to 55 that includes the Tennessee Promise and Tennessee Reconnect Scholarship. His report also included an update on the lottery award adjustments for our institutions as well as legislation on sunset and governance, in-state tuition, student activity fees, religious freedom and legislation requiring task forces or studies.

NEW BUSINESS – Action Items

The first item covered under New Business – Action Items was approval of the recommendation for director at the Tennessee College of Applied Technology at Morristown. Vice Chairman Reynolds called on Chancellor Morgan who recommended Mr. Jerry Patton to be the next director at the Tennessee College of Applied Technology at Morristown. Mr. Patton started his career with the Tennessee Board of Regents at Walters State Community College as their JTPA Counselor from 1988 to 1994. He then served as the Student Services Coordinator at TCAT-Morristown from 1994 – 2000. Mr. Patton was the Director at TCAT-Elizabethton from 2000-2009. He retired on June 30, 2009. During his retirement, he served as the Assistant Director at TCAT-Knoxville from February 2013 – December 2013 on a 120-day contract. He came out of retirement
to serve as the Interim Director at TCAT-Morristown on January 2, 2014. Regent Varlan moved to accept Chancellor Morgan’s recommendation. Regent Stites provided a second. The motion carried unanimously.

Next, Vice Chancellor King presented the proposed TCAT program terminations, modifications, and new technical program implementations for the Tennessee Colleges of Applied Technology. Regent Farris moved to accept the proposed program changes and implementations with a second provided by Regent Varlan. The motion carried. A copy of the proposed program changes and implementations are attached to the official copy of the Minutes as Appendix K.

Vice Chair Reynolds called on Vice Chancellor Denley to present the three new degree program proposals from Austin Peay State University and one program proposal from East Tennessee State University. Regent Thomas moved to approve the recommended proposals. Regent Roddy seconded the motion and the motion passed. A copy of the program proposals are attached to the official copy of the Minutes as Appendix L.

Next, Vice Chancellor Denley presented revisions to campus student disciplinary policies for East Tennessee State University, Middle Tennessee State University, University of Memphis, Cleveland State Community College, Columbia State Community College, Jackson State Community College, Nashville, State Community College, Southwest Tennessee Community College, Volunteer State Community College and the Tennessee Colleges of Applied Technology. Regent Duckett made the motion to accept the revisions as presented. Regent Griscom seconded the motion. The motion carried. The revised disciplinary policies may be found in the March 28, 2014 Board Materials on the TBR website at: http://www.tbr.edu/about/default.aspx?id=1390.

The next item on the agenda was the approval of the March 11, 2014 minutes from the special called meeting of the Finance and Business Operations Committee that included a recommendation on mandatory and incidental fee requests and approval of the March 6, 2014 minutes of the Ad Hoc Committee on Capital Outlay and Capital Maintenance that included amendments to the capital disclosure list. Regent Farris moved for approval of the minutes with a second provided by Regent Humphrey. A roll call vote was taken and the motion was approved. Minutes from the March 11, 2014 special called meeting of the Finance and Business Operations Committee and the March 6 meeting of the Ad Hoc Committee on Capital Outlay and Capital Maintenance are attached to the official Minutes as Appendix M.

Vice Chancellor Sims was asked to present the next item on the agenda, additional recommendations on mandatory and incidental fees. At the March 11, 2014 special called meeting of the Finance and Business Operations Committee staff recommended deferring action on several fee requests until additional information was obtained. The two deferred items were to reclassify application fees from non-mandatory to mandatory at Chattanooga State Community College and to establish enrollment services at Walter
State Community College. Materials presented for the Board’s consideration showed institutions requesting the elimination of application fees together with the increase in campus access fees required to offset the loss of application fee revenues. Regent Thomas moved to accept the additional recommendations as presented. Regent Kisber seconded the motion and the motion was approved by roll call vote. A copy of the additional recommendations is attached to the official copy of the Minutes as Appendix N.

Next, Vice Chairman Reynolds called on Vice Chancellor Nichols to present the agreement between Volunteer State Community College and Nashville State Community College regarding primary service areas. The two institutions requested that the 2007 agreement be terminated and enter into a new agreement concerning certain operations inside each other’s Primary Service Area. The primary changes between the July 2007 Agreement and the proposed 2014 Agreement are: 1) the elimination of program restrictions currently in place; and 2) Permit either college, within current TBR policies and procedures, to create, develop, or occupy a community college site, center, or campus within their respective Primary Service Areas without objection from the other. A motion was made by Regent Thomas to accept the new agreement with a second provided by Regent Farris. The motion carried. Copies of the 2007 Service Agreement and the 2014 Service Agreement are attached to the official copy of the Minutes as Appendix O.

Chancellor Morgan was asked to present the next item on the agenda which was a request to name the Strawberry Plains campus building at Pellissippi State Community College in honor of Jenny and Randy Boyd. Regent Varlan moved to accept the naming request. Regent Freeman seconded the motion and the motion was approved. On behalf of Jenny and Randy Boyd, President Wise expressed their deep appreciation for this honor and expressed his appreciation of the Boyd’s active support and participation at Pellissippi State and in the community.

Next was a resolution of appreciation for Director Rick Brewer for his years of service to the Tennessee Board of Regents. Regent Varlan presented and moved to adopt the resolution of appreciation. Regent Freeman provided a second. The motion carried unanimously. Director Brewer addressed the Board and thanked everyone for the support and encouragement throughout his tenure with the system. A copy of the resolution is attached to the official copy of the Minutes as Appendix P.

As the last item on the agenda, Regent Thomas presented a resolution of appreciation for Regent John S. “Steve” Copeland for his years of service on the Board. Upon completion of the resolution, Regent Thomas moved to adopt the resolution. A second was provided by Regent Farris and the motion carried unanimously. Regent Copeland addressed the Board and expressed his deep appreciation for serving on this distinguished Board. A copy of the resolution is attached to the official copy of the Minutes as Appendix Q.
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 J. Reynolds, Vice Chair